OneAmerica℠ Financial

# Tell a different story

## Leveraging care annuities to increase income distributions for LTC

An aging population of retirees holding onto nonqualified, deferred annuity contracts often find themselves with no intention of turning on income distributions unless it's needed for emergencies or care-related expenses. After years of growth, the looming threat of taxation on gains alone can mean less money in their pockets when they need it most.

Imagine if you could show your clients a way to repurpose their existing annuity for one with built-in long-term care (LTC) benefits and avoid the tax implications in the process? Not only can gains in the contract be transferred tax-free, but also withdrawn later income tax-free for eligible LTC related expenses. **OneAmerica Financial℠ offers a solution!**

### Unlocking tax advantages under the Pension Protection Act (PPA)

The Pension Protection Act (PPA) of 2006 introduced significant changes and reforms surrounding the tax treatment of annuities to incentivize consumers to plan for future care needs. Its provisions allow for the tax-free exchange of an existing nonqualified annuity to a PPA-compliant annuity with LTC benefits.

### How it works

**Existing Annuity**
*Cost basis & growth — No tax benefits for LTC*

**Pension Protection Act LTC Compliant Annuity**
*Cost basis & growth — Tax-free for LTC*




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I-37552 09/10/24

## Instant approval for LTC

OneAmerica Financial is making it easy to leverage the PPA benefits and bring additional value to your clients. By answering no to five knockout questions, your clients can qualify for instant approval up to $1 million* on Annuity Care products. These solutions also allow for a spouse to be added and receive the same tax-free LTC benefits, as well as access to a dedicated Care Benefit Concierge for the duration of their LTC needs.

| Section B – Answer the following questions as they relate to the annuitant(s) and eligible person named above. | Yes | No |
|---|---|---|
| 5. Do you currently use any of these mechanical devices: wheelchair, walker, dialysis machine, oxygen equipment, respirator, stair lift, chair lift, or motorized scooter? | ☐ | ☑ |
| 6. Do you currently need or receive help in doing any of the following: bathing; eating; dressing; toileting; transferring into and out of a bed, chair, or wheelchair; and/or maintaining continence? | ☐ | ☑ |
| 7. Do you currently have, or have you ever had a diagnosis of, or been treated for: Alzheimer's disease, dementia, or memory loss? Multiple sclerosis, muscular dystrophy, ALS (Lou Gehrig's disease), or Parkinson's disease? | ☐ | ☑ |
| 8. Have you ever been diagnosed as having or been told by a medical doctor that you have AIDS, HIV, or ARC disorders, or tested positive for antibodies for the AIDS virus? | ☐ | ☑ |
| 9. Are you currently receiving or have you ever received social security disability income benefits? | ☑ | ☑ |
| **Stop Here!** | | |

*Instant approval for eApp only. For ages over 85 (up to age 87 with approval) or for premiums above stated maximums, compensation may be reduced. Standard suitability review applies. Base only sales not continuation of benefits. Response to social security question does not disqualify from instant approval.

## Ready to learn more?

For additional information, contact your OneAmerica Financial sales representative.

**Note:** OneAmerica Financial℠ is the marketing name for the companies of OneAmerica Financial. Product underwritten by The State Life Insurance Company® (State Life), a OneAmerica Financial company that offers the Care Solutions product suite. Talk to your OneAmerica Financial sales representative to help you breathe new life into your clients' nonqualified annuity dollars. Annuity Care Form numbers: SA34, SA35, and R508. Not available in all states and may vary by state. • Provided content is for overview and informational purposes only and is not intended as tax, legal, fiduciary, or investment advice. • This information is not designed to promote nor to endorse 1035 exchanges. Before using a 1035 exchange carefully weigh all the benefits, any surrender fees or costs, and implications or limitations of replacing a policy. • **NOT A DEPOSIT. NOT FDIC OR NCUA INSURED. NOT BANK OR CREDIT UNION GUARANTEED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. MAY LOSE VALUE.**

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