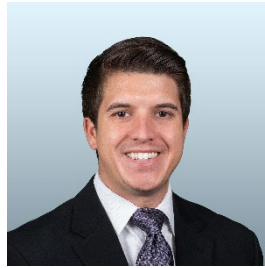




Ryan Barradas  
Managing Partner



Vince Brunoforte  
Partner

*Welcome to*  
Estate Planning  
for Qualified  
Plans Post  
SECURE Act

Tuesday, November 12, 2024 | 8:00 - 9:00 am PT

Available Via Video Conference

NASBA CPE Credit: 1 hour for CPAs

CFP Credit: 1 hour

*This material is informational only and is not intended as an offer or a solicitation for any particular product.*

*WealthPoint, LLC does not provide tax advice. Any discussion of U.S. tax matters contained herein is not intended to be used and cannot be used for the purposes of avoiding U.S. tax-related penalties. Securities and Investment Advisory Services offered through The Leaders Group, Inc. Securities Dealer, Member FINRA/SIPC; TLG Advisors, Inc. Registered Investment Advisor. WealthPoint, LLC is not affiliated with The Leaders Group, Inc.. WealthPoint is a member firm of PartnersFinancial. WealthPoint, LLC is independently owned and operated. WealthPoint, the WealthPoint logo and Know your story are all registered trademarks of WealthPoint, LLC. Life insurance services are provided through WealthPoint, LLC DBA WealthPoint Insurance Solutions, CA Insurance License #0N03255.*

# MEETING REMINDERS & CE/CPE CREDIT

---

## CE and/or CPE credit

- Today's program will run approximately 60 minutes and will be worth one credit hour
- Be sure to look for and answer all NASBA required polling questions during the presentation to ensure your eligibility for credit
- You will not be graded on right or wrong answers, but make sure to submit a response if you wish to receive credit

## Q&A

- Please type your questions into the **Q&A** feature in your Zoom toolbar – do not use the chat function
- For any additional questions including technical items, please message “WealthPoint Team” in the chat or reach out to [Kristin@wealthpoint.net](mailto:Kristin@wealthpoint.net)

## Survey

- If you are interested in receiving CE and/or CPE credit for attending this webinar, please look for and complete the survey that will be sent to you
- Certificates will be emailed to you within 30 days of the webinar



# *LEARNING OBJECTIVES & AGENDA*

---

## Learning Objectives

- Define RAMP, how it works and where it fits
- Understand the provisions within the tax code that allow this strategy to work
- Identify how life insurance is utilized and understand the different products and funding strategies



### Current Situation

- ④ Bill and Amy are married and have three children. They have accumulated a sizable net worth, to include a \$5M qualified plan, and have determined through extensive consultation and planning with their advisors that they do not need their retirement plan assets to fund their cash flow needs during retirement. The cash flow from their real estate assets coupled with over \$20M in traditional investments is more than sufficient to cover their retirement income needs. Their current estate plan dictates that they will leave their assets to each other at the first death and then equally to their three children at the second death. Bill and Amy have not utilized any of their current lifetime estate tax exemption (\$13.61M each).

### Objectives

- ④ Improve the use and enjoyment of Smith Family wealth
  - Maximize assets left to heirs
  - Increase multi-generational wealth
- ④ Maximize growth and flexibility of traditional investments

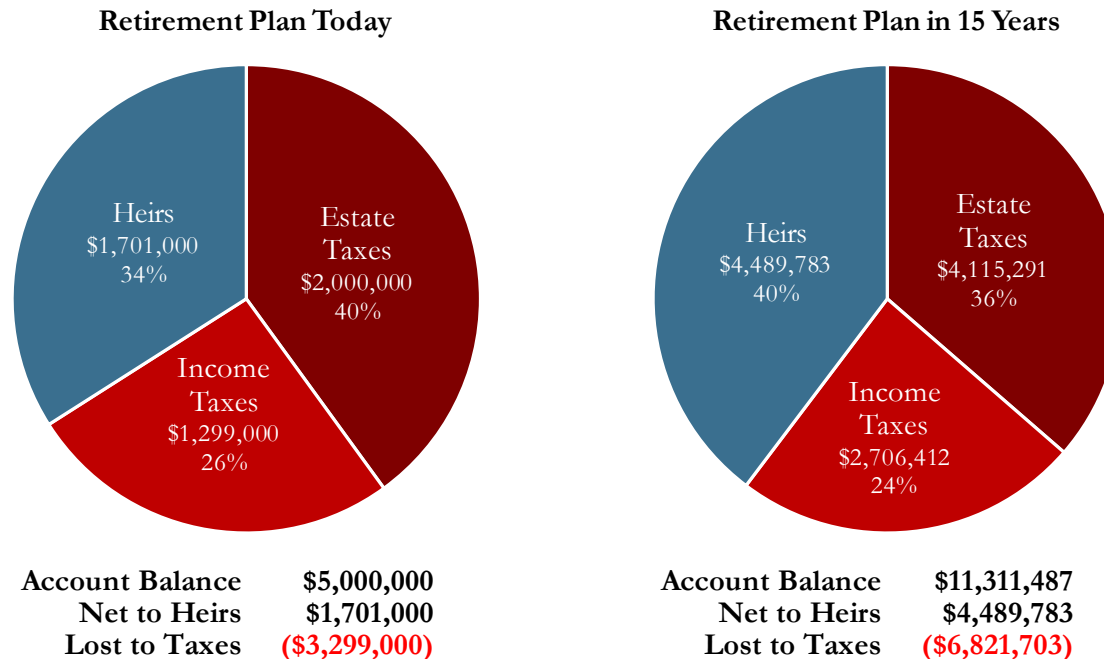


# CHALLENGES AND IMPACT

## ⌘ Challenges

- Required distributions on client's retirement account, regardless of need
- Double taxation on retirement plan assets
  - Income and estate taxes

