Transcript for Session 5

I. Discovering New Institutions: *SFP:* Growing Your Wealth

The Third Element

[***This is Strategic Living.***]
This course is placing you on the launching pad for ***real, enduring prosperity.*** You have experienced that this course demonstrates exceptional, inexpensive methods for enhancing your financial productivity and prosperity even if you are already wealthy.

This fifth session, **Discovering New Institutions: *Strategic Financial Planning:* Growing Your Wealth,** builds on your protection against loss of income and develops your protection against financial losses due to poor health.

II. Your Fifth Step to Reach Your Financial Prosperity Goals

Would *eliminating losses* help you reach your financial prosperity goals?

Your fifth step is to develop an additional six-figure income.

Strategic Financial Planning is about acknowledging the basic facts of the statutory categories of retirement vehicles and implementing the most-effective strategy to generate permanently-risk-free-tax-free compound interest. Understanding the ***reality*** of permanently-risk-free-tax-free-compound-interest-bearing retirement wealth vehicles ***motivates*** the individual in implementing a personal ***Strategic Financial Plan.*** Understanding the fact that permanently-risk-free-tax-free-compound-interest-bearing retirement wealth vehicles have been available to the public since the mid-Nineties ***reassures*** the individual in implementing a personal ***Strategic Financial Plan.***

What if you do not want to retire? What if you have a great savings plan already? That is very good. Most, if not all, people hope for the best for their golden years, and they deserve credit for their positive attitude, and you deserve credit for yours. However, even if you really love what you do to earn money, it is not realistic to expect to continue working endlessly, and even the ***best*** bank savings or direct investment plan may not, in fact, be adequate for retirement. ***Wanting*** to keep working is great, but the simple fact is that positive attitudes, though valuable, cannot prevent health issues from eventually taking control of people's lives, and, even if not, ***other*** circumstances beyond their control tend to put them out to pasture whether they want to be there or not. In any case, even the most independent individuals tend to need all the help they can get as they get older, making it the course of wisdom to take advantage of available help and planning strategies well ahead of time.

Moreover, if the desire to keep working is, in fact, due to ***procrastination*** instead of ***implementation,*** it is absolutely essential to make realistic plans as far in advance as possible. ***Procrastination*** is devastating to your financial prosperity, and it is just too late to do anything about it when you are suddenly out of time, out of energy, and struggling to survive on government welfare benefits. Besides, the right retirement vehicle gives you more options and better features and benefits and even gets better government treatment than even the ***best*** bank savings or direct investment plan, which may or may not beat inflation. It is simply better to have options and ***enough*** money than no options and ***not*** enough money. As demonstrated by the article excerpt accompanying the fourth session, you will ***need*** seven figures, which is increasingly difficult—if not impossible—to achieve by procrastinating. As Robert Berger states in the article accompanying this session, "Delaying retirement savings by even a few years can significantly reduce your savings decades later." An objective approach will help you keep your senses and not reason that all it takes is a few years' savings once you are debt-free, that is, it is essential that you accumulate wealth for retirement over the entire time that you also eliminate debt.

Can you implement ***Strategic Financial Planning*** on you own? Unlike ***Strategic Tax Planning*** and ***Strategic Legal Planning,*** which you can implement on your own, implementing ***Strategic Financial Planning*** requires that you consult with a licensed professional since retirement vehicles are heavily regulated by the government and available to you only through such a licensed professional. Once you have established a wealth account by means of a retirement vehicle, not exposing the fact that you have done so is an exercise of your right to privacy. (The actual language of applicable law does not make your wealth account subject to levy or seizure, but it is simply best to keep its very existence private. Distributions from the right type of properly-managed wealth accounts are not even reported to the IRS.)

III. Recycled Tax and Interest Costs

Can you truly ***recycle*** your tax costs? Applying the recommendations already discussed, you have already realized at least ***eight*** additional streams of income:

By organizing a business in your State, you have lawfully avoided self-employment tax, which is currently just over a net-fourteen percent of the profits of a sole proprietorship (an unincorporated business owned by an individual), and begun to establish the legal basis for minimizing the appearance that you have various tax liabilities that are not established by the actual language of the law.

By obtaining membership in at least one private, lawfully-income-tax-free organization and contracting for your business revenue, you have lawfully avoided:

state and federal income taxes, which are currently between ten and slightly-less-than-forty percent of your federal net taxable income plus any additional amount charged on state net taxable income;

state and federal unemployment taxes, which, together, are currently just over six percent of the first $7,000.00 of "wages" per employee per year for federal unemployment tax plus any additional tax charged on the same or additional "wages" for state unemployment tax, up to specific "wage" limits;

federal social security and Medicare taxes, which, together, are currently over seven percent of gross “wages” paid just to yourself, up to specific “wage” limits; and

federal social security and Medicare taxes, which, together, are currently over seven percent of gross “wages” paid to yourself and to others, up to specific “wage” limits.

By recognizing the enormous cost of interest without a plan to avoid it, you have begun a focused effort to reduce your cost of interest and any other unnecessary or excessive costs.

