



Strategy 3

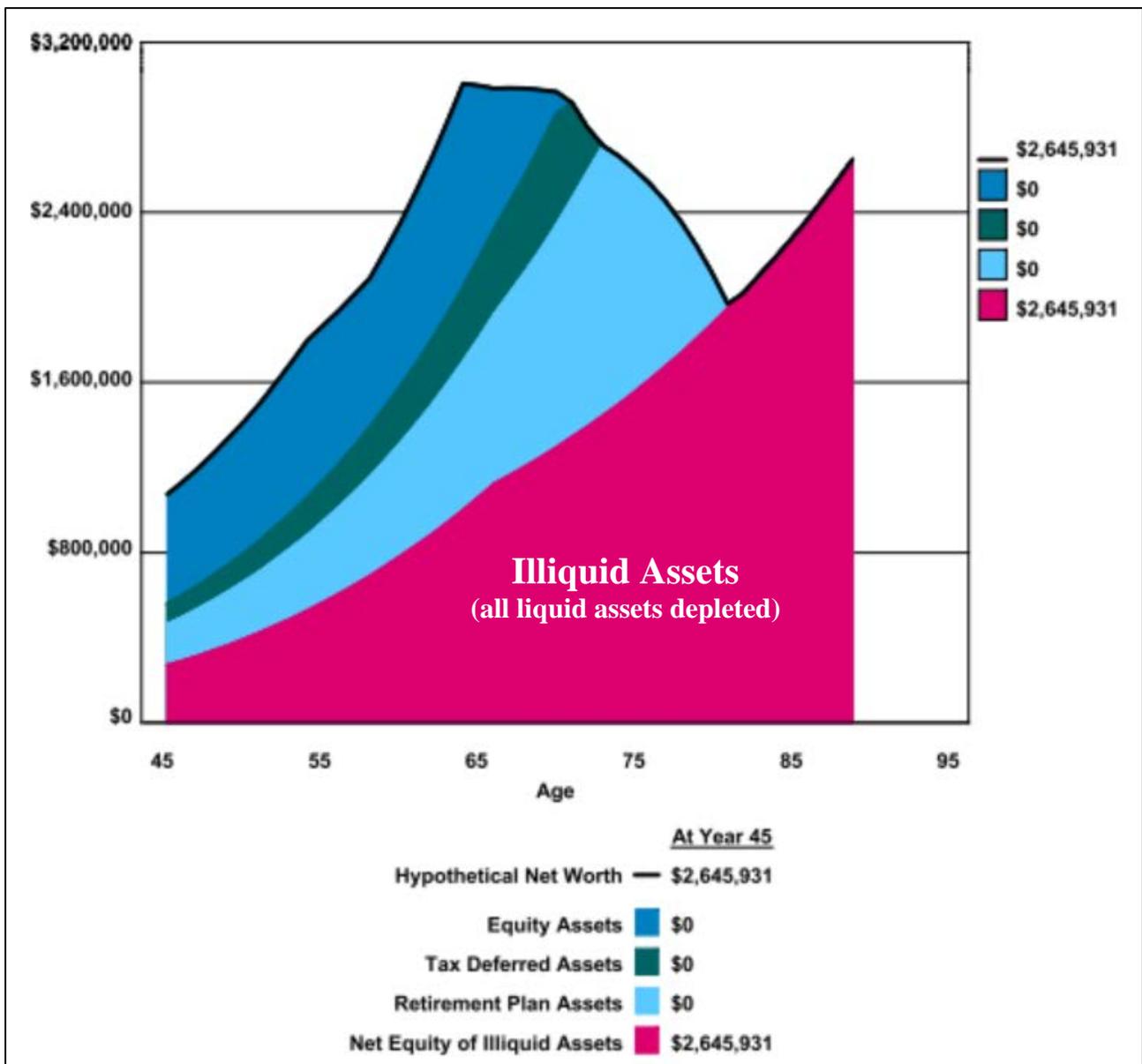
Add Roth Conversion to Current Retirement Plan

Unless I do the analysis, some of you will likely be suspicious that converting the 401(k) to a Roth as part of Jennifer's current retirement plan (Strategy 1) might produce the best results. It does not as it is the IUL that causes the significant gain of Strategy 2 over Strategy 1. The Roth helps, but is not the dominant factor.

