



Tortoises Have Strong Shells

PPLI's Tax Shield Is Even Stronger

The tax **savings element** of **Private Placement Life Insurance** (PPLI) is impressive. We invite you to reflect on your own attitudes toward tax savings by offering two articles on tax that appeared this week in the media.

The tax codes of most countries are a maze of regulations that require **professional assistance** to extract the most salient tax saving points. PPLI is at the forefront of structuring techniques that take advantage of maximum tax savings, and at the same time, full compliance with the world's tax authorities.

How does PPLI become the “leader of the pack” when it comes to tax savings?

This is summed up mostly in two words: Life Insurance. The life insurance laws in most countries are very tax friendly--one receives tax deferral for the investment component of a life insurance contract, and at the death of the insured person(s), the death benefit is passed tax-free to the beneficiary.

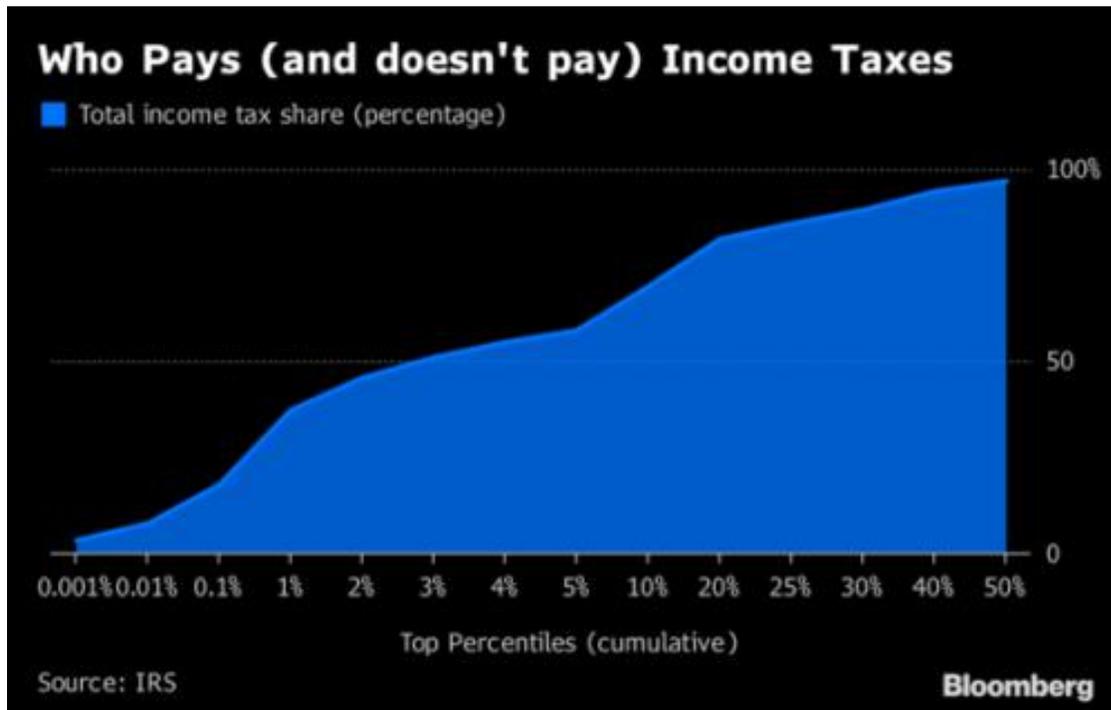
With PPLI you couple the life insurance component with an open architecture platform. What does this allow? This allows assets to be located almost anywhere in the world, and to have asset managers located in most jurisdictions in the world. **PPLI structuring** is a very powerful tool for **wealthy international families**, and is difficult to achieve with entity planning only--creating trusts, foundations, corporations, etc.

Now for our news articles that reveal interesting attitudes towards wealth and taxes. The first is from *Bloomberg*, **Top 3% of U.S. Taxpayers Paid Majority of Income Taxes in 2016**.

“Individual income taxes are the federal government’s single biggest revenue source. In fiscal year 2018, which ended Sept. 30, the individual income tax is expected to bring in roughly \$1.7 trillion, or about half of all federal revenues, according to the Congressional Budget Office.”

Bloomberg looked into the 2016 individual returns data in detail for some additional insights illustrated in the chart below:

- The top 1 percent paid a greater share of individual income taxes (37.3 percent) than the bottom 90 percent combined (30.5 percent).
- The top 50 percent of all taxpayers paid 97 percent of total individual income taxes.”



Our next article is from *The New York Times*, [How Jared Kushner Avoided Paying Taxes](#).

“Jared Kushner has a net worth of almost \$324 million, and his company has been profitable. But Mr. Kushner, who is President Trump’s son-in-law and senior adviser, appears to have paid almost no federal income taxes for several years running, according to documents reviewed by *The New York Times*.”

The article goes on to detail Mr. Kushner’s real estate investments, and how they result in a zero tax bill.

Ironic Fact

When one combines the salient points of these two articles, it is ironic to reflect that the wealthy are the ones who both pay the most taxes, and seek to save the most taxes. When anyone prepares their income tax return, wealthy or poor, do they seek to pay the most tax or the least? Many commentators criticize wealthy individuals and corporations for not paying their fair share of taxes. But what is this fair share? Who decides what a fair share is?

Thankfully, we don't have to answer this question. ***Our goal is to maximize your investment gains*** through strategies that minimize your worldwide tax burden. Please ***send us your tax concerns and questions***, so we can structure a plan that gives you all the tax savings elements of PPLI. You can share your experience and inquiries at the bottom of the page. Thank you.

by ***Michael Malloy***, CLU, TEP, @ ***Advanced Financial Solutions, Inc***

 <p>Michael Malloy, CLU, TEP Advanced Financial Solutions, Inc.</p>	<p>michaelmalloy.solutions</p>	<p>Worldwide Toll-Free Number: +1 877-811-5846</p> <p>Michael's Direct Dial: 530-277-1088</p> <p>Northern California Office: 530-692-1007</p>
		
<p>New York British Virgin Islands California</p>		
		
<p>blog.michaelmalloy.solutions michael.malloy@michaelmalloy.solutions</p>		

