

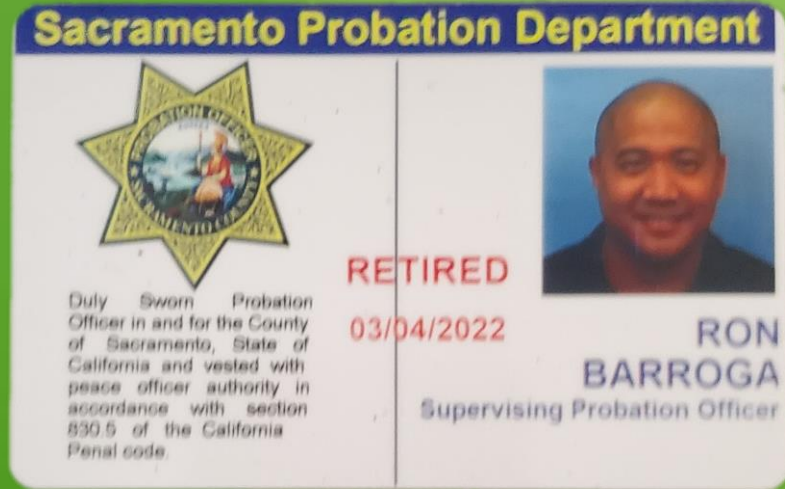
# RETIREMENT READINESS



# THRU PROTECTION AND RETIREMENT PLANNING

# Ron Barroga

CA License #4131075



- ❖ Retired Supervising Probation Officer – Sacramento County 24 years
- ❖ CEO / Instructor of OpSolutions Law Enforcement Training
- ❖ Living Benefits Life Insurance Agent for National Life Group
- ❖ National Life Group – Established in 1848



# I am licensed in the state of California but I can issue policies in any state

**California Department of Insurance**  
**RONALD JAMES BARROGA**  
License # 4131075  
DBA: RONALD BARROGA

Pursuant to the requirements of the State of California Insurance Code,  
RONALD JAMES BARROGA is authorized to act in the following capacity:

<u>License</u>	<u>Effective Date</u>	<u>Expiration Date</u>
Resident Insurance Producer	06/15/2021	06/30/2023
<u>Qualification</u> Life-Only Agent	06/15/2021	

Business Address: 9245 Laguna Springs Dr. Ste. 200, Elk Grove, California 95757

  
Ricardo Lara, Insurance Commissioner





Please note: To validate the accuracy of this license you may review the individual or business entity's license record on the California Department of Insurance's website at [www.insurance.ca.gov](http://www.insurance.ca.gov) "Check License Status."

# THIS COURSE WILL COVER:

1. A TAX FREE RETIREMENT INVESTMENT STRATEGY BUILT INSIDE OF A LIFE INSURANCE POLICY
2. LIVING BENEFITS – A LIFE INSURANCE THAT YOU DON'T HAVE TO DIE TO USE HOW IT WORKS
3. INDEXED UNIVERSAL LIFE (IUL) – A TAX FREE RETIREMENT STRATEGY
4. FACTS ABOUT EMPLOYMENT INSURANCE ONLY
5. HOW YOUR 457 DEFERRED COMPENSATION PLAN WORKS AND THE PROS AND CONS
6. HOW AN IUL WORKS AND THE PROS AND CONS
7. HOW AN IUL COMPARES TO YOUR 457
8. LOOKING AT CONCRETE FACTS AND THE HISTORY OF THE S&P MARKET
9. FACTS ABOUT TAXES AND WHAT MIGHT HAVE NOT KNOWN ABOUT YOUR 457
10. HOW TO INVEST IN THIS STRATEGY WITHOUT COMING OUT OF POCKET BY REALLOCATION

IF YOU WANT TO GET A GLIMPSE OF WHAT YOUR  
RETIREMENT PICTURE LOOKS LIKE, SEND THE  
FOLLOWING INFO TO:

[info@livingbenefits-quotes.com](mailto:info@livingbenefits-quotes.com)