Below are the net worth results of adding the Roth to Strategy 1.

Strategy 3

Roth Added to Current Retirement Plan

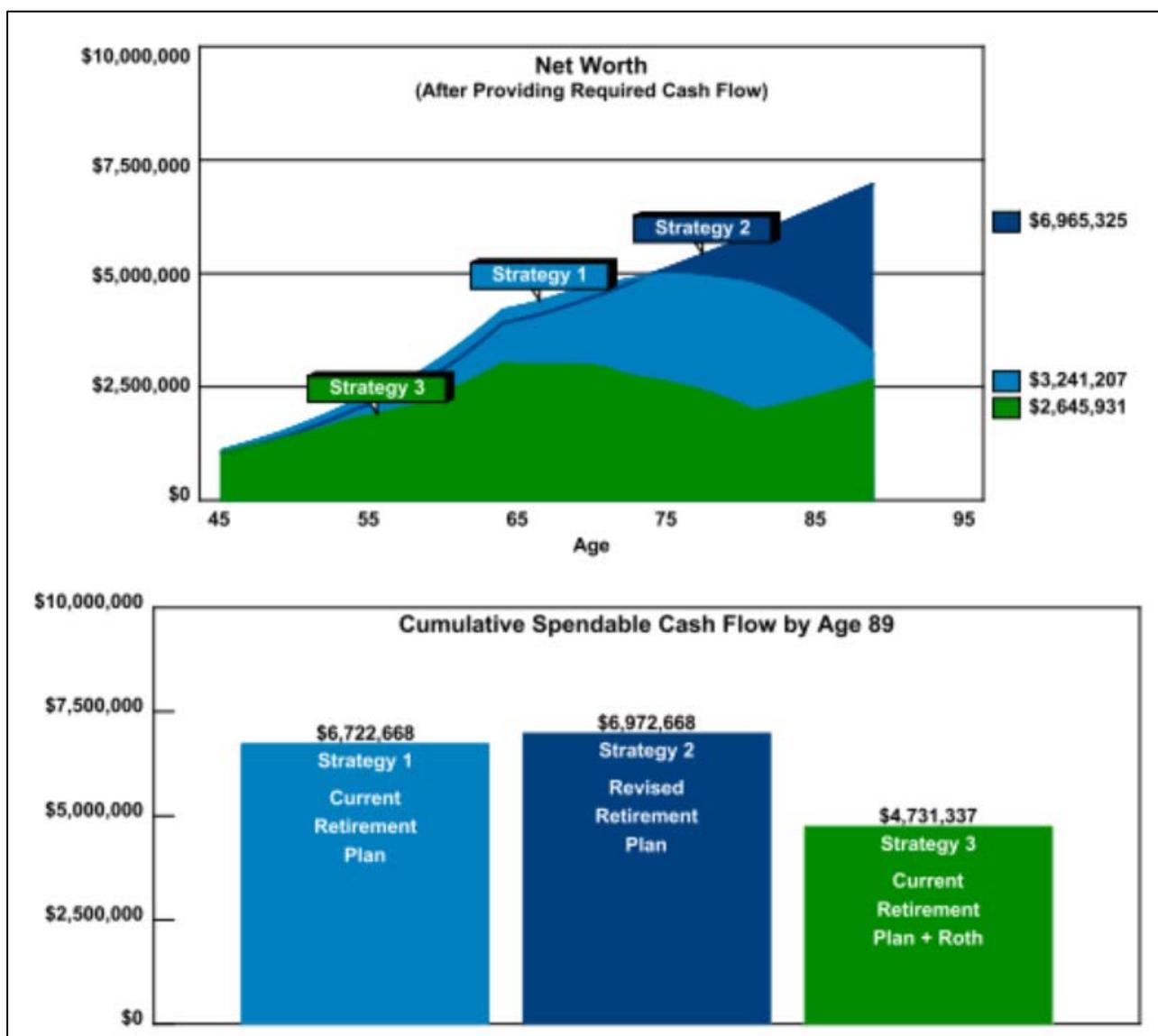


Not only are all liquid assets depleted, her only remaining cash flow is from Social Security as shown below in the Strategy 3 column.

