



National Pension Partners **Fully-Insured DB Plan Sales and Marketing** **TIPS and TEMPLATES**

Specialists with National Pension Partners (NPP) will provide the expertise to set up the plan so that it meets IRS requirements and your client's needs. They will walk you and your client through every step, collecting needed information from you and/or the client and answering every question you or the client may have. Setting up the plan is not a long process but it must be done exactly right to comply with IRS regulations. Contact the NPP defined benefit plan specialists at (877) 252-1692. www.nationalpensions.com

Finding Clients

➤ Ideal Clients

Good prospects for a fully-insured DB plan include professionals such as accountants, attorneys, dentists, physicians, CPAs and financial planners. Manufacturer's reps, graphic and designers, and real estate agents are also great prospects along with consultants and other self-employed or independent contractors. They also may include small businesses such as dry cleaners, antique dealers, contractors, movers, wholesale distributors, retail stores and more.

Spouses of highly paid partners who have small businesses may want to contribute all of that income to Solo FIDB to save on their taxes and fund retirement.

Don't overlook those with supplemental self-employment income, such as independent members of corporate boards, university professors with consulting income, and writers or others with royalty or licensing income.

The general rule of thumb: if an individual is age 45, has \$100,000 or more in self-employment income and they want to contribute more than the SEP or 401(k) contribution limits, that individual may be a real prospect. You need to explore the possibility. Contact NPP and we can help you determine if you or your client is a great candidate for a plan.

➤ Prospects May Be In Your Current Book of Business

- **Clients with high balance SEPs and profit sharing plans.**
 - A business owner who is over 40 may be ready to contribute substantially more than \$50,000 each year.
- **Physicians, attorneys, CPAs, and other professionals**
 - Even if they don't qualify personally because they are part of a larger practice, they probably know people who do: get referrals!
- **Small business owners**
 - Again, all of them may not qualify for one reason or another, but they probably know other small business owners who do: get referrals!

- **Self-employed consultants**, writers, software developers, manufacturer's reps, photographers and more.
 - If you don't have their retirement plan, they probably have one elsewhere. This is your chance to get it.
- **Those doing side consulting or serving on corporate boards**. They get self-employment income.
- **Independent contractors**, such as real estate agents
- **Spouses** of highly paid executives and professionals. Many spouses have small businesses, are self-employed or work as independent contractors. Depending on their ages, a substantial or most earnings might be sheltered. It's a great story to tell.

➤ **Work Your Community**

- Get five minutes to stand up and talk about the plan at meetings of the Kiwanis, Chamber of Commerce, Rotary or other clubs with local business people.
- Local yellow pages will list attorneys, architects, dentists, and other professionals as well as all sorts of businesses that might qualify, such as dry cleaners, beauty salons, contractors, etc.
- The local Chamber of Commerce will usually have a list of members, most of which are small businesses.
- Take a walk down Main Street or in other commercial areas. Stop in to see the owners of stores.
- Visit smaller office buildings and get the names of the businesses from the directories. Then call them up. (You can also just stop by in office buildings where there are a lot of small offices.)
- Get directories of attorneys and other professions. The local library often will have these.
- Check out www.Larkspurdata.com. You can buy a CD-Rom with the age, phone number and listing of 401(k), profit sharing plans and money purchase pension plan owners in your geographic area. Contact NPP as well. We may also provide an advisor actively working with NPP a list of these plans.

Letter Templates

The sections below, starting on the next page, contain template letters that you can customize and send to your clients.

To use the template letters:

1. Highlight the text of the letter with your mouse, and select 'copy' from the "edit" menu.
2. Open a new document in Microsoft Word.
3. 'Paste' the text into the new document.
4. Edit the text as desired. Be sure to add your logo at the top (or put on your letterhead), insert your phone number in the paragraph near the bottom and add your name and signature. Quick and painless, it's ready to mail.

➤ Letter to Current Clients, Asking Them to Call

[Advisor Letterhead]

February XX, 2014

Mr. James Client
1000 Main Street
Anywhere, USA

Dear Jim (Mr. Client):

There is a remarkable IRS-approved retirement plan I need you to know about. *It may allow you to cut your taxes by substantially more than \$40,000 each year.*

With this plan, you:

- May be able to make a **tax-deductible** contribution of \$100,000 or more each year to fund your retirement
- Choose how much money to contribute as long as it's not more than the maximum you're allowed
- Grow your retirement contributions tax-deferred, making more money available when you retire
- Invest the money in Guaranteed insurance company backed pension contracts
- Have a range of options when you retire, including moving the money to an IRA rollover account, where it can keep growing tax-deferred

To take advantage of this plan, you should typically be age 45 or older, have self-employment income, be a professional or own a business with fewer employees.