- ❖ DATE OF BIRTH
- ❖ AMOUNT INTO RETIREMENT SAVINGS PLAN
- ❖ DO YOU HAVE OUTSIDE INSURANCE ASIDE FROM EMPLOYEMENT INSURANCE?
- ❖ WILL YOU MEDICAL COVERAGE AFTER RETIREMENT?
- ❖ AGE OF RETIREMENT

LET'S COVER INSURANCE FIRST

# FACTS ABOUT INSURANCE THROUGH YOUR EMPLOYMENT

- ❖ TYPICALLY ONLY COVERED WHILE EMPLOYED
- ❖ TYPICALLY NOT COVERED ONCE RETIRED
- ❖ IT IS NOT LIFE INSURANCE YOU CAN USE WHILE ALIVE
- ❖ TYPICALLY NOT SUFFICIENT FOR SURVIVING PARTNER TO MAINTAIN SAME LIFESTYLE  
WITH LOSS OF PARTNERS INCOME
- ❖ TYPICAL COST OF FUNERAL FROM 7K-10K

# WHAT IS LIVING BENEFITS?

IT IS THE “NEW” LIFE INSURANCE WHERE YOU  
DON'T HAVE TO DIE TO USE



LET'S LOOK AT HOW  
LIVING BENEFITS WORK

# LIVING BENEFITS QUALIFYING TRIGGERS



**TERMINAL ILLNESS**  
IF DIAGNOSED WITH A  
TERMINAL ILLNESS THAT  
WILL RESULT IN DEATH  
WITHIN 24 MONTHS (12  
MONTHS IN SOME  
STATES) OF CERTIFICATION  
OF ILLNESS BY A  
PHYSICIAN



**UP TO 100%**  
**500k Tax Free**



**CHRONIC ILLNESS**  
WITHIN PAST 12 MONTHS,  
A DR. HAS CERTIFIED THAT  
YOU ARE UNABLE TO  
PERFORM 2 OF THE 6  
DAILY ACTIVITIES OF  
LIVING FOR A PERIOD OF  
90 CONSECUTIVE DAYS  
WITHOUT ASSISTANCE OR  
THAT YOU ARE  
COGNITIVELY IMPAIRED



**UP TO 1-2%**  
**5k to 10k Tax Free**

## EXAMPLE OF \$500,000 DEATH BENEFIT



### CRITICAL ILLNESS INCLUDES:

- ALS (LOU GEHRIG'S DISEASE)
- AORTA GRAFT SURGERY
- APLASTIC ANEMIA
- BLINDNESS
- **CANCER**
- CYSTIC FIBROSIS
- END STAGE RENAL FAILURE
- **HEART ATTACK**
- HEART VALVE REPLACEMENT
- MAJOR ORGAN TRANSPLANT
- MOTOR NEURON DISEASE
- **STROKE SUDDEN CARDIAC ARREST**

**“Life insurance you don’t have to die to use”**

**SHOULD YOU TRIGGER ANY OF THESE  
ILLNESSES OR INJURIES LISTED BELOW AND WE  
CAN VERIFY FROM YOUR MEDICAL DOCTOR,  
YOU CAN ACCESS YOUR POLICY WHILE STILL  
ALIVE**



### CRITICAL INJURY INCLUDES:

- COMA
- PARALYSIS
- **SEVERE BURNS**
- **TRAUMATIC BRAIN INJURY**



**UP TO 80%**  
**400k Tax Free**



**CORONA VIRUS**  
WE COVER THOSE WHO ARE  
SERIOUSLY AFFECTED BY THE  
CORONA VIRUS

NOW LET'S COVER THE TAX  
FREE RETIREMENT STRATEGY  
CALLED

*INDEXED UNIVERSAL LIFE*

VS.

