

A Success Story

Personal Retirement Plan (PRP®)

The Client

Michael, 50-year-old business owner

Challenge

He owns a successful manufacturing business, an LLC, which was creating significant income tax issues for him each year due to its very large annual profits.



Michael wanted to put away more money but on a tax-advantaged basis.

He was fully funding his 401(k) but knew that wasn't enough. He went to his Financial Advisor, who then called his Mercury partner.

After analyzing several options, the recommendation was made to structure "the Rich Man's Roth", as Forbes magazine calls it.

It's an insurance policy with the minimum amount of coverage allowed with his contribution of \$75,000/year to his age 65. He would then take distributions from age 65 to age 80.

Results:

Michael was thrilled to be putting more away each year and to be doing so in a way that will drive tax-free income for him and his family in retirement.

PROJECTED INCOME RESULTS

Annual Tax-Free Income:	\$175,914
Annual Tax Equivalent Income:	\$294,170
Total Tax-Free Distributions:	\$2,638,710
Total Tax Equivalent Distributions:	\$4,412,550
Internal Tax Equivalent Rate of Return at Retirement:	Appx 8.98%

Assumptions: Non-smoker, good health, 6.00% rate of return – see compliance ledger for all details



Call your Mercury Planning Specialist to discuss how your clients could benefit from a Personal Retirement Plan (PRP®).

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