You do not have to reduce your standard of living to fund the plan. I can show you how you might pay for it with money that is not needed to support your lifestyle, including “government money” – money you are now paying in income taxes.

This really may be a remarkable opportunity to cut your taxes by thousands of dollars in 2014 and for years to come. **But the plan has to be in place by the end of the fiscal year for your business, which for most people is December 31.** (You don't have to make the full contribution until your taxes are due next year.)

Let's talk about it and see if it makes sense for you. Call me at [xxx-xxx-xxxx]. Opening a plan earlier in the year could be beneficial, so please call as soon as you can.

Sincerely,

[YOUR SIGNATURE]

[YOUR TYPED NAME]

Check us out at www.nationalpensions.com

➤ Letter to Prospects: Small Business, Call Request

[Advisor Letterhead]

Cut your taxes by thousands of dollars this year

Dear Business Owner (Doctor, Attorney-at-Law, etc.):

A remarkable IRS-approved retirement plan lets you possibly **cut your taxes by substantially more than \$40,000 each year.**

With this plan, you:

- May be able to make a tax-deductible contribution of \$100,000 or more each year to fund your retirement
- Choose how much money to contribute as long as it's not more than the maximum you are allowed
- Grow your retirement contributions safely and tax-deferred, making more money available when you retire
- Invest the money in Guaranteed insurance company backed pension contracts
- Have a range of options when you retire, including moving the money to an IRA rollover account, where it can keep growing tax-deferred or have a guaranteed income for life.

You do not have to reduce your standard of living to fund the plan. I can show you how you might pay for it with money that is not needed to support your lifestyle, including "government money" – money you are now paying in income taxes.

This may be a remarkable opportunity to cut your taxes by thousands of dollars for 2014 and following years if you're age 45 or older. But the plan has to be in place by the end of the fiscal year for your business, which for most people is December 31. *(You do not have to make the full contribution until your taxes are due next year.)*

This plan is not for everyone but it may be right for you. Give me a call at xxx-xxx-xxxx and let's talk about it.

Sincerely,

[YOUR SIGNATURE]

[YOUR TYPED NAME]

Check us out at www.nationalpensions.com

➤ Letter to Prospects: Self-Employed, Call Request

[Advisor Letterhead]

Cut your taxes by thousands of dollars this year

Dear Self-Employed Taxpayer:

A remarkable IRS-approved retirement plan lets you possibly *cut your taxes by substantially more than \$40,000 each year*. You are eligible for this plan whether your self-employment income is from full-time or part-time work – or even from compensation as a consultant, or member of a company board of directors.

With this plan, you:

- May be able to make a tax-deductible contribution of \$100,000 or more each year to fund your retirement
- Choose how much money to contribute as long as it's not more than the maximum you are allowed
- Grow your retirement contributions tax-deferred, making more money available when you retire
- Invest the money in Guaranteed insurance company backed pension contracts
- Have a range of options when you retire, including moving the money to an IRA rollover account, where it can keep growing tax-deferred

You do not have to reduce your standard of living to fund the plan. I can show you how you might pay for it with money that is not needed to support your lifestyle, including “government money” – money you are now paying in income taxes.

This is a remarkable opportunity to cut your taxes by thousands of dollars this year and every year if you are age 40 or older. **But the plan has to be in place by the end of the fiscal year for your business, which for most people is December 31, 2014, to reduce your 2014 income taxes.** (You do not have to make the full contribution until your taxes are due in next year.)

This plan is not for everyone but it may be right for you. Give me a call at xxx-xxx-xxxx and let's talk about it.

Sincerely,

[YOUR SIGNATURE]

[YOUR TYPED NAME]

Check us out at www.nationalpensions.com

➤ Follow Up Letter with Brochure Enclosed

[Advisor's Letterhead]

Mr. Joseph Interested
1000 Main Street
Anywhere, USA

Dear Mr. Interested:

A remarkable IRS-approved retirement plan lets you possibly cut your taxes by substantially more than \$40,000 each year.