457 DEFERRED COMP

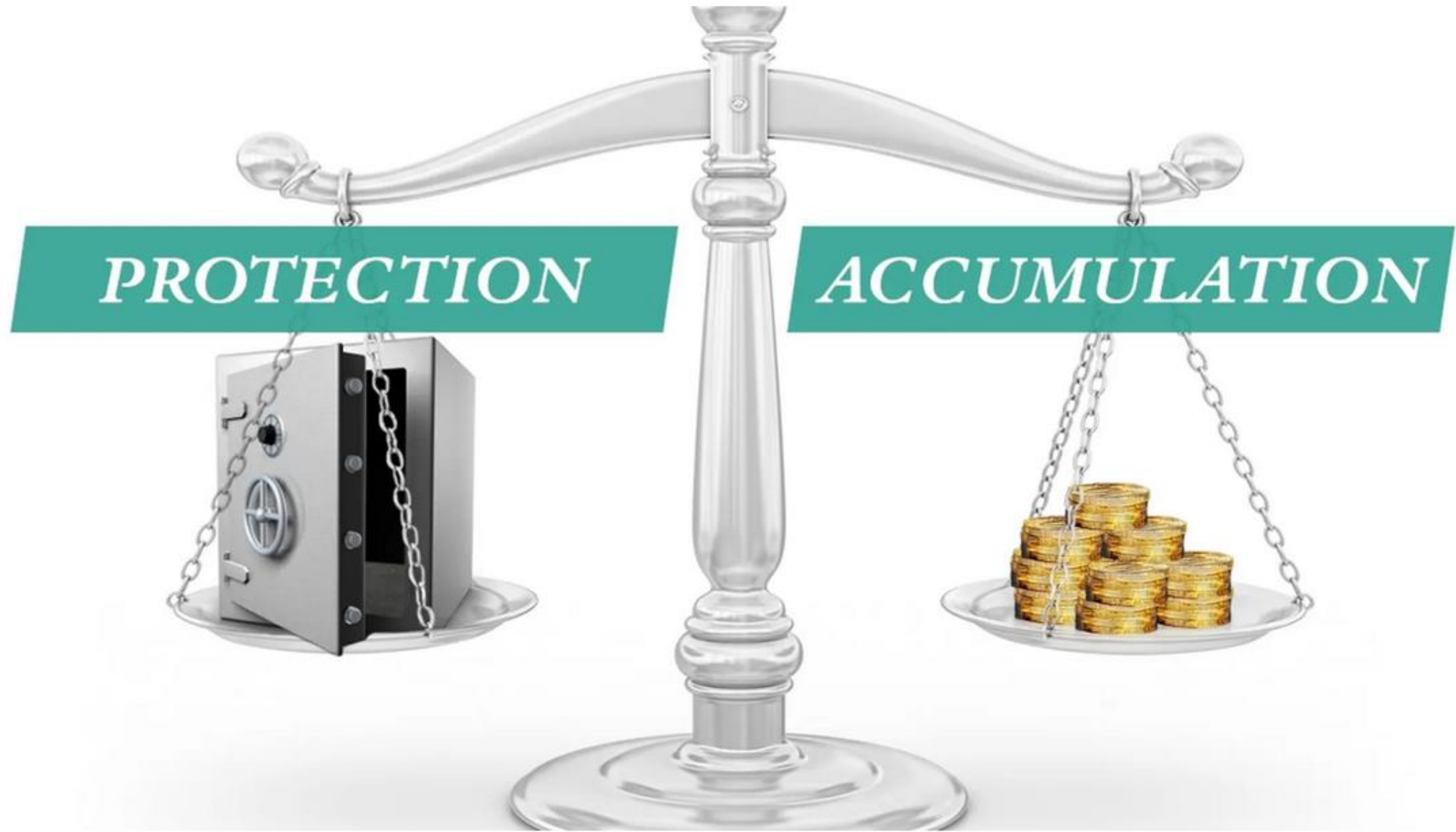
# HERE IS HOW INDEXED UNIVERSAL LIFE (IUL) WORKS

# THIS IS AN INVESTMENT STRATEGY CALLED INDEXED UNIVERSAL LIFE (IUL)

THIS STRATEGY IS SIMILAR TO A 457 DEFERRED  
COMPENSATION PLAN OR 401K. THIS STRATEGY  
IS BUILT INSIDE OF A LIFE INSURANCE POLICY  
CALLED LIVING BENEFITS.



