

## What if the owner passes away during the premium paying period?

If the owner/insured of the contract passes away during the premium paying period, the beneficiary would receive the guaranteed death benefit of the life policy AND the remainder of the annuity (SPIA).

## Are you eligible?

Qualifying for this plan may be easier than you think. Our simplified underwriting process and point of sale decision-making will swiftly determine your eligibility.

## What features and other benefits does this plan contain?

The Eagle's Legacy plan provides benefits to both the beneficiary and owner. These features include:

- Issue ages up to age 80 (age-nearest-birthday).
- Maximum face amount of \$300,000.
- Policy loans on the accumulated cash value.
- A participating plan, meaning that the owners will be eligible for dividends.
- The plan's ability to be funded by both qualified and non-qualified funds.

## About ELCO

### What is a mutual company?

Unlike stock based companies, a mutual company is an organization completely owned by its policyholders. At ELCO we treat every client like they're a part of our family. Any profits we accumulate are shared with contract owners as dividends and competitive annuity interest rates.

### History

Employees Life Company was founded in 1946 and first opened its doors in downtown Chicago, Illinois. Over the course of the past 70 years we have seen many changes, including three moves, two mergers, and one significant name change. Today we are known as ELCO Mutual Life and Annuity and are located in Lake Bluff, IL, where we've had the pleasure of calling home for over 35 years. Despite all of these changes our beliefs of providing both dependable service and consumer friendly products to our clients has never changed.



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**EAGLE'S LEGACY**  
*May Your Legacy Live On.*

# EAGLE’S LEGACY

## What is the Eagle’s Legacy?

The Eagle’s Legacy plan is a 10-pay whole life insurance policy funded by a single premium immediate annuity (SPIA). It works by transferring an existing deferred annuity, or IRA funds, into the SPIA. This SPIA then funds a 10-pay whole life insurance policy that provides a guaranteed death benefit to the beneficiaries.

## Why choose the Eagle’s Legacy?

The Eagle’s Legacy plan is a perfect tool for those who have an annuity and want to leave their beneficiaries with an income-tax free death benefit.

## Spreading the Tax Burden

The owner of the contract receives a 1099 (each year for ten years) on the monthly annuity payments directed to the life insurance policy. This spreads out the taxation for the owner over a ten year period and ultimately leaves the beneficiaries with an income-tax free death benefit.