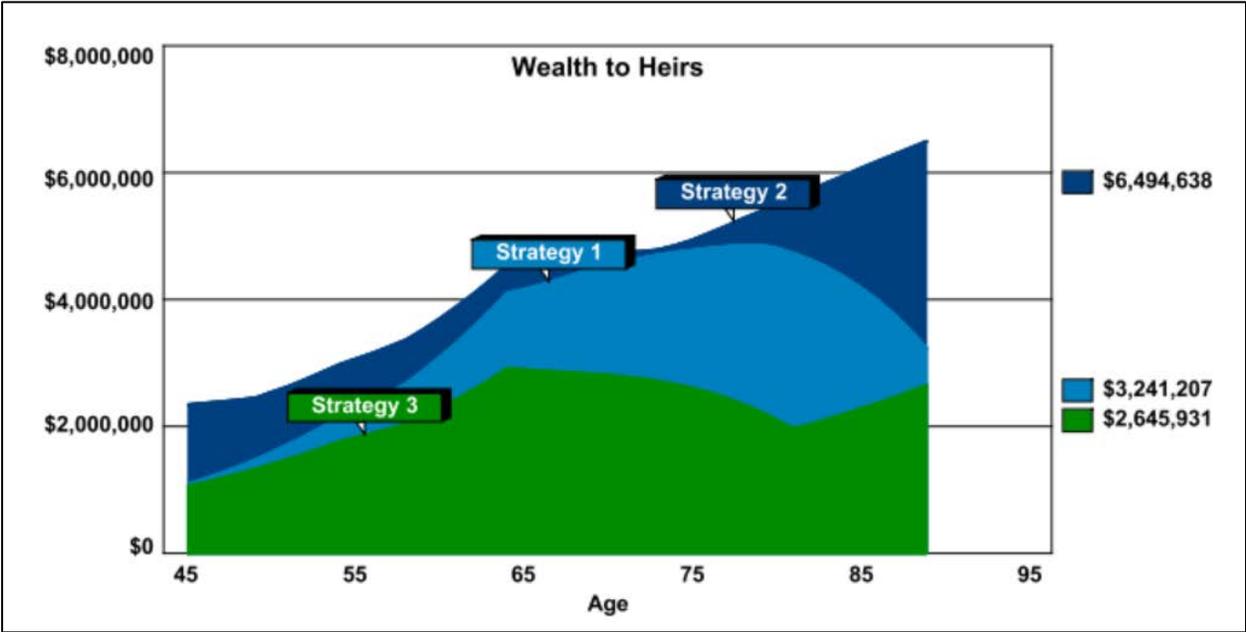
After Tax Retirement Cash Flow

Yr.	Age	Strategy 3	Strategy 2
38	82	92,572	297,513
39	83	73,303	306,438
40	84	75,502	315,631
41	85	77,767	325,100
42	86	80,100	334,853
43	87	82,503	344,899
44	88	84,978	355,246
45	89	87,527	365,903

Below is the net worth comparison of all three strategies:



Strategy 2 also means more of an inheritance for Kelsie as you can see below:



Conclusion

It is the IUL that has the juice to produce the significant results of Strategy 2.

I am reminded once again of Bill Boersma’s comment in his article in the December 2014 issue of *Trusts & Estates* in which he discusses life insurance as an asset class: *“I can only wonder if another asset with the same qualities would be implemented more frequently if it wasn’t called life insurance.”*