# TAX FREE - RETIREMENT SAVINGS PLAN INDEXED UNIVERSAL LIFE (1997)



401K and 457  
vs.

Living Benefits with  
Indexed Universal Life (IUL)

# PROS

## 401k's and 457

STRATEGY FOR RETIREMENT SAVINGS

REDUCES TAXABLE INCOME

# CONS

## 401k's and 457

CONTRIBUTIONS AREN'T TAXED – YOU ARE DEFERRING ON PAYING TAXES  
UNTIL YOU TAKE MONEY OUT AT ANY TIME OR AT RETIREMENT

ONCE YOU STOP CONTRIBUTING, WHAT YOU HAVE IN YOUR 401K OR 457  
IS ALL YOU WILL HAVE UNTIL YOU PASS AWAY

YOU HAVE CONTRIBUTION LIMITS

# THE HARD FACTS ABOUT TAX ON YOUR 457

## People also ask ⋮

How much tax will I pay on my 457 withdrawal? ^

20%

16 1 Page 3 Federal tax law requires that most distributions from governmental 457(b) plans that are not directly rolled over to an IRA or other eligible retirement plan be subject to federal income tax withholding at the rate of 20%.

## People also ask ⋮

Can I withdraw from my 457 without penalty? ^

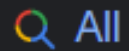
Unlike other retirement plans, under the IRC, 457 participants can withdraw funds before the age of 59½ as long as you either leave your employer or have a qualifying hardship.

**You can take money out of your 457 plan without penalty at any age**, although you will have to pay income taxes on any money you withdraw. May 31, 2019



# THE HARD FACTS ABOUT TAX

What is the penalty for early withdrawal of retirement



All



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You may be subject to a **10% tax penalty for early withdrawal**, in addition to any federal and state income tax on the withdrawal. The IRS charges a 10% penalty on withdrawals from qualified retirement plans before you reach age 59 ½, with certain exceptions.

# PROS FOR INDEXED UNIVERSAL LIFE

CONTRIBUTION TO A TAX FREE RETIREMENT SAVINGS

BUILDING A LIFETIME SUPPLEMENTAL INCOME

PROTECTION FROM MARKET LOSSES

ZERO FLOOR PROTECTION

NEVER LOSE MONEY THAT YOU HAVE IN YOUR POLICY

POST TAX – TAX FREE DISTRIBUTIONS (IRS TAX CODE 7702)

COMES WITH LIFE INSURANCE YOU DON'T HAVE TO DIE TO USE

USE TO PAY OFF HIGH INTEREST DEBT OR BILLS

NO CONTRIBUTION LIMITS

# CONS FOR IUL

**MARKET CAP RATES ONLY UP TO 10%**

**DOES NOT REDUCE YEARLY TAXABLE INCOME**

401k & 457

22 years

\$83,960

VS.