Just as taxes and interest flow ***away*** from you in streams (which you need periodically to analyze to determine the specific amounts), ***saved*** or ***retained*** taxes and interest effectively flow ***toward*** you in streams (which you need periodically to analyze to determine the specific amounts). Just as you may not notice the great ***outflow*** of taxes and interest without periodically analyzing it, if you simply start using saved or retained taxes and interest for your present lifestyle, you may not notice the effective great ***inflow*** of taxes and interest without periodically analyzing it.

IV. Interest-Bearing Accounts

Applying another recommendation, you will soon realize a ***ninth*** additional stream of income in the form of interest ***earned.***

Can you just use your eight additional streams of income to start ***enjoying life*** more now? You ***could*** misuse your newly-found wealth-generating power in the form of those eight additional streams of income to improve your present lifestyle ***temporarily,*** but you have already ***learned*** how to live on the net income you were earning ***before*** applying the recommendations. Besides, if you are like most people, you have ***not*** established the kind of account—or funded it with a sufficient amount of money—that will provide an annual, six-figure, tax-free-interest income for the rest of your life.

Applying the recommendations facilitates just that. So, ***recycle*** your eight additional streams of income into maximum funding for at least one new permanently-risk-free-tax-free-compound-interest-bearing wealth account and ***live*** on the ***ninth*** additional stream of income: an annual, six-figure, tax-free-interest income for the rest of your life. In a January 2005 Oval Office meeting with Social Security Administration trustees, US President George W. Bush advocated this very strategy when he recommended allowing young people to use their taxes to generate their own wealth and income as part of a “comprehensive solution to … the Social Security issue”—read the short yellow-highlighted sentence on page 1 of the meeting transcript accompanying this session. There is still another, a fourth, **synergy** between generating additional streams of income and funding at least one new permanently-risk-free-tax-free-compound-interest-bearing retirement account, in that consistent accumulation of wealth is ***affordable*** by using the additional streams of income as funding and your wealth-generating efforts are ***accelerated*** by doing so.

What if you already have a ***tax-deferred*** account? Great! Do not cancel it—just let it ride. If it is a 401K, you cannot beat the free money from your company, so do not let go of it unless ***you*** are the company—or you own the company—and you want to start funding a better program.

What is the difference between a ***tax-deferred*** retirement wealth account and a ***permanently-risk-free-tax-free-compound-interest-bearing*** wealth account? Tax-deferred accounts—also commonly called "qualified" accounts since they are qualified for deferred taxation—provide an "up-front" tax benefit, that is, contributions are made "before-tax," and current taxes are calculated on only ***some*** income, the after-contribution portion of earnings.

Contributions grow with interest on a tax-deferred basis,

are subject to annual limits,

pre-age-59½ distribution tax penalties, and

minimum distribution requirements that distributions must begin within 6 months of retirement or not later than age 72, whichever comes first, and

are reported annually to the IRS and taxed upon distribution.

The theory behind tax-deferred retirement wealth accounts is that you will pay taxes at rates that are lower when you are ***retired*** than while you are ***working*** and that, hence, actual tax cost is reduced by paying taxes ***later*** rather than ***earlier***. However, you bear the risk that your income will, in fact, be ***greater*** in ***retirement,*** so that you will, in fact, pay a ***higher*** tax cost than you would have if you had paid taxes on ***all,*** rather than only ***some,*** of your income while you were still working. With a tax-deferred wealth account, you are betting you will ***not*** pay higher taxes later, and the government is betting you ***will.*** (Why do you suppose the government makes that bet with you?)

Either way, due to income ceilings, annual contribution limits, and excess contribution tax penalties, the typical individual is not able to generate an annual, six-figure income from a tax-deferred retirement wealth account. In fact, the individual would need to use several different such accounts to accumulate a large enough aggregate amount to generate an annual, six-figure, after-tax, retirement income—an impossible feat, given tax-deferred retirement account contribution restrictions.

V. Determination of the Right Vehicle

So what is the right vehicle that gives you more options and better features and benefits and even gets better government treatment than even the best bank savings or direct investment plan?

Revisit the **Tax and Interest Workbook** accompanying the second session and refer to the information on Tabs 12, 11 and 10 as each category of retirement vehicle is explained. (Also refer to the document accompanying the second session for Retirement Vehicle Contribution Limits.)

As this course has demonstrated, particularly by means of the **Tax and Interest PowerPoint Audio Presentation and Workbook,** implementing all five steps for observing ***all*** ***three* principles** in combination for achieving financial prosperity—namely, avoidance of taxation, efficient application of the "Rule of 72," and avoidance of market losses—is the most effective strategy for accumulating the greatest-possible wealth and income.

