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Personal Estate Analysis

Allen & Betty Abbett

Sample Financial Plan - TOTAL Goal-Based Planning



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IMPORTANT: The illustrations or other information generated by this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

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Net Worth Statement

Sample Financial Plan - TOTAL Goal-Based Planning

ASSETS

	Allen	Betty	Joint / CP	Trust/Other	Total
Ordinary Income Accounts:					
Insurance Cash Value and Dividends	\$12,450	\$2,850			\$15,300
Total	12,450	2,850			15,300
Equity (Investment) Accounts:					
Mutual Funds			8,728,800		8,728,800
Total			8,728,800		8,728,800
Retirement Accounts:					
IRA accounts	1,354,000				1,354,000
403(b), SEP, Simple		310,250			310,250
Profit Share, Keogh, 457, other	4,213,500				4,213,500
Inherited IRAs		5,800,000			5,800,000
Total	5,567,500	6,110,250			11,677,750
Personal Use Assets:					
Personal Property	22,000		247,600		269,600
Total	22,000		247,600		269,600
Real Estate Assets:					
Residence	685,000		1,647,000		2,332,000
Rental real estate			775,000		775,000
Total	685,000		2,422,000		3,107,000
Total Assets	<u>\$6,286,950</u>	<u>\$6,113,100</u>	<u>\$11,398,400</u>		<u>\$23,798,450</u>
LIABILITIES					
Residence mortgage			(\$232,000)		(\$232,000)
Credit Cards	(6,640)				(6,640)
Life insurance loans	(2,500)				(2,500)
Total Liabilities	<u>(\$9,140)</u>		<u>(\$232,000)</u>		<u>(\$241,140)</u>
NET WORTH					
	<u>\$6,277,810</u>	<u>\$6,113,100</u>	<u>\$11,166,400</u>		<u>\$23,557,310</u>

Note: Assets held in a Revocable Trust are included in the grantors assets.

Estate Planning

Sample Financial Plan - TOTAL Goal-Based Planning

The Estate Planning section of this analysis will provide you with information that can help you understand your exposure to estate taxes and to visualize some of the potential techniques that could be considered.

As part of your estate planning you should consider the following:

- Are your wills and other estate documents current with the existing legal conditions?
- Have you recently reviewed your desires regarding final disposition of your remainder estate?
- Is your estate large enough now or is it anticipated that it will grow to an extent that your exposure to estate taxes could be costly to your heirs?
- Have you considered the various trust planning techniques available that could help reduce costs and taxes?
- Could charitable gifting assist in reducing your estate costs and at the same time provide a benefit to others, instead of the IRS?
- Have you taken advantage of Living Wills and other pre-planning techniques that might help your survivors avoid trauma and indecision at a time when they are already under stress?

The following analysis of your estate situation is developed to illustrate your potential exposure now and in the future. The estate flow charts are prepared using two assumptions:

- The first illustration shows the costs as if you did not have any trust planning in effect, particularly in the form of Credit Shelter Trust or Life Insurance Trust planning.
- The second illustration shows the benefit of using the Credit Shelter Trust and an Irrevocable Life Insurance Trust.

By comparing the two results you will be able to understand the impact of estate planning using just these two trust arrangements. Additional techniques are described in the "Estate Concept" illustration pages.

Your Current Estate Details

Sample Financial Plan - TOTAL Goal-Based Planning

The illustrations in this report are based on information that you provided. As you review the Estate Planning reports, please be aware that the numbers provided are only estimates and are not to be relied on for actual estate tax reporting. You should always rely on your legal and financial professionals for final information about your estate and other tax planning issues.

Basic Data	Allen	Betty
Current Ages	53	51
Age at death for the estate options illustration	65	63
Estimated final expenses (increasing at 3.20% per year.)	\$15,000	\$15,000
Administrative and probate expense estimate as a percent of estate assets	First death 3.00%	Second death 4.00%

Existing Estate Planning	Allen	Betty
Will	Yes	Yes
Revocable Living Trust	Yes	Yes
Joint Revocable Trust		No
Marital Trust Provisions	Yes	Yes
Credit Shelter Trust Provisions	No	No
QTIP Trust Provisions	No	No
Testamentary Trust Provisions	No	No
Generation Skipping Trust Provisions	No	No
Irrevocable Life Insurance Trust	No	No
Durable General Power of Attorney	No	No
Durable Health Care Power of Attorney	Yes	Yes
Living Will	Yes	Yes

Estate Assets Summary:	Allen	Betty	Joint/Other
Ordinary Income/Interest bearing accounts	\$12,450	\$2,850	
Equity, Investment accounts			8,728,800
Retirement accounts	5,567,500	6,110,250	
Residence and Personal Property	707,000		1,894,600
Real Estate Investments			775,000
Debts and mortgages	(9,140)		(232,000)
Totals	\$6,277,810	\$6,113,100	\$11,166,400
Net Worth	<u>\$23,557,310</u>		
Life Insurance	<u>\$97,500</u>	<u>\$60,000</u>	

Plan for estate needs:

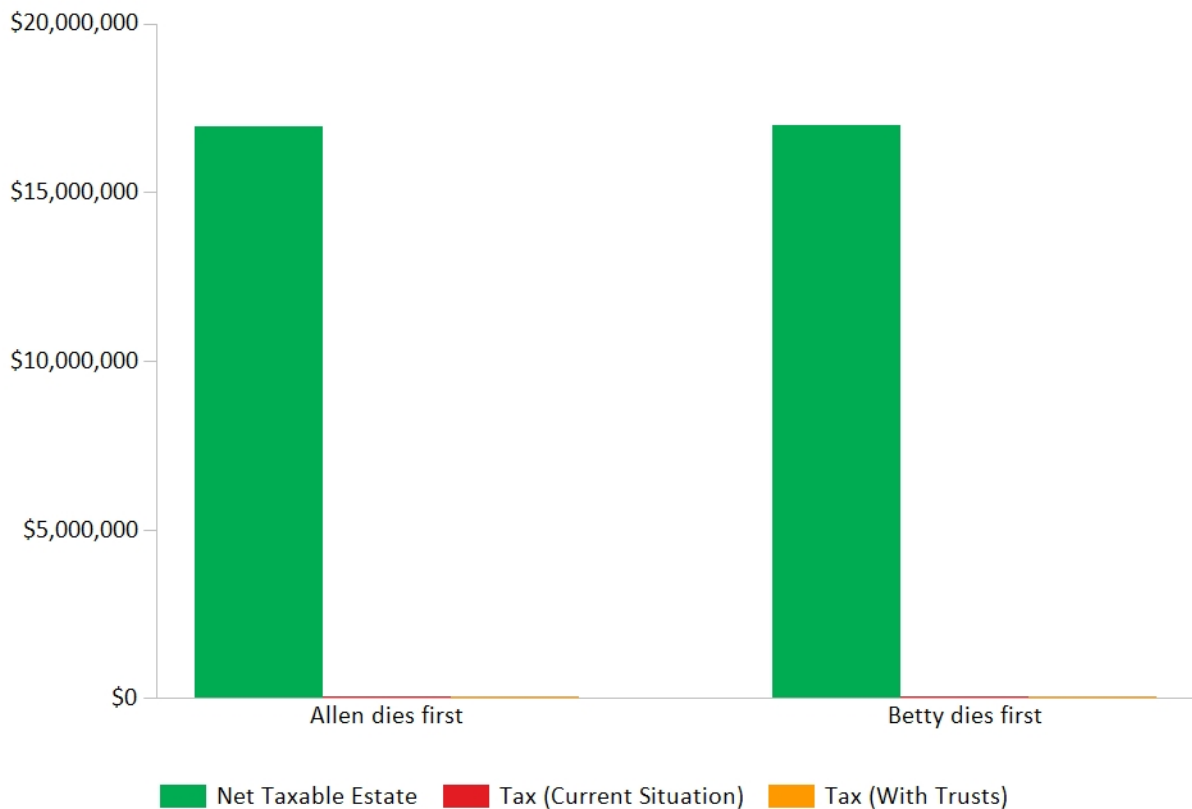
A careful review of the information shown above will help you to determine which legal estate planning tools should be considered in order to be fully protected. As you consider the various estate planning tools listed, please recognize that competent legal advice is necessary to assure that the documents are properly prepared.

Any family members who might have a concern regarding the above items should be appropriately involved in your estate planning and protection to avoid possible confusion or uncertainty of your wishes when an event requires use of any of the documents.

Proper planning and preparation before a need arises can avoid unnecessary delay, confusion, potential legal costs and family disruption.

Estate Taxes

Sample Financial Plan - TOTAL Goal-Based Planning



	<u>Allen dies first</u>		<u>Betty dies first</u>		
All assets including life insurance		\$24,440,650		\$24,440,650	
Debts and expenses		(7,265,732)		(7,246,633)	
Less					
Less bequests to other than spouse		(216,100)		(216,100)	
Net estate		\$16,958,818		\$16,977,916	
		Current	With	Current	With
		Situation	Trusts	Situation	Trusts
Estate tax		\$0	\$0	\$0	\$0
To heirs		14,623,268	14,768,668	14,642,367	14,786,267
Gain using trust		\$145,400		\$143,900	

Estate Tax Illustration

Sample Financial Plan - TOTAL Goal-Based Planning

(With and without trust planning)

Illustrating the potential savings available buying a Credit Shelter Trust (CST) and an Irrevocable Life Insurance Trust (ILIT).
This report shows results if both deaths occur now. For future death ages refer to the "Estate Planning Options" Report.

First death	Allen dies first*		Betty dies first*	
Separate property - Allen	\$707,000			
Separate property - Betty				
1/2 Joint or Community property	5,699,200		5,699,200	
Life Insurance (net of loans) (1)	347,500		310,000	
Retirement plans (2)	5,567,500		6,110,250	
Gross Estate	\$12,321,200		\$12,119,450	
<u>Less expenses:</u>				
Debts	(122,640)		(116,000)	
Final expenses	(15,000)		(15,000)	
Administration @ 3.00%	(355,082)		(350,353)	
Other expenses/gifts	(1,242,120)		(1,221,945)	
Total Expenses	(\$1,734,842)		(\$1,703,298)	
Estate (before trusts)	\$10,586,358		\$10,416,151	
Bequests to other than spouse	\$216,100	\$216,100	\$216,100	\$216,100
To credit shelter trust (3)				
Life insurance outside estate or held in ILIT		\$347,500		\$310,000
	Betty dies second*		Allen dies second*	
	Without trusts	With trusts	Without trusts	With trusts
Net estate from spouse	\$10,370,258	\$10,370,258	\$10,200,051	\$10,200,051
Separate property			707,000	707,000
1/2 Joint or Community property	5,699,200	5,699,200	5,699,200	5,699,200
Life Insurance (net of loans) (1)	310,000	310,000	347,500	347,500
Retirement plans (2)	6,110,250	6,110,250	5,567,500	5,567,500
- Less CST and ILIT		(657,500)		(657,500)
Gross Estate	\$22,489,708	\$21,832,208	\$22,521,251	\$21,863,751
<u>Less expenses:</u>				
Debts	(116,000)	(116,000)	(122,640)	(122,640)
Final expenses	(15,000)	(15,000)	(15,000)	(15,000)
Administration @ 4.00%	(881,948)	(868,048)	(881,444)	(869,044)
Charity, other expenses, gifts	(4,517,942)	(4,386,442)	(4,524,250)	(4,392,750)
Total expenses	(\$5,530,890)	(\$5,385,490)	(\$5,543,335)	(\$5,399,435)
Net taxable estate	\$16,958,818	\$16,446,718	\$16,977,917	\$16,464,317
Tentative Federal estate tax	6,729,327	6,524,487	6,736,967	6,531,527
Less applicable estate tax credit	(6,729,327)	(6,524,487)	(6,736,967)	(6,531,527)
Estimated Federal Estate tax	\$0	\$0	\$0	\$0
Remainder Estate	16,958,818	16,446,718	16,977,917	16,464,317
Credit shelter trust (3)				
Life Insurance Trust or not in estate (1)		657,500		657,500
Irrevocable trust, other assets (net)				
Income tax on ret. plans at 20% (2)	(2,335,550)	(2,335,550)	(2,335,550)	(2,335,550)
Estate and Trust to heirs	\$14,623,268	\$14,768,668	\$14,642,367	\$14,786,267
Gain to heirs with Trusts		\$145,400		\$143,900

(1) Only life insurance currently in an ILIT is included in the "current situation" scenario, all insurance is in an ILIT in the "trust" scenario.

Includes cash values of owned policies on others lives.

(2) Estimated income tax on retirement accounts. The actual amount will vary depending on the heirs tax rates.

(3) The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property. \$40,000 of the Credit Shelter Trust was utilized prior to death. The first spouse's estate credit was available for use.