IUL

22 years

\$199,903

22 YEAR  
AVG. RETURN  
IN S&P =  
5.52%

### LAST 22 YEARS OF THE S&P

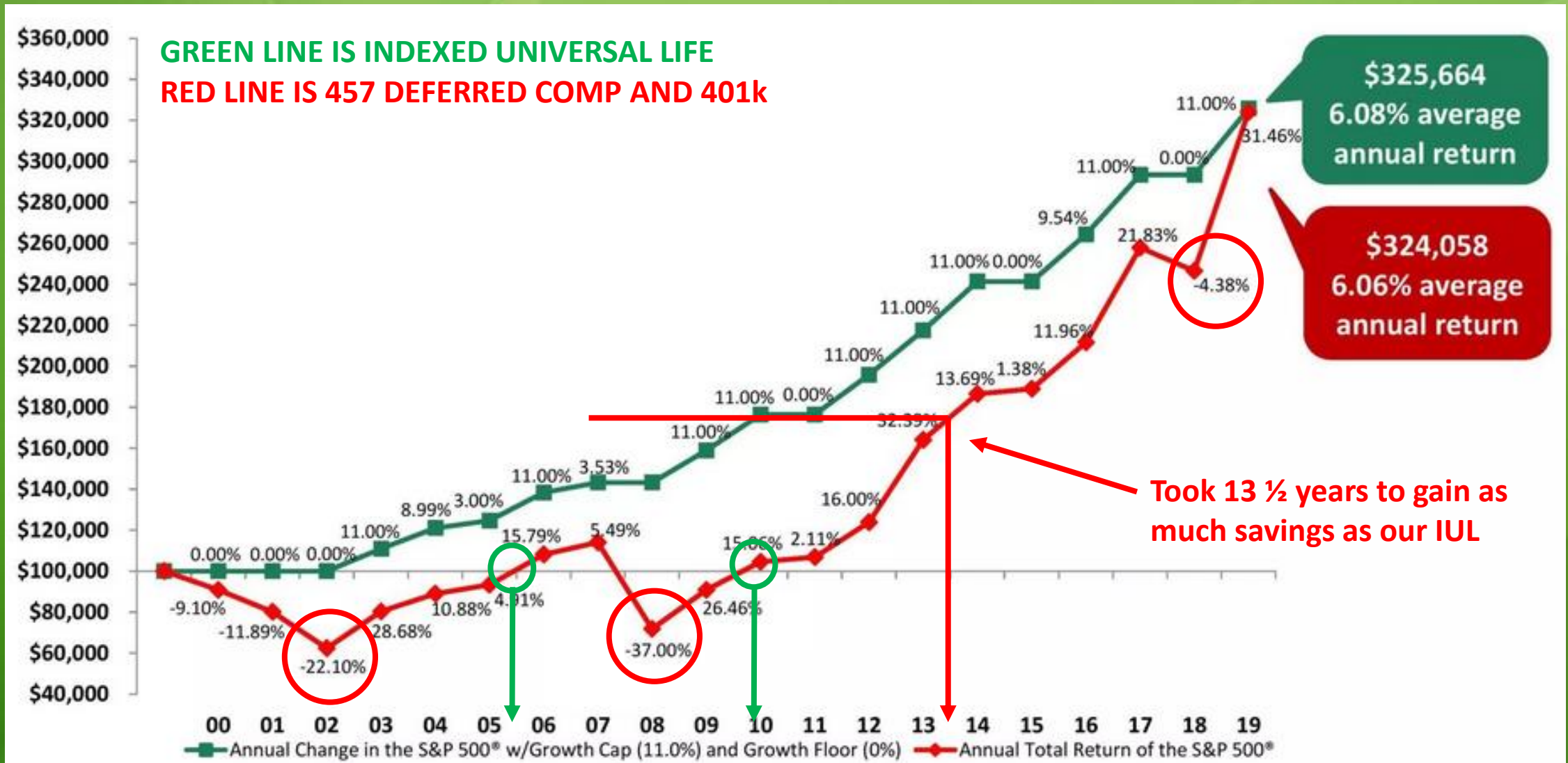
YEAR	Mutual Funds 401(K)/IRAs		Indexed Crediting Account	
	S&P 500 Pt-to-Pt	\$100,000.00	IUL(0 to 9%)*	\$100,000.00
1999	19.53%	\$119,530.00	9.00%	\$109,000.00
2000	-10.14%	\$107,409.66	0.00%	\$109,000.00
2001	-13.04%	\$93,403.44	0.00%	\$109,000.00
2002	-23.37%	\$71,575.05	0.00%	\$109,000.00
2003	26.38%	\$90,456.55	9.00%	\$118,810.00
2004	8.99%	\$98,588.60	8.99%	\$129,491.02
2005	3.00%	\$101,546.26	3.00%	\$133,375.75
2006	13.62%	\$115,376.86	9.00%	\$145,379.57
2007	3.53%	\$119,449.66	3.53%	\$150,511.47
2008	-38.49%	\$73,473.49	0.00%	\$150,511.47
2009	23.45%	\$90,703.02	9.00%	\$164,057.50
2010	12.78%	\$102,294.86	9.00%	\$178,822.67
2011	0.00%	\$102,294.86	0.00%	\$178,822.67
2012	13.41%	\$116,012.61	9.00%	\$194,916.71
2013	29.60%	\$150,352.34	9.00%	\$212,459.22
2014	11.39%	\$167,477.47	9.00%	\$231,580.55
2015	-0.73%	\$166,254.88	0.00%	\$231,580.55
2016	9.54%	\$182,115.60	9.00%	\$252,422.80
2017	19.42%	\$217,482.45	9.00%	\$275,140.85
2018	-6.24%	\$203,911.54	0.00%	\$275,140.85
2019	28.88%	\$262,801.20	9.00%	\$299,903.52
2020**	-10.00%	\$236,521.08	0.00%	\$299,903.52
After Tax	Tax rate: 30%	\$183,960.84	Tax free growth	\$299,903.52
Total Gain	Subjected to Market Losses	83.96%	- Zero Floor - Protection from Loss	199.90%

