W&S Financial Group Distributors
A member of Western & Southern Financial Group

The Benefit of Tax Diversification

Tax Diversification May Mean More Money for Retirement

Taxes. They're inevitable. Each April, you tally 1099s and pay taxes on dividends and interest, even if you didn't spend a penny of them. Money lost to taxes can't help build your retirement nest egg. But using the principles of tax diversification, you can structure your investments to be taxed in ways that may work better for you.

Think about your financial goals. What investments do you currently have? What is your intent for that money? Can it be allocated more tax efficiently? How many years until that money is needed?

Divide your investments into three categories. Consider how your money is taxed. Will it be taxed now? Or later (tax-deferred/taxed when withdrawn)? Or never (paid with after-tax dollars and tax free during accumulation and at withdrawal or payment)?

Reallocate your investments into the appropriate categories. Working with your financial professional, look to create flexibility by selecting the tax treatment that fits your specific needs and time horizon.

Now. Later. Or Possibly Never. What's the Tax Strategy for Your Money?

Spread money across three asset taxation categories for tax diversification:

Investments Taxed Now:

- Bank Accounts
- Money Market
- Savings Accounts
- Stocks and Bonds

Investments Taxed Later:

- Retirement Plans
- IRA Accounts
- Annuities

Investments Taxed Never:

- Life insurance[1]
- Roth IRAs[2]
- Municipal Bonds
- 529 College Plans[3]

1 Death benefit usually tax free. Some situations may have tax consequences.
2 If money is held for more than 5 years and client is 59½.
3 Only withdrawals for qualified education expenses may be tax free.

The Power of Tax Deferral

Tax deferral is a key component of retirement annuities.

Deferring taxes. It's a difference that helps set tax-deferred annuities apart. And it can be a difference maker in your retirement portfolio. Money in a tax-deferred annuity can compound quicker than in a currently taxed alternative. Even if they're growing at the same rate. The reason is that taxes aren't due until withdrawals are taken. Tax deferral can be an important feature for your future. Even more so if you are in a lower income tax bracket when you begin taking withdrawals. Note that if you purchase an annuity through a qualified plan, no additional tax-deferral advantage applies. But otherwise, it can be a key component of a retirement income plan.

Tax Deferral Can Positively Impact Your Retirement Savings

Not Tax Deferred: $89,246
Tax Deferred After Tax at Withdrawal*: $96,386

Ask your financial representative if tax deferral can help you meet your retirement goals.

*Tax deferral hypothetical illustration assumes $50,000 investment compounding without withdrawals for 30 years with a 3% return and combined federal and state taxes of 35%. Chart is not actual performance of any product or investment option and is not guaranteed. Charges of the tax-deferred product not included. Tax rates and tax treatment of earnings, capital gains and dividends may impact and reduce the difference of the results.

Annuities issued by Integrity Life Insurance Company, Cincinnati, OH; Western-Southern Life Assurance Company, Cincinnati, OH; and National Integrity Life Insurance Company, White Plains, NY. W&S Financial Group Distributors, Inc. (doing business as W&S Financial Insurance Services in CA) is an affiliated life insurance agency of the issuer. Issuer has sole financial responsibility for its products. All companies are members of Western & Southern Financial Group.

Earnings and pre-tax contributions are subject to income tax at withdrawal. Withdrawals prior to age 59½ are generally subject to a 10% IRS penalty tax. Withdrawals may be subject to charges and additional tax implications. Integrity Life, National Integrity Life and Western & Southern Life do not offer tax advice. For specific tax information, consult your attorney or tax advisor. Interest rates are declared by the insurer at annual effective rates, taking into account daily compounding of interest. Product and feature availability, as well as benefit provisions, vary by state.

No bank guarantee • Not a deposit • May lose value • Not FDIC/NCUA insured • Not insured by any federal government agency