## ⌘ Impact



- Ⓢ Required Minimum Distributions (RMDs), leave to children **Double Tax**
- Ⓢ Roth IRA conversion **Double Tax**
- Ⓢ RMDs during lifetime, leave balance to charity **Taxable + Give Away**
- Ⓢ Stretch IRA, limited to 10 years **Double Tax**



# Polling Question #1

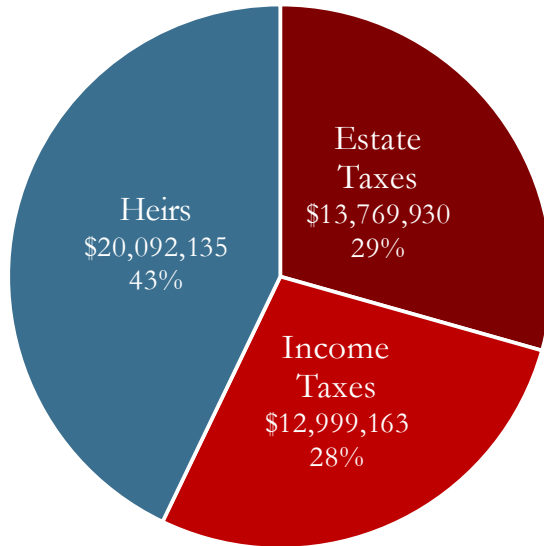
Retirement Asset Maximization Plan (RAMP)	
What is RAMP?	The RAMP is simply an asset repositioning strategy designed to address two primary tax challenges.
What is the goal?	<ol style="list-style-type: none"><li>1. Eliminate income and estate taxes on qualified plan assets.</li><li>2. Eliminate ordinary income and capital gains taxes on a portion of traditional investments.</li></ol>
What does it cost?	An out-of-pocket cost of less than 1% per year (typically 15 years or less) of the initial value of both qualified and non-qualified assets.





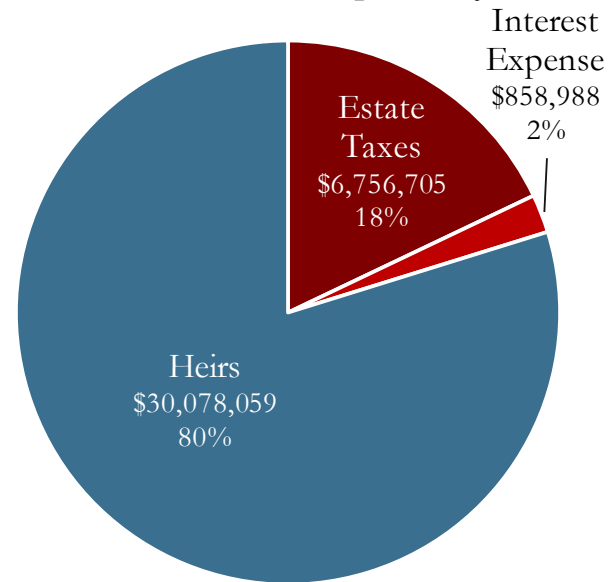
# STATUS QUO VS. RAMP AT LIFE EXPECTANCY

Status Quo at Life Expectancy



Account Balances \$46,861,228  
 Net to Heirs \$20,092,135  
 Lost to Taxes **(\$26,769,093)**

RAMP at Life Expectancy



Account Balances \$37,693,752  
 Net to Heirs \$30,078,059  
 Lost to Taxes & Interest **(\$7,615,693)**

- Ⓜ Retirement plan assets of \$5,000,000
- Ⓜ Substantial investment and income-producing assets outside of the plan
  - \$20M+ liquid and other income-producing assets
    - Total used in this analysis: \$2,774,554



