

GSS LIFE

— PROTECT. GROW. LEGACY. —

L.I.R.P.

Life Insurance Retirement Plan Guide

Tax-Advantaged Growth • Family Protection • Business & Legacy Planning



GROW YOUR WEALTH
TAX-EFFICIENTLY



PROTECT WHAT
MATTERS MOST



BUILD YOUR BUSINESS.
SECURE YOUR LEGACY.

GSS LIFE L.I.R.P. Guide

Life Insurance Retirement Plan Education for Tax-Advantaged Growth, Family Protection, Business Continuity, and Legacy Planning

Prepared for GSS LIFE

Downloadable consumer education guide

Website: gssiul.life

***Important educational note:** This guide is designed for general education and marketing use. It is not tax, legal, investment, or individualized insurance advice. Product availability, underwriting, policy charges, riders, caps, participation rates, crediting methods, and guarantees vary by carrier, state, product, and individual eligibility. Consumers should consult a licensed insurance professional and qualified tax or legal advisor before purchasing or changing a life insurance policy.*

A Smarter Conversation About Retirement

Most people are told to work hard, save consistently, contribute to a retirement plan, and hope the market cooperates. That advice is not wrong, but it is often incomplete. Inflation can reduce the spending power of savings, market declines can arrive at the worst possible moment, taxes can erode retirement income, and many traditional accounts do not provide an immediate death benefit for the family if life changes unexpectedly.

GSS LIFE introduces the L.I.R.P., or **Life Insurance Retirement Plan**, as an educational strategy built around properly structured permanent life insurance. A L.I.R.P. is not a replacement for every retirement tool, and it is not a stock-market investment. Instead, it is a planning approach that may combine **life insurance protection**, **tax-deferred cash value growth**, **potential tax-advantaged policy access**, and **legacy planning** inside one long-term strategy.

Indexed Universal Life, often called **IUL**, is one of the policy types commonly used in L.I.R.P. planning. Transamerica describes IUL as permanent life insurance that provides a death benefit and offers the policy owner choice among index account options and optional riders.² Securian describes IUL as permanent life insurance with cash value growth potential tied to an underlying index, while not directly participating in the market.³

The Concern	The Planning Question	The GSS LIFE Conversation
Inflation	Will today's dollars still support tomorrow's lifestyle?	Explore tax-advantaged accumulation and flexible planning.
Market volatility	What happens if a downturn occurs near retirement?	Learn how IUL crediting may include a floor and upside limits.
Retirement taxes	Could future taxes reduce income?	Discuss post-tax retirement income diversification.
Family protection	What happens if income stops unexpectedly?	Evaluate death benefit protection and living benefit options.
Business continuity	What is the plan if an owner exits, retires, or passes away?	Build a strategy for succession, key-person needs, and legacy.
Legacy	Will loved ones receive efficient, intentional support?	Coordinate beneficiary planning, estate goals, and policy design.

What Is a L.I.R.P.?

A **Life Insurance Retirement Plan** is a strategy that uses permanent life insurance as part of a broader retirement and protection plan. Charles Schwab defines a LIRP as a strategy where the policy owner pays more than the minimum premium into a permanent life insurance policy so that extra premium can help build cash value alongside the death benefit.⁴ Citizens describes LIRPs as using the cash value of permanent insurance for loans, withdrawals, surrender, or even premium payments, depending on the policy and circumstances.⁵

The central idea is straightforward. A properly designed policy is funded for long-term accumulation while still meeting the core purpose of life insurance: protecting people, families, and businesses from the financial consequences of premature death. When the policy is not a Modified Endowment Contract, commonly called a **MEC**, withdrawals are generally tax-free up to basis, and policy loans may be tax-free while the policy remains in force, subject to the policy terms and tax rules.²

Transamerica states that, provided a policy is not and does not become a MEC, withdrawals are tax-free to the extent they do not exceed policy basis, and policy loans are tax-free as long as the policy remains in force. Transamerica also cautions that loans, withdrawals, and death benefit accelerations reduce policy value and death benefit.²

A L.I.R.P. is best understood as a **retirement tax-bucket diversification strategy**. Traditional retirement accounts may be pre-tax, Roth accounts may be after-tax, taxable accounts may offer liquidity, and permanent life insurance may provide protection plus cash value features. The goal is not to choose one tool for every purpose; the goal is to coordinate the right tools around the client's income, risk tolerance, family needs, tax outlook, and time horizon.