As I promised, I am enclosing a brochure describing the plan. With this plan, you:

- May be able to make a contribution of \$100,000 or more each year to fund your retirement
- Choose how much money to contribute as long as it's not more than the maximum you're allowed
- Grow your retirement contributions tax-deferred, making more money available when you retire
- Invest the money in Guaranteed insurance company backed pension contracts
- Have a range of options when you retire, including moving the money to an IRA rollover account where it can keep growing tax-deferred

You do not have to reduce your standard of living to fund the plan. I can show you how you might pay for it with money that is not needed to support your lifestyle, including "government money" – money you are now paying in income taxes.

This is a remarkable opportunity to cut your taxes by thousands of dollars this year and every year if you're age 40 or older. But the plan has to be in place by the end of the fiscal year for your business, which for most people is December 31. (You do not have to make the full contribution until your taxes are due next year.)

I'll be giving you a call in a few days to talk about the plan. Or you can call me at xxx-xxx-xxxx.

Sincerely,

[YOUR SIGNATURE]

[YOUR TYPED NAME]

Check us out at www.nationalpensions.com

➤ Letter to CPAs, Asking Them to Call

[Advisor Letterhead]

February XX, 2014

Mr. James CPA
1000 Main Street
Anywhere, USA

Dear Jim (Mr. CPA):

There is a remarkable IRS-approved retirement plan I need you to know about. **It may allow your clients to cut your taxes by substantially more than \$40,000 each year.**

With this plan, your clients:

- May be able to make a **tax-deductible** contribution of \$100,000 or more each year to fund their retirement
- Your client can choose how much money to contribute as long as it's not more than the maximum you're allowed
- Your client can grow their retirement contributions tax-deferred, making more money available when they retire
- Invest the money in Guaranteed insurance company backed pension contracts
- Have a range of options when you retire, including moving the money to an IRA rollover account, where it can keep growing tax-deferred

To take advantage of this plan, your client should be age 45 or older, have self-employment income or own a business with typically with 25 or fewer employees.

Your client may not have to reduce their standard of living to fund the plan. We can show you how they might pay for it with money that is not needed to support their lifestyle, including "government money" – money they are now paying in income taxes.

This really may be a remarkable opportunity to help clients cut their taxes by thousands of dollars in 2014 and for years to come. **But the plan has to be in place by the end of the fiscal year for their business, which for most people is December 31.** (Your clients don't have to make the full contribution until their taxes are due next year.)

Let's talk about it and see if it makes sense for any of your. Call me at [xxx-xxx-xxxx]. Opening a plan earlier in the year could be beneficial to your clients, so please call as soon as you can.

Sincerely,

[YOUR SIGNATURE]

[YOUR TYPED NAME]

Check us out at www.nationalpensions.com

[date]

[name]

[business name]

[address]

[state, city, zip]

Dear [CPA],

Retirement planning for your small business clientele?

Think Fully Insured Pension Plan.

How many of your professional or small business clients want secure predictable retirement income and maximum current business income tax deductions? You can help them preserve their profits for retirement with a fully-insured pension plan.

This plan is an under-utilized retirement planning option that is well suited to the needs of professionals and successful small business owners nearing retirement age who did not begin saving when they were younger, or who need to “catch up.” Because the plan permits larger initial contributions, it also **provides for larger income tax deductions than other retirement plans.** Plus, because the plan is funded by qualified fixed pension products that are **guaranteed** by an insurance company, contributions are not subject to investment risk.

Previously referred to as 412(i), named after the Internal Revenue Code section that described the elements necessary to qualify for the tax advantages, the fully-insured defined benefit pension plan is not a new plan; **it's been around since 1959.** This fully-insured approach, however, is not for everyone. It works best for clients who:

- **Need or desire a significant retirement account and current income tax deduction**
- **Are typically age 50 or over and maybe significantly older than their employees**
- **Own a profitable professional practice or small business with a stable cash flow**

[proactive ending]

I plan to call you soon to arrange a time to meet and explore the advantages of the fully insured defined benefit pension plan.

[reactive ending]

Call me today to explore the advantages of the fully insured defined benefit pension plan for your clients!

Sincerely,

[Advisor Name]

[date]

[name]
[business name]
[address]
[state, city, zip]

Dear [CPA],

Are your clients looking to maximize their current tax deductions? Consider a Fully Insured Pension Plan.

Does your clientele include professionals or successful, small business owners nearing retirement who are looking for ways to reduce their taxes while enhancing their retirement savings? If so, they may want to consider a “fully insured” defined benefit plan — a plan that must be funded exclusively with a fixed qualified pension annuity contracts or a combination of qualified pension life insurance and a fixed pension annuity contract.