Retirement vehicles commonly provided through employers may be established with little forethought or planning and funded by means of very convenient employee payroll deductions. Such vehicles are **tax-deferred**—the issue is not ***whether*** they will be taxed but ***when***—so they **do not enjoy avoidance of taxation.** Such vehicles are subject to annual contribution limits, excess contribution tax penalties, early and late distribution tax penalties, and minimum distribution requirements—the issue is also not just the restriction on your savings ***contributions*** but also the corresponding restriction on your ***growth potential*** and ***future distributions.*** Such vehicles also do not provide any umbrella of coverage against financial losses due to poor health; may or may not be subject to inflation risk and the corresponding limited growth potential; and may or may not enjoy either the ***best***-available interest or the ***highest***-available interest; so they **may or may not enjoy efficient application of the "Rule of 72"** ***and*** **avoidance of market risk.** Finally—and you deserve credit if this does not apply to you—people tend to "set it and forget it" with such vehicles, which means that you must fund such vehicles with ***your*** dollars after you request your employer to deduct and make the contributions in your behalf—and ***if*** you can find another employer to administer your contributions to the same fund if you later decide to ***change*** employers. Although the initial convenience of tax-deferred vehicles, as well as their various other features and benefits, makes them ***appear*** very attractive, **the** ***reality*** **of taxation and contribution restrictions makes them an unsuitable means of observing all three principles for achieving financial prosperity.** ***Some*** retirement savings is better than ***no*** retirement savings at all, but you can do much, much better.

Direct investments may be funded with diverted ***tax*** dollars rather than ***your*** dollars; do not provide any umbrella of coverage against financial losses due to poor health; are not subject to annual contribution limits or early or late distribution tax penalties or minimum distribution requirements; may or may not be tax advantaged; may or may not be subject to inflation risk and the corresponding limited growth potential; and may or may not enjoy either the ***best***-available interest or the ***highest***-available interest; so they **may or may not enjoy avoidance of taxation, efficient application of the "Rule of 72," or avoidance of market risk**. Although the various features and benefits of direct investments make them ***appear*** very attractive, **the** ***reality*** **of at least** ***two of three*** **categories of risk makes them an unsuitable means of observing all three principles for achieving financial prosperity.**

Annuities may be funded with diverted ***tax*** dollars rather than ***your*** dollars; do not provide any umbrella of coverage against financial losses due to poor health; may or may not be subject to annual contribution limits and excess contribution tax penalties or early or late distribution tax penalties or minimum distribution requirements; may or may not be tax advantaged; and may or may not enjoy either the ***best***-available interest or the ***highest***-available interest; so they **may or may not enjoy avoidance of taxation, efficient application of the "Rule of 72," or avoidance of market risk.** A basic annuity has no contribution limits, but it also does not enjoy avoidance of taxation. A Roth IRA, a hybrid with the tax-free potential of a cash value life insurance contract but the other restrictions of a ***Traditional*** IRA, is an annuity with maximum-income-based contribution limitations and the corresponding limited growth potential as well as early distribution tax penalties. Accordingly, **the *reality* of contribution restrictions makes a Roth IRA—or even an index Roth IRA—annuity a *distant*-second-most effective means of observing all three principles in combination for achieving financial prosperity.**

Cash value, or permanent, life insurance may be funded with diverted ***tax*** dollars rather than ***your*** dollars; provides an umbrella of coverage against financial losses due to poor health; is subject to customizable, temporary, annual contribution limits; is not subject to early or late distribution tax penalties or minimum distribution requirements; may or may not be subject to inflation risk and the corresponding limited growth potential; may or may not enjoy either the ***best***-available interest or the ***highest***-available interest; and, as long as there are no excess contributions during the first seven years and as long as the policy is not cancelled or allowed to lapse, is not subject to taxation; so it **enjoys avoidance of taxation** and may or may not enjoy efficient application of the "Rule of 72" or avoidance of market risk.

Whole life and universal life insurance bear fixed interest with the corresponding inflation risk and limited growth potential, and variable and variable universal life (VUL) insurance bear variable, or the ***highest***-available, interest with the corresponding market risk and ***unlimited***-but-also-***uncertain*** growth potential. However, ***index* universal life (IUL) insurance** bears index (indexed) interest and, thus, **enjoys avoidance of market risk** by means of performance guarantees, both a minimum stated growth rate of anything at or above—but never below—zero and participation in only the ***upward*** movements of the market and never the ***downward*** movements of the market. Thus, an IUL contract enjoys the ***best***-available interest, so it **also enjoys efficient application of the "Rule of 72." Accordingly, the reality of customizable, only-temporary, annual contribution limits along with avoidance of taxation, efficient application of the "Rule of 72," and avoidance of market losses makes an IUL, by far, the most effective means of observing all three principles in combination for achieving financial prosperity.**

VI. IULs and ROTH IRA IAs

Unless, for reasons of advanced age or poor health, you cannot qualify for one, **establish at least one new IUL contract.** What if you already own life insurance?

That is very good. Many people do have at least one contract and form of life insurance. Especially since only licensed, heavily-regulated professionals are authorized to help you obtain life insurance, however, the process of applying and qualifying for life insurance coverage may give you a ***permanent*** sense of security that, in fact, typically needs to be periodically analyzed. When you do not "set it and forget it," you will discover from such periodic analysis that, periodically, the need arises from life's changes for ***different*** or possibly even ***additional*** coverage.

How does the cost compare to the potential of an IUL? If ***additional*** coverage is needed, a ***smaller*** face value ***limits*** growth of your cash value, whereas a ***larger*** face value permits ***greater*** growth of your cash value. The initial benefits of all types of life insurance far outweigh the comparatively-minimal initial cost, and the long-term benefits of an IUL by far outweigh the long-term cost. In fact, properly funded, an IUL will provide not only a 100% return of the actual cost of the insurance but also an annual, six-figure, tax-free-interest income for the rest of your life.