What Is Indexed Universal Life?

Indexed Universal Life is permanent life insurance with flexible premium features, a death benefit, and cash value growth potential linked in part to the performance of one or more market indexes. The policy owner is not investing directly in the index. Instead, the insurance company uses a crediting method that may apply a **floor, cap, participation rate, spread**, or other product-specific formula to determine credited interest.

Transamerica explains that IUL may earn excess index interest above a guaranteed minimum interest rate based partly on changes in indexes, and that index changes may be positive or negative.² Securian states that minimum and maximum crediting limits act as guardrails, with a floor and cap providing stability while also limiting upside potential.³

IUL Feature	Plain-English Explanation	Why It Matters
Permanent life insurance	Coverage can last for life if sufficient premiums are paid and the policy remains in force.	The strategy begins with protection, not speculation.
Death benefit	A benefit is paid to beneficiaries if the insured dies while the policy is active.	Helps protect income, mortgage needs, children, spouse, business partners, or legacy goals.
Cash value	A portion of premium may accumulate as policy value after charges.	Creates a potential source of future policy access.
Index-linked crediting	Interest crediting may be linked to index performance without direct index ownership.	Offers upside potential without direct market participation.
Floor	The policy may have a minimum crediting rate or index floor.	Helps protect against negative index-crediting years, subject to charges.
Cap or participation rate	The policy may limit how much index gain is credited.	Creates a trade-off: downside crediting protection with limited upside.
Policy loans and withdrawals	Cash value may be accessed, subject to rules and consequences.	Can support retirement-income flexibility, emergencies, or planned distributions.
Riders	Optional benefits may address chronic illness, critical illness, children's coverage, or waiver needs.	Adds flexibility, if available and appropriate.

The Problem: The Retirement System Leaves Gaps

The traditional retirement system works well for some people, but many families and business owners still face unanswered questions. A 401(k) can be valuable, but it usually does not provide family protection if the saver dies early. A brokerage account can offer flexibility, but it does not create a tax-free death benefit. Cash savings can feel safe, but inflation can quietly reduce purchasing power. Even strong investors may feel uncertain when markets decline near retirement.

The GSS LIFE conversation starts with a simple question: **What are you doing today for the future you will need tomorrow?**

Planning Concern	Why It Can Hurt Families	L.I.R.P. Educational Response
Savings exposed to inflation	Cash may lose purchasing power over time.	Consider long-term accumulation strategies with tax-advantaged features.
Retirement heavily dependent on market timing	A downturn before or during retirement may affect income plans.	Explore IUL crediting designs with downside index-crediting protection and upside limits.
Tax uncertainty	Future tax rates may be higher or personal income may be less predictable.	Add post-tax strategies that may create future tax-advantaged access.
Lack of protection	Many retirement accounts do not immediately replace income if someone dies early.	Use life insurance to protect family, mortgage, business, and legacy needs.
Business owner risk	Owners often build income but not a protected exit strategy.	Coordinate protection, succession, key-person planning, and retirement income goals.

Protection First, Accumulation Second

A credible L.I.R.P. conversation should never present life insurance as a magic retirement account. Securian is direct that indexed universal life is designed first and foremost to provide life insurance protection, with cash accumulation as a secondary benefit.³ This is also the cleanest way to explain the strategy to consumers.

Protection first means the client understands the death benefit, policy charges, underwriting, beneficiary planning, and long-term funding commitment. **Accumulation second** means the client learns how cash value can grow tax-deferred and how policy loans or withdrawals may be used if the policy is properly structured, sufficiently funded, and kept in force.

Planning Priority	What GSS LIFE Should Emphasize	Consumer-Friendly Language
Death benefit	The policy protects loved ones and can support estate or business goals.	“Your plan should protect your family before it tries to supplement retirement.”
Proper design	Funding level, death benefit option, MEC testing, and loan strategy matter.	“Structure matters. The wrong design can undermine the strategy.”
Long-term commitment	Permanent insurance requires ongoing attention.	“This is not a short-term savings account. It is a long-term plan.”
Tax education	Tax treatment depends on policy status and rules.	“Tax advantages require proper funding, monitoring, and professional guidance.”
Risk disclosure	Charges, caps, rates, loans, and lapse risk must be explained.	“You deserve to know both the advantages and the trade-offs.”

