

# STRUCTURED INSTALLMENT SALE

## KEY ADVANTAGES

- ✓ Deferral of capital gain taxation
- ✓ Conversion of asset into a guaranteed income stream, immune to market volatility and performance
- ✓ Payments guaranteed by a financially sound and trusted company<sup>1</sup>

Are you planning to sell your business or real estate holding this year? If so, you might be facing the prospect of a substantial capital gain. It's important to evaluate the tax and financial options available for the proceeds from such transactions. One solution that is tax-efficient and provides guaranteed<sup>1</sup> income to help secure your future is a Structured Installment Sale product.

## WHAT IS A STRUCTURED INSTALLMENT SALE?

The Structured Installment Sale is an annuity that allows you to defer potentially large capital gains tax and receive guaranteed installment payments over time. This installment sales approach allows you to choose what amount you'd like to receive now and how much you'd like to put into an annuity. The payment stream can be set to fit more immediate needs or help plan for the longer term, like retirement. For a transaction to qualify as a Structured Installment Sale, it must be an eligible property in which you receive at least one payment after the tax year of the transaction.<sup>2</sup>

## ELIGIBLE PROPERTY SALES INCLUDE, BUT ARE NOT LIMITED TO:

- Sale of Real Estate:
- Personal Property (e.g. a home)
- Commercial Property (e.g. an office or apartment building, a retail store, farm lands, etc.)
- Sale of a Business (e.g. dental or veterinary practice)

Sellers should consult with their tax advisors to determine if a prospective sale qualifies for our Structured Installment Sale product.<sup>3</sup>



To us, it's personal.<sup>SM</sup>

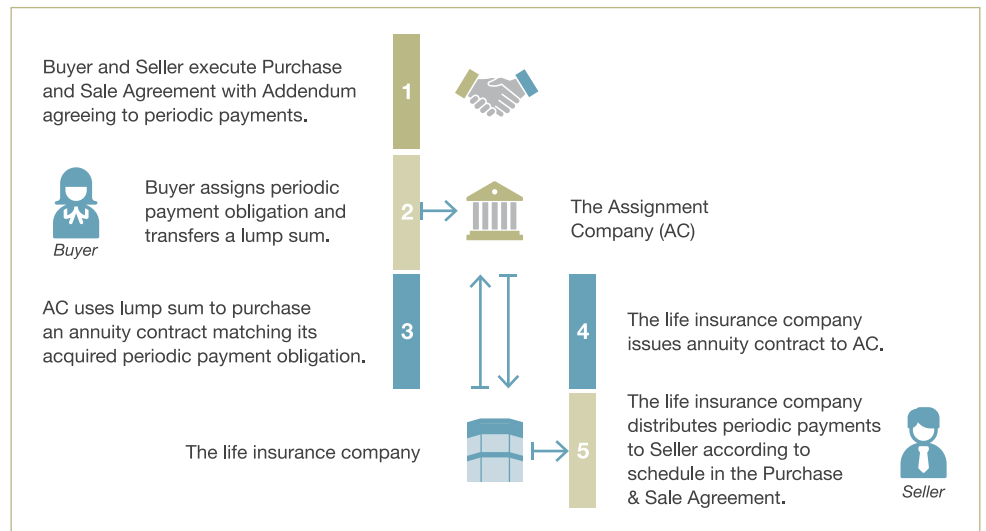
# STRUCTURED INSTALLMENT SALE



To us, it's personal.<sup>SM</sup>

## HOW DOES A STRUCTURED INSTALLMENT SALE WORK?

Instead of receiving one lump sum, all parties agree to periodic payments for a stated number of years as a condition of the property sale. The periodic payment obligation is then transferred to an assignment company by the Buyer, who pays the full premium to cover the payments. The assignment company takes the Buyer's premium check for the periodic payments and purchases an annuity from the life insurance company who would then issue the scheduled payments to the Seller on behalf of the assignment company.



<sup>1</sup> All guarantees are subject to the financial strength and claims-paying ability of the life insurance company.

<sup>2</sup> Real or personal property sold by the dealer or a person who regularly sells property on the installment plan and property included in inventory do not qualify for the installment sale rules. Marketable securities are not eligible for installment sale treatment. Other restrictions apply. Please consult your tax advisor before entering in to an installment sale agreement.

<sup>3</sup> Neither Kelly Ramsdale & Associates, Inc. nor its affiliates offer tax or legal advice. Any discussion of taxes in this material is intended to be general in nature and based on our understanding of the tax laws as they currently apply. Tax laws are subject to change and to different interpretation. You should consult your own tax advisor to determine how the tax law applies to your situation.



Scan this code to download our FREE APP