Having assimilated the most reliable, most effective combination of methods for incomparably accelerating and enhancing your prosperity, if you are suddenly in doubt at the very mention of life insurance, consider these questions, which are good reminders even if you are not in doubt:

Why waive your rights and privileges?

Why settle for a ***ho-hum*** retirement income?

Why overlook the opportunity to enjoy avoidance of taxation, efficient application of the "Rule of 72," ***and*** avoidance of market risk?

Why ignore the design guarantee that you will ***never*** lose any value due to market fluctuations and the guarantee of law that you will ***never*** lose any value due to taxation?

Why pass up the opportunity to fund a permanently-risk-free-tax-free-compound-interest-bearing wealth account with your eight additional streams of income, generate additional wealth of literally five-to-forty times' actual funding, and simply add the resulting ninth stream of income to any other retirement income you may be able to enjoy?

No other method for accumulating wealth so effectively observes ***all*** ***three* principles** in combination for achieving financial prosperity with built-in, loss-eliminating guarantees of design and of law. No single vehicle ***also*** has the potential for generating an annual, six-figure, tax-free-interest income for the rest of your life. No single vehicle ***also*** ensures the same financial prosperity for your ***loved ones*** in the event that poor health causes them to lose you too soon.

Besides, as Scott Mann puts it, in the next article accompanying this session:

> You insure nearly every other aspect of your life: your health, your home, your vehicles. Why not protect your safe, comfortable retirement against the risks we can't predict and can't afford to recover from on our own, and why not cut out the tax man in the process? These are all legal, and totally above board, established life insurance principles. It may sound too good to be true, but it's just what life insurance is and does. Yet the general public—and even many financial advisors—have absolutely no idea that a tax-free, market-risk-free, gains-locked-in, congressionally-approved solution has been sitting right under their noses [since the mid-Nineties]. Indexed Life's primary benefit is the fact that, like an indexed annuity (and unlike a mutual fund Roth), you keep all the gains and suffer none of the market losses. But there are many more benefits included that no other investment can lawfully offer, with the possible exception of a Roth.

While a Roth ***does not*** provide an umbrella of protection against financial losses due to poor health, it does provide an option for the one who, for reasons of advanced age or poor health, cannot qualify for an IUL: a Roth IRA index annuity (IA), provided by the same kind of financial institution that provides IULs, also observes all **three principles** in combination for achieving financial prosperity but with diminished growth and distribution potential, thanks to maximum-income-based contribution limitations and early distribution tax penalties.

Generating the best-available interest by means of one or more indexes (indices) is a function of participation in the ***upward*** movements of the market and no participation in the ***downward*** movements of the market—also of the highest-available interest and the guarantee against losses. This function, the index design guarantee, exists by means of a number of index options: the guaranteed rate, the floor rate, the current rate, the cap (or ceiling) rate, the gap or spread rate, and the participation rate, any combination of which establishes a basis for crediting interest to an IUL or a ROTH IRA IA account. Effectively, the index design guarantee against market losses is made possible by limiting the extent of participation in the upward movements of the market.

As the next article accompanying this session indicates, Warren Buffett also advocates the index strategy. For a detailed comparison of cash value life insurance that earns fixed interest, variable interest, and indexed interest, review the e-brochure accompanying this session, *Accumulating Your Retirement Savings in Life Insurance.* For additional excellent reading on this subject, open the attached e-book by Patrick Kelly, *The Retirement Miracle,* or use the link accompanying this session to get the free e-book online. (The 11th chapter contains simple explanations and four graphs that illustrate the basic performance differences between a VUL and an IUL.)

Incidentally, after variable universal life (VUL) insurance contracts were first issued in the mid-Eighties, the terms "adjustable" and "variable" became somewhat synonymous, so that a new contract, or policy, might be labelled as either a "Variable Universal Life" policy or an "Adjustable Life" policy. Given the flexibility of IUL and its market participation, the term "adjustable" has since become similarly associated with IUL contracts, so that a new contract, or policy, might be labelled as either an "Index

Universal Life" policy or an "Adjustable Life" policy. Accordingly, it is appropriate to scrutinize any existing or new contract or policy labelled as "Adjustable" for specific identification either as a VUL or as an IUL. The most important distinction between the two is that a VUL can lose value due to market fluctuations but an IUL cannot lose value due to market fluctuations.

E-mail your first name, State, phone number, and the best time to reach you with remote assistance in establishing one or more IUL or ROTH IRA IA permanently-risk-free-tax-free-compound-interest-bearing wealth accounts (no salesperson will visit).

VII. The ***Strategic Planning*** Secret

Now you recognize that you can, in reality, accumulate wealth ***for free*** by using excess interest and other costs as well as the taxes you would otherwise pay beyond the requirements of the actual language of the law to fund an index universal life (IUL) insurance wealth account. (Have you identified all three keys to this secret?)

Key to the ***Strategic Tax Planning*** element, the legally-enforceable contract between your business and the tax-free organization facilitates generation of tax-free income, and cash value life insurance facilitates tax-free wealth generation and distributions, so you may reinvest 100% of your interest and retain 100% of your future distributions.