How Tax-Free Growth Conversations Should Be Framed

Marketing often uses the phrase **tax-free retirement**, but a more accurate and compliant phrase is **potential tax-advantaged policy access**. Cash value inside permanent life insurance can grow tax-deferred. If a policy is not a

MEC, withdrawals up to basis may generally be income-tax-free, and loans may generally be income-tax-free while the policy remains in force.² Citizens similarly explains that withdrawals up to principal contributions may be tax-free, while policy loans may provide a way to access cash value without current taxes.⁵

The key word is **potential**. Policy loans accrue interest, reduce available cash value, and reduce the death benefit if not repaid. If a heavily loaned policy lapses or is surrendered, taxable income may occur. This is why a L.I.R.P. should be reviewed periodically and coordinated with a licensed insurance professional and tax advisor.

Tax Concept	What It Means	Important Caution
After-tax premium	Premiums are generally paid with dollars that have already been taxed.	Premiums are not usually deductible.
Tax-deferred cash value	Growth inside the policy is not taxed annually in the same way as many taxable accounts.	Policy charges and crediting limits still apply.
Withdrawals to basis	Withdrawals may be tax-free up to the amount of basis, depending on policy status.	Withdrawals reduce policy value and death benefit.
Policy loans	Loans may access cash value without current income taxation if rules are met.	Loans accrue interest and can cause problems if the policy lapses.
Death benefit	Life insurance death benefits generally pass income-tax-free to beneficiaries.	Estate tax, ownership, and beneficiary issues may require legal planning.

Transamerica Reference: IUL Options for Education

GSS LIFE can reference **Transamerica** in the guide as an example of an established carrier with IUL education and product options. Transamerica’s official IUL page explains that indexed universal life offers permanent coverage, index account options, optional riders, and growth potential above a guaranteed minimum interest rate.²

Transamerica references two IUL offerings on its public page. **Financial Foundation IUL II** is described as indexed universal life insurance designed for people who value death benefit coverage, optional riders, and premium payments that can be designed to fit many monthly budgets. **Financial Choice IUL II** is described as designed for high earners seeking to maximize cash value accumulation and receive tax-advantaged income distributions, subject to policy terms and availability.²

Transamerica Educational Point	What It Helps You Understand
IUL provides permanent death benefit protection.	Position L.I.R.P. as protection-centered retirement planning.
Policy value may earn excess index interest.	Explain upside potential without direct market investment.
Guaranteed floor language exists in product education.	Support the “market downside protection” conversation while clarifying charges still apply.
Riders may include chronic illness, critical illness, children’s benefit, overloan protection, income protection, and waiver riders.	Use a living-benefits and family-protection section.
Loans and withdrawals reduce value and benefits.	Understand why transparent risk education and professional review matter.

Securian / Minnesota Life Reference: Protection, Guardrails, and Legacy

GSS LIFE can also reference **Securian Financial** and **Minnesota Life** in educational language. Securian’s official IUL page describes indexed universal life as permanent life insurance with cash value growth potential tied to an underlying index but not direct market participation.³ It lists benefits such as lifetime protection, flexible premiums, adjustable benefit amounts, tax-deferred cash value growth, and cap/floor guardrails.³

The Securian page is especially useful for explaining considerations. It warns that insufficient premium can cause lapse, policy loans and withdrawals can reduce death benefit and surrender value, caps can limit growth, participation rates can change, and a flat or declining index may result in no index credit.³ It also notes that survivorship IUL may be relevant for significant estate assets, family business owners, or families planning for continued care of a loved one with special needs.³

Securian / Minnesota Life Educational Point	What It Helps You Understand
IUL may provide lifetime protection and flexible premiums.	Speak to professionals, families, and business owners who need adaptable plans.
Caps and floors act as guardrails.	Explain upside potential and downside crediting protection with trade-offs.
Survivorship IUL may support estate, family business, and special-needs planning.	Understand how legacy planning may connect with family-business needs.
Insurance products are issued by Minnesota Life Insurance Company or Securian Life Insurance Company, with state availability differences.	Include proper carrier and availability disclosure.
Guarantees depend on the claims-paying ability of the issuing insurer.	Add a professional compliance note to the end of the guide.