A “fully insured” plan ***rewards high-income, mature participants and provides maximum current tax-deductible contributions*** with known retirement benefits. These plans since the passing of the pension protection act in 2006, they may also be set up in combination with a profit sharing plan and 401(k) plan. This allows these plans to be used in larger employee groups as well.

Most retirement plans provide a tax-deductible contribution that is limited to a fixed-dollar amount or percentage. The retirement benefits depend solely on the investment yield achieved for the dollars invested. Contributions are predictable, **but the retirement benefits are unknown**.

A fully insured defined benefit plan works in reverse. The benefit is known (as selected by the employer) and the necessary contribution is calculated to achieve that result. Deductions for contributions can be as much as the plan’s unfunded current liability.

[proactive ending]

I plan to call you soon to talk about how your successful small business clients can contribute more – and deduct more – than they can with other retirement plans, while providing the added security that comes with the guarantees provided by life insurance and annuity products from Ohio National.

[reactive ending]

Call me and let’s talk about how your successful small business clients can contribute more – and deduct more – than they can with other retirement plans, while providing the added security that comes with the guarantees provided by life insurance and annuity products from Ohio National.

Sincerely,

[Advisor Name]

[date]

[name]
[business name]
[address]
[state, city, zip]

Dear [CPA],

Do investment markets have your clients nervous or concerned about their retirement income?

Learn about the guaranteed benefits available with a Fully-Insured Pension Plan.

The fully insured defined benefit pension plan is an under-utilized retirement planning option that is well suited to the needs of professionals and successful small business owners nearing retirement age who did not begin saving when they were younger, or who have not saved enough for a comfortable retirement. The plan is funded entirely with a qualified fixed pension annuity contracts or a combination of an annuity contracts and qualified fixed pension life insurance, rather than stocks and bonds. The benefit is based on minimum guaranteed interest rates. **This has a powerful advantage over other types of retirement plans or traditional pension plans.**

A plan funded solely with qualified fixed pension insurance contracts is exempt from some of the complicated regulations governing other pension plans. As a result, your clients can avoid certain tax filings, actuarial costs and fees for IRS approval. In addition, there can be no over-funding or under-funding problems or penalties, as with traditional defined benefit plans.

Plus, because a fully insured plan guarantees a specific retirement benefit, that benefit must be funded over the time available until normal retirement or for five years. For an older participant who has fewer years until retirement, there are fewer years to amass the needed funds. **This can mean significantly larger contributions for an older owner participant over a relatively short period of time.** And, as a qualified plan, the **contributions are tax deductible to the employer.**

[proactive ending]

I plan to call you soon to arrange a time to meet and explore the advantages of the fully insured defined benefit pension plan and help you identify target prospects.

[reactive ending]

Call me today to explore the advantages of the fully insured defined benefit pension plan for your successful small business clients!

Sincerely,

[Advisor Name]
[date]

[name]

[business name]
[address]
[state, city, zip]

Dear [CPA],

**Retirement planning for your small business clientele?
Think Fully Insured Defined Benefit Pension Plan.**

How many of your small business clients want secure predictable retirement income and maximum current business income tax deductions? You can help them preserve their profits for retirement with an Ohio National fully insured plan.

This plan is an under-utilized retirement planning option that is well suited to the needs of small business owners nearing retirement age who did not begin saving when they were younger, or who need to “catch up.” Because the plan permits larger initial contributions, it also provides for larger income tax deductions than other retirement plans. Plus, because the plan is funded by fixed products that are guaranteed by an insurance company, contributions are not subject to investment risk.

Previously referred to as 412(e)(3), named after the Internal Revenue Code section that described the elements necessary to qualify for the tax advantages, the fully insured defined benefit pension plan is not a new plan; it’s been around for over 25 years. This fully insured approach, however, is not for everyone. It works best for clients who:

- **Need or desire a significant retirement account and current income tax deduction**
- **Are age 50 or over and significantly older than most of their employees**
- **Own a profitable small business or professional practice with a stable cash flow**
- **Have a smaller number of Employee’s**

[proactive ending]

I plan to call you soon to arrange a time to meet and explore the advantages of the fully insured defined benefit pension plan.

[reactive ending]

Call me today to explore the advantages of the fully insured defined benefit pension plan for your clients!

Sincerely,

(Pension Consultant name)

[date]

[name]
[business name]
[address]
[state, city, zip]

Dear [CPA],

**Are your clients looking to maximize their current tax deductions?
Consider a fully insured defined benefit pension plan.**

Does your clientele include successful, small business owners nearing retirement who are looking for ways to reduce their taxes while enhancing their retirement savings? If so, they may want to consider a “fully insured” defined benefit plan — a plan that must be funded exclusively with a fixed annuity contract or a combination of whole life insurance and a fixed annuity contract.