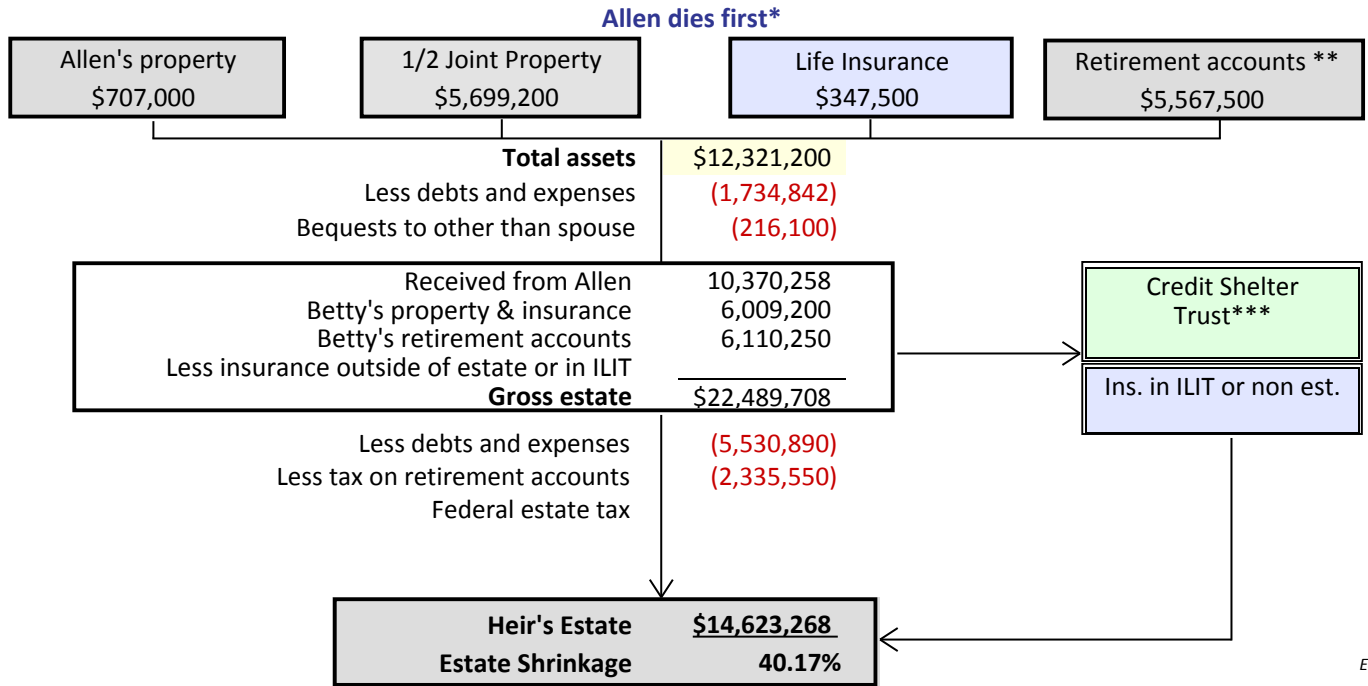
*The above results are based on deaths occurring in the current year. Results will vary in future years.

Estate Taxes - Current Situation

E5

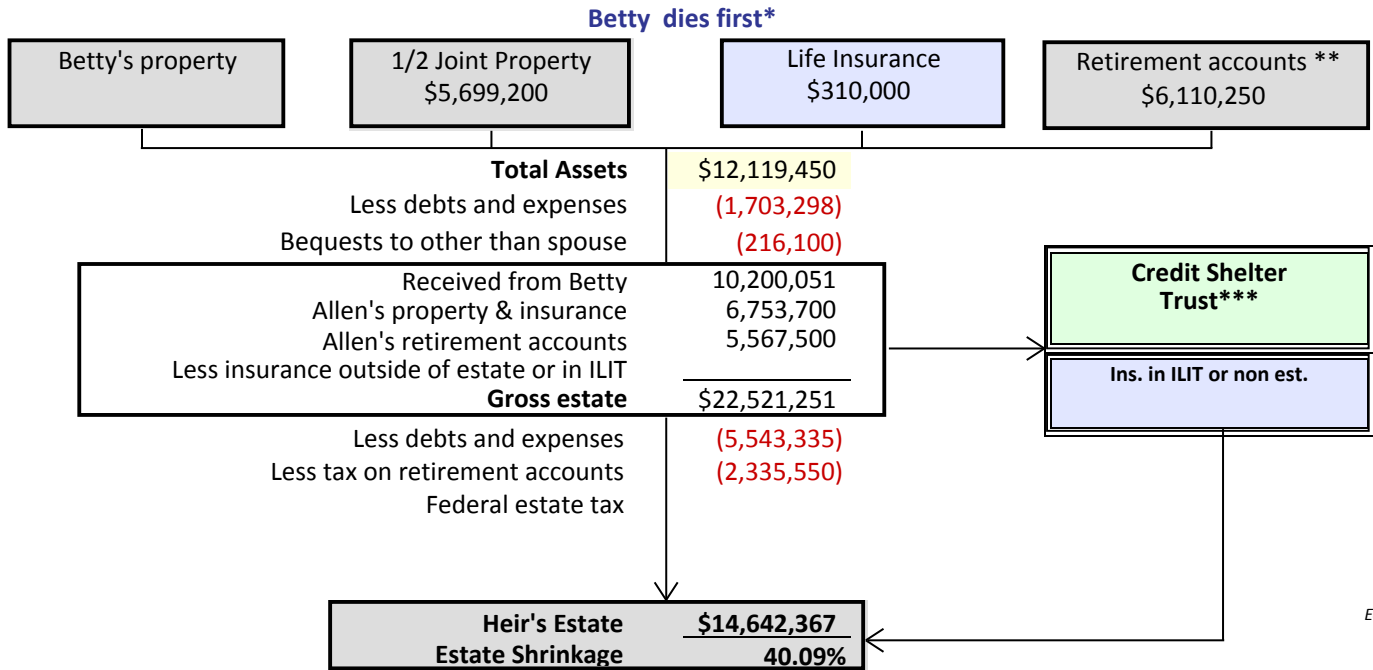
Sample Financial Plan - TOTAL Goal-Based Planning

When assets are passed to heirs by simple wills (or by State statutes when no wills exist), the estate will probably be subject to the maximum amount of Federal Estate taxes. The illustration assumes only life insurance currently owned in an Irrevocable Life Insurance Trust is exempt from estate tax.



E4

While estate taxes may not be a serious problem for smaller estates, time, combined with the growth of successful investments or inflation can result in a substantial estate tax liability.



E4

You may want to consider various types of trust or estate planning techniques to help assure that all aspects of your estate disposition are handled according to your wishes and with the minimum estate taxation. This report is an estimate and does not constitute legal advice. You should always obtain legal counsel before taking action affecting your estate planning.

*The above results are based on both deaths occurring in the current year. Results will vary in future years.

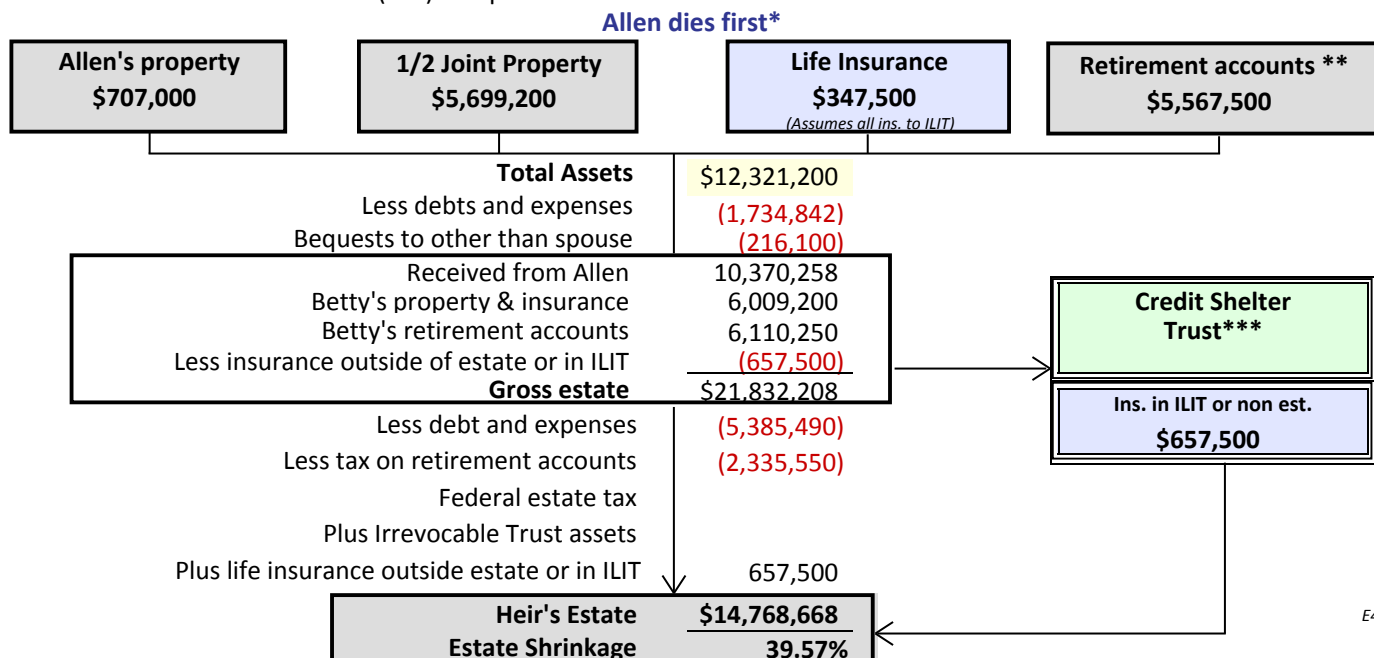
** Retirement accounts will be subject to additional income taxes.

*** The Credit Shelter Trust is funded with the smaller of the Unified Tax Credit Equivalent or separate property.

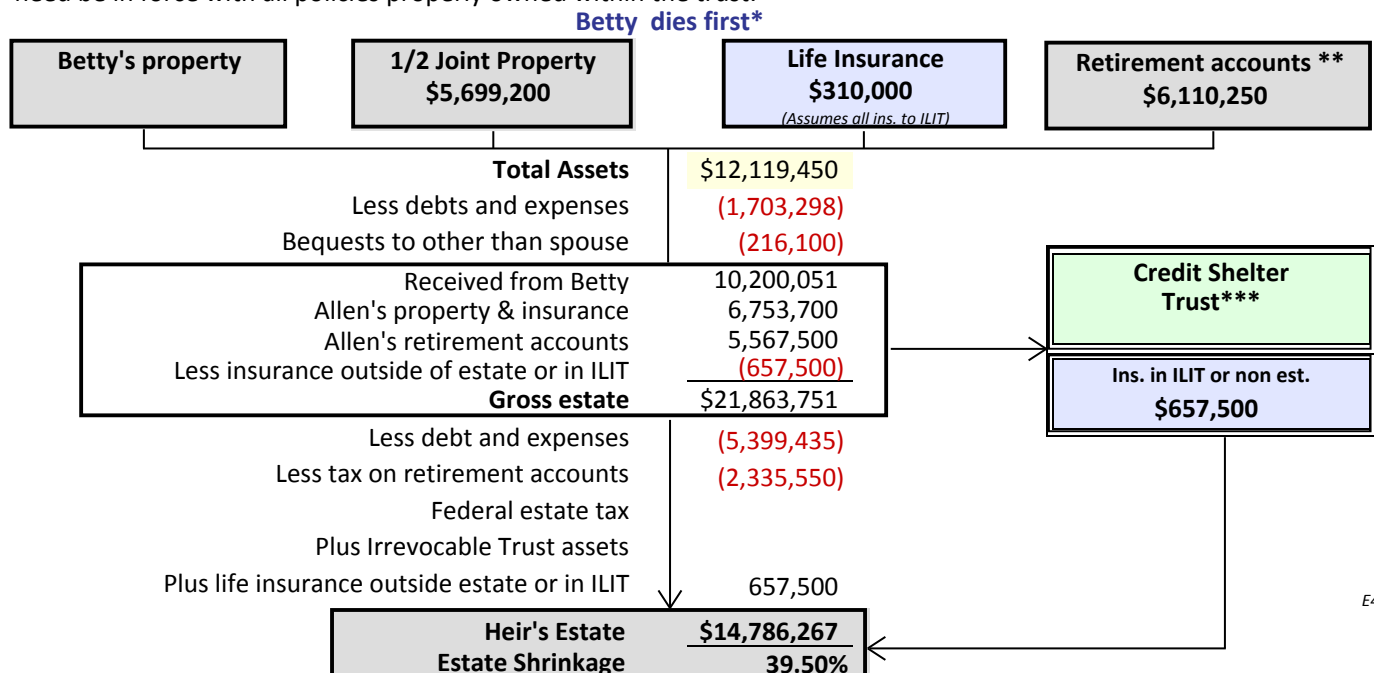
Estate Taxes - With Trusts

Sample Financial Plan - TOTAL Goal-Based Planning

You might consider using a Credit Shelter Trust to minimize the cost of passing your assets to your heirs. This is accomplished by arranging to have a portion of your assets placed into trust upon the first death. The income from the trust may be made available to the surviving spouse, allowing the remaining trust assets to pass to the heirs without ever being included in the second spouse's estate. This illustration assumes all life insurance is held in an Irrevocable Life Insurance Trust (ILIT) and protected from estate taxes.



In order to take advantage of a Credit Shelter Trust, your assets must be owned in a manner that will enable the assets to flow into the trust, such as separately owned or community property assets. Jointly held assets may be placed in the trust only if the surviving spouse makes a special election. An Irrevocable Life Insurance Trust would need be in force with all policies properly owned within the trust.



If you decide to use these techniques, you should coordinate the process with all appropriate legal and financial advisors to evaluate the benefits of the trusts. Implementation would require preparation of will and trust documents and possible re-titling of some assets and insurance policies in order to maximize the effect of the trust planning.

*Retirement accounts will be subject to additional income tax.

**The above results are based on both deaths occurring in the current year. Results will vary in future years.

*** The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property

Future Estate Costs

Sample Financial Plan - TOTAL Goal-Based Planning

Deaths in same year - Allen dies first.