### THINGS TO REMEMBER

- ❖ OVER TIME YOUR MONEY WILL GROW WITH COMPOUNDING INTEREST
- ❖ IUL WILL OUTPERFORM 457 AND 401LK ALL THE TIME
- ❖ LIFETIME INCOME



# WHY RISK YOUR RETIREMENT SAVINGS OR RETIREMENT DATE?



Took 5.5 years to get savings back to 100k from 2002 crash. Took almost another 5 years to recover from 2008 crash.  
Didn't start seeing gains from initial investment for 10 years.



# WITH A 401K OR 457 – YOU ARE DEFERRING PAYING TAXES UNTIL RETIREMENT



WOULD YOU RATHER PAY  
TAXES PER PAYCHECK  
**(TAXED ALREADY)**



OR PAY TAXES AFTER 20  
PLUS YEARS OF PAYCHECKS?



**UN-TAXED RETIREMENT SAVINGS**



**\$100,000 – 457/401K**

- FEDERAL 20%
- CA STATE 2%
- EARLY WITHDRAWAL FEE 10%

**TOTAL = 32.2%**

**\$100,000 – 32.2% = \$67,800**

- NO LONGER MAKING CONTRIBUTIONS
- EXPOSED TO MARKET LOSSES
- \$67,800 IS ALL YOU WILL HAVE UNTIL IT IS ALL GONE.
- EARLIEST AGE TO DRAW FROM SOCIAL SECURITY IS AGE 62

**WITH AN INDEXED  
UNIVERSAL LIFE STRATEGY  
YOU CAN CREATE A TAX  
FREE SUPPLEMENTAL  
LIFETIME INCOME**

FACE VALUE AVAILABLE TO YOU OR YOUR BENEFICIARY SHOULD YOU PASS AWAY OR TRIGGER ANY OF THE CRITICAL ILLNESSES OR INJURIES MENTIONED EARLIER

# QUICK VIEW OF YOUR POLICY & RETIREMENT STRATEGY 36 YEAR OLD MALE

MONTHLY = \$500.00

Initial Policy Information				
Initial Face Amount	Lapse Year	MEC Year	Modal Premium	Premium Mode
\$619,835	N/A	N/A	\$500.00	Monthly (EFT)
Minimum Premium	Target Premium	MEC Premium	Guideline Level Premium	Guideline Single Premium
\$2,304.24	\$6,000.00	\$40,009.00	\$10,333.00	\$157,735.00