# STATUS QUO TAX CALCULATION

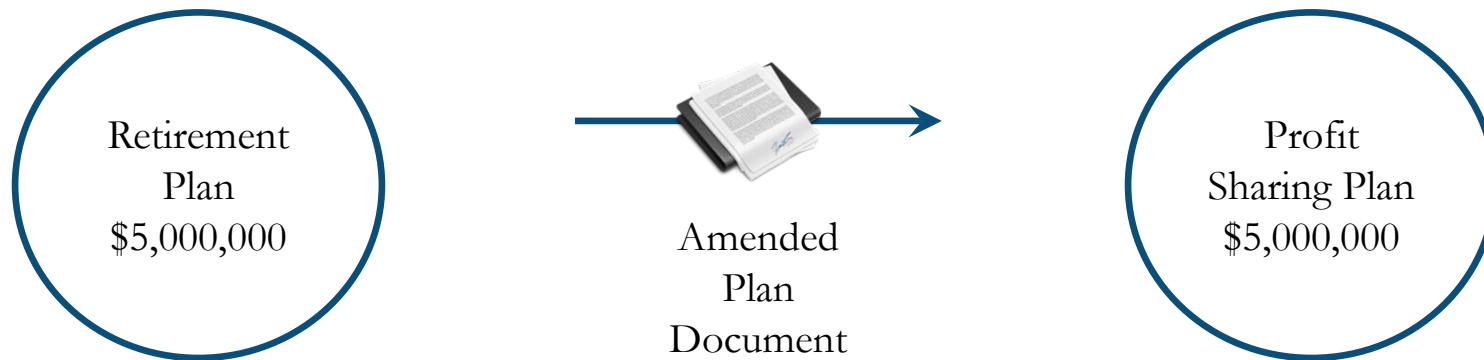
			Retirement Plan Assets					Taxable Account							Composite		
Pre-Tax Return			6.00%					6.00%									
Inc. Tax Rate			39.50%					N/A									
Avg. Portfolio Rate			N/A					24.94%									
Estate Tax Rate			40.00%					40.00%									
EOY Owner	EOY Insured(s)	Year	QP Balance & Contributions	Gross RMD Withdrawals	Annual Income Tax	EOY Balance	Combined Estate & IRD Tax	Net to Heirs	NQ Assets	RAMP Interest Deposits	Net RMD Deposits	Annual Tax Liability	EOY Balance	Estate Tax	Net to Heirs	Total Tax	Combined Net to Heirs
61	61/62	1	\$5,000,000	\$0	\$0	\$5,300,000	(\$3,496,940)	\$1,803,060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,496,940)	\$1,803,060
62	62/63	2	\$0	\$0	\$0	\$5,618,000	(\$3,706,756)	\$1,911,244	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,706,756)	\$1,911,244
63	63/64	3	\$0	\$0	\$0	\$5,955,080	(\$3,929,162)	\$2,025,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,929,162)	\$2,025,918
64	64/65	4	\$0	\$0	\$0	\$6,312,385	(\$4,164,911)	\$2,147,473	\$2,774,554	\$66,076	\$0	(\$42,503)	\$2,968,565	(\$558,157)	\$2,410,408	(\$4,765,571)	\$4,557,878
65	65/66	5	\$0	\$0	\$0	\$6,691,128	(\$4,414,806)	\$2,276,322	\$0	\$66,076	\$0	(\$45,406)	\$3,171,313	(\$639,257)	\$2,532,057	(\$5,141,971)	\$4,808,378
66	66/67	6	\$0	\$0	\$0	\$7,092,596	(\$4,679,695)	\$2,412,901	\$0	\$66,076	\$0	(\$48,439)	\$3,383,193	(\$724,008)	\$2,659,185	(\$5,540,051)	\$5,072,086
67	67/68	7	\$0	\$0	\$0	\$7,518,151	(\$4,960,476)	\$2,557,675	\$0	\$66,076	\$0	(\$51,610)	\$3,604,616	(\$812,577)	\$2,792,038	(\$5,961,012)	\$5,349,713
68	68/69	8	\$0	\$0	\$0	\$7,969,240	(\$5,258,105)	\$2,711,136	\$0	\$66,076	\$0	(\$54,923)	\$3,836,010	(\$905,135)	\$2,930,875	(\$6,406,121)	\$5,642,011
69	69/70	9	\$0	\$0	\$0	\$8,447,395	(\$5,573,591)	\$2,873,804	\$0	\$66,076	\$0	(\$58,385)	\$4,077,827	(\$1,001,862)	\$3,075,965	(\$6,876,718)	\$5,949,768
70	70/71	10	\$0	\$0	\$0	\$8,954,238	(\$5,908,007)	\$3,046,232	\$0	\$66,076	\$0	(\$62,003)	\$4,330,534	(\$1,102,945)	\$3,227,589	(\$7,374,220)	\$6,273,821
71	71/72	11	\$0	\$0	\$0	\$9,491,493	(\$6,262,487)	\$3,229,006	\$0	\$66,076	\$0	(\$65,784)	\$4,594,622	(\$1,208,580)	\$3,386,042	(\$7,900,120)	\$6,615,048
72	72/73	12	\$0	\$326,797	(\$129,085)	\$9,714,578	(\$6,409,678)	\$3,304,899	\$0	\$66,076	\$197,712	(\$72,694)	\$5,077,221	(\$1,401,620)	\$3,675,601	(\$8,442,130)	\$6,980,501
73	73/74	13	\$0	\$358,170	(\$141,477)	\$9,917,792	(\$6,543,759)	\$3,374,033	\$0	\$66,076	\$216,693	(\$80,199)	\$5,601,390	(\$1,611,287)	\$3,990,103	(\$9,007,554)	\$7,364,136
74	74/75	14	\$0	\$380,964	(\$150,481)	\$10,109,038	(\$6,669,944)	\$3,439,095	\$0	\$66,076	\$230,483	(\$88,248)	\$6,163,578	(\$1,836,162)	\$4,327,416	(\$9,597,342)	\$7,766,510
75	75/76	15	\$0	\$403,162	(\$159,249)	\$10,288,229	(\$6,788,173)	\$3,500,555	\$0	\$66,076	\$243,913	(\$96,861)	\$6,765,120	(\$2,076,779)	\$4,688,341	(\$10,212,299)	\$8,188,396
76	76/77	16	\$0	\$426,542	(\$168,484)	\$10,453,388	(\$6,897,145)	\$3,556,243	\$0	\$66,076	\$258,058	(\$106,073)	\$7,408,536	(\$2,334,146)	\$5,074,391	(\$10,853,194)	\$8,630,633
77	77/78	17	\$0	\$449,268	(\$177,461)	\$10,604,368	(\$6,996,762)	\$3,607,606	\$0	\$0	\$271,807	(\$114,917)	\$8,026,247	(\$2,581,230)	\$5,445,017	(\$11,492,273)	\$9,052,623
78	78/79	18	\$0	\$475,154	(\$187,686)	\$10,736,967	(\$7,084,251)	\$3,652,716	\$0	\$0	\$287,468	(\$124,394)	\$8,688,144	(\$2,845,989)	\$5,842,155	(\$12,156,600)	\$9,494,871
79	79/80	19	\$0	\$502,577	(\$198,518)	\$10,848,453	(\$7,157,809)	\$3,690,644	\$0	\$0	\$304,059	(\$134,546)	\$9,397,189	(\$3,129,607)	\$6,267,582	(\$12,846,841)	\$9,958,226
80	80/81	20	\$0	\$531,533	(\$209,956)	\$10,935,935	(\$7,215,530)	\$3,720,405	\$0	\$0	\$321,577	(\$145,417)	\$10,156,475	(\$3,433,321)	\$6,723,154	(\$13,563,649)	\$10,443,559
81	81/82	21	\$0	\$559,199	(\$220,883)	\$10,999,341	(\$7,257,365)	\$3,741,976	\$0	\$0	\$338,315	(\$157,028)	\$10,967,450	(\$3,757,711)	\$7,209,739	(\$14,307,785)	\$10,951,714
82	82/83	22	\$0	\$591,132	(\$233,497)	\$11,032,702	(\$7,279,377)	\$3,753,325	\$0	\$0	\$357,635	(\$169,452)	\$11,835,138	(\$4,104,786)	\$7,730,352	(\$15,079,820)	\$11,483,677
83	83/84	23	\$0	\$621,432	(\$245,466)	\$11,035,947	(\$7,281,518)	\$3,754,429	\$0	\$0	\$375,966	(\$182,709)	\$12,761,062	(\$4,475,156)	\$8,285,906	(\$15,880,505)	\$12,040,335
84	84/85	24	\$0	\$656,708	(\$259,400)	\$11,001,992	(\$7,259,115)	\$3,742,878	\$0	\$0	\$397,309	(\$196,882)	\$13,750,990	(\$4,871,127)	\$8,879,863	(\$16,710,355)	\$12,622,741
85	85/86	25	\$0	\$689,747	(\$272,450)	\$10,930,980	(\$7,212,261)	\$3,718,720	\$0	\$0	\$417,297	(\$211,993)	\$14,806,391	(\$5,293,288)	\$9,513,104	(\$17,570,105)	\$13,231,823
86	86/87	26	\$0	\$723,815	(\$285,907)	\$10,819,595	(\$7,138,769)	\$3,680,826	\$0	\$0	\$437,908	(\$228,093)	\$15,930,865	(\$5,743,077)	\$10,187,788	(\$18,460,402)	\$13,868,614
87	87/88	27	\$0	\$759,096	(\$299,843)	\$10,664,129	(\$7,036,192)	\$3,627,937	\$0	\$0	\$459,253	(\$245,237)	\$17,128,288	(\$6,222,046)	\$10,906,241	(\$19,381,875)	\$14,534,178
88	88/89	28	\$0	\$789,751	(\$311,952)	\$10,466,840	(\$6,906,021)	\$3,560,819	\$0	\$0	\$477,800	(\$263,431)	\$18,399,021	(\$6,730,340)	\$11,668,682	(\$20,335,380)	\$15,229,501
89	89/90	29	\$0	\$826,677	(\$326,537)	\$10,218,573	(\$6,742,215)	\$3,476,359	\$0	\$0	\$500,139	(\$282,779)	\$19,750,332	(\$7,270,864)	\$12,479,468	(\$21,321,414)	\$15,955,827
90	90/91	30	\$0	\$857,938	(\$338,885)	\$9,922,274	(\$6,546,716)	\$3,375,558	\$0	\$0	\$519,052	(\$303,281)	\$21,182,266	(\$7,843,638)	\$13,338,629	(\$22,340,855)	\$16,714,186
94	94/95	34	\$0	\$965,938	(\$381,546)	\$8,221,450	(\$5,424,512)	\$2,796,937	\$0	\$0	\$584,393	(\$397,695)	\$27,776,548	(\$10,481,350)	\$17,295,197	(\$26,769,093)	\$20,092,135
95	95/96	35	\$0	\$980,003	(\$387,101)	\$7,675,934	(\$5,064,581)	\$2,611,353	\$0	\$0	\$592,902	(\$424,478)	\$29,647,138	(\$11,229,587)	\$18,417,552	(\$27,968,977)	\$21,028,904
100	100/101	40	\$0	\$912,487	(\$360,432)	\$4,523,467	(\$2,984,584)	\$1,538,883	\$0	\$0	\$552,054	(\$576,697)	\$40,278,699	(\$15,482,211)	\$24,796,488	(\$34,605,073)	\$26,335,372
<b>Totals at LE:</b>					<b>(\$5,787,141)</b>		<b>(\$5,424,512)</b>	<b>\$2,796,937</b>				<b>(\$5,076,090)</b>		<b>(\$10,481,350)</b>	<b>\$17,295,197</b>	<b>(\$26,769,093)</b>	<b>\$20,092,135</b>



