Edu4Retirement, Inc.
THE NATION'S MOST COMPREHENSIVE EDUCATION PROGRAM AT RETIREMENT

Wealth Management Series – Thirteen Wealth Management Issues

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The Thirteenth of Thirteen Wealth Management Issues: Tax Planning

In this issue of our Wealth Management Series, we will address the complicated and ever changing tax planning. Circumstances, law changes and family dynamics are always in a state of flux. What can initially be a good strategy may be a disaster at the end. We had an individual who had put their second residence into an irrevocable family trust with gifting the property over a period of time to the children. The period of time was over, and the second residence had become the primary residence. With a sudden issue of incapacity, the residence no longer was suitable for the parents, and they wanted to sell and buy something else. They no longer owned the property and one of the children had financial difficulty. You can imagine that this was a very unpleasant situation. Initially, a good idea of passing over the property so that the future gains could pass onto the kids' tax efficiently, turned to a not so good result when the family dynamics changed.

However, business interests, specific securities or other appreciable assets can be set up in a similar format. Coordination with your tax professionals is very important.

Tax planning is a vital part of nearly every aspect of wealth management for you. In many cases, taxes represent the largest single expense for you. Understanding your goals; whether it is to defer and shift taxable income, invest in tax advantage vehicles or accelerate and maximize deductions is very important to assisting you. Structuring your investments, and your personal and business transactions to minimize this expense is critical in helping you achieve your goals and objectives. There are many specific areas of opportunity where we can surface issues with you, **NOT** as a tax specialist, but to work with you and your professional tax advisors to help ensure long term success.

Choosing which accounts to take distributions from also helps in mitigating the hidden taxation. For example, your Modified Adjusted Gross Income (MAGI) from two years ago is used to determine your Medicare premium level. Taking money from after tax accounts or Roth accounts can keep the MAGI down.

As mentioned in the Education and Family Support paper, paying for the grandchildren's education directly to the institution avoids gift tax issues.

Our comprehensive program at Edu4Retirement, Inc. is designed to teach people about retirement and the various issues that confront each person as they make their solo journey into retirement. Our program provides a process for each of the *Wealth Management Issues*. To obtain copies of our previous editions of this series, visit our website at http://www.edu4retirement.com/p/newsletters.

72 Queen Street • Southington, CT 06489
Tel: 860.863.4155 • 1.800.530.9896 • Fax: 860.329.0304

We are forever learning as we go through this process, since family dynamics, personal desires and amounts involved can be infinitely different. However, the patterns we see in personal behavior and decisions of our clients make our experience very helpful to most.

We hope you enjoy the personal journey as we cover each of these Wealth Management Issues. Please rely upon us to help deliver the decisions that fit your desires and ultimately helping you to feel ***empowered*** about your retirement. Michael Callahan and Steve Tillona are available for any questions that may arise as you make this journey. You may contact us at:

Michael Callahan:
mc@edu4retirement.com
860-863-4155

Steven Tillona:
stillona@edu4retirement.com
860-863-9984

Edu4Retirement, Inc. specializes in providing retirement education and advice to our clients along with appropriate investment products to assist in mitigating retirement risk. Please think of us when it comes to retirement planning. We appreciate your referrals.