Values							
Policy Year	Age	Planned Premium	Loan	Annual Income	Accumulated Value	Surrender Value	Net Death Benefit
24	59	\$6,000	\$0	\$0	\$195,714	\$195,714	\$619,835
25	60	\$0	\$11,938	\$11,938	\$204,456	\$192,260	\$325,745
26	61	\$0	\$12,196	\$11,938	\$214,103	\$189,224	\$313,062
27	62	SOCIAL SECURITY	\$12,683	\$11,938	\$223,989	\$185,919	\$299,871
28	63		\$13,191	\$11,938	\$234,119	\$182,331	\$286,153
29	64		\$13,718	\$11,938	\$244,501	\$178,446	\$271,886
30	65		\$14,267	\$11,938	\$255,146	\$174,253	\$257,048
31	66		\$14,838	\$11,938	\$266,068	\$169,744	\$241,617
32	67		\$15,431	\$11,938	\$277,282	\$164,909	\$225,568
33	68		\$16,049	\$11,938	\$288,812	\$159,748	\$208,878
34	69		\$16,690	\$11,938	\$300,645	\$154,224	\$202,327

SUPPLEMENTAL TAX FREE LIFETIME INCOME UNTIL YOU PASS AWAY.  
\$11,938 A YEAR OR \$995 A MONTH.

THESE AMOUNTS ARE BASED ON A CONSERVATIVE 5% INTEREST CREDIT. WE HAVE A CAP OF UP TO 10%. YOUR AMOUNTS CAN INCREASE BASED ON HOW YOU OVER FUND YOUR POLICY.

YOUR CASH SAVINGS AVAILABLE TO YOU TAX FREE

# OVERFUNDING \$TRATEGY

HOW YOU FUND YOUR POLICY BY ADDING INTO YOUR POLICY ONLY INCREASES  
YOUR CASH ACCUMULATION.

## SCENARIO

THE MORE YOU GAMBLE, THE MORE YOU WIN!  
BUT WITH IUL – YOU WILL NEVER LOSE AND YOU ARE  
PROTECTED FROM LOSSES

# NO OUT OF POCKET STRATEGY

- STOP CONTRIBUTION TO YOUR 457
- YOUR 457 WILL REMAIN ACTIVE WITH WHATEVER BALANCE YOU HAVE IN THERE AND IT WILL CONTINUE TO RIDE THE MARKET
- YOUR BI-WEEKLY OR MONTHLY PAYCHECK WILL NOW INCREASE DUE TO NOT PAYING INTO YOUR 457
- RE-ALLOCATE YOUR PREVIOUS CONTRIBUTION TO YOUR 457 INTO OUR INDEXED UNIVERSAL LIFE TO PAY FOR YOUR MONTHLY PREMIUM



# WHAT YOU ARE INVESTING IN

- RETIREMENT STRATEGY THAT CONTINUES TO GROW CASH VALUE AS LONG AS YOU HAVE A POLICY
- TAX FREE RETIREMENT AND SUPPLEMENTAL LIFETIME INCOME UNTIL AGE 120
- A CASH SAVINGS STRATEGY YOU CAN USE TAX FREE AS LONG AS YOU HAVE CASH ACCUMULATION IN YOUR POLICY
- YOUR MONEY IS PROTECTED FROM MARKET LOSSES WITH ZERO FLOOR
- YOU NEVER LOSE MONEY THAT YOU ACCUMULATE
- ACCESS TO LOW COST LOANS FROM THE INSURANCE COMPANY AND NOT HAVE TO TAKE FROM YOUR CASH SAVINGS
- A STRATEGY TO PAY FOR COLLEGE EDUCATION OR PAY OFF HIGH INTEREST LOANS
- A LIFE INSURANCE POLICY THAT YOU DON'T HAVE TO DIE TO USE AND PROTECTING YOUR ASSETS

**CONTACT ME IF YOU HAVE ANY QUESTIONS OR IF  
YOU WOULD LIKE TO SEE YOUR NUMBERS  
JUST PROVIDE THE FOLLOWING INFORMATION IN  
THE EMAIL**

**Ron Barroga**  
**[info@livingbenefits-quotes.com](mailto:info@livingbenefits-quotes.com)**  
**Text/Call - 916.399.3677**

WE CAN SCHEDULE A 15 MINUTE MEETING ON  
ZOOM TO RUN YOUR NUMBERS. CLICK ON THE  
LINK BELOW TO SCHEDULE A TIME

<https://calendly.com/team-xl>