# *Ramp Planning Steps – Phase 1*

## STEP #1 – MODIFY PLAN

---

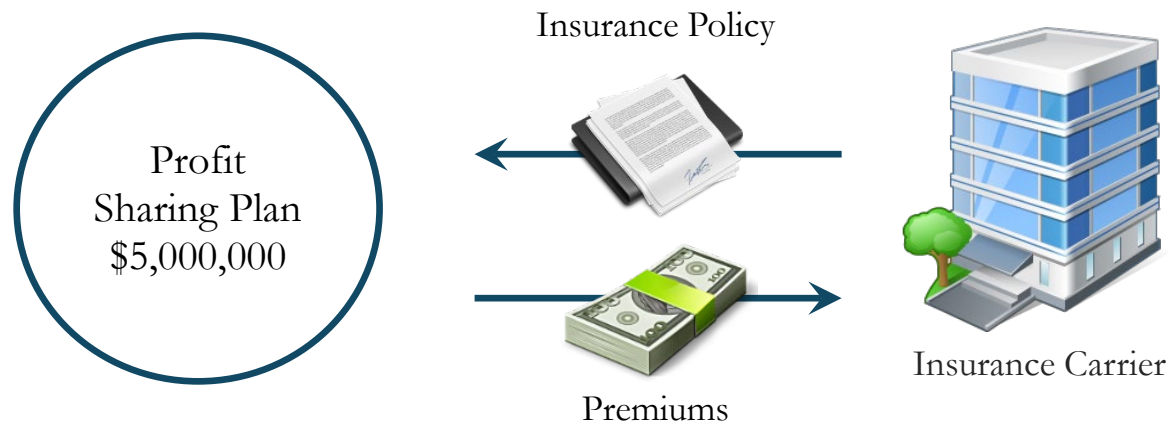


- Ⓢ Move existing large IRA into a profit-sharing plan (PSP) structure – if not already there
  - Must have earned income, may require entity planning
  - Plan-to-plan transfer = no tax
- Ⓢ Ensure the new or amended plan allows for the purchase of life insurance