Who Should Learn About a L.I.R.P.?

A L.I.R.P. is not for everyone. It may be more relevant for people who have a long planning horizon, need life insurance protection, want tax-bucket diversification, and have enough cash flow to fund the policy properly. Schwab notes that LIRPs may be appropriate for high-income earners or ultra-high-net-worth families seeking tax-bucket diversification after maximizing traditional retirement plans and contributing to taxable accounts.⁴

Audience	Why They May Care	Planning Message	Suggested Next Step
High-income earners	They may have limited Roth access and want additional tax-bucket options.	“You earn too much to ignore future tax strategy.”	Get My Free L.I.R.P. Strategy
Families	They need protection, college planning conversations, and legacy direction.	“Retirement planning should protect the people you love.”	Protect My Family Legacy
Business owners	They need retirement, succession, key-person, and exit planning.	“You built the business. Now build the exit strategy.”	Build My Exit Strategy
1099 professionals	They may lack employer benefits and need flexible planning.	“No pension? No problem. Build a strategy you control.”	Review My Future Income Options
Parents and grandparents	They may want early legacy and long-term planning for children.	“Time is the most powerful asset a child has.”	Start a Child’s Future Plan
Pre-retirees	They worry about taxes, market timing, and income gaps.	“Protect the retirement you worked decades to build.”	Review My Retirement Strategy

Family Planning: Protection That Can Grow With Life

For families, the L.I.R.P. conversation should begin with practical protection. If a parent dies unexpectedly, the family may need cash for mortgage payments, education costs, childcare, debt, income replacement, and final expenses. A permanent policy can provide a death benefit while also creating a cash value component that may be useful later in life.

This makes IUL education powerful when it is framed correctly. It is not simply about future income. It is about creating a coordinated family plan that can address risk today and opportunity tomorrow. Parents may also ask about juvenile life insurance planning, where eligible children can potentially obtain coverage early, subject to underwriting and product availability.

Family Goal	L.I.R.P. Planning Conversation
Protect spouse and children	Discuss death benefit amount, beneficiaries, and income replacement.
Prepare for education costs	Explain that policy cash value may provide flexible future access, while avoiding promises.
Protect against illness disruption	Review available living benefit riders, chronic illness riders, or critical illness options.
Build generational wealth	Coordinate life insurance with beneficiary designations and estate planning documents.
Teach financial responsibility	Use the policy review process to educate children and heirs about long-term planning.

Business Owner Planning: Income, Exit, Continuity, and Control

Business owners often spend years building a company but delay building a personal exit strategy. Their net worth may be concentrated in the business, their retirement income may depend on a future sale, and their family may be exposed if something happens to the owner before succession is complete.

A L.I.R.P. conversation can open the door to broader planning. IUL may be considered for owner retirement supplement strategies, key-person protection, buy-sell funding, executive bonus arrangements, or legacy planning, depending on the business structure and advice from qualified professionals. Securian specifically notes that survivorship IUL may be relevant for family business owners and estates with significant assets.³

Business Planning Concern	GSS LIFE Educational Angle	Suggested Next Step
No protected exit plan	Convert business income into coordinated personal retirement planning.	Build My Exit Strategy
Key-person exposure	Protect revenue and operations if a vital person dies.	Protect My Business Continuity
Tax uncertainty	Explore post-tax accumulation alongside qualified plans.	Review My Tax Buckets
Family succession	Coordinate death benefit and ownership planning with advisors.	Plan My Family Business Legacy
Retention and rewards	Consider executive benefit strategies where appropriate.	Explore Executive Planning

Legacy Planning: More Than Leaving Money

Legacy planning is not only about how much wealth is transferred. It is about **how efficiently, how intentionally, and how confidently** loved ones are supported. Life insurance can be a useful legacy tool because death benefits are generally received income-tax-free by beneficiaries, though estate, ownership, and legal considerations require professional advice.²

A L.I.R.P. can support legacy planning when it is coordinated with wills, trusts, beneficiary designations, business documents, and tax planning. For some families, the goal is income replacement. For others, it is estate equalization, charitable giving, special-needs planning, or business succession.