Ages	Assets & Insurance*	Debts & Expenses** (after both deaths)	Net Estate	Current Situation		Credit Shelter Trust and Irrev. Life Ins Trust ****		Gain with Trusts
				Estate Tax	To Heirs	Estate tax	To Heirs	
53 51	\$24,440,650	(\$7,265,732)	\$17,174,918	\$0	\$17,174,918	\$0	\$17,104,218	(\$70,700)
54 52	25,861,167	(1,654,170)	24,206,997	(639,967)	23,567,030	(351,094)	23,884,722	317,692
55 53	27,371,824	(1,730,547)	25,641,277	(1,033,106)	24,608,171	(744,798)	24,925,849	317,678
56 54	28,966,895	(1,811,482)	27,155,413	(1,454,576)	25,700,837	(1,166,923)	26,018,422	317,586
57 55	30,618,697	(1,895,473)	28,723,224	(1,893,833)	26,829,391	(1,606,892)	27,146,839	317,448
58 56	32,371,751	(1,984,960)	30,386,791	(2,367,635)	28,019,156	(2,081,519)	28,336,364	317,208
59 57	34,266,427	(2,082,159)	32,184,268	(2,891,168)	29,293,100	(2,606,042)	29,609,918	316,818
60 58	36,278,815	(2,185,792)	34,093,023	(3,455,303)	30,637,720	(3,171,353)	30,953,972	316,252
61 59	38,383,830	(2,294,530)	36,089,301	(9,299,494)	26,789,806	(9,017,091)	27,105,137	315,330
62 60	40,693,734	(2,414,498)	38,279,235	(10,073,027)	28,206,208	(9,792,480)	28,520,320	314,112
63 61	43,150,206	(2,542,556)	40,607,650	(10,899,904)	29,707,746	(10,621,583)	30,020,281	312,535
64 62	45,512,523	(2,669,860)	42,842,663	(11,687,330)	31,155,333	(11,512,100)	31,365,441	210,108
65 63	48,040,536	(2,799,828)	45,240,708	(12,537,837)	32,702,871	(12,465,585)	32,810,679	107,808
66 64	50,459,055	(2,923,645)	47,535,409	(13,344,833)	34,190,576	(13,281,833)	34,279,411	88,835
67 65	52,950,621	(3,055,651)	49,894,970	(14,175,555)	35,719,416	(14,112,555)	35,808,747	89,332
68 66	55,542,566	(3,193,566)	52,348,999	(15,041,802)	37,307,198	(14,978,802)	37,397,037	89,839
69 67	58,316,037	(3,341,877)	54,974,161	(15,974,194)	38,999,966	(15,911,194)	39,090,323	90,357
70 68	61,253,380	(3,499,699)	57,753,681	(16,965,977)	40,787,704	(16,902,977)	40,878,589	90,885
71 69	64,280,360	(3,675,047)	60,605,313	(17,984,204)	42,621,109	(17,921,204)	42,712,533	91,424
72 70	67,335,481	(3,849,089)	63,486,391	(19,011,761)	44,474,631	(18,948,761)	44,566,605	91,975
73 71	70,498,297	(4,030,159)	66,468,138	(20,077,088)	46,391,051	(20,014,088)	46,483,587	92,536
74 72	73,780,033	(4,218,216)	69,561,817	(21,184,640)	48,377,177	(21,121,640)	48,470,286	93,109
75 73	77,182,729	(4,413,408)	72,769,321	(22,335,124)	50,434,197	(22,272,124)	50,527,891	93,693
76 74	80,391,859	(4,598,668)	75,793,191	(23,409,503)	52,383,687	(23,346,503)	52,477,977	94,290
77 75	83,690,280	(4,789,430)	78,900,850	(24,514,696)	54,386,154	(24,451,696)	54,481,053	94,898
78 76	87,077,343	(4,985,779)	82,091,564	(25,650,353)	56,441,212	(25,587,353)	56,536,731	95,519
79 77	90,550,060	(5,187,544)	85,362,516	(26,815,292)	58,547,224	(26,752,292)	58,643,377	96,153
80 78	94,106,734	(5,394,789)	88,711,946	(28,008,753)	60,703,193	(27,945,753)	60,799,991	96,799
81 79	97,744,276	(5,607,434)	92,136,842	(29,229,476)	62,907,367	(29,166,476)	63,004,825	97,458
82 80	101,458,792	(5,825,377)	95,633,416	(30,475,884)	65,157,532	(30,412,884)	65,255,662	98,130
83 81	105,245,558	(6,048,492)	99,197,066	(31,746,078)	67,450,988	(31,683,078)	67,549,805	98,816
84 82	109,098,896	(6,276,634)	102,822,262	(33,037,785)	69,784,476	(32,974,785)	69,883,993	99,516
85 83	113,011,998	(6,509,662)	106,502,335	(34,348,276)	72,154,059	(34,285,276)	72,254,289	100,230
86 84	116,978,830	(6,747,816)	110,231,014	(35,674,979)	74,556,035	(35,611,979)	74,656,994	100,959
87 85	121,007,912	(6,972,560)	114,035,351	(37,028,649)	77,006,702	(36,965,649)	77,108,404	101,702
88 86	125,145,854	(7,196,839)	117,949,015	(38,422,689)	79,526,326	(38,359,689)	79,628,786	102,460
89 87	129,388,540	(7,425,705)	121,962,835	(39,853,362)	82,109,472	(39,790,362)	82,212,705	103,233
90 88	133,736,016	(7,659,078)	126,076,939	(41,320,652)	84,756,286	(41,257,652)	84,860,308	104,022
91 89	138,094,384	(7,890,605)	130,203,778	(42,789,470)	87,414,308	(42,765,470)	87,480,134	65,826
92 90	142,673,185	(8,135,920)	134,537,265	(44,337,308)	90,199,957	(44,313,308)	90,266,604	66,647
93 91	147,366,934	(8,386,435)	138,980,500	(45,925,334)	93,055,166	(45,901,334)	93,122,650	67,484
94 92	152,177,031	(8,642,189)	143,534,842	(47,554,017)	95,980,825	(47,530,017)	96,049,163	68,338
95 93	157,105,033	(8,903,238)	148,201,795	(49,223,884)	98,977,911	(49,199,884)	99,047,120	69,209
96 94	162,157,979	(9,170,248)	152,987,731	(50,937,406)	102,050,325	(50,913,406)	102,120,423	70,098
97 95	167,279,217	(9,441,027)	157,838,190	(52,672,720)	105,165,470	(52,648,720)	105,236,474	71,004
98 96								

*Assets & Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

**Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

*** May include insurance held outside of the estate.

****The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property plus 1/2 community property. Expenses reduced on trust assets.

It is assumed that both deaths occur at each age illustrated.

Future Estate Costs Graph

Sample Financial Plan - TOTAL Goal-Based Planning

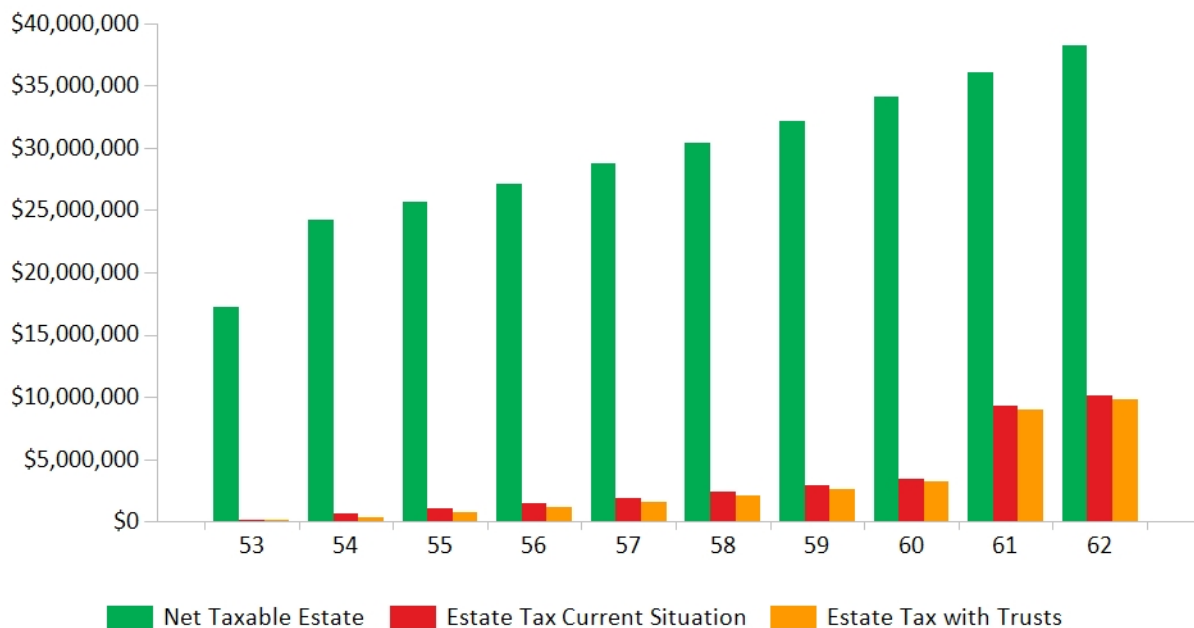
Deaths in same year - Allen dies first.

Tax Cut and Jobs Act

The Tax Cuts and Jobs Act, which went into effect at the end of 2017, includes a provision that temporarily doubles the estate exclusion amount. The new exclusion allows up to \$11,200,000 to be transferred before being taxed at 40% estate rate. The provision is set to expire in 2026, at which point the exclusion will return to \$5,600,000.

An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently \$11,200,000 per person in 2018). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated taxable estate and estate tax exposure at each year end.



Age	Retirement Capital*	Debts & Expenses	Net Taxable Estate	Exclusion Amount	Estimated Estate Tax
53	\$24,440,650	(\$7,265,732)	\$17,174,918	\$22,400,000	
54	25,861,167	(1,654,170)	24,206,997	22,848,000	(639,967)
55	27,371,824	(1,730,547)	25,641,277	23,304,960	(1,033,106)
56	28,966,895	(1,811,482)	27,155,413	23,771,059	(1,454,576)
57	30,618,697	(1,895,473)	28,723,224	24,246,480	(1,893,833)
58	32,371,751	(1,984,960)	30,386,791	24,731,410	(2,367,635)
59	34,266,427	(2,082,159)	32,184,268	25,226,038	(2,891,168)
60	36,278,815	(2,185,792)	34,093,023	25,730,559	(3,455,303)
61	38,383,830	(2,294,530)	36,089,301	13,122,585	(9,299,494)
62	40,693,734	(2,414,498)	38,279,235	13,385,037	(10,073,027)

Future Estate Costs

Sample Financial Plan - TOTAL Goal-Based Planning

Deaths in same year - Betty dies first.

Ages	*Assets & Insurance (net of bequests)	** Debts & Expenses (after both deaths)	Net Estate	Current Situation		Credit Shelter Trust and Irrev. Life Ins Trust ****		Gain with Trusts
				Estate Tax	To Heirs	Estate tax	To Heirs	
53 51	\$23,996,502	(\$7,246,633)	\$16,749,868	\$0	\$16,749,868	\$0	\$17,121,817	\$371,948
54 52	25,391,204	(1,643,840)	23,747,364	(456,114)	23,291,250	(193,114)	23,554,673	263,423
55 53	26,874,409	(1,715,029)	25,159,380	(840,347)	24,319,033	(577,347)	24,582,572	263,539
56 54	28,440,493	(1,790,005)	26,650,489	(1,252,607)	25,397,882	(989,607)	25,661,538	263,656
57 55	30,062,278	(1,867,211)	28,195,068	(1,682,571)	26,512,497	(1,419,571)	26,776,269	263,772
58 56	31,783,474	(1,948,999)	29,834,475	(2,146,708)	27,687,767	(1,883,708)	27,951,655	263,889
59 57	33,643,719	(2,037,491)	31,606,229	(2,659,952)	28,946,277	(2,396,952)	29,210,282	264,005
60 58	35,619,537	(2,131,302)	33,488,235	(3,213,388)	30,274,847	(2,950,388)	30,538,969	264,122
61 59	37,686,299	(2,228,969)	35,457,330	(9,046,706)	26,410,624	(8,783,706)	26,674,862	264,238
62 60	39,954,226	(2,336,509)	37,617,716	(9,808,420)	27,809,296	(9,545,420)	28,073,651	264,355
63 61	42,366,057	(2,450,643)	39,915,414	(10,623,010)	29,292,405	(10,360,010)	29,556,876	264,471
64 62	44,685,445	(2,555,177)	42,130,268	(11,402,372)	30,727,896	(11,239,372)	30,892,484	164,588
65 63	47,167,518	(2,674,963)	44,492,555	(12,238,576)	32,253,979	(12,175,576)	32,318,683	64,704
66 64	49,542,086	(2,787,827)	46,754,259	(13,032,373)	33,721,886	(12,969,373)	33,786,662	64,776
67 65	51,988,375	(2,899,239)	49,089,135	(13,853,221)	35,235,914	(13,790,221)	35,300,731	64,817
68 66	54,533,217	(3,014,395)	51,518,822	(14,709,731)	36,809,091	(14,646,731)	36,873,949	64,858
69 67	57,256,287	(3,137,581)	54,118,706	(15,632,013)	38,486,694	(15,569,013)	38,551,593	64,899
70 68	60,140,251	(3,267,700)	56,872,551	(16,613,525)	40,259,026	(16,550,525)	40,323,966	64,940
71 69	63,112,223	(3,417,154)	59,695,069	(17,620,106)	42,074,963	(17,557,106)	42,139,943	64,981
72 70	66,111,825	(3,578,661)	62,533,164	(18,630,470)	43,902,694	(18,567,470)	43,967,716	65,022
73 71	69,217,165	(3,744,959)	65,472,206	(19,678,715)	45,793,491	(19,615,715)	45,858,554	65,063
74 72	72,439,263	(3,917,312)	68,521,951	(20,768,693)	47,753,258	(20,705,693)	47,818,361	65,104
75 73	75,780,124	(4,095,797)	71,684,327	(21,901,126)	49,783,201	(21,838,126)	49,848,345	65,145
76 74	78,930,936	(4,263,265)	74,667,670	(22,959,295)	51,708,375	(22,896,295)	51,773,561	65,186
77 75	82,169,416	(4,435,062)	77,734,354	(24,048,097)	53,686,257	(23,985,097)	53,751,483	65,227
78 76	85,494,927	(4,611,033)	80,883,895	(25,167,285)	55,716,610	(25,104,285)	55,781,878	65,268
79 77	88,904,536	(4,791,029)	84,113,507	(26,315,688)	57,797,819	(26,252,688)	57,863,127	65,309
80 78	92,396,577	(4,974,806)	87,421,771	(27,492,684)	59,929,088	(27,429,684)	59,994,437	65,350
81 79	95,968,015	(5,162,110)	90,805,905	(28,697,101)	62,108,805	(28,634,101)	62,174,195	65,391
82 80	99,615,029	(5,352,625)	94,262,404	(29,927,479)	64,334,925	(29,864,479)	64,400,357	65,432
83 81	103,332,980	(5,545,968)	97,787,012	(31,182,057)	66,604,956	(31,119,057)	66,670,428	65,473
84 82	107,116,293	(5,741,668)	101,374,625	(32,458,731)	68,915,894	(32,395,731)	68,981,408	65,514
85 83	110,958,284	(5,939,132)	105,019,152	(33,755,003)	71,264,149	(33,692,003)	71,329,703	65,555
86 84	114,853,029	(6,137,469)	108,715,560	(35,068,797)	73,646,763	(35,005,797)	73,712,358	65,596
87 85	118,808,892	(6,356,144)	112,452,748	(36,395,608)	76,057,140	(36,332,608)	76,122,776	65,637
88 86	122,871,637	(6,587,291)	116,284,346	(37,756,821)	78,527,525	(37,693,821)	78,593,202	65,678
89 87	127,037,223	(6,825,413)	120,211,809	(39,152,952)	81,058,857	(39,089,952)	81,124,576	65,719
90 88	131,305,695	(7,070,603)	124,235,092	(40,583,914)	83,651,178	(40,520,914)	83,716,938	65,760
91 89	135,584,859	(7,319,000)	128,265,859	(42,014,302)	86,251,557	(41,990,302)	86,278,357	26,801
92 90	140,080,453	(7,577,777)	132,502,676	(43,523,472)	88,979,204	(43,499,472)	89,006,045	26,842
93 91	144,688,904	(7,844,050)	136,844,855	(45,071,076)	91,773,779	(45,047,076)	91,800,662	26,882
94 92	149,411,589	(8,117,937)	141,293,652	(46,657,541)	94,636,111	(46,633,541)	94,663,034	26,923
95 93	154,250,037	(8,399,558)	145,850,479	(48,283,358)	97,567,121	(48,259,358)	97,594,086	26,964
96 94	159,211,159	(8,689,022)	150,522,137	(49,951,168)	100,570,969	(49,927,168)	100,597,974	27,005
97 95	164,239,330	(8,982,361)	155,256,969	(51,640,231)	103,616,738	(51,616,231)	103,643,784	27,046
98 96								