## STEP #2 – PURCHASE INSURANCE INSIDE THE PLAN

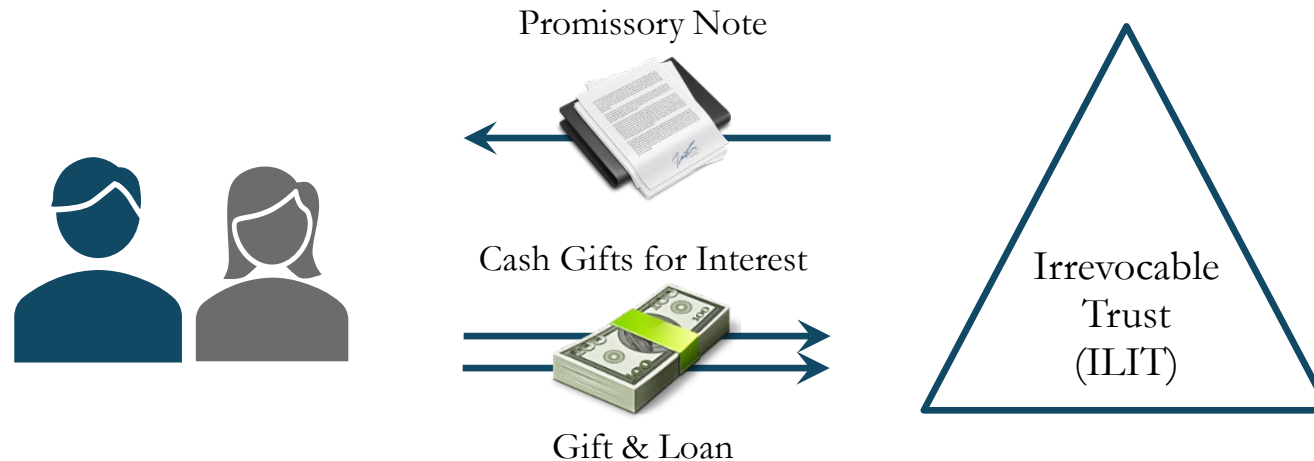
---



- ④ Purchase a properly designed life insurance policy inside of the plan and make a series of premium payments
  - Joint life policy
  - Structured as a non-MEC
  - Policy death benefit in this scenario = \$21,144,383



## STEP #3 – CREATE AND FUND ILIT

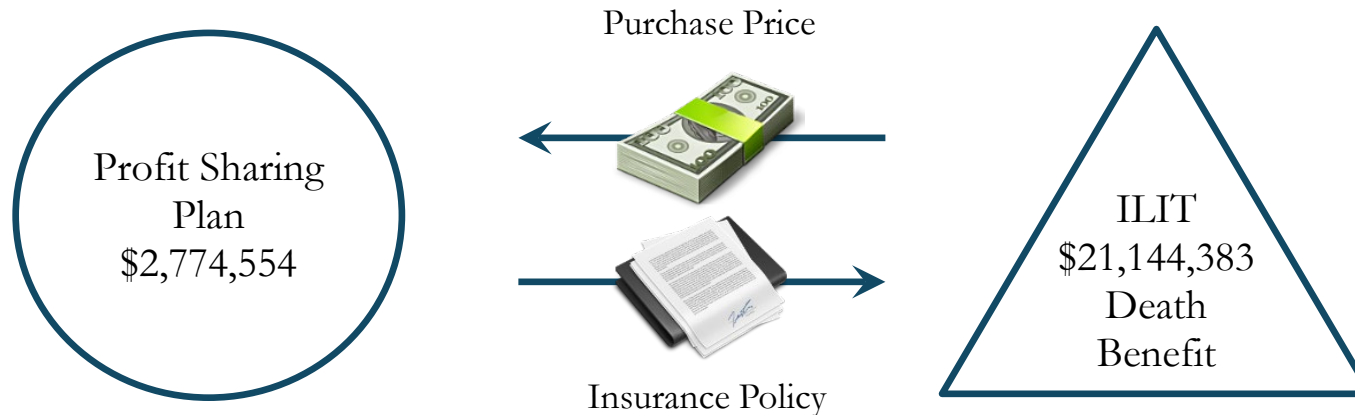


- ④ Create an Irrevocable Trust (ILIT) to be the future owner of the life insurance policy
  - Fund the ILIT with cash
    - Part gift and part loaned funds in exchange for a promissory note
      - Cash gift or use of trust assets of \$1,573,172 – both lifetime and GST exemption used for gift
      - Loan of \$1,201,382
    - Small annual cash gifts from grantor(s) will be needed for interest payments
  - Structured as a grantor trust