Key to the ***Strategic Legal Planning*** element, your generation of revenue for your State-registered business and as agent for the private, lawfully-income-tax-free organization facilitates redistribution of excess tax costs, so you may fund your wealth account ***for free,*** with little or nothing actually out-of-pocket.

Key to the ***Strategic Financial Planning*** element, the index strategy facilitates both avoidance of market losses and efficient application of the "Rule of 72" by means of performance guarantees, so your account values may double as frequently as possible with compound interest.

There is yet another, a fifth, **compound synergy** among ***Strategic Tax Planning, Strategic Legal Planning,*** and ***Strategic Financial Planning,*** in that implementing all three of these elements makes it ***possible*** both to exercise your constitutional and lawful rights and privileges while complying with the obligations of the actual language of the law and cooperating with the standards of professional and governmental practice ***and*** to maintain your appearance, that is, enjoy a measure of financial prosperity you could not ***otherwise*** achieve without also drawing adverse attention or consequences to yourself. Remember that generation of wealth and income in the most efficient, safe, and secure way possible is characteristic of this **compound synergy,** so that your financial prosperity ***thrives—on its own—***instead of growing only as much and as long as you can push it through many adversities. Thanks to **compound synergy,** you are also causing your foundation for financial prosperity to be ***reinforced*** and your wealth-generating power to be ***enhanced, magnified*** and ***unrestricted.***

If you have not already done so, use the total tax amounts from your recent individual income tax returns to see how much money you could be using as IUL wealth account funding. (Depending on the year, look at Line 60, 61, 62, or 63 on your federal individual income tax returns. Refer also to your state income tax returns, if any.) As you finish fully implementing a specific ***Strategic Tax Plan*** to avoid waiving your right to make your own informed determinations of law with regard to how much tax the actual language of the law requires you to pay, a specific ***Strategic Legal Plan*** to protect your privacy and to protect yourself against losses due to extortion and fraud, and a specific ***Strategic Financial Plan*** to generate compound interest and to protect yourself against market losses, begin referring to the IUL Instructions and the IUL Strategy Implementation Instructions accompanying this session. Use these instructions to maintain your appearance as you implement the sub-steps for redistributing excess interest and taxes as IUL wealth account funding while cooperating with the standards of professional and governmental practice by continuing to file business and individual income tax returns. Service providers are making available to you free annual federal business income tax return preparation with twelve months' paid bookkeeping for your state-registered corporation, partnership, or LLC.

E-mail your first name, State, phone number, and the best time to reach you with assistance in regard to either implementing the sub-steps for redistributing excess interest and taxes as IUL or ROTH IRA IA wealth account funding or obtaining free annual federal business income tax return preparation with twelve months' paid bookkeeping for your state-registered corporation, partnership, or LLC.

VIII. Permanently-Risk-Free-Tax-Free-Compound-Interest-Bearing Wealth and Income

Is life insurance truly ***tax-free*** or just ***tax-deferred?*** Permanent, or cash value, life insurance is typically synonymous with ***tax-free*** since the law specifically makes proceeds tax-free when paid to the beneficiary upon the death of the insured. However, cancelling a life insurance contract, or allowing it to lapse, results in taxation on the interest earned. Also, over-funding the contract—exceeding the customizable annual contribution limit—during the first seven years results in taxation on the account as a modified endowment contract—the reasoning being that, in simple terms, it is more a very large tax-free savings account with a little life insurance than a tax-free life insurance contract with a little cash value. From this perspective, life insurance account values grow on a ***tax-deferred*** basis. As long as the contract is not over-funded during the first seven years, and as long as cash values are sufficient to cover the monthly cost of insurance deductions, the policy will pay a death benefit to your beneficiaries on a ***tax-free*** basis. The total death benefit consists of the face value of the policy contract adjusted by any outstanding loans and distributions against the cash value, the tax-deferred interest portion of which then also becomes tax-free.

How easily accessible is your life insurance cash value? Permanent, or cash value, life insurance account values are not accessible via checks and debit cards, so they work rather like a very secure piggy bank that gets fatter and fatter since you do not allow yourself to touch the money at every convenient opportunity, as you might with a typical bank account. On the other hand, once your wealth account value has reached a sufficient size—typically within the first several years—you may access it for only your most important purposes by means of a phone call or the Internet and either overnight delivery or bank wire. Accordingly, an IUL contract will help you treat your growing, permanently-risk-free-tax-free cash value most responsibly—rather than "like an ATM," as Robert Berger puts it in the article accompanying this session. This is yet another reason index universal life, or IUL, insurance is the ***most*** effective means of observing ***all*** ***three* principles** in combination for achieving financial prosperity—only an IUL provides permanently-risk-free-tax-free-compound-interest-bearing retirement wealth and income—even an annual, six-figure, interest income for the rest of your life—with no early or late distribution penalties or minimum distribution requirements and with a substantial umbrella of financial protection.

For example, just $6,000.00 of excess interest and tax costs placed in an IUL with 12% index interest credits would take just 6 years to double, or grow 100%, to $12,000.00: 72 / 12 = 6.