*Assets & Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

**Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

*** May include insurance held outside of the estate.

****The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property plus 1/2 community property.

It is assumed that both deaths occur at each age illustrated.

Future Estate Costs Graph

Sample Financial Plan - TOTAL Goal-Based Planning

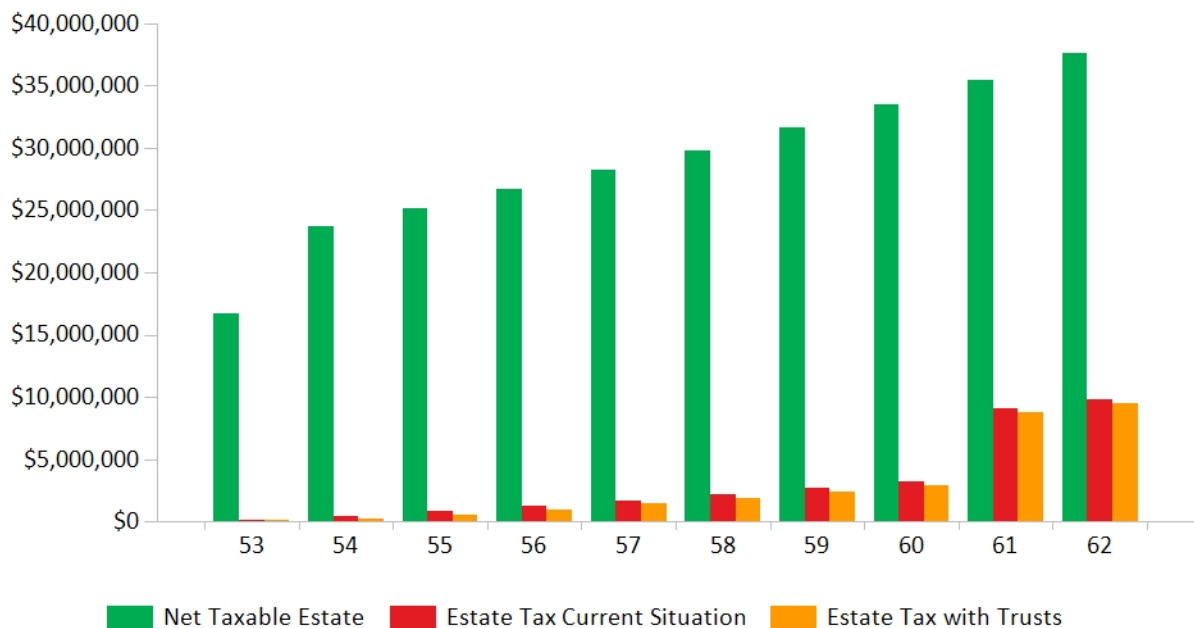
Deaths in same year - Betty dies first.

Tax Cut and Jobs Act

The Tax Cuts and Jobs Act, which went into effect at the end of 2017, includes a provision that temporarily doubles the estate exclusion amount. The new exclusion allows up to \$11,200,000 to be transferred before being taxed at 40% estate rate. The provision is set to expire in 2026, at which point the exclusion will return to \$5,600,000.

An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently \$11,200,000 per person in 2018). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated taxable estate and estate tax exposure at each year end.



Age	Retirement Capital*	Debts & Expenses	Net Taxable Estate	Exclusion Amount	Estimated Estate Tax
53	\$23,996,502	(\$7,246,633)	\$16,749,868	\$22,400,000	
54	25,391,204	(1,643,840)	23,747,364	22,848,000	(456,114)
55	26,874,409	(1,715,029)	25,159,380	23,304,960	(840,347)
56	28,440,493	(1,790,005)	26,650,489	23,771,059	(1,252,607)
57	30,062,278	(1,867,211)	28,195,068	24,246,480	(1,682,571)
58	31,783,474	(1,948,999)	29,834,475	24,731,410	(2,146,708)
59	33,643,719	(2,037,491)	31,606,229	25,226,038	(2,659,952)
60	35,619,537	(2,131,302)	33,488,235	25,730,559	(3,213,388)
61	37,686,299	(2,228,969)	35,457,330	13,122,585	(9,046,706)
62	39,954,226	(2,336,509)	37,617,716	13,385,037	(9,808,420)

Estate Planning Concept Illustrations

Sample Financial Plan - TOTAL Goal-Based Planning

The following Estate Planning report pages are provided to illustrate various conceptual planning techniques that might be considered for present or future use.

The estate reports illustrate several techniques that might be considered in a more extensive analysis, but is by no means comprehensive. Although these concepts have been used in the past, their applicability will be subject to the results of possible changes in estate taxation decisions made by Congress going forward.

The present estate tax situation is described below:

<u>Year</u>	<u>Exemption amount</u>	<u>Highest rate</u>
2011	5,000,000	35%
2012	5,120,000	35%
2013	5,250,000	40%
2014	5,340,000	40%
2015	5,430,000	40%
2016	5,450,000	40%
2017	5,490,000	40%
2018	11,200,000	40%

Unless Congress makes changes, the estate tax will remain as it is in 2018 with indexing adjustments each year until 2026. In 2026, the estate exemption is scheduled to halve, potentially dramatically increasing the amount of estate tax due.

At present when an heir receives property from an estate, the property takes a "stepped up basis", protecting the heir from income tax on appreciation that occurred prior to the estate settlement.

An import concept in estate planning is portability. This means that the second spouse to die has full access to any applicable estate credit not used at the death of the first spouse.

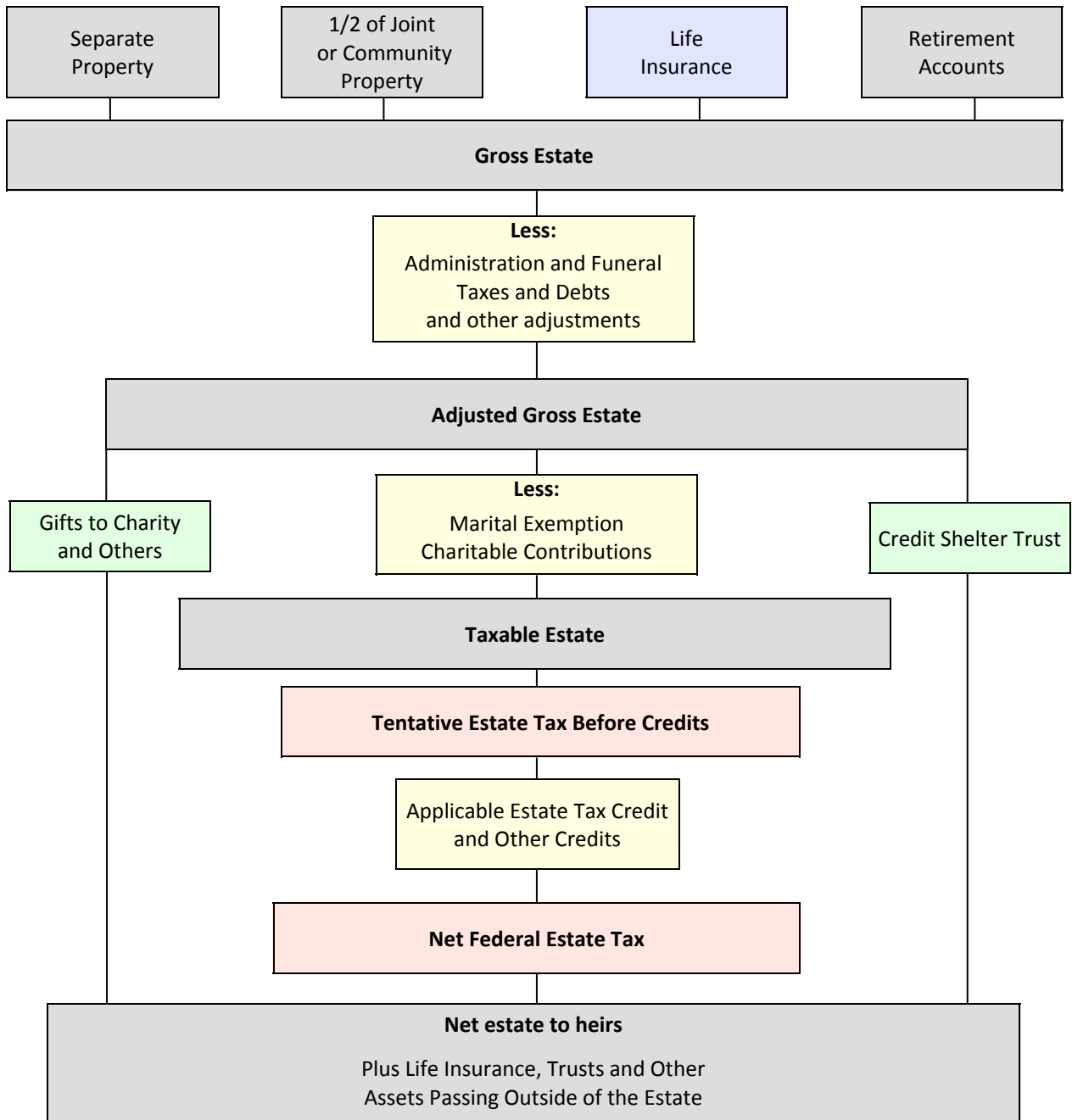
It is still possible Congress will make additional changes to the situation described above. For this reason it is suggested that a separate analysis of your estate planning be considered only if it appears that your situation might benefit from more in-depth analysis and planning. Please recognize that any estate suggestions made now could require total revision depending on future changes in the estate tax laws enacted in the next few years.

Calculating Estate Taxes

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

Illustrating a typical process for computing estate taxes.



Gift Program

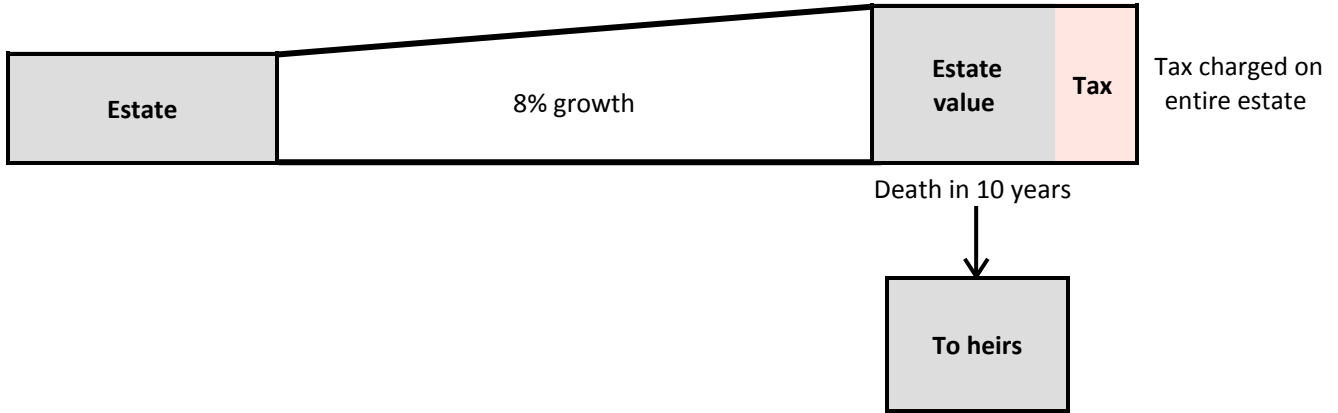
Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

A significant benefit of making tax free gifts from your estate is the ability to avoid estate taxes on the future appreciation of the property gifted.