## STEP #4 – PURCHASE THE POLICY OUT OF THE PLAN

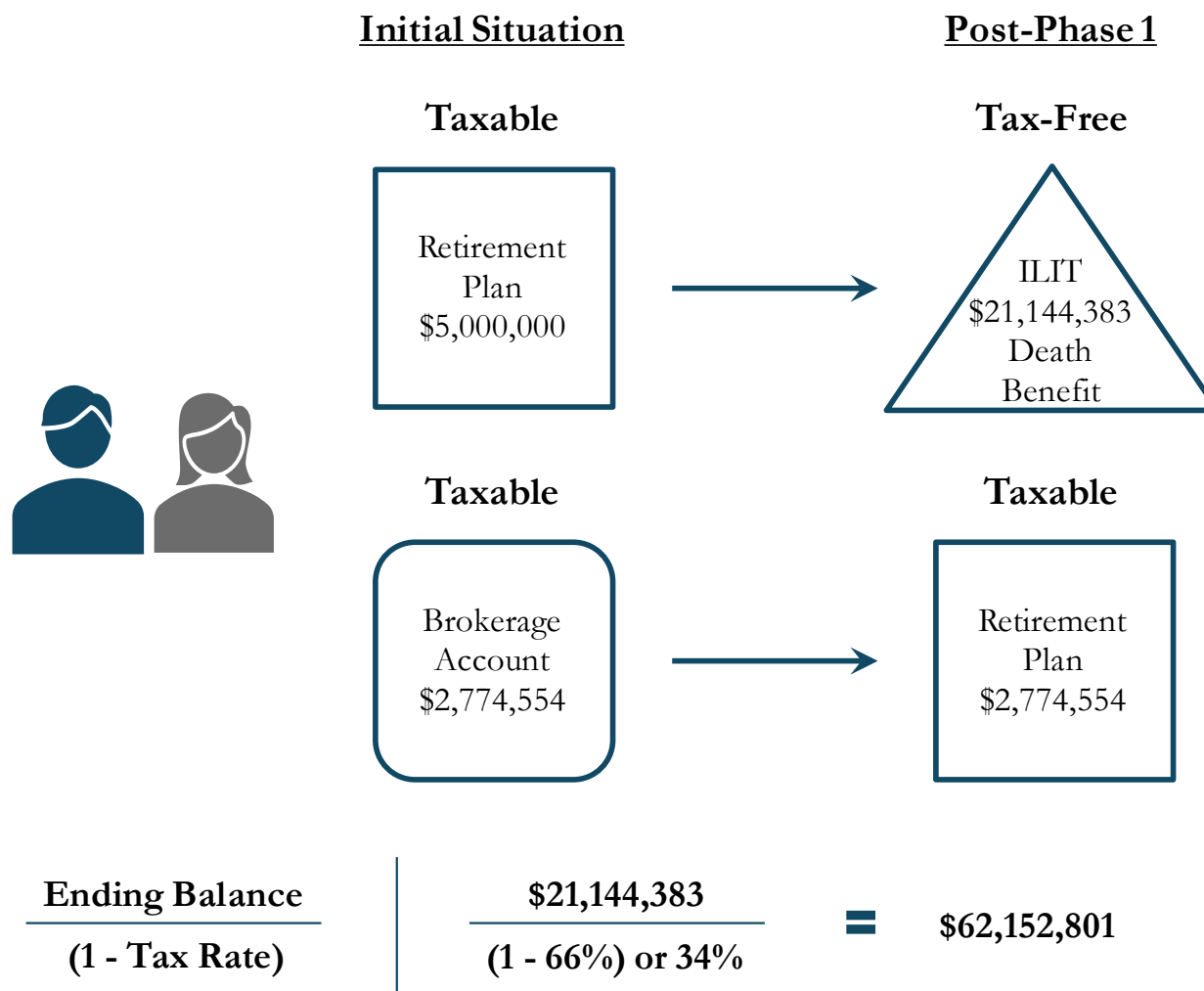
---



- ④ Purchase the policy outside of the plan for fair market value (FMV)
  - Example: Value of insurance policy = \$2,774,554
    - Approximate discount on premiums invested = 45%
- ④ Policy death benefit now GST and estate tax free = \$21,144,383



# PHASE 1 RESULTS: ONE TAX-FREE ASSET, ONE TAXABLE



- ⊕ A \$5,000,000 retirement plan would need to grow to \$62,152,801 (subject to estate tax and IRD) to result in \$21,141,383 net to heirs
  - \$21,144,383 death benefit is GST exempt