Legacy Objective	Planning Purpose
Replace income	Provide immediate funds to spouse or dependents.
Pay debts	Help cover mortgage, business debt, or final expenses.
Equalize inheritance	Leave business assets to one heir and insurance proceeds to another.
Support special-needs planning	Coordinate with attorneys and appropriate trust structures.
Create charitable impact	Name a charity or use advanced planning with professional guidance.

Next Steps: Turn Education Into a Personal Strategy

Understanding a L.I.R.P. is only the first step. The real value comes from seeing how the strategy may or may not fit your personal goals, family responsibilities, business obligations, tax outlook, and retirement timeline. A properly structured plan should be reviewed around your actual budget, protection need, underwriting profile, and long-term cash flow.

A GSS LIFE strategy review is designed to help you move from general education to a personalized conversation. During that review, you can compare how life insurance protection, tax-advantaged accumulation potential, living benefit options, and legacy planning may work together as part of a broader financial strategy.

If You Are Thinking About...	The Review Can Help You Clarify...
Retirement income	Whether an IUL-based L.I.R.P. may complement your current retirement accounts.
Family protection	How much death benefit may be appropriate for your spouse, children, or dependents.
Business planning	Whether coverage may support continuity, succession, or owner exit planning.
Tax diversification	How post-tax policy funding may fit alongside pre-tax, Roth, and taxable accounts.
Legacy planning	How beneficiary planning and life insurance may support long-term family goals.

To take the next step, visit gssiul.life and request your free GSS LIFE L.I.R.P. strategy review.

Questions to Ask Before Starting a L.I.R.P.

A strong consultation should educate before it sells. The best L.I.R.P. design starts with questions about protection, income, taxes, cash flow, time horizon, health, and legacy goals.

Question	Why It Matters
Do you currently need life insurance protection?	IUL is life insurance first; the death benefit must serve a real purpose.
Are you already contributing to retirement accounts?	A L.I.R.P. usually complements, rather than replaces, traditional planning.
Do you have enough cash flow to fund the policy long term?	Underfunding can increase lapse risk.
Are you comfortable with caps, participation rates, charges, and policy reviews?	IUL has moving parts that must be understood.
What is your tax-bucket strategy?	Post-tax strategies may help diversify future retirement income.
What happens if you need cash earlier than expected?	Access may reduce benefits and can have tax consequences.
Who are you protecting?	The beneficiary plan drives the protection strategy.
Is this for family, business, retirement, or legacy?	The purpose determines design.

What a GSS LIFE Strategy Review Can Cover

A GSS LIFE strategy review can help consumers understand whether an IUL-based L.I.R.P. belongs in their financial plan. The review should be educational, transparent, and suitability-focused. It should compare goals, existing retirement accounts, protection needs, time horizon, health profile, budget, and beneficiary objectives.

Review Area	What the Consumer Learns
Eligibility	Whether age, health, underwriting, and state availability may allow options.
Protection gap	Whether current coverage is enough for family or business needs.
Retirement tax buckets	How pre-tax, Roth, taxable, and insurance-based strategies may work together.
Policy structure	How premium, death benefit, riders, and MEC rules affect design.
Access strategy	How loans and withdrawals may work, including risks and reductions.
Carrier options	How Transamerica, Securian/Minnesota Life, and other available carriers may differ.
Next steps	Whether to apply, compare illustrations, or revisit after additional planning.

Clear Disclosures for Consumer Trust

A trustworthy guide should clearly describe the trade-offs. IUL is not a stock, mutual fund, bank account, or short-term savings product. It is life insurance. Index account interest is based in part on index performance, but the policy does not directly invest in the index or securities.² Caps, floors, participation rates, charges, and policy terms can affect results. Securian notes that policyholders could lose money in these products and that loans and withdrawals may create adverse tax results if a policy lapses or is surrendered.³

Consumers should also understand that illustrated values are not guarantees unless specifically labeled guaranteed. Current assumptions may change. Insurance company guarantees depend on the claims-paying ability of the issuing insurer.³ Product availability and features vary by state and carrier.³

Ready to Take the Next Step

Your retirement plan should do more than chase growth. It should protect your family, prepare for taxes, support your future income, and preserve your legacy.

If you are a professional, family, entrepreneur, business owner, parent, or pre-retiree who wants to understand whether a L.I.R.P. strategy fits your goals, request a free GSS LIFE strategy review today.

Visit: gssiul.life

Call: 480-269-2577

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References
