



CARDINAL ADVISORS

Income Tax - Life Insurance, Annuity, Hybrid LTC

In the video with the same title Hans and Tom discuss these aspects of income tax.

INCOME TAX - LIFE INSURANCE, ANNUITY, HYBRID LTC

	ANNUITY	
SS <input type="checkbox"/>	- INTEREST TAX-DEFERRED UNTIL WITHDRAWAL	Income <input type="checkbox"/>
MED <input type="checkbox"/>	- PARTIAL WITHDRAWAL-INTEREST FIRST, PRINCIPAL 2ND	Estate <input type="checkbox"/>
LTC <input type="checkbox"/>	- TOTAL WITHDRAWAL, TAX ON INTEREST ONLY	
401K/IRA <input type="checkbox"/>	- LIFETIME OR FIXED PAYOUT TERM, EXCLUSION RATIO	
	- DEFERRED INTEREST CAN BE ROLLED INTO A NEW ANNUITY	
	- IF ANNUITY IS AN IRA, TAXED AS AN IRA	
	LIFE INSURANCE	
	- USUALLY TAX FREE TO BENEFICIARY	
	- "7 PAY TEST" ALLOWS TAX FREE LOANS TO OWNER	
	- FAILS "7 PAY TEST" TAXES LIFETIME WITHDRAWALS AND LOANS LIKE AN ANNUITY	
	- FAILS "7 PAY TEST" SPWL STILL TAX FREE TO BENEFICIARY	
	HYBRID LTC	
	- IS EITHER AN ANNUITY OR LIFE INSURANCE	
	- MOST CLIENTS DON'T MAKE LIFETIME WITHDRAWALS EXCEPT FOR LONG-TERM CARE (TAX FREE)	
	- LIFE INSURANCE DEATH BENEFIT TAX FREE TO BEN	
	- ANNUITY DEATH BENEFIT TAXABLE TO BEN IN EXCESS OF PAID IN PREMIUM	

Information provided is not intended as tax or legal advice and should not be relied on as such. You are encouraged to seek tax or legal advice from an independent professional.

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