If you started at age 18, at 12%, that same $6,000.00 would grow to $1,536,000.00 by age 66:

$6,000.00 @ age 18 would become $12,000.00 6 years later @ age 24;

$24,000.00 @ 30;

$48,000.00 @ 36;

$96,000.00 @ 42;

$192,000.00 @ 48;

$384,000.00 @ 54;

$768,000.00 @ 60; and

$1,536,000.00 @ age 66—this from just one year's contribution.

An objective approach, though, will help you keep your senses and not reason that all it takes is $6,000.00 to get to $1.5 million and a six-figure income. In this example, it took $6,000.00 ***at age 18—plus*** 12% interest compounded over ***48 years.*** As the two one-minute videos linked to the second session explain, the longer you wait to get started, the much greater the amount you need to set aside each month to make up for lost time and lost compounded interest.

Nevertheless, this kind of growth is ***easily*** within your reach. As the article excerpt accompanying the first session mentions, "your federal tax bill could total in the hundreds of thousands of dollars" over the course of your lifetime. "If you … earn a six-figure income, then you might be looking at a ***million***-dollar lifetime tax bill." You now know precisely what to do lawfully to divert this unnecessary cost to your own permanently-risk-free-tax-free-compound-interest-bearing wealth account and to generate an annual, six-figure, tax-free-interest income for the rest of your life. (This is your ***loss*** of sufficient wealth and income if you do ***not*** implement all five steps for observing all **three principles** in combination for achieving financial prosperity.)

IX. Personal Reward

What are the personal rewards for using at least one IUL for wealth accumulation? Whereas growth potential simply cannot be fully realized with perpetual contribution restrictions, the customizable, only-temporary, annual contribution limit relative to cash value life insurance allows for greater contributions and corresponding growth potential than most retirement vehicles. Whereas prior gains can be lost with market-risk-bearing vehicles, IUL interest credits are preserved, "locked in" despite market weaknesses. Whereas tax-deferred distributions are typically reported annually to the IRS, IUL distributions are not reported to the IRS as long as there are no excess contributions during the first seven years and as long as the contract is not cancelled or allowed to lapse.

The **Tax and Interest Workbook** demonstrates that consistent contributions of $6,000.00 a year could grow to ***over $13 million*** in value and monthly tax-free-interest income of ***over $136,000.00,*** the result of a total investment of $282,000.00—funded, not out-of-pocket, but by excess tax and interest costs—and permanently-risk-free-tax-free compound interest of over $13 million.

Revisit the **Tax and Interest Workbook** and recalculate your monthly savings and retirement account and distribution values. Enter $500.00 ($6,000.00 / 12 = $500.00) in the green box for Savings Budget on Tab 15, the Monthly Saving Schedule worksheet. (If it is greater than $500.00, use the monthly amount of the total differences between the annualized federal income tax and self-employment tax calculations you make using the Excel spreadsheet containing Estimated Tax Calculators accompanying the fourth session.) View the bottom half of the schedule (below the bar in the middle of the page) for the monthly and annual results. Save the spreadsheet workbook under still another new name for your latest calculations.

Still another reward for using at least one IUL is that your wealth account value will ***continue*** to participate in the general upward movement of the market but not in the various downward movements of the market, meaning that your interest rate will not decline suddenly and drastically if and when you retire. Using an IUL, $1,536,000.00 at age 66 would provide an annual, six-figure, tax-free-interest income for the rest of your life. For example, if your wealth account value continued earning 12% based on the index, your $1,536,000.00 would earn $184,320.00 each year, which you could receive as a monthly, tax-free distribution in the amount of $15,360.00. This amount would significantly increase if you also steadily depleted your wealth account value—say, to age 100—and, based on your application choice, your heirs and beneficiaries would still also receive the face value of the policy tax-free.

Certainly, one of the most ***valuable*** rewards for using at least one IUL is the ***additional*** benefits provided by an increasing number of life insurance companies. Up to capacity, the latest IUL contracts feature, not only death benefits for surviving beneficiaries, but also post-career income and/or accelerated chronic, critical, and terminal illness benefits for living insureds. In major health events such as heart attacks and strokes, such IUL contracts provide the option to ***accelerate*** some of the total death benefits and receive cash to offset the associated extraordinary healthcare costs.

E-mail your first name, State, phone number, and the best time to reach you with remote assistance in establishing one or more IUL or ROTH IRA IA permanently-risk-free-tax-free-compound-interest-bearing wealth accounts (no salesperson will visit).

X. Market Risk

Does market risk ***need*** an explanation? The foregoing comparison of retirement vehicle categories makes the only point that needs to be made about the **third** **principle** for achieving financial prosperity, avoidance of market losses, which hardly needs any explanation. Most, if not all, people would readily agree that the need to avoid loss of wealth due to market adjustments, corrections and crashes is both obvious and essential for accumulating the greatest-possible amount of wealth.

However, thinking only of risky, rather than safe, ways of participating in the market, many people choose not to participate in the market at all. Typically, they thus prevent themselves from ever achieving any real, enduring financial prosperity since efficient application of the "Rule of 72" ***cannot*** be enjoyed without participating in the market.