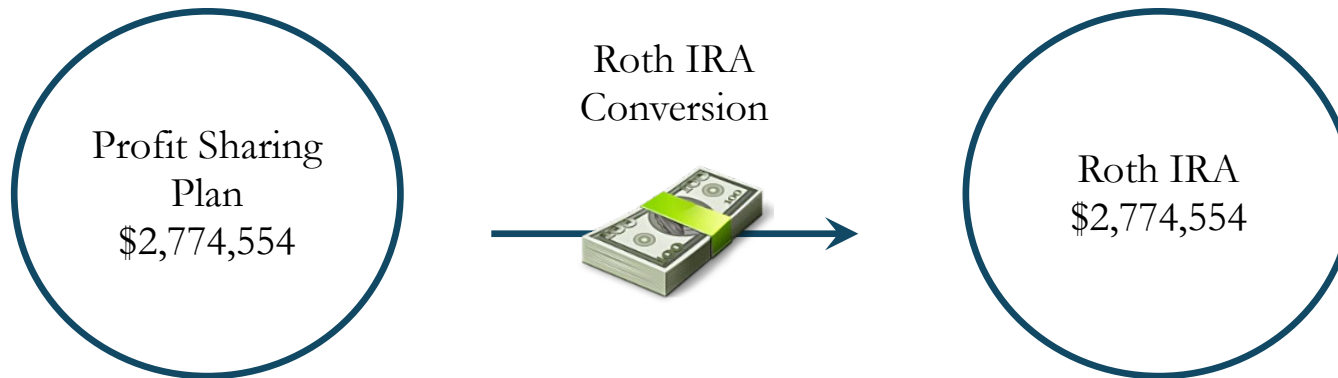




# *Ramp Planning Steps – Phase 2*

## STEP #5 – CONVERT TO A ROTH IRA

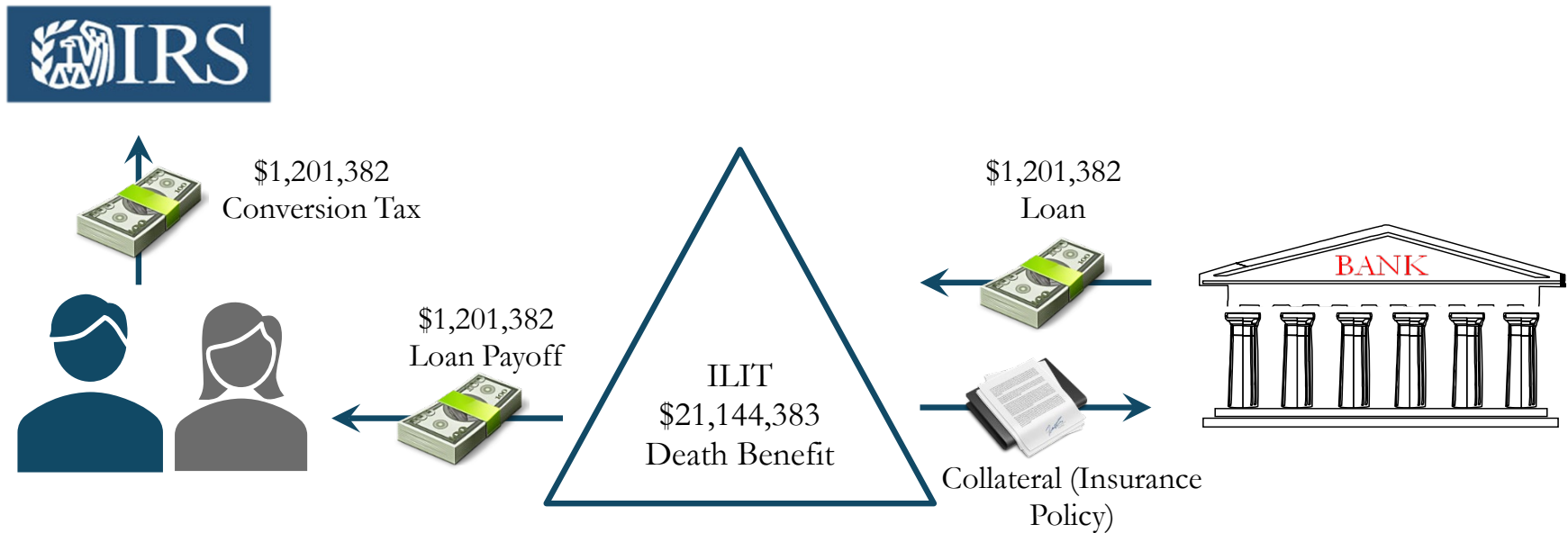
---



- ④ Convert the PSP to a Roth IRA
  - Roth IRA conversion changes the taxable asset to tax-free
    - Conversion results in a single taxable event
      - Estimated tax liability of \$1,201,382
    - Client will not pay this tax directly



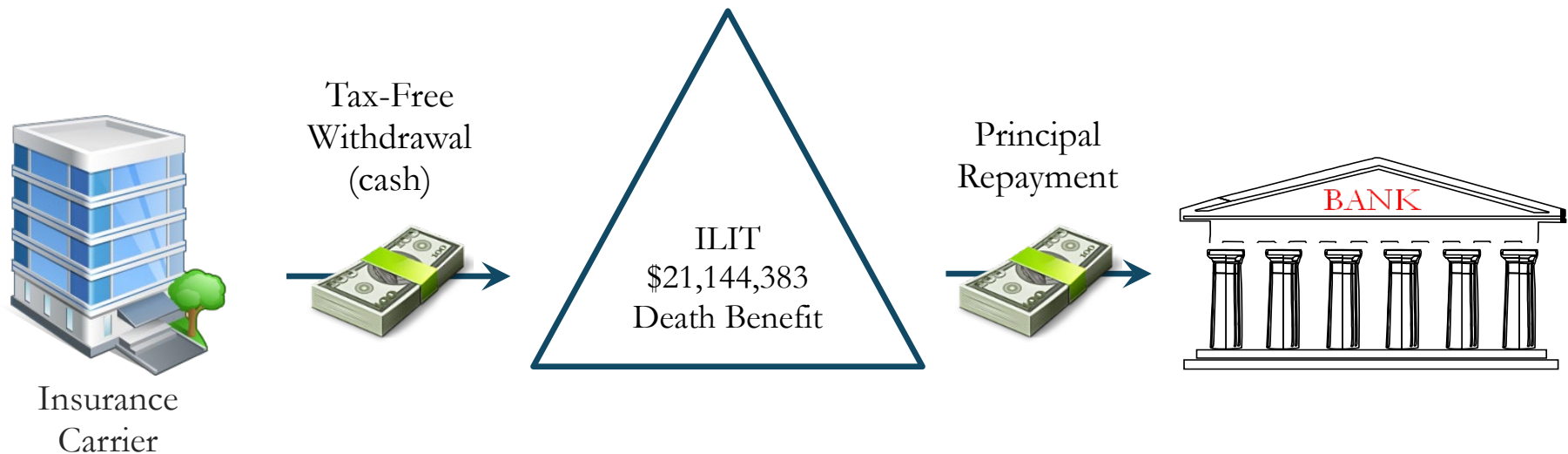
## STEP #6 – PLEDGE COLLATERAL AND RECEIVE LOAN



- ④ ILIT uses the insurance policy as collateral to borrow money from a bank
  - Amount borrowed will be \$1,201,382
    - Equal to the loan amount from the grantors
    - Client uses those funds to pay Roth conversion tax liability



