



Andrew Hull
deferthetax.com
(888)480-0067
andy@deferthetax.com

**GETTING "LOCKED-IN"
WHAT IF THE INDIVIDUAL CAPITAL GAINS TAX IS INCREASED?**

EXAMPLE USING \$500,000: 2009 Sale Year

Increase of 5% as of 2011 in the individual capital gains tax. (Includes CA State tax of 9.30% when applicable)

**INVESTING THE CASH
SALE AMOUNT, NET AFTER-TAX**

vs.

**THE STRUCTURED SALE ANNUITY
\$46,823 ANNUALLY FOR 15 YEARS**

\$378,500 net amount available for investing - **\$121,500**

\$500,000 into Structured Sale Annuity

24.30% Sale year tax bracket
25.00% 2nd year and thereafter

24.30% 1st & 2nd year tax bracket
29.30% 3rd year and thereafter

**~A SELLER MUST NOT ONLY MAKE UP THE - \$121,500 LOST TO SALE YEAR TAXES
BUT THE GUARANTEED \$202,345 GAIN FROM THE ANNUITY PAYOUT AS WELL ~**

**HIGHER TAX BRACKET SELLERS AND LONGER TERM PAYOUTS WILL
REQUIRE EVEN HIGHER NET RATES OF RETURN**

SELLER NEEDS HIGH YIELD INVESTMENT THAT ALLOWS PERIODIC WITHDRAWALS

~HIGHER YIELD MEANS HIGHER RISK~

**A SELLER WILL STILL HAVE TO EARN AS MUCH AS 8.35% EVERY YEAR FOR 15 YEARS,
JUST TO EQUAL THE GUARANTEED ANNUITY PAYOUT, NET AFTER-TAX!**

AVOID REINVESTMENT RISK with THE STRUCTURED SALE!

Constant tax brackets are assumed for illustrative purposes and do not reflect the current graduated tax system. In order to make an informed decision, each Seller should consult with their tax advisor prior to closing. Actual results will vary by annuity values in effect at the time of sale, state and Seller's tax situation. The above illustrative examples are intended to be informative and cannot be construed as or relied upon as tax or legal advice. 03/2009