Nevertheless, the ***highest***-available interest does not provide efficient application of the "Rule of 72" because it is subject to potential losses due to market risk. The ***best***-available interest—indexed interest—provides efficient application of the "Rule of 72" because it is ***not*** subject to market risk—based on participation in the general ***upward*** movement of the market, interest is periodically credited ***and*** preserved, ***and*** there is no participation in any ***downward*** movements of the market.

XI. Guarantees for Wealth and Prosperity

What are the ***guarantees*** that these recommendations will, in fact, help you generate the kind of wealth and income demonstrated? By establishing either a ROTH IRA IA contract or at least one IUL contract, you are taking advantage of not only synergies that facilitate and principles that magnify but also ***guarantees*** that ***secure*** the accumulation of wealth. (Have you identified all four governmental guarantees?)

The first guarantee gives you the ability to make legal arrangements to ***avoid income tax*** while you work for your money—even if you live in a State whose legislature has established all three elements of the essential statutory formula for income tax or in a State that collects income tax regardless—***and literally fund your wealth account with the savings you realize.***

The second guarantee gives you the ability both to participate in the gains of the market and to ***avoid losses in the market*** while your money works for you, so that you ***retain 100%*** of your investments and ***100%*** of your gains and ***never*** lose even a penny to market adjustments, corrections, or crashes.

The third guarantee gives you the ability to ***avoid income tax*** while your money works for you, so that you ***retain 100%*** of your wealth account value and ***100%*** of your distributions from your wealth account value and ***never*** lose even a penny to income tax.

The fourth guarantee gives you the ability to ***earn the best-available interest*** while your money works for you, so that your wealth account value has the highest-possible frequency of ***growing 100%,*** the best-possible potential for periodically ***doubling in value.***

Compared to simply going with the flow of the "herd mentality," you take advantage of the ***guarantee*** for lawful diversion of income tax costs to your wealth account by exercising your constitutional and lawful rights and privileges relative to operating through a private, lawfully-income-tax-free organization. Compared to a traditional fixed or variable interest strategy, you take advantage of the ***guarantee*** against wealth-account-depleting market losses by using an index interest strategy. Compared to taxed financial products, you take advantage of the ***guarantee*** against wealth-account-depleting and distribution-depleting income taxes by using the kind of financial institution that provides life insurance and ROTH IRA annuities. Compared to risk-free, low, fixed interest or risky, highest-available, variable interest, you take advantage of the ***guarantee*** of the best-available interest by funding either an index universal life (IUL) insurance contract or a ROTH IRA index annuity (IA) contract.

A fifth guarantee gives you the ability to add to the number of times your wealth account doubles in value. It is generally considered the ***responsible*** thing to do—the course of ***wisdom***—to set aside some of your own money for the future. Compared to using only your tax costs as funding for your permanently-risk-free-tax-free-compound-interest-bearing wealth account, by contributing your ***earnings*** in an amount ***equal*** to the amount of state and federal ***income tax*** you lawfully divert to your wealth account each month—effectively ***doubling*** your wealth account contributions—you can ***guarantee yourself*** that your account value will double in value ***again*** at least one more time before you begin taking tax-free distributions.

Revisit the **Tax and Interest Workbook** and recalculate your monthly savings and retirement account and distribution values. Enter $1,000.00 (or twice the amount you entered for your previous calculations) in the green box for Savings Budget on Tab 15, the Monthly Saving Schedule worksheet. View the bottom half of the schedule (below the bar in the middle of the page) for the monthly and annual results. Save the spreadsheet workbook under still another new name for your latest calculations.

XII. Best-Possible Recommendations, Absolute-Best Results

Today's professional environment is such that it is impossible for typical citizens to get the absolutely essential advice provided in this course from any other professional or group of professionals.

To do its job, government has created jobs to stimulate the economy by creating entire industries that specifically ***avoid*** addressing issues on taxation and law and make it practically ***impossible*** for anyone to assimilate the reliable ***truth*** on either of these issues. It has also created jobs by adding heavy regulation to the financial services industry that makes it ***impossible*** for anyone who is not professionally licensed to access company or personally-applicable pricing information or the basic expertise provided in this course.

This course has made the ***best-possible*** recommendations to give you the ***absolute-best-possible results*** as you apply them, and the **Tax and Interest Workbook** has demonstrated how you personally can achieve these results. This course has explained and demonstrated the urgency of leveraging time; has recommended implementing all five steps for observing, rather than just one or two principles, ***all*** ***three* principles** in combination for achieving ***maximum-possible*** financial prosperity; has demonstrated, by comparison, which category and which type of retirement vehicle provides for the most effective observation of ***all*** ***three* principles** in combination; has provided additional guidance on avoiding annual contribution limitations, excess contribution tax penalties, early and late distribution tax penalties, and minimum distribution requirements; has explained and demonstrated that, whereas ***little,*** if any, wealth can be achieved merely by means of traditional methods, ***great*** wealth can be achieved in recognition of the **compound synergy** among exercising your constitutional and lawful rights and privileges, complying with the obligations of the actual language of the law, and cooperating with the standards of professional and governmental practice; and, perhaps most important, has explained and demonstrated the sub-steps for generating at least eight additional streams of income to overcome the wealth-accumulation-affordability issue and to fund a wealth account with little—or literally ***nothing***—out-of-pocket, thanks again to the **compound synergy.** This course, its **Tax and Interest Workbook,** and its many accompanying free supplemental materials and resource links have helped you recognize that implementing all five steps for observing ***all*** ***three* principles** in combination for achieving ***maximum-possible*** financial prosperity gives you the ***absolute-best-possible results.***