ELCO Mutual Life & Annuity								
916 Sherwood Dr, Lake Bluff, IL 60044								
Single Premium Immediate Annuity (Policy Form SPIA11)								
10 Pay Life (Policy Form ICC15-WLMP15)								
"A Life Insurance Policy Illustration"								
Presented for: James Johnson			Initial Monthly Premium: \$917.81					
Male, Issue Age: 60			Annual Total: \$11,004.94					
State: Illinois								
			~~~ Guaranteed Values ~~~			~~~~~ Projected Values ~~~~~		
End Of		Annual	Guaranteed	Guaranteed	Paid Up	Total		
Year	Age	Premium	Guaranteed	Guaranteed	Paid Up	Addition	Projected	Projected
		Outlay	Cash Value	Death Benefit	Additions	Cash Value	Cash Value	Death Benefit
1	61	\$11,004.94	\$0.00	\$161,102.00	\$0.00	\$0.00	\$0.00	\$161,102.00
2	62	\$11,004.94	\$9,344.00	\$161,102.00	\$0.00	\$0.00	\$9,194.00	\$161,102.00
3	63	\$11,004.94	\$19,171.00	\$161,102.00	\$79.00	\$46.00	\$19,103.00	\$161,181.00
4	64	\$11,004.94	\$29,321.00	\$161,102.00	\$238.00	\$142.00	\$29,379.00	\$161,340.00
5	65	\$11,004.94	\$39,792.00	\$161,102.00	\$476.00	\$292.00	\$40,065.00	\$161,578.00
6	66	\$11,004.94	\$50,747.00	\$161,102.00	\$793.00	\$497.00	\$51,206.00	\$161,895.00
7	67	\$11,004.94	\$62,185.00	\$161,102.00	\$1,188.00	\$762.00	\$62,862.00	\$162,290.00
8	68	\$11,004.94	\$74,107.00	\$161,102.00	\$1,661.00	\$1,090.00	\$75,093.00	\$162,763.00
9	69	\$11,004.94	\$86,512.00	\$161,102.00	\$2,213.00	\$1,483.00	\$87,965.00	\$163,315.00
10	70	\$11,004.94	\$99,722.00	\$161,102.00	\$2,845.00	\$1,948.00	\$101,549.00	\$163,947.00
15	75		\$111,644.00	\$161,102.00	\$6,433.00	\$4,860.00	\$116,384.00	\$167,535.00
20	80		\$122,921.00	\$161,102.00	\$10,085.00	\$8,270.00	\$131,128.00	\$171,187.00
25	85		\$132,748.00	\$161,102.00	\$13,794.00	\$12,103.00	\$144,701.00	\$174,896.00
30	90		\$140,159.00	\$161,102.00	\$17,549.00	\$16,153.00	\$156,241.00	\$178,651.00
35	95		\$145,475.00	\$161,102.00	\$21,354.00	\$20,290.00	\$165,765.00	\$182,456.00

This booklet is not a contract and descriptions of policy provisions are only partial. Refer to the policy for the complete terms and conditions. In the event of a conflict, the terms of the policy will govern.

## The Annuity Tax *Time-Bomb*

Deferred annuities are phenomenal savings vehicles for those looking to prepare for retirement. Usually a client will use their deferred annuity to generate a stream of income, have a nest egg for major expenses or supplement their income with the accrued interest. In some instances, a client may decide to leave their funds to a beneficiary instead of using them. This leaves the beneficiary with a tax “*Time-Bomb*” that will go off when they eventually receive the contract. The Eagle’s Legacy plan is used to diffuse that situation. By utilizing the Eagle’s Legacy plan, clients will be able to spread out taxation, provide a greater income-tax free death benefit and leave a gift for their loved ones.

## Let’s Compare What \$100,000 Can Do

### An IRA annuity earning 3.25% APY at the end of a ten year period:

Guaranteed Death Benefit	Taxable Amount on the Death Benefit
\$137,689.43	\$137,689.43
VS.	

### The Eagle’s Legacy at the end of a ten year period:

Guaranteed Death Benefit	Death Benefit With Dividend Projections	Taxable Amount
\$161,102	\$163,947	\$0

## How it Works

James is a 60 year old man, non-smoker, who has a deferred annuity (IRA) valued at \$100,000. Like many, he has spent his entire life working hard, raising a family and preparing for retirement. After reviewing his finances, James realizes that he would like to leave his IRA funds to his grandchildren. While investigating all of his options, James recognizes that his grandchildren will have to pay taxes on these funds upon his death. Frantic, he looks into all potential alternatives. He could surrender the policy, leaving him with a heavy, one-time, tax burden in the year of the surrender. If James falls within the 25 percent tax bracket he would most likely pay \$25,000 in taxes; a hefty amount for anyone in retirement. So, James continues to look for a way to leave his grandchildren a sizeable death benefit, while trying to prevent taxation to them. This is where the Eagle’s Legacy plan comes into play.

He starts by transferring his deferred annuity into the SPIA, which will fund the 10-pay life insurance policy. His grandchildren are listed as the beneficiaries of both policies. Taxes on the original funds are paid by James and spread out over the ten years. His goal of a tax-free gift to his grandchildren is accomplished. The death benefit generated by his payments would be \$161,102 (before dividend projections), which is both guaranteed and income-tax free. James now has both peace of mind and a legacy by his own design.

ELCO Mutual Life & Annuity nor its representatives offer legal or tax advice. Please consult your attorney and/or tax advisor regarding any legal or tax matters.