A “fully insured” Ohio National plan rewards high-income, mature participants and provides maximum current tax-deductible contributions with known retirement benefits.

Most pension plans provide a tax-deductible contribution that is limited to a fixed-dollar amount (e.g., \$46,000). The retirement benefits depend solely on the investment yield achieved for the dollars invested. Contributions are predictable, but the retirement benefits are unknown.

A defined benefit plan works in reverse. The benefit is known (as selected by the employer) and the necessary contribution is calculated to achieve that result. Deductions for contributions can be as much as the plan’s unfunded current liability.

[proactive ending]

I plan to call you soon to talk about how your successful small business clients can contribute more – and deduct more – than they can with other retirement plans, while providing the added security that comes with the guarantees provided by life insurance and annuity products from Ohio National.

[reactive ending]

Call me and let’s talk about how your successful small business clients can contribute more – and deduct more – than they can with other retirement plans, while providing the added security that comes with the guarantees provided by a major life insurance company and their life insurance and annuity products.

Sincerely,

[Agent Name]

[date]

[name]

[business name]

[address]

[state, city, zip]

Dear [CPA],

Do investment markets have your clients nervous or concerned about their retirement income?

Learn about the guaranteed benefits available with a 412 (e) (3) fully insured defined benefit pension. plan.

The fully insured defined benefit plan is an under-utilized retirement planning option that is well suited to the needs of small business owners nearing retirement age who did not begin saving when they were younger, or who have not saved enough for a comfortable retirement. The plan is funded entirely with a fixed annuity contract or a combination of an annuity contract and whole life insurance, rather than stocks and bonds. The benefit is based on minimum guaranteed interest rates. This has a powerful advantage over other types of pension plans.

A plan funded solely with insurance contracts is exempt from some of the complicated regulations governing other pension plans. As a result, your clients can avoid certain tax filings, actuarial costs and fees for IRS approval. In addition, there can be no over-funding or under-funding problems, as with traditional defined benefit plans.

Plus, because a fully insured plan guarantees a specific retirement benefit, that benefit must be funded over the time available. For an older participant who has fewer years until retirement, there are fewer years to amass the needed funds. This can mean significantly larger contributions for an older owner participant over a relatively short period of time. And, as a qualified plan, the contributions are tax deductible to the employer.

[proactive ending]

I plan to call you soon to arrange a time to meet and explore the advantages of the fully insured defined benefit pension plan and help you identify target prospects.

[reactive ending]

Call me today to explore the advantages of the fully insured defined benefit pension plan for your successful small business clients!

Sincerely,

[Agent Name]

Dear

My name is and I will be representing National Pension Partners (NPP) as your Senior Pension Consultant (SPC)

As your SPC, I work with NPPs executive team, headed by Nick Paleveda MBA J.D. LL.M, and together we will partner to help you meet your business goals. I will work closely with you to establish new business relationships, develop business plans, and support your marketing efforts. I am also available to assist you with questions related to products, services and NPPs leading TPA technology.

We have various pension plan programs including and "Equity Out" program for CPAs which can help you sell your practice and retire when the time is right for you.

In addition to my personal support, and the support of Nicholas Paleveda MBA J.D. LL.M, CEO of NPP, you will have access to world-class products and systems that have been recently enhanced to meet your needs.

I will be contacting you by phone in the next few weeks to introduce myself and discuss ways that we can partner in 2011 and beyond.

I look forward to speaking with you soon. If you have any questions, please call me during normal business hours (...am - ...pm) at (Telephone number) or via email at (email address)

Sincerely,

(Your Name)

Dear,

In January of 2013, Federal income taxes on high income taxpayers increased to 39.6%. On January 1, 2013, Medicare taxes will increase .9% to help cover the cost of the new health care legislation. The Affordable Care Act surcharge adds another 3.8% on earners over \$450,000 in house hold income. Many states have also increased their taxes.

The Pension Protection Act of 2006 preserved the pension and retirement plan laws and made them permanent. This law was passed with bi-partisan support 96-3 in the Senate. Pensions and retirement plans continue to be encouraged by Congress because people have not saved enough for retirement.

Profit sharing plans allow you to deduct up to \$49,000 per year free of Social Security, Medicare and Federal income taxes. **In contrast, pension plans allow you to deduct up to \$300,000 per year, depending on your age and compensation.** An Actuary must determine the exact amount.

