



\$7702 Cheat Sheet

Consolidated Appropriations Act, 2021, Section 205, changed the hard-coded interest rates 7702 to a dynamic interest rate that is 200 bps lower January 1, 2021.

First Glance Product Impact & Observations

Maximum Non-MEC premium (7-Pay) increases

Most notably for younger clients. Their long mortality and duration of coverage magnifies the lower rate's impact. Looking at ages ranging from 20s to 70s, we are seeing increases from 9% to 177%.

IRR on Death Benefits Improves

For clients in their 30s, we are seeing IRR at life expectancy improvement in the 7% range. Clients in their 50s, upwards of 9%. Long term IRR on death benefit lifted 20 to 100 bps depending on age and class.

Short-term IRR on CSV Improvements

In samples ranging from ages 30 to 55, year 10 IRR on cash surrender value is improving by approximately 60% to 80%. Tremendous benefit for accumulation sales.

Income Distribution Improvements

In samples ranging from ages 30 to 55, increases in distributed income are ranging from 5% to 16%.

Older Age Box Expands

Older-age cases previously hampered by MEC limits are unlocked. Not only do many more cases work from a design standpoint, depending upon structure, they can become much more efficient than previously possible.

Contact CreativeOne today at **800.992.2642** or visit creativeone.com/unplugged for more resources.

Best Planning Opportunities

Needs

- 529 Alternative
- Roth Alternative
- Health Savings
- Permanent Income Replacement

Retirement

- SRP
- Tax-Diversification
- IRA Supplement
- 401(k) Supplement

Business

- Balance Sheet
- Top-Hat & Non-Qualified Deferred Compensation
- 162 Bonus, Split Dollar
- Leveraged Succession

Estate

- Split Dollar
- Multi-Gen Retirement
- IRA Transfer
- Leveraged Tax Liquidity

