

DEFER TAXES. **MAXIMIZE** THE SALE. **SECURE YOUR** *financial future.*

What if you could offer your clients a way to sell their business, property or other appreciated asset and avoid immediate tax obligations while growing the net proceeds in an attractive, tax-deferred manner?

If it seems too good to be true, you need to take a look at Structured Installment Sales.

Following approved IRS guidelines (IRC 453), Structured Installment Sales allow an individual the unique opportunity to defer their immediate tax obligation, by placing a portion of their net proceeds into an annuity product, with highly rated life insurance carriers. Sellers can design a future payment schedule that meets their unique needs, realizing significant income growth through the investment, paying a deferred tax obligation in the future year(s) when payments are received.

PRODUCT *highlights*

- Defer first payment up to 40 years.
- No investment minimums or maximums.
- Design payments as needed in the future, including future lump sums on identified dates.
- Index-linked, market-based growth, with a guaranteed floor to hedge against potential downturns.
- For use in the sale of businesses, property, appreciated assets (art collections, vintage vehicles, etc.)
- Backed by highly rated life insurance markets.



JCR
INSTALLMENT SALES

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INSTALLMENT SALE *Process*

1

The buyer and seller execute the Purchase and Sale Agreement agreeing to periodic payment schedule

2

The buyer assigns periodic payment schedule and transfers the allocated premium

3

Assignment company uses the allocated premium to purchase an annuity contract matching the agreed upon periodic payment schedule.

4

Life Insurance Company issues the annuity contract to the assignment company

5

Life insurance company distributes periodic payments to the Seller, in accordance with the schedule agreed to in the Purchase and Sales Agreement.

CASE *study*

40 year-old male sells his business for \$4M and places \$1M into the **Structured Installment Sale**. He enjoys an immediate tax-savings of \$370,000.00 as he does not take constructive receipt of the invested dollars at the time of the sale. The \$1M is invested in a index-linked annuity product powered by a well-known global index. First payment is deferred for 10 years and monthly payments are made thereafter, for the next 30 years, generating an anticipated yield between **\$5,884,892.00** on the low end and **\$13,347,652.00** on the high end. Taxes are due in the future years when annuity payment is received and is based on a pro-rated capital gains and ordinary income basis.



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