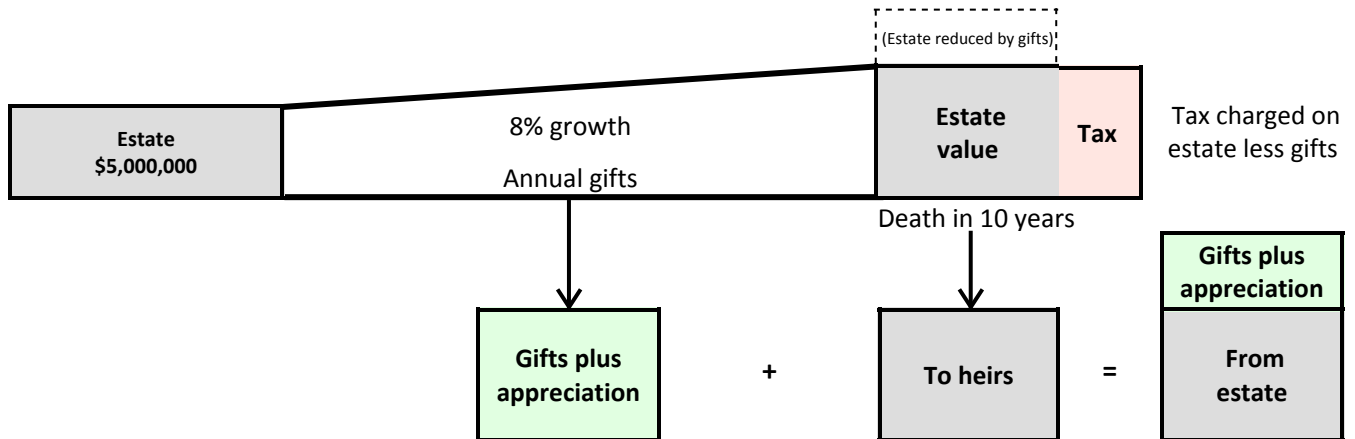
No Gift Program

Entire estate taxed upon death.



Annual Gift Program

Gifts made during the donors lifetime (\$15,000 per person or \$30,000 joint for a married couple*) times the number of heirs, will bypass estate and gift tax on the amount given and on the appreciation on the gifts.



The ability to gift assets to donees without payment of gift or estate taxes can substantially increase the future values available to heirs. When the \$5,000,000 estate described above is compared without and with a program of giving \$28,000 per year for 10 years, the savings in estate taxes increases the future benefit to heirs from \$10,804,720 to \$10,975,470, an increase of \$170,750.

Note: The current estate tax rules and probable future changes could dramatically affect a gifting program either positively or negatively.

**2018 amounts are shown. Allowable amount for gifting is scheduled to increase in future years.*

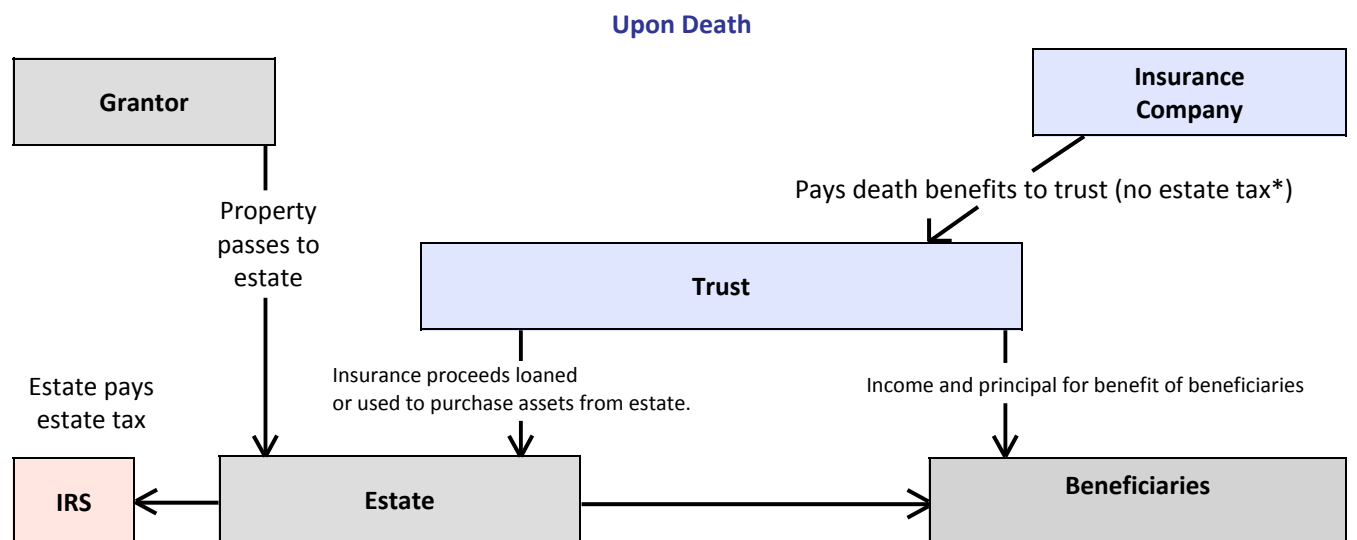
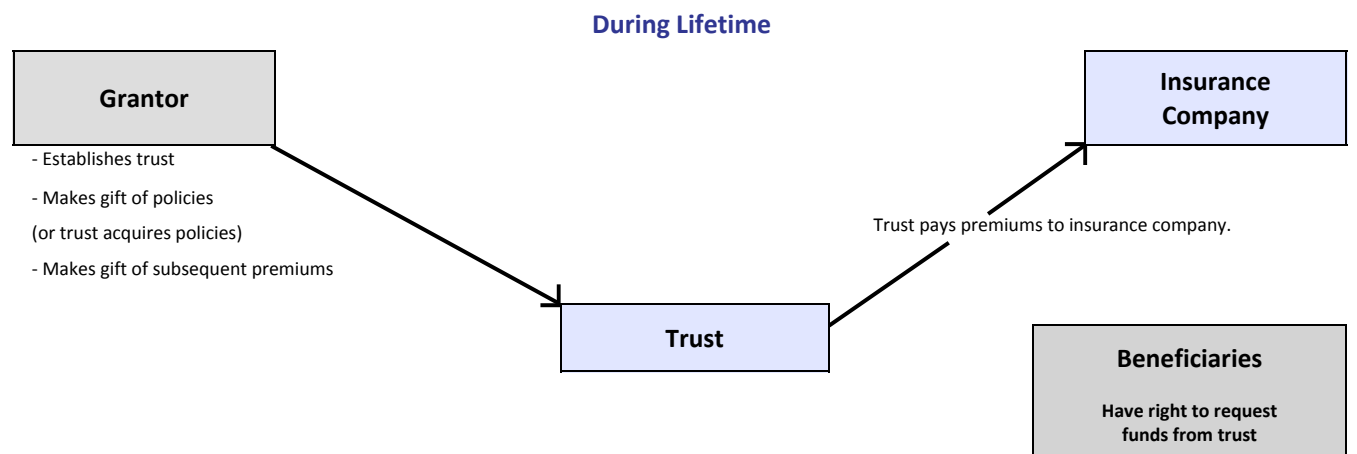
Irrevocable Life Insurance Trust (ILIT)

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

The Irrevocable Life Insurance Trust (ILIT) is a basic and useful tool for estate planning. When an ILIT is funded with life insurance it may accomplish multiple objectives.

- Provide income for a family
- Provide funds for estate settlements costs
- Avoid increasing estate taxes
- Avoid probate costs
- Provide for management of assets
- Maintain confidentiality
- Take advantage of gift tax laws
- Help provide a minimal drain on present funds



* If existing policies are gifted to trust, insured must live 3 years to avoid tax.

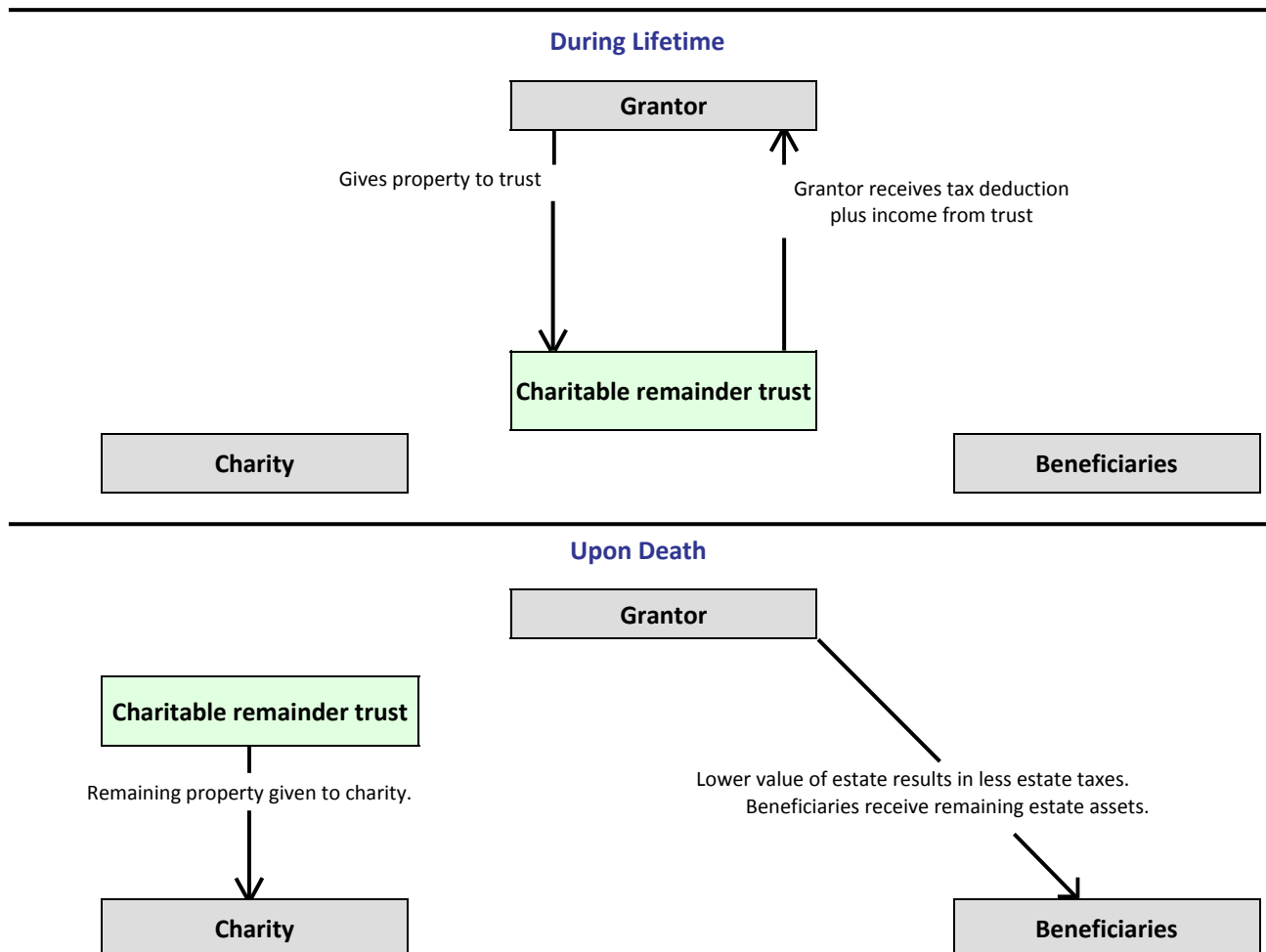
Charitable Remainder Trust (CRT)

Sample Financial Plan - TOTAL Goal-Based Planning
(Concept illustration)

Using a charitable remainder trust, an individual makes a substantial deferred gift to a charity while retaining the right to receive payments from the trust. The use of such a trust can have multiple tax and non-tax advantages, particularly when the gift is in the form of appreciated property.

