



Monument Advisor

Non-Qualified Stretch

Nationwide **Advisory Solutions**

Taxes can erode your future legacy. Our tax-deferred investment solution can brighten the picture.

Choosing the right investment vehicle could make a big difference to the people you care about most.

Deferring taxes is critical to effective legacy planning.

It's estimated that as much as \$30 trillion will be passed from Baby Boomers and Gen Xers to their heirs over the next 30-40 years¹, but that assumes that taxes don't erode a family's legacy. For this reason, it's important for you to consider options available to you to transfer your wealth in the most tax-efficient way possible. One worth paying attention to is the non-qualified stretch provision available to Monument Advisor owners.

Monument Advisor offers owners and their beneficiaries 5 different death benefit options.

Lump sum	With the lump sum payout, the beneficiary or heir receives his/her inheritance in a single payment. However, receiving a large sum of money can put someone in a higher tax bracket and generate a greater tax burden. For example, if the account size was \$500,000, and the heir withdrew this in a lump sum, he/she would be taxed at the highest current rate of 37%.
5-year option	The 5-year option distributes funds to the beneficiary over a span of five years. With this option, the money gets moved to a fixed account, and that account will earn interest at the minimum statutory interest rate, which is currently 1%.
Annuitization	Annuitization creates an income stream based on the account value and the beneficiary's life span. However, the money does not stay invested in the market. While there are four different payout options, you are locked in once you make your selection, which can make this option limiting.

Non-Qualified Stretch

The Non-Qualified Stretch payout option offers a way to maintain assets across generations by providing a lifetime income stream for your beneficiary. The beneficiary is required to take at least the required minimum distribution (RMD) every year over their expected lifespan. If the owner chooses to restrict the stretch option, then the beneficiary is only allowed to take the RMDs.

With this option, payments are made over time, decreasing the tax burden. In addition, the money stays invested in the market, creating the opportunity for compounded, tax-deferred growth. Stretching is suitable for beneficiaries who do not have immediate need of the assets. As with all securities, there are risks associated with stretching, such as changes to tax laws and the impact of inflation.

“Restricted” Non-Qualified Stretch

The “Restricted” Non-Qualified Stretch option provides a lifetime income stream for the beneficiary. The owner can restrict the Non-Qualified Stretch payout option for their beneficiary and thereby control the rate at which the beneficiary receives their money. If the named beneficiary expires before their life expectancy, the remaining balance can be passed on to future generations.

Payout options and the benefits they provide

	Lump sum	5-year payout	Annuitization	Non-Qualified Stretch	“Restricted” Non-Qualified Stretch
Tax Benefits		✓		✓	✓
Receive payments over lifetime			✓	✓	✓
Account continues to grow tax-deferred		✓		✓	✓
Assets remain invested in the market				✓	✓
Owner has control over how assets are distributed					✓

How do Required Minimum Distributions (RMDs) come into play?

- The IRS mandates that qualified accounts pay out RMDs beginning at age 70½. For non-qualified accounts (tax-deferred investments funded with after-tax dollars), these RMD payments begin as soon as death benefits are paid out via the stretch option, and are based on the age of the beneficiary and their expected lifespan. The RMDs grow over time as the intention is to liquidate the account by the end of the beneficiary’s expected life span.

Why the Non-Qualified Stretch could be your best choice



Tax deferral

Through the Non-Qualified Stretch payout option, payments may be stretched over many years, thereby allowing the remaining investment to accumulate and continue to grow tax-deferred over many decades. Because Monument Advisor's fees remain flat, the compounding effect of low-cost tax deferral grows more and more valuable over time.



Legacy planning

With the Non-Qualified Stretch, your beneficiaries may receive a lifetime stream of income through annual required minimum distributions. The Non-Qualified Stretch provision also allows the inherited wealth to be passed on to successive heirs, meaning your legacy could live on for generations.



Simplicity

Other legacy planning structures can be costly, complex and may require teams of attorneys. But with our non-qualified stretch option, there is no extra cost as this option is built into the variable annuity account. You can even revise as needs arise simply by filling out a new beneficiary form.



Control (Restricted Stretch)

If you choose to restrict distributions to only the non-qualified stretch payout option, they may only take the annual RMDs, allowing for a lifetime stream of income. This affords you peace of mind knowing that your wishes will be carried out accordingly.

Who should elect to restrict the stretch?

Restricting the Non-Qualified Stretch may be useful if you satisfy one or more of these criteria:

- ✓ Are concerned about overspending or misuse
- ✓ Want peace of mind knowing that your legacy is being passed down according to your wishes
- ✓ Want similar benefits of other legacy planning vehicles but without the cost and complexity

Want more information?

⋮ Contact your Financial Advisor or visit
⋮ nationwideadvisory.com/monumentadvisor

Nationwide Advisory Solutions

Our mission is to help RIAs and fee-based advisors build their practices by enabling their clients to potentially accumulate more wealth and reach their financial goals. We do this by developing and delivering value-added investment products, services and technologies that fit the fiduciary standard — wrapped in an industry-leading customer experience.

We are now Nationwide

Acquired in 2017, Nationwide Advisory Solutions began as Jefferson National. Recognizing our unique approach to service, distribution and technology, Nationwide reaffirms its mission to help America prepare for and retire successfully and create a brighter future for our members and communities.



Learn more. Contact your Financial Advisor or visit nationwideadvisory.com/monumentadvisor



¹Source: The “Greater” Wealth Transfer, Accenture 2015.

An investor should carefully consider the investment objectives, risks, charges and expenses of the investment before investing or sending money. For a prospectus and underlying fund prospectuses containing this and additional information, please contact your financial professional. Read it carefully before investing. The summary of product features is not intended to be all-inclusive. Restrictions may apply. The contracts have exclusions and limitations, and may not be available in all states or at all times.

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