Our company employs enrolled actuaries to provide the highest level of expertise and professionalism in plan design and administration. We are located about 7 miles South of Salt Lake City, Utah, and currently operate in 49 states. Our administration affiliate is bonded up to \$3 million by Fireman's Fund, and all assets are in the custody of major financial institutions. This allows us the maximum independence in plan design.

If you qualify, your plan may be further guaranteed by the Pension Benefit Guarantee Corporation.

What plan is best for you? For a complementary study by one of our actuaries email _____ at ____@nationalpensions.com. You can also visit our website at www.nationalpensions.com.

Sincerely yours,

Your Name

Pension Consultant

What your CPA may not be sharing with you!

“There are ways to tax shelter virtually every dollar of income
you don’t need to take home to support lifestyle!”

Dear _____,

Based our experience we are the only provider along the Northern Front Range of Colorado offering the following two programs:

- 1) **Fully Insured Defined Benefit Pension Plans** (412)(e)(3) including **Straight, Carve Out or Combination** plans.

-giving you the ability to deduct an additional \$50k-\$300k

- 2) **Top Hat and Fully Insured Plans** (Section 79 plans)

-giving you the ability to tax shelter tens of thousands of dollars

We work with National Pension Partners to provide you these unique resources. The professionals who would work with you in this arena have over 85 years of professional experience.

Please refer to the enclosed information for more detail. **If you are at all interested in saving taxes and sheltering money** like the sophisticated does we can be reached at:

[Website](#)

Phone # Email

Sincerely,

Dan _____, CFP®, CLU, ChFC

P.S. There literally are ways to tax shelter large sums of money from taxes legally and ethically. You must be proactive, however to take advantage of them.

Telephone Scripts

The sections below contain scripts to use when calling clients and prospects. You may want to read the 'Overcoming Objections' section below prior to the call.

➤ Telephone Outline for Current Clients

Put in your own words:

- Identify yourself. You may say something like (I work with National Pension Partners)
- I'm calling to let you know about something I think you'll find really interesting. It is an IRS-approved retirement plan that might let you *(for CPA's "your clients")* cut your taxes by substantially more than \$40,000 **this year** if you are self-employed or own a business with only a few employees.
- This plan might let you take a tax-deduction for as much as \$100,000 or more per year that you save for your retirement. That's much more than the maximum contribution that can be made to a SEP \$52,000 or a 401(k) (\$57,500, if you're 50 or older).
- And you have pretty much complete discretion about the investments you use with your retirement funds.
- Was I right in thinking that you want to save on taxes this year?
- **(If 'yes')**: Let me run some calculations for you to show you what you could save. I have your age as ____ is that correct? (Fill in answer)
- And if you could give me a ball park estimate on your earned income for this year, that's all I need to come up with an estimate.
- Let me send you your estimate with the plan and then we can talk about it. I'll show you the maximum you would be able to contribute to the plan and how much that could mean in tax savings and increased retirement wealth over the years.
- **(If 'no')**: Determine objection(s). Read 'Overcoming Objections' section below.
- In order to cut your income taxes for 2014, you'll need to move quickly because the plan must be in place by the end of your tax year, which for most people is December 31. I'll call you back to talk about it next week.

➤ Telephone Outline for Prospects

Put in your own words:

- Hi, this is (your name) with (your firm). You may say something like (I work with National Pension Partners) Can I speak with the owner?
- This will take less than a minute of your time. I just want to find out if you've heard about an IRS-approved retirement plan that might let you cut your taxes by substantially more than \$40,000 **this year**?
- **(Regardless of 'yes' or 'no')**: If you have self-employment income or own a small business (are a success full professional) this plan might let you take a tax-deduction for

as much as \$100,000 or more per year that you save for your retirement. That's much more than the maximum contribution that can be made to a SEP (\$52,000) or a 401(k) (\$57,500, if you're 50 or older).

- Are you interested in finding out how much you are eligible for?
- **(If 'no'):** You aren't interested in cutting your taxes by thousands of dollars per year?
 - (If 'no' again): Thank you for your time.
 - (If 'yes' or some other response): See below
- **(If 'yes'):** Let me run some calculations for you to show you what you could save. I have your age as 50. Is that correct? (Fill in answer)
- And if you could give me a ball park estimate on your earned income for this year, that's all I need to come up with an estimate.
- Let me send you your estimate with the plan proposal, and then we can talk about it. I'll show you the maximum you would be able to contribute to the plan and how much that could mean in tax savings and increased retirement wealth over the years.
- I'll call you back to talk about it next week. In order to take advantage of the plan for this year's taxes you will need to move quickly. What is this the best time to talk?