Some of the potential benefits:

- Immediate reduction in income taxes
- Increased cash flow
- Avoidance of capital gains upon sale of the asset
- Eventual reduction of estate taxes
- Satisfaction of benefiting a favored charity

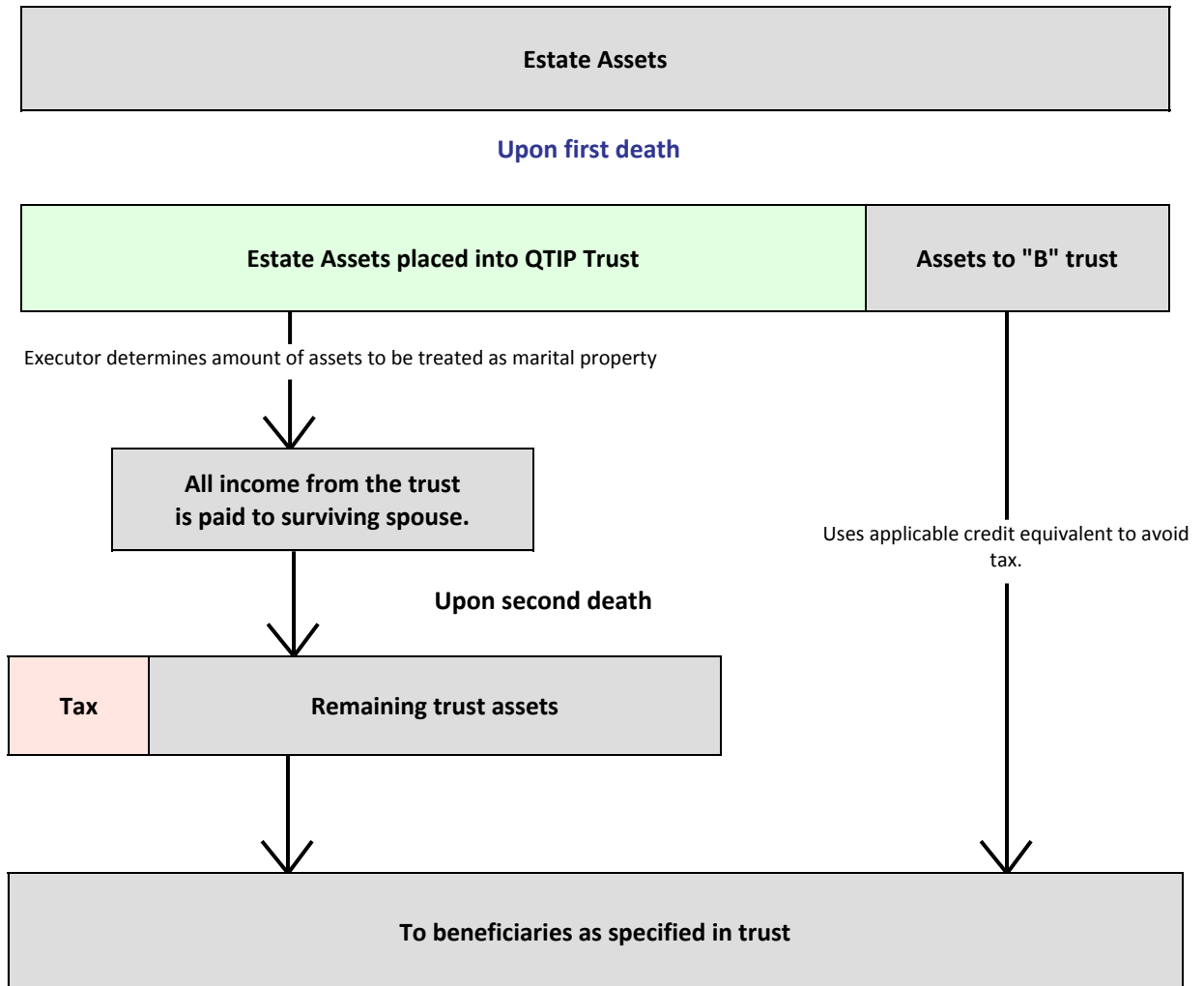


The charitable trust is sometimes referred to as a double win trust. The grantor wins by receiving an immediate tax deduction based on the present value of the charity's remainder interest. The grantor also receives income, either as a fixed annual amount in the form of an "annuity trust" or as a percent of the trust value as a "unitrust". The charity wins by receiving the remaining assets in the trust when the grantor dies.

Qualified Terminal Interest Trust (QTIP)

Sample Financial Plan - TOTAL Goal-Based Planning
 (Concept illustration)

The Qualified Terminable Interest Trust (QTIP) is designed to reduce taxes through the use of the marital deduction, yet control who will eventually receive the property upon the death of the surviving spouse.



In order to qualify for this treatment the executor must make an irrevocable election to have the marital deduction apply to property placed in the trust. This gives the executor the power to determine how much, if any, of the estate will be taxed at the first death, and also provides flexibility for post death planning.

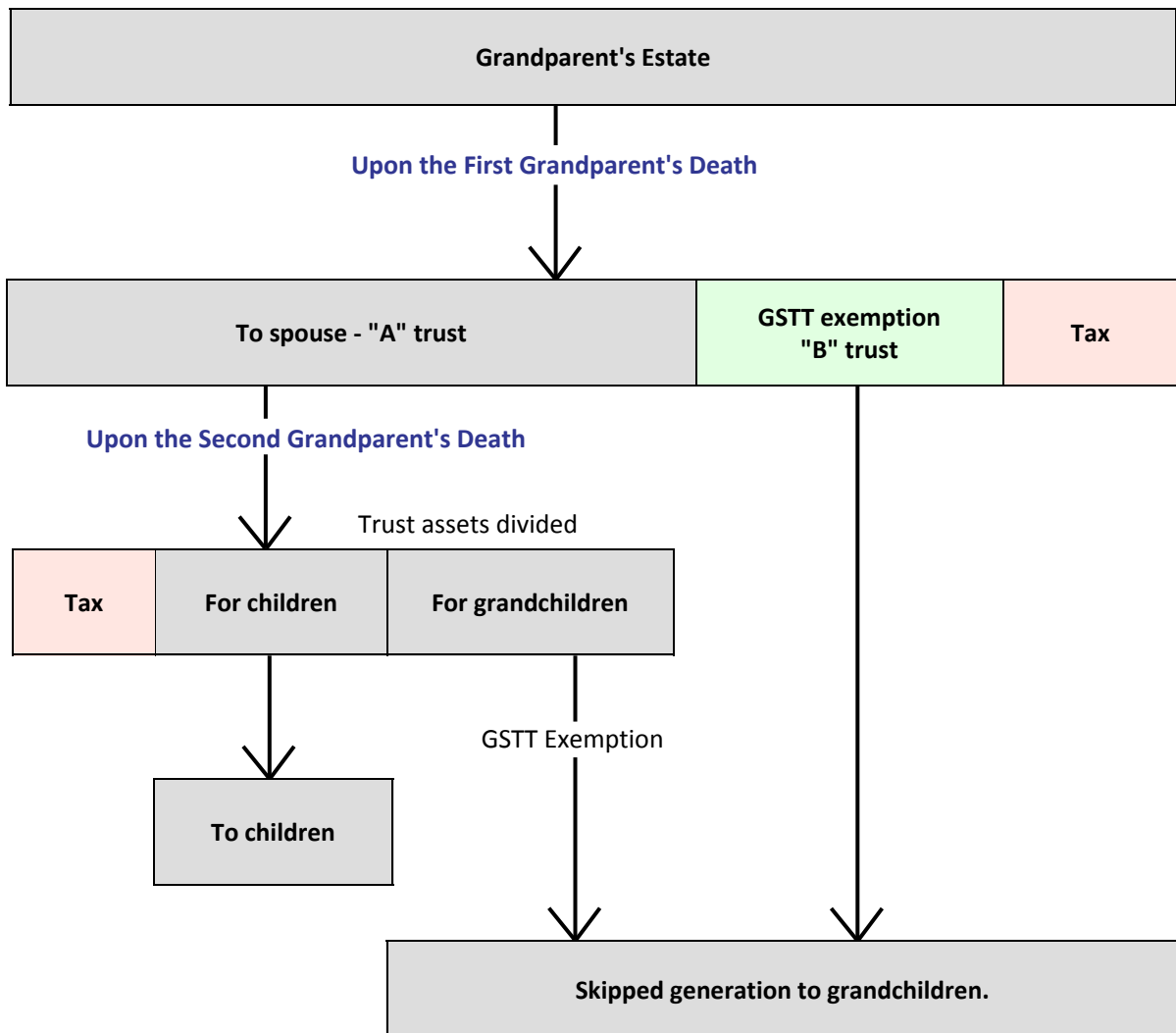
Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws will likely impact the above illustration.

Generation-Skipping Transfers

Sample Financial Plan - TOTAL Goal-Based Planning
 (Concept illustration)

The Federal estate tax system is designed to tax property as it is passed from one generation to the next. The generation-skipping transfer tax (GSTT) is intended to prevent wealthy families from reducing estate taxes by skipping one or more generations in the passage of their assets.

The GSTT is paid in addition to the normal estate or gift tax, and is applied when property is transferred to a person two or more generations younger than the transferor.



Although the benefits of using the GSTT transfer techniques can be substantial for larger estates, its complexity would indicate that careful and thorough planning with qualified counsel is required in order to avoid unexpected tax consequences.

Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws will likely impact the above illustration.

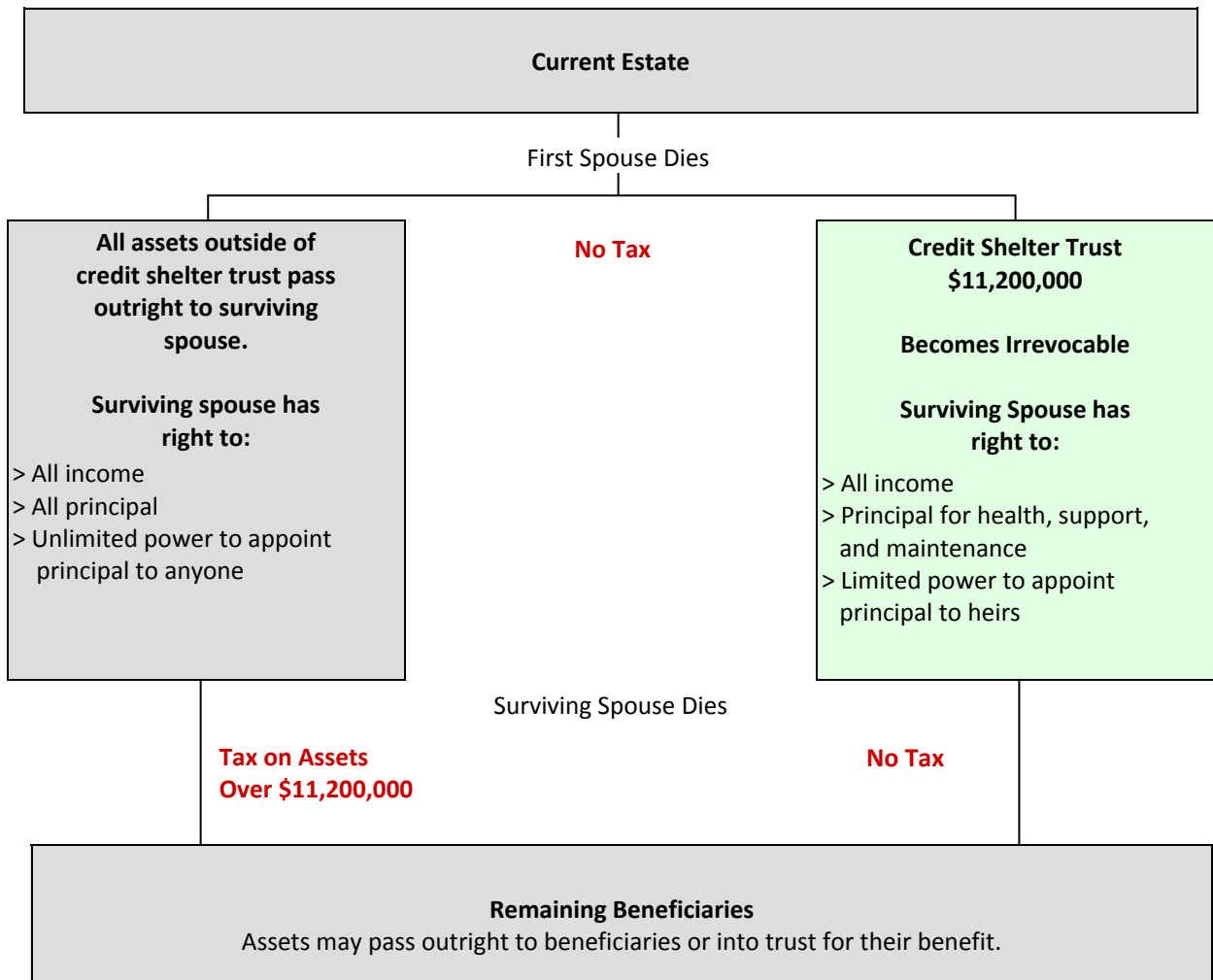
Credit Shelter Trust

Sample Financial Plan - TOTAL Goal-Based Planning
(Concept illustration)

A credit shelter trust is a device used to minimize estate taxes at the passing of each spouse by using the applicable exclusion amount. It allows the surviving spouse use and access to the assets of the deceased spouse.

The amount of the estate exclusion varies depending on the year of death. Under current rules, an inflation index is applied annually to the applicable credit exclusion amount. This estate exemption is now permanently portable between spouses.

