

# **412(i) DEFINED BENEFIT PLANS SAMPLE PRE-APPROACH LETTER TO CPA'S**

Dear CPA,

**Re: 412(i) DEFINED BENEFIT PLANS**

Do you have clients who would like a very large deduction for their business? Are you aware of 412(i) Defined Benefit plans? These plans allow for the largest possible deductions to a small business retirement plan. These plans are particularly suited for independent contractors who have few or no employees. They are designed to maximize the deduction for the older small business owner to enable him to accumulate funds for his retirement in a very short period of time.

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**MAXIMUM FIRST YEAR DEDUCTIONS AVAILABLE AT SELECTED AGES:**

	<u>ANNUITY ONLY</u>	<u>MAXIMUM LIFE INSURANCE AND ANNUITY</u>
AGE 45	\$102,312	\$127,367
AGE 50	\$147,814	\$186,438
AGE 55	\$239,812	\$307,938
AGE 60	\$258,910	\$357,156

Note: The contributions above are based upon the guaranteed annuity purchase rates, the guaranteed insurance cash values, and the guaranteed annuity accumulation rates of American National Insurance Company 412(i) qualified life and annuity products. The numbers also assume the business owner at the selected ages has earnings of at least \$175,000 and a normal retirement age of 65, on a 2006 plan year.

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Do you have any clients with over-funded Defined Benefit plans? Did you know they may lose 90% or more of the excess assets to taxes and penalties upon termination of the plan when the assets revert to the corporation? Did you know that 412(i) plans may be the only viable solution to the problem?

These plans are not a "grey area" and have been in existence for more than 25 years. The IRS created special code section 412(i) for these plans to exempt them from many of the requirements of traditional defined benefit plans since an insurance company must guarantee the plan benefits.

I plan to call you soon to arrange an appointment to see if you would like to know more about these specialized plans. These plans are ideally suited to certain unique situations in many small businesses and yet are not well known.

I'm looking forward to speaking to you in the near future.

Sincerely,

\*This is not intended to be tax or legal advice from American National or its agents. Please consult your tax advisor or attorney for advice in your specific situation.