## STEP #7 – PAY OFF THE BANK LOAN



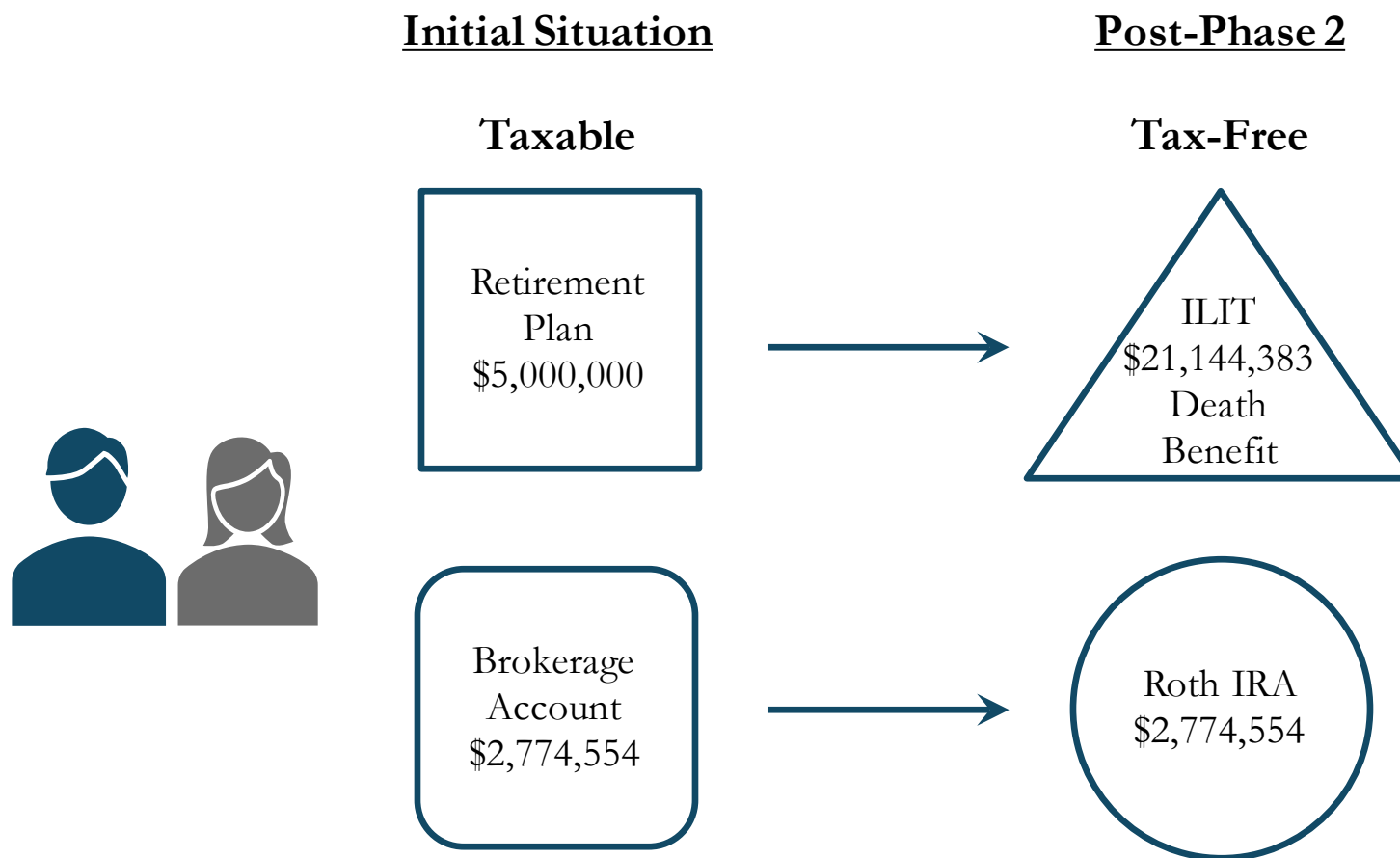
- ④ Simple interest on loan will be paid out-of-pocket
  - Annual gifts from grantors
  - Total out-of-pocket cost of \$858,988 on a Roth conversion tax of \$1,201,382
    - \$66,076 annually for 13 years with assumed interest rate of 5.50% annually for duration of loan
- ④ Loan principal can be repaid from policy cash values, out-of-pocket or from the policy death benefit
  - In this scenario, ILIT will use policy cash values to repay bank loan after 13 years



# Polling Question #2

## PHASE 2 RESULTS: BOTH ACCOUNTS NOW TAX-FREE

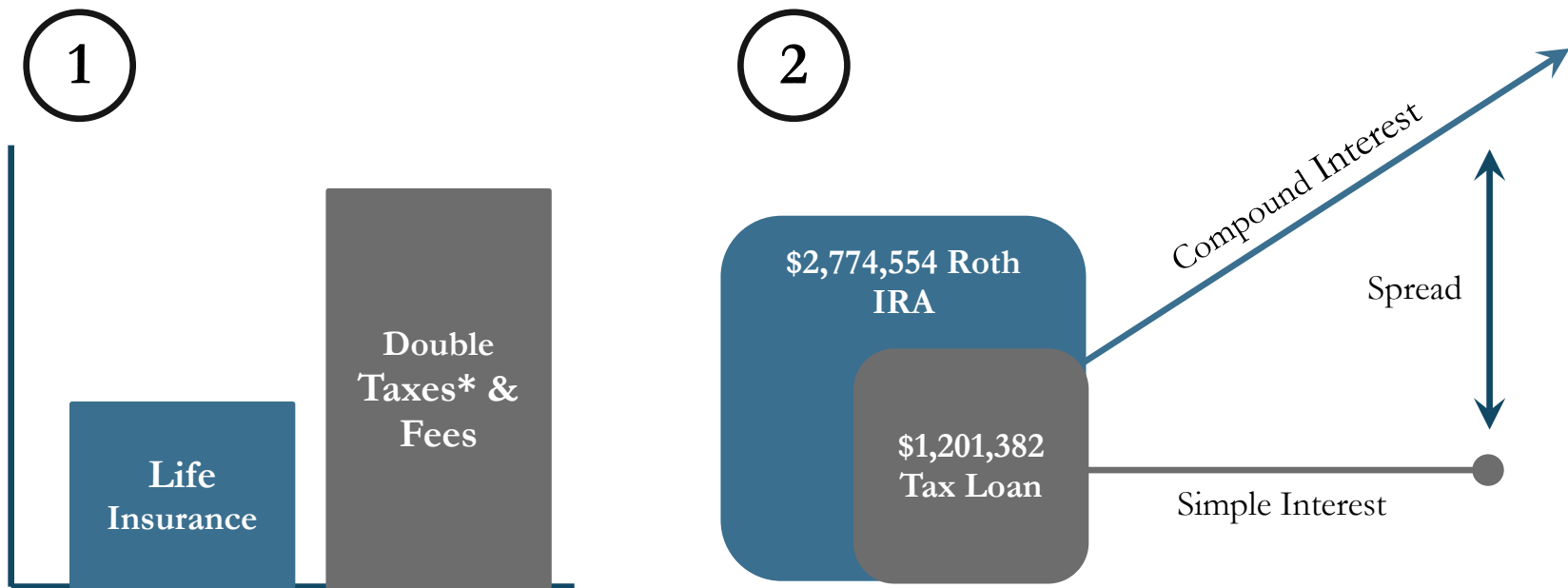
---



**Results in an additional \$9,985,924 or 50% more to heirs at life expectancy!**



1. The cost and tax-free benefit of life insurance is much better than the cost of double taxes and fees
2. Pay simple interest on a small balance to receive tax-free compound growth on a larger balance
  - a. Cost is less than 1% of the two accounts for 13 years
  - b. Interest expense annually: \$66,076



\* Income and Estate Taxes