<u>Year</u>	<u>Exclusion</u>	<u>Taxes saved</u>
2014	5,340,000	2,081,800
2015	5,430,000	2,117,800
2016	5,450,000	2,125,800
2017	5,490,000	2,141,800
2018	11,200,000	4,425,800

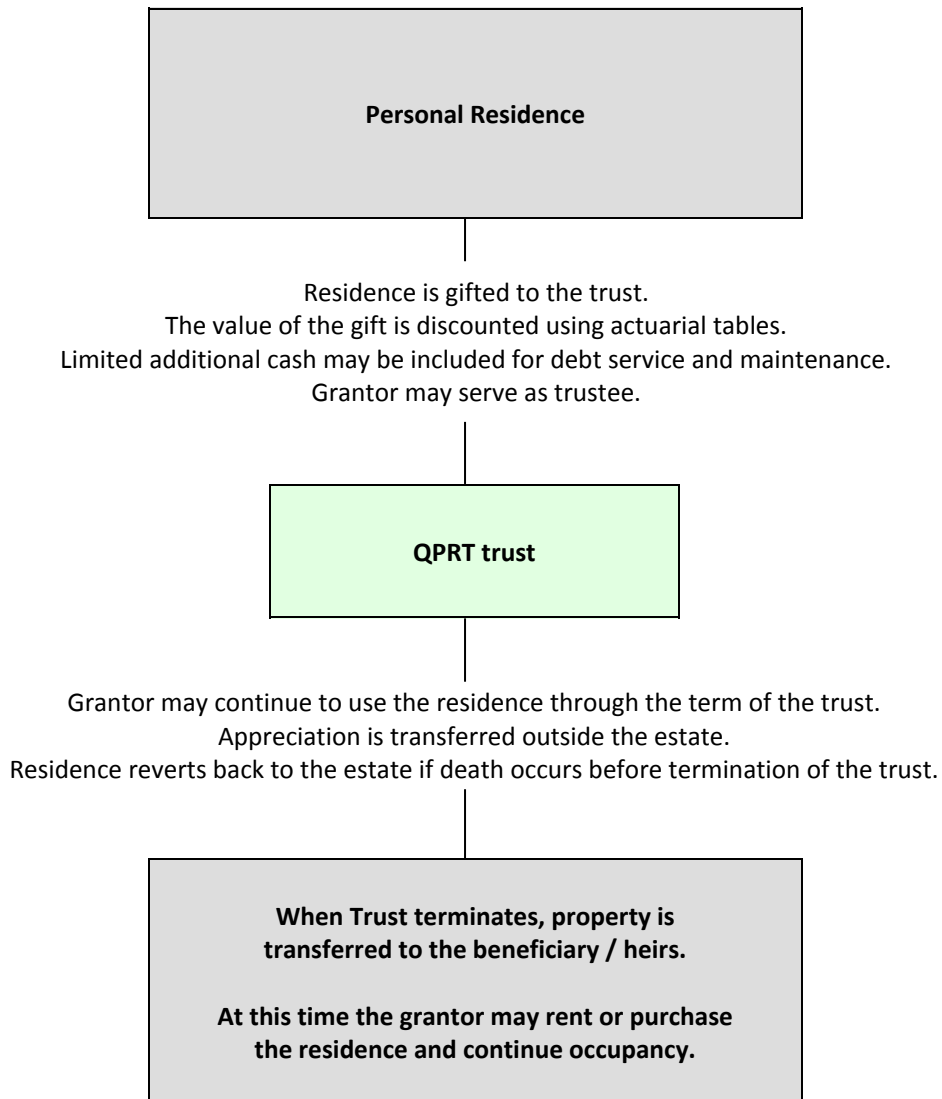


Qualified Personal Residence Trust (QPRT)

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

The QPRT is created by transferring a residence, or second home, into a split interest trust for a specific period of time, typically between 10 and 20 years. The advantages of the trust arrangement include transfer of the property at a low gift tax value and shifting future appreciation out of the grantor's estate, providing he or she lives until the end of the term.



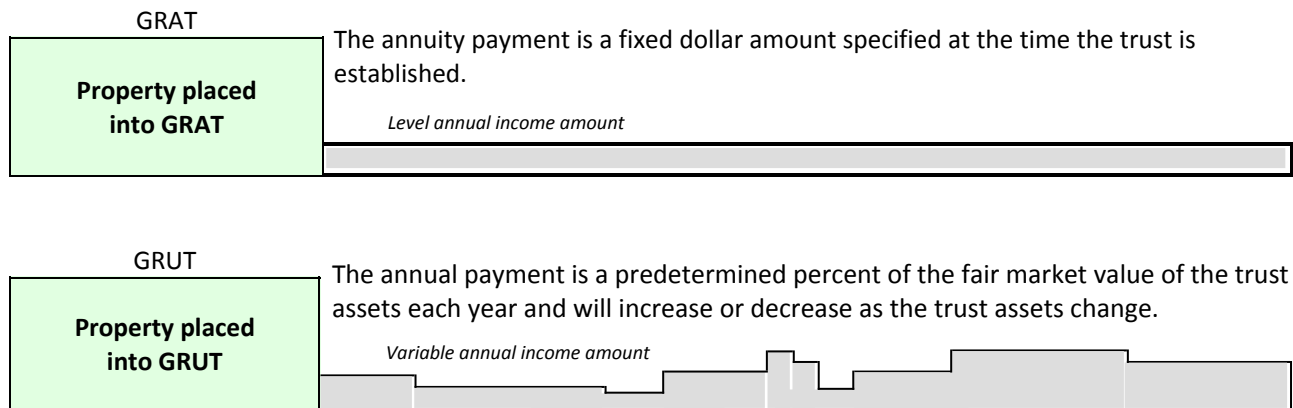
The trust may include a contingent reversionary interest, which will cause the residence to revert back to the estate in case of death before the end of the term. With this provision the grantor could utilize the marital deduction by passing the residence to a surviving spouse, postponing the estate tax and causing the trust to be classified as a "grantor trust". This would allow the grantor to deduct property taxes and mortgage interest on his own tax return during the term of the trust.

Grantor Retained Trusts (GRT)

Sample Financial Plan - TOTAL Goal-Based Planning
(Concept illustration)

The Grantor Retained Trust is a device that can leverage gifts between generations. By placing property into the trust, future appreciation on the property is not included in the grantors estate, but the grantor retains an income interest in the property. The property is treated as a gift subject to gift taxes, however, the terms of the trust result in a discount to the gift value, effectively reducing the value of the gift to be reported.

Two types of trusts are commonly used - Grantor Retained Annuity Trust (GRAT) and Grantor Retained Unitrust (GRUT).



Advantages

GRAT

- Reduce transfer tax cost.
- Removal of future appreciation from estate.
- Continued receipt of the income generated by the property in the trust.

GRUT

- Reduce transfer tax cost.
- Removal of future appreciation from estate.
- A hedge against inflation. (If the assets increase in value, the income increases)
- Additional contributions allowed.

Disadvantages

- Assets belong to the trust.
- Inclusion in Gross Estate. (If grantor dies prior to termination trust).
- Additional contributions prohibited.
- No allocation of Generation Skipping Tax until end of trust term.

- Assets belong to the trust.
- Inclusion in Gross Estate. (If grantor dies prior to termination trust).
- Unstable income stream. (amount may increase or decrease)
- Annual valuation of trust assets required.
- No allocation of Generation Skipping Tax until end of trust term.

The term of a GRAT or GRUT may be for the life of the grantor, for a specified term of years or for the shorter of the two periods. If a GRAT is selected and the grantor dies before the trust terminates, some or all of the advantages of the trust arrangement may be lost. For this purpose it may be wise to select a short trust term and then repeat the trust - sometimes referred to as "re-GRATing."

As there are many complex consideration involved in determining the most effective selection, it is very important that the options be carefully reviewed with your financial advisor, accountant and legal counsel.

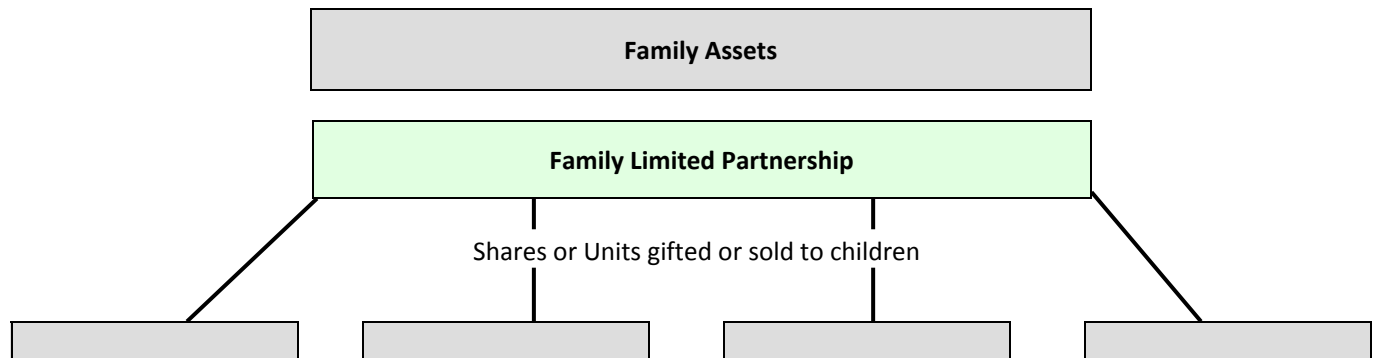
Family Limited Partnership (FLP)

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

A family partnership is an unincorporated entity created by the transfer of property from one or more individuals for the common benefit of family members. Generally the objective of a FLP is minimizing estate and gift taxes.

In a typical situation the parents transfer assets to a family partnership in exchange for partnership shares or units. This is generally a tax-free event. Partnership interests are then gifted or sold to the children or to trusts established for the children's benefit.



Advantages

- Shift income and appreciation from higher tax bracket family members to those in lower brackets.
- Avoid corporate double taxation without use of an S Corporation structure.
- Allow step up of basis in partnership assets upon death of a partner.
- Divert appreciation of assets from older family members.
- Maintain control over assets.
- Facilitate a gifting program.
- Provide flexibility in managing resources.
- Avoid local probate.
- Avoid fractionalizing of title, particularly when real estate is involved.
- Provide protection from creditors.
- Maintain family control.
- Facilitate family communication.

Disadvantages

- Increased administration expenses.
- Real discounted value may inhibit ability to borrow or invest.
- Potential family disharmony if all participants do not agree.
- IRS scrutiny - when discounts are taken, the IRS may have a tendency toward closer examination.
- Difficult trust administration due to fiduciary obligations that might run counter to the grantor's wishes.
- Loss of basis step-up if IRS challenges the discounts and valuations.
- Liquidity concerns.
- Estate tax implications for closely held stock in the partnership.
- Operational formalities, if not closely followed may result in the partnership being disregarded.

From the partial list of advantages and disadvantages shown above, it should be obvious that undertaking a FLP is a serious consideration and will require an in depth degree of analysis and legal consideration.

Business Purpose Attack

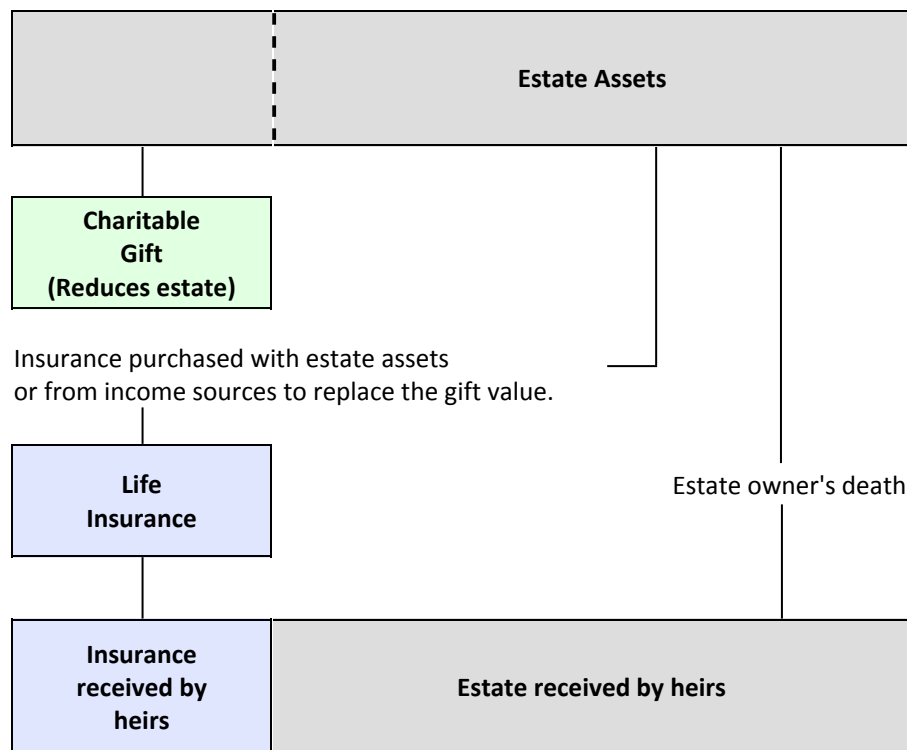
The IRS challenges many FLPs on the theory that the partnership lacks economic substance/business purpose and is merely an attempt to avoid taxation, especially if the property is valued at an excessive discount. It is critical that, if a FLP is used, you must have the proper motivation and financial and legal assistance.

Wealth Replacement Trust (WRT)

Sample Financial Plan - TOTAL Goal-Based Planning
(Concept illustration)

The "Wealth Replacement Trust" is a tool used to replace assets that have been removed from a family's estate when assets are gifted or otherwise disposed of in order to reduce the taxable estate. This can also be useful when there is a desire to assist a charitable institution, or to remove appreciated assets for income tax planning.

The vehicle used for this technique is a life insurance policy, typically some form of permanent insurance that will persist until the insured's life expectancy. The basic principal is that the policy benefits are used to replace the assets which were transferred out of the estate.



In order to avoid the insurance being included in the taxable estate it should either be owned by the beneficiary or be held in an Irrevocable Life Insurance Trust. If the charitable gift is in the form of a Charitable Remainder Trust, then an appropriate amount of the income received from the charitable trust could be gifted to the insurance trust to make the premium payments.

Because there are significant tax and financial ramifications, this technique should only be considered with assistance from appropriate financial and legal counsel. An additional consideration is the ability of the potential insured to satisfy the medical qualifications for the insurance protection.