This course has equipped and empowered you with a high level of practical expertise for ***Strategic Tax Planning, Strategic Legal Planning,*** and ***Strategic Financial Planning*** without the typical, heavy cost of professional advice and assistance. You have not needed to meet with a tax or legal professional, and, although you do need to consult with a financial professional to implement the final step for observing ***all*** ***three*** principles in combination for achieving ***maximum-possible*** financial prosperity, you will not incur any cost for professional advice and assistance unless you specifically seek out the type of financial professional who is licensed for charging fees for such professional advice and assistance. When you do meet with a financial professional, you will know what you want, you will know what to discuss, and you will know whether the professional is offering you the right advice and the right product that will help you fully realize your financial prosperity goals.

E-mail your first name, State, phone number, and the best time to reach you with remote assistance in establishing one or more permanently-risk-free-tax-free-compound-interest-bearing wealth accounts (no salesperson will visit).

XIII. Advantageous Application

How are you benefitting from all of this? With the comparison of the categories of retirement vehicles, the in-depth consideration of the best type of retirement vehicle for observing ***all*** ***three*** **principles** in combination, and the review of the keys to the elements of the ***Strategic Planning*** secret, you are not only keenly aware of what to ***avoid*** but also what to ***do,*** and you are positioning yourself for achieving ***maximum-possible*** financial prosperity.

Let us review. **Your fifth step is to develop an additional six-figure income.** Add to your strategy a specific plan to amass as much wealth as efficiently and quickly as possible by utilizing the only retirement vehicle that most effectively observes ***all*** ***three*** **principles** in combination for achieving ***maximum-possible*** financial prosperity. Strategically arranging your affairs has helped you ***afford*** to do so by reducing the size of one of your largest expenses by means of ***Strategic Tax Planning,*** by keeping your specific methods and their extremely profitable nature private from those who would otherwise rob or scorn you by means of ***Strategic Legal Planning,*** and by eliminating market losses by means of ***Strategic Financial Planning.***

The fourth **synergy** exists between generating additional streams of income and funding a permanently-risk-free-tax-free-compound-interest-bearing retirement account, in that consistent accumulation of wealth is ***affordable*** by using the additional streams of income as funding and your wealth-generating efforts are ***accelerated*** by doing so.

The fifth, **compound synergy** for incomparably amplifying your prosperity exists among ***Strategic Tax Planning, Strategic Legal Planning,*** and ***Strategic Financial Planning,*** in that implementing all three of these elements makes it ***possible*** both to exercise your constitutional and lawful rights and privileges while complying with the obligations of the actual language of the law and cooperating with the standards of professional and governmental practice ***and*** to maintain your appearance, that is, enjoy a measure of financial prosperity you could not ***otherwise*** achieve without also drawing adverse attention or consequences to yourself. Just as using a compound pulley can make it extremely easy to elevate a heavy load, the most reliable, most effective combination of methods in recognition of **compound synergy** can make it extremely easy to realize great wealth. Just as concrete is reinforced with steel bars, your foundation for financial prosperity is ***reinforced*** by means of this **compound synergy,** and your wealth generation is ***enhanced, magnified, accelerated,*** and ***unrestricted.***

What do you need to do? **Establish at least one new IUL contract.** Executing at least one index universal life (IUL) insurance contract will give you the ***absolute-best-possible results,*** allowing you to generate an additional stream of income in the form of interest—realistically, an ***annual, six-figure, tax-free income for the rest of your life.*** Why settle for ***ho-hum*** income when you can enjoy ***HOO-HOO!*** income?

By **organizing your business in your State,** by **obtaining membership in at least one private, lawfully-income-tax-free organization,** and by **establishing at least one new IUL contract,** you are exercising your constitutional and lawful rights and privileges while complying with your obligations of the actual language of the law and cooperating with the standards of professional and governmental practice. Thanks to **compound synergy,** you are also ***reinforcing*** your foundation for financial prosperity, ***accelerating*** your wealth-generating efforts, and ***enhancing and magnifying*** your wealth-generating power ***without restriction,*** all-the-while maintaining your appearance, not drawing adverse attention or consequences to yourself, and enjoying ***maximum-possible*** financial prosperity that you could not ***otherwise*** achieve. Without the three elements of the **compound synergy,** you simply could not realize the illustrated additional, ***annual, six-figure, tax-free income for the rest of your life*** since you simply could not generate the illustrated compound interest unless you could afford on your own to make the kind of permanently-risk-free-tax-free-compound-interest-bearing wealth account contributions that your reduced and avoided tax and interest costs can make for you.

E-mail your first name, State, phone number, and the best time to reach you with assistance in implementing all five steps for observing all **three principles** in combination for achieving ***maximum-possible*** financial prosperity.