Overcoming Objections

Clients and prospects may have concerns about the plan that can be easily overcome with the correct information. Following are some examples.

I can't afford this without reducing my standard of living.

You may be able to make much larger contributions than you think. Depending on your tax bracket, 40% or more of any contribution could be "government money" – money you're already paying out in taxes. Let's say you are eligible to make a \$100,000 contribution to Fully-insured DB plan.

- You are probably already planning to make the maximum contribution of \$57,500 to a 401(k) if you're 50 or older.
- Of the remaining \$42,500, if 40% is 'government money' that is another \$17,000.
- That leaves you with \$25,500 to finance. If you can move that amount from a taxable account there is absolutely no negative impact on your standard of living. You have exactly as much money available to pay your bills as you had before -- and now you have a lot more money in your retirement plan for your future because you have just put an additional \$17,000 away that otherwise would have gone to paying current year taxes.
- And, you are not paying current taxes on the income from that \$25,500.

I can't afford to make a large contribution this year.

You don't have to. Your full contribution isn't due until you file your tax return for next year. That means if you get an extension, your full contribution isn't due until 8 ½ months after the end of your tax year – for most people that means September 15, 2014. You can open the account with a very small amount of money this year and then pay in full the contribution late next year.

I can't predict my yearly income.

Choose a contribution amount (and retirement benefit) level you're comfortable with this year and in future years. If you see that it is too high or too low, you can adjust the plan accordingly.

I already have a retirement plan.

Unless it is a defined benefit plan like the fully-insured DB plan it doesn't allow contributions of more than \$56,500 each year. If you want to make larger contributions and take larger tax deductions, you need a fully-insured DB plan.

I don't want to make large contributions for my employees.

Yearly contributions for employees are based on the same criteria as the contributions for you: mainly age, compensation and the investment performance of the account. If you have older, highly paid employees, you will make larger contributions than if you have younger, not-so-well paid employees. It depends on your specific situation. In nearly all cases the bulk of the contributions go to the owner.

It seems awfully complicated.

If you would like we can talk with the tax attorney at National Pension Partners They are the firm that provides administrative services for the plan takes care of all the paperwork and red tape. They keep the plan in compliance with government regulations and they prepare all the forms. All you or your tax advisor need to do is provide simple information each year.

I don't understand all of this; I need to talk to my attorney/tax advisor.

That's a good idea. In fact we can have them consult with our CEO who is a tax attorney at no cost to you. Let me contact them and I can also send him material on the plan and then let's have a phone conversation with the National Pension Partners DB experts so that he or she can ask all the questions they may need to.

I don't want to get stuck with investments I don't like.

In a fully-insured plan all the investments are guaranteed insurance company backed pension contracts. You can also do a noninsured DB plan. In a noninsured plan you have pretty much complete freedom to choose how you want the money invested as long as you stay within the law. The main restriction comes from the fact that you have a fiduciary duty to your employees, same as with any retirement plan you have for them now. There are certain investments (like uncovered calls and puts) that a retirement plan cannot purchase.

Advisor Q & A

You may have specific questions to help you in better understand fully-insured DB plans. Following are answers to the most frequently asked questions from financial advisors.

Management Issues

Am I limited to certain specific investments?

In a fully-insured plan all the investments are guaranteed insurance company backed pension contracts. You can also do a noninsured DB plan. In the noninsured plans generally, you can sell any investment you sell today to a SEP, 401(k) or Keogh-type profit sharing or money purchase pension plan.

Where is the account held?

The noninsured DB plan account can be opened at any brokerage, mutual fund company, bank or insurance company. In a fully-insured plan all the investments are guaranteed insurance company backed pension contracts typically issued by a large well rated domestic insurance company.

How is the account titled?

Typically it will be set up as a "Pension Trust" or "Retirement Trust," indicating that all the tax reporting will be handed by the third party administrator. Your company may have another term for these accounts. It will be titled as "[Mary Jones] Retirement Trust" or a similar name. The owner of the plan is generally the trustee.

Can I use life insurance in the plan?

Yes.

Am I involved in the paperwork for the plan?

Only if you want to be. Once the plan is set up, National Pension Partners, the third party administrator, can handle all the paperwork directly with the client and/or his or her tax advisor if you prefer.

What do I have to do?

Your responsibility is generally limited to:

1. Identifying the prospects
2. Presenting the proposal
3. NPP will help you closing the sale. We do many go to meetings with advisors, clients and tax advisor to help them make a good decision for them.
4. Manage the assets for the client

We'll take care of the annual account administration, including preparation of an annual report to the IRS of the plan's total contributions and assets.

The client already has a defined benefit plan but would like to use National Pension Partners. What should I do?

Call one of our specialists at (877) 252-1692. We can handle "take-over" plans.

Retirement Issues***What happens if the client closes the business and stops working before the plan's retirement date?***

The plan can be terminated at any time subject to IRS rules and the value of the benefit rolled over to an IRA or Profit Sharing Plan. Early planning is always helpful. Just let us know the client's plans when you know them.

Does the client have to retire on the plan's specified retirement date (year)?

No. The plan's retirement date is one of the assumptions used to establish the amount of money to be funded each year. The client can amend the plan to change the retirement date or simply keep working and take the benefits later. Let us know as your plans change and we can make the appropriate amendments.

When can the client retire?

The client can stop the plan at any age and roll the present value of the benefits over to an IRA to begin receiving distributions. Routinely, however, the plans go for a minimum of five years and the earliest retirement date is age 62.

How much money can the client take out of the plan each year at retirement?

The client can either take the stated retirement benefit (**2015 plan year example: up to \$210,000 per year**) or he or she can roll the total amount of the accrued benefit to an IRA or Profit Sharing Plan. This allows flexibility in distribution options.

Annual Contributions

Is the contribution mandatory?

Yes, a contribution is required each year to fund the benefit promised by the plan at retirement. However, the plan benefit formula can be amended for future years and thus lower or cancel the need for funding that year or at all in the future.

Is there a percentage (%) limit on the client's contribution like other plans?

No. The contribution is determined by age, compensation, interest assumption and the maximum benefit allowed. An actuary calculates the required funding and that amount is deductible.

When is the annual contribution due?

The funding deadline for pension plan contributions is 8 ½ months after the close of the plan year. ***(With extensions September 15th)*** In order to be deductible, the client must make the contribution on the earlier of the date when he or she files an annual tax return which with extensions is 8 ½ months after the close of the plan year.

Can the client's contribution amount be reduced after the plan is set up?

Yes, this can happen in several ways. The client can always amend the plan formula down for future years (but still may be required to make the contribution for the current year, depending on when the amendment is made). Also, if compensation decreases, the required contribution may decrease. If the client earns over the assumed interest rate, contributions will also decrease.

What is the maximum amount the client can contribute?

The maximum benefit in a defined benefit plan is a pension of 100% of his or her salary payable for life, up to a certain dollar maximum. ***(\$210,000 for 2015)*** The contribution is whatever an actuary determines is necessary to fund that benefit.

Investments

What happens if investments earn more than the actuarial assumed interest rate?

The plan assets and the annual contributions work together to fund the plan. If the investments grow more than expected the client will put less money into the plan. The fully-insured plan eliminates the issues of over funding or under funding and the taxes and penalties from both with guaranteed insurance pension contracts.

Are investments limited in the amount of return that can be earned?

No. However, the contribution amount will be adjusted to reflect the actual investment experience of the plan. This means if a plan earns above the assumed rate of return, contributions will decrease. If it earns below the assumed interest rate, contributions will increase. ***(There is a risk of penalties for both over funding and underfunding a plan)***

Changing Plans

In the past, the client has had a Profit Sharing Plan for their business. Can the client now terminate a SEP, profit sharing or money purchase plan and set up a Fully-insured DB Plan?

Yes.

Can the client terminate the defined benefit plan?

Yes.

How?

The client submits final filings to the IRS. An actuary calculates the benefit under the plan. Depending on the amount in the plan, there could be excess or a shortfall to fund the benefits.

Eligibility

The client owns more than one business. Does the client have to cover employees in both businesses?

Generally, yes if the client owns more than 50% of both businesses. This is a question that usually requires a close look at the facts relating to the business as well as a census and a consultation with the NPP tax attorney. ***(This is a free consultation)***

The client already participates in an employer's 401(k) or a 403(b) plan. But the client has earned income from a source not covered in that plan, such as royalties, director fees, lecture fees, consulting fees, etc.. Can he or she open a Fully-insured DB plan to cover that self-employment income?

Yes, if the two plans are with companies that are not part of a controlled or affiliated service group (basically, if they are not both controlled by the same 5 or fewer people).