Estate Planning Options - Allen dies first

Sample Financial Plan - TOTAL Goal-Based Planning

Example Estate Estimates upon First Death:

Allen dies at age 65 in 2030

	<u>Before Planning</u>	<u>After Planning</u>
Separate property (\$888,875) plus shared property (\$12,463,786)	\$13,352,661	
Property value after Allen's gifts of \$1,506,266 (net cost to estate = \$1,509,637)		11,843,024
Allen's retirement plans	12,737,906	12,737,906
Allen's insurance (net of loans) (a)	97,500	97,500
Total Estate Estimate - Allen	\$26,188,067	\$24,678,430

Reductions to determine taxable estate estimate:

Debt (separate + half of joint or community property debt)	(\$44,685)	(\$44,685)
Final expenses	(21,890)	(21,890)
Credit Shelter Trust funded (d)		(6,948,404)
Administration and probate at 3.00% (net of debt, final exp. and insurance)	(780,720)	(735,431)
Allen's insurance in trust or otherwise not taxable in the estate (b)		(97,500)
Total Reductions	(\$847,295)	(\$7,847,910)
Net Estate in 2030	\$25,340,772	\$16,830,520

Example Estate Estimates upon Second Death:

Betty dies at age 63 in 2030

Net estate from Allen (\$25,340,772), plus Betty's property (\$21,792,469) (h)	\$47,133,241	
Assets (after gifts of \$10,572,267) and Allen's insurance (\$97,500) into ILIT		29,515,070
Betty's insurance (net of loans) payable to beneficiaries (a)	60,000	
Betty's insurance owned by ILIT or others		60,000
Total Estate Estimate - Betty	\$47,193,241	\$29,575,070

Reductions to determine taxable estate estimate:

Debt	(\$44,685)	(\$44,685)
Final expenses	(21,890)	(21,890)
Administration and probate at 4.00% (net of debt, final expense and insurance)	(1,882,667)	(1,177,940)
Betty's insurance in ILIT or otherwise not taxable (b)		(60,000)
Total Reductions	(\$1,949,242)	(\$1,304,515)
Net Taxable Estate	\$45,243,999	\$28,270,555

Estimated Estate Tax **

Applicable Estate Tax Credit indexed at 2.00 (less \$40,000 credit already used.) (i)	(\$18,043,400)	(\$11,254,022)
	\$5,504,246	\$2,779,084
Net Estimated Federal Estate Tax in 2030	(\$12,539,154)	(\$8,474,938)

Summary of Combined Estate Distributions:

To Heirs:***

	<u>Before Planning</u>	<u>After Planning</u>
Assets and insurance in Betty's estate including insurance from Allen	\$45,243,999	
Assets in Betty's estate after planning		28,270,555
Credit Shelter Trust assets to heirs		6,948,404
Living gifts to heirs		290,000
Betty's insurance in ILIT plus Allen's ILIT		
Insurance in ILIT after planning		157,500
Less estate taxes	(12,539,154)	(8,474,938)
Less estimated potential income tax on retirement accounts at 20% (k)	(4,413,318)	(4,413,318)
Total to Heirs	\$28,291,527	\$22,778,203

To Other Beneficiaries:

Living gifts made to other beneficiaries		\$10,247,521
Living gifts made to charity		30,000
Life insurance proceeds paid to other beneficiaries (j)		
Total to Other Beneficiaries		\$10,277,521
Total to All Beneficiaries	\$28,291,527	\$33,055,724

Planning Difference **\$4,764,196 ... 16.84%**

**Gifts and CST are limited to assets available reduced by debt, expenses and insurance. Some or all joint property may need to be retitled as separate property in order to fund the Credit Shelter Trust.*

***Assumes estate taxes after the year 2018 continue with indexing.*

****Insurance, gifts and CST assets are assumed to accumulate at the taxable asset after-tax rate of 0.63%.*

Notes to Estate Planning Options

Sample Financial Plan - TOTAL Goal-Based Planning

(a) Life Insurance

This is the total amount of life insurance in force, including amounts that will not be taxed.

(b) Life Insurance in ILIT or otherwise excluded

Life insurance values shown here are not subject to the estate tax, either held in an Irrevocable Life Insurance Trust (ILIT), or excluded due to other ownership provisions. Caution - Existing insurance policies must be held for three or more years prior to assignment to an ILIT in order to be excluded from estate taxation. Insurance proceeds are assumed to appreciate at the after-tax rate on taxable assets. Group insurance is not included in th

(c) Other reductions and discounts

These estimated reductions could include special valuation discounts for closely held business interests, family partnerships or certain other illiquid assets in the estate.

(d) Credit Shelter Trust

The amount of the available Unified Tax Credit will vary depending on the year of death. Future Unified Credit amounts have been indexed at 2.00% . Funds in the Credit Shelter Trust are grown at the after-tax rate on taxable assets of 0.63%. Under the current scenario, only assets held as separate property will be available for use in the Credit Shelter Trust. The trust amount has been reduced by the amount of prior credits used in the amount of \$40,000.

The After Planning scenario uses separate property plus half of joint property. Joint Property ownership may need to be revised in order to fully fund the credit shelter trust. The credit shelter will be funded with the lesser of the amount available to fund the Credit Shelter Trust, or the maximum allowable credit shelter amount.

(e) Gifts to Charity*

The amount shown is either outright gifts to charity, or the present value of a Charitable Remainder Annuity Trust (CRAT) or Charitable Remainder Unitrust (CRUT). If a Charitable Trust arrangement is used other benefits may be available in the form of continued income and potential income tax deductions.

(f) Gifts to Heirs*

This represents planned future gifts to heirs either as the maximum amount allowed by IRS or a specified dollar amount that is exempt from gift taxes, currently \$15,000 per recipient in 2018. Combined gifts from both spouses may allow annual gift amounts to be doubled.

(g) Gifts to others*

These are gifts made to entities other than your heirs, and treated as a reduction to your taxable estate. These funds will not be shown as a benefit to your heirs. The gift may require payment of gift taxes. Such taxes have no

(h) Asset Values projected

The estimated values received from the estate of Allen have been either increased based on asset growth and accumulation of additional funds or reduced by spending during the period between the first and second death. These values will be reduced to reflect the assets held in the Credit Shelter Trust.

(i) Applicable Estate Tax Credit

It is assumed that the Estate Taxes have been continued at 2018 levels by congress, including indexing of the exclusion amount at 2.00% per year.

(j) Life Insurance paid to Other than Heirs

Life insurance that is not payable to heirs is not included in the heirs final estate values.

(k) Tax on retirement accounts

This is an estimated tax which at some time would be payable by the heirs at their tax rate. There are various options that may minimize or defer payment of taxes.

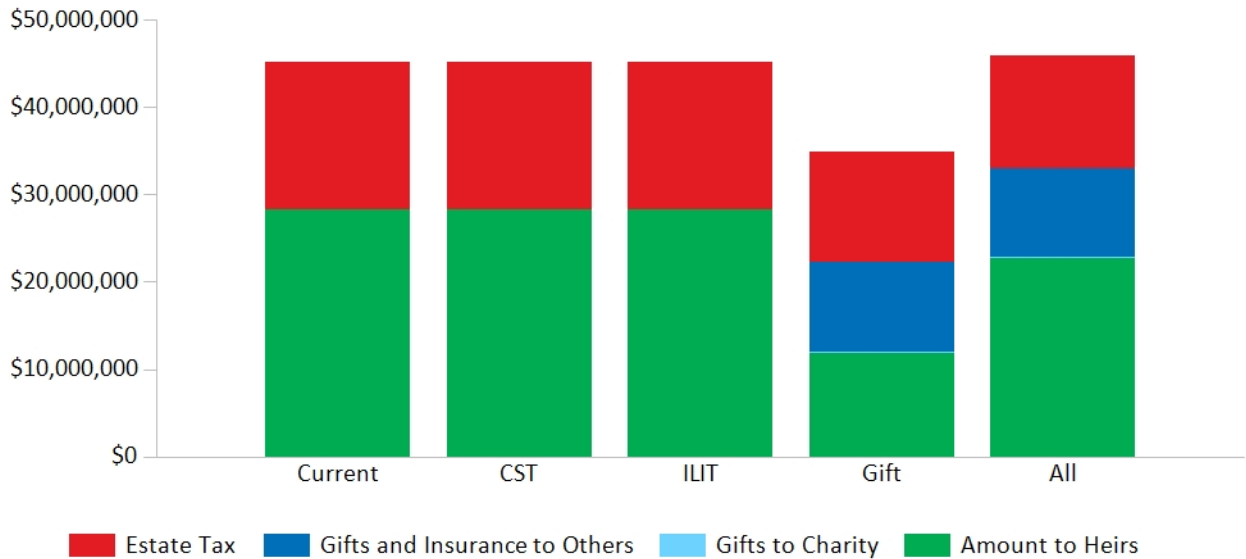
**Note: Gifts to charity or others based on a percent of estate is based on the amount of assets not including life insurance and net of debts.*

Estate Option Comparison

Sample Financial Plan - TOTAL Goal-Based Planning

Various estate planning options illustrated result in different amounts received by the heirs, the IRS and, if elected, amounts gifted to charities, heirs or others. The amounts shown are estimates only and are subject to future change by Congress.

Estate Distribution Comparisons



Estate Planning Results	Current Planning	Credit Shelter Trust	Life Insurance Trust	Gifts to Charity, Heirs, other	All Options
Assets and insurance paid to heirs	\$45,243,999	\$38,141,845	\$45,086,499	\$24,394,211	\$28,270,555
Credit Shelter Trust to heirs		7,102,154			6,948,404
Gifts to Heirs				290,000	290,000
Life Insurance Trust & not in estate			157,500		157,500
Gifts to Charity				30,000	30,000
Gifts and Insurance to Others				10,247,521	10,247,521
Estate and retirement plan tax**	(16,952,471)	(16,883,733)	(16,891,031)	(12,723,565)	(12,888,255)
Total to Heirs	\$28,291,527	\$28,360,266	\$28,352,967	\$11,960,647	\$22,778,203
Total to all Beneficiaries	\$28,291,527	\$28,360,266	\$28,352,967	\$22,238,167	\$33,055,724
Planning Gain		\$68,739	\$61,440	(\$6,053,360)	\$4,764,196

Implementation of estate planning options as illustrated above should be based on careful consideration with your financial and legal advisors. The amounts and results shown are estimates only and actual results may differ substantially. No investment products or systems are represented in this illustration. Future Estate balances are hypothetical and are used for illustration purposes only.

*Columns do not total 100% due to asset increase or reduction with deaths occurring at different ages.

**Assumes estate taxes after the year 2018 continue with indexing.

Note: For source of numbers for Current and All Options refer to Estate Planning Options report.

Estate Options Assumptions

Sample Financial Plan - TOTAL Goal-Based Planning

The following assumptions have been used to illustrate some of the estate planning options shown in the report.

	<u>Today's Dollars</u>	<u>Allen's age 65</u>	<u>Betty's age 63</u>
Assets prior to reduction by debts, gifts, trusts and expenses:			
Allen's separate property	\$707,000	\$888,875	\$888,875
Allen's retirement accounts	5,567,500	12,737,906	12,737,906
1/2 Joint or Community property	5,699,200	12,463,786	12,463,786
Total Assets	\$11,973,700	\$26,090,567	\$26,090,567
Less: Debts, final expenses and administration		<u>(847,295)</u>	<u>(847,295)</u>
Total for Allen	\$11,973,700	\$25,243,272	\$25,243,272
Betty's separate property			
Betty's retirement accounts	6,110,250	9,328,683	9,328,683
1/2 Joint or Community property	5,699,200	12,463,786	12,463,786
Total Assets	\$11,809,450	\$21,792,469	\$21,792,469
Less: Debts, final expenses and administration		<u>(1,949,242)</u>	<u>(1,949,242)</u>
Total for Betty	\$11,809,450	\$19,843,227	\$19,843,227

	<u>Face amount less loans</u>	<u>At second death with growth</u>	
		<u>Before planning</u>	<u>After planning</u>
Insurance policies:			
Allen's life insurance:			
Self owned payable to heirs	\$97,500	\$97,500	
ILIT or non-owned to heirs			97,500
Total	<u>\$97,500</u>		

		<u>At Second Death With Growth</u>	
		<u>Before planning</u>	<u>After planning</u>
Betty's life insurance:			
Self owned payable to heirs	\$60,000	\$60,000	
ILIT or non-owned to heirs			60,000
Total	<u>\$60,000</u>		

	<u>Amount of gifts at first death</u>	<u>Cost of gifts to the estate</u>
	From the estate of Allen:	
Gifts to heirs starting at age 60 for 5 years:		
Maximum amount allowable for estate exclusion for 2 persons	180,000	183,371
Charitable gifts of \$10,000 plus 0.00% of assets	10,000	10,000
Gifts to others of \$0 plus 10.00% of assets	1,316,266	1,316,266
Gifts from Allen's estate	<u>\$1,506,266</u>	<u>\$1,509,637</u>

	<u>Gifts made at second death</u>
From the estate of Betty:	
Gifts to heirs starting at age 60 for 3 years	
Maximum amount allowable for estate exclusion for 2 persons	111,376
Charitable gifts of \$10,000 plus 0.00 percent of assets	10,000
Gifts to others of \$0 plus 10.00 percent of assets	4,701,187

	<u>Gifts from Betty's estate</u>	<u>Cost of gifts to the estate</u>
Planned giving from the estate of the last to die:		
Charitable gifts of \$10,000 plus 0.00 percent of assets		10,000
Gifts to others of \$0 plus 10.00 percent of assets		4,230,068
Gifts from Betty's estate	<u>\$9,062,630</u>	
Total Cost of Gifts		<u>\$10,572,267</u>

Other estate adjustments:

Amount of Applicable Estate Tax Credit already used. \$40,000

**Future values for gifts are increased at the annual rate indicated until the gift is made. Life insurance and Credit Shelter Trust assets are assumed to grow at the after-tax rate of return earned on taxable assets of 0.63%. Expenses and gifts paid from the first estate are compounded at the after tax rate of return to illustrate the lost potential earnings on the assets for comparison purposes.*

Gifts are made only from separate and jointly owned assets plus insurance proceeds. No gifts are made from retirement plan assets to avoid undesirable tax consequences.