

# Unlock new sales opportunities with Form 1040

Form 1040 offers a personalized look at your client's financial situation. It's a powerful tool to better understand their life insurance and life insurance planning opportunities.<sup>1</sup>

## Keep an eye on these areas:

### 1 Home Address:

- Has your client's address changed? This could mean they may need mortgage protection.
- Does your client have property in multiple states? Having multiple properties could point to opportunities to discuss life insurance needs.

### 2 Filing Status:

- Have your client's family dynamics changed? A change in marital status may require careful review. Examples:
  - A newlywed may need coverage for income or debt protection.
  - A second marriage may require a closer look at their life insurance needs.
  - A qualifying widow(er) may have dependents relying on them and need protection in the event of their death.

### 3 Dependents:

- Has your client's family grown? Having children could mean opportunities for adding a Child Term Rider<sup>2</sup> to in-force coverage or purchasing standalone coverage for college planning needs, survivor income needs, or special needs planning.

### 4 Wages-Line 1:

- Will your client's family be financially stable after a death or disability? Discuss the impact a family may experience in the event of lost income. This could lead to opportunities to discuss how life insurance may help the family during this time.

### 5 Interest and Dividends- Lines 2a-3a:

- Are your client's assets diversified? The information here is a good indicator that your client could benefit from life insurance with tax-deferred cash value growth.
- Does your client have taxable interest or ordinary dividends? Income not needed and earmarked for children/grandchildren may provide opportunities for legacy planning.
- Does your client have tax-exempt interest? If your client has tax-exempt interest, they could be interested in leveraging this income towards getting life insurance coverage.

### 6 Retirement Income- Lines 4a-6a:

- Is your client taking IRA distributions, annuity distributions, receiving a pension, or social security benefit? If yes, they may be facing multiple risks; lower investment returns during distributions, longevity, or long-term care expenses. These risks could lead to opportunities to discuss how life insurance may help. It may also lead to discussions about the Accelerated Death Benefit Rider.<sup>3</sup>

# What to look for on Schedule 1

## 7 Alimony received/paid- Lines 2 a, b and 19 a, b, c:

- Is your client divorced or in the process of finalizing a divorce? A divorce agreement may require life insurance protection. If life insurance is not required, it could lead to opportunities for discussions around the impact a family could experience from an untimely death of an ex-spouse who's paying or receiving the alimony.

## 8 Business Income- Lines 3 and 5:

- Does your client own a business? If your client is a business owner, they may have interest in discussing insurance solutions to cover such needs as key-person protection or buy-sell scenarios.
- Does your client have rental income? If your client has rental income, they could have outstanding mortgages on these properties. This could lead to opportunities to discuss how life insurance could help provide needed liquidity in the event of the owner's death.

## 9 Farm Income- Line 6:

- Does your client own a farm? If your client is a farm owner, they may have interest in discussing insurance solutions to cover such needs as key-person protection or buy-sell scenarios.

## 10 Self-employed retirement- Lines 16 and 20:

- Is your client saving for retirement (W-2 employees would see contributions on their W-2 statement)? High-income earners may be limited on contributions due to plan limits and others may have no available plans for retirement. This could lead to discussions around retirement planning and how life insurance fits.

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest	
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			
<b>Part I Additional Income</b>			
1	Taxable refunds, credits, or offsets of state and local income taxes		
2a	Alimony received		7
b	Date of original divorce or separation agreement (see instructions)		
3	Business income or (loss). Attach Schedule C		
4	Other gains or (losses). Attach Form 4797		8
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach		
6	Farm income or (loss). Attach Schedule F		9
15	Deductible part of self-employment tax. Attach Schedule SE		
16	Self-employed SEP, SIMPLE, and qualified plans		10
17	Self-employed health insurance deduction		
18	Penalty on early withdrawal of savings		
19a	Alimony paid		7
b	Recipient's SSN		
c	Date of original divorce or separation agreement (see instructions)		
20	IRA deduction		10
21	Student loan interest deduction		
22	Reserved for future use		
23	Archer MSA deduction		
24	Other adjustments:		
a	Jury duty pay (see instructions)		
b	Deductible expenses related to income reported on line 8I from the		

# What to look for on Schedule A

## 11 Gifts to Charity- Lines 11 and 12:

- Does your client donate to charities? If your client donates to charities, you have the opportunity to discuss how Foresters Financial™ Charity Benefit Provision<sup>4</sup> (available on many Foresters products) could be of interest to them.

SCHEDULE A (Form 1040)		Itemized Deductions	
		Attach to Form 1040 or 1040-SR.	
Gifts to Charity	11	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11
Caution: If you made a gift and took a benefit for it, see instructions.	12	Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	12
	13	Carryover from prior year	13

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<sup>2</sup> Foresters products and riders may not be available or approved in all states and are subject to eligibility requirements, underwriting approval, limitations, contract terms and conditions and state variations. Refer to the applicable Foresters contract for your state for these terms and conditions and ezbiz for product availability. Underwritten by The Independent Order of Foresters.

<sup>3</sup> The Accelerated Death Benefit Rider provides an option to accelerate a portion of the eligible death benefit and receive a payment. The payment, due to diagnosis of an eligible illness, may be less than the acceleration amount which may be subject to a fee, an actuarial discount amount and other applicable deductions. Payment will decrease certificate values and benefits and may affect eligibility for public assistance programs. Receipt of an accelerated death benefit payment under the rider is intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code (IRC). Specific situations may result in a taxable event. For California certificates: **This is a life insurance certificate with a rider that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the rider. This certificate does not provide long-term care insurance subject to California long-term care insurance law. This certificate is not a California Partnership for Long-Term Care program policy. This certificate is not a Medicare supplement policy.**

<sup>4</sup> When a claim is paid to the beneficiaries, Foresters will pay (up to \$100,000) the eligible designated charitable organization in the name of the insured. The designated charitable organization must be an accredited 501(c)(3) organization under the Internal Revenue Code and eligible to receive charitable contributions as defined in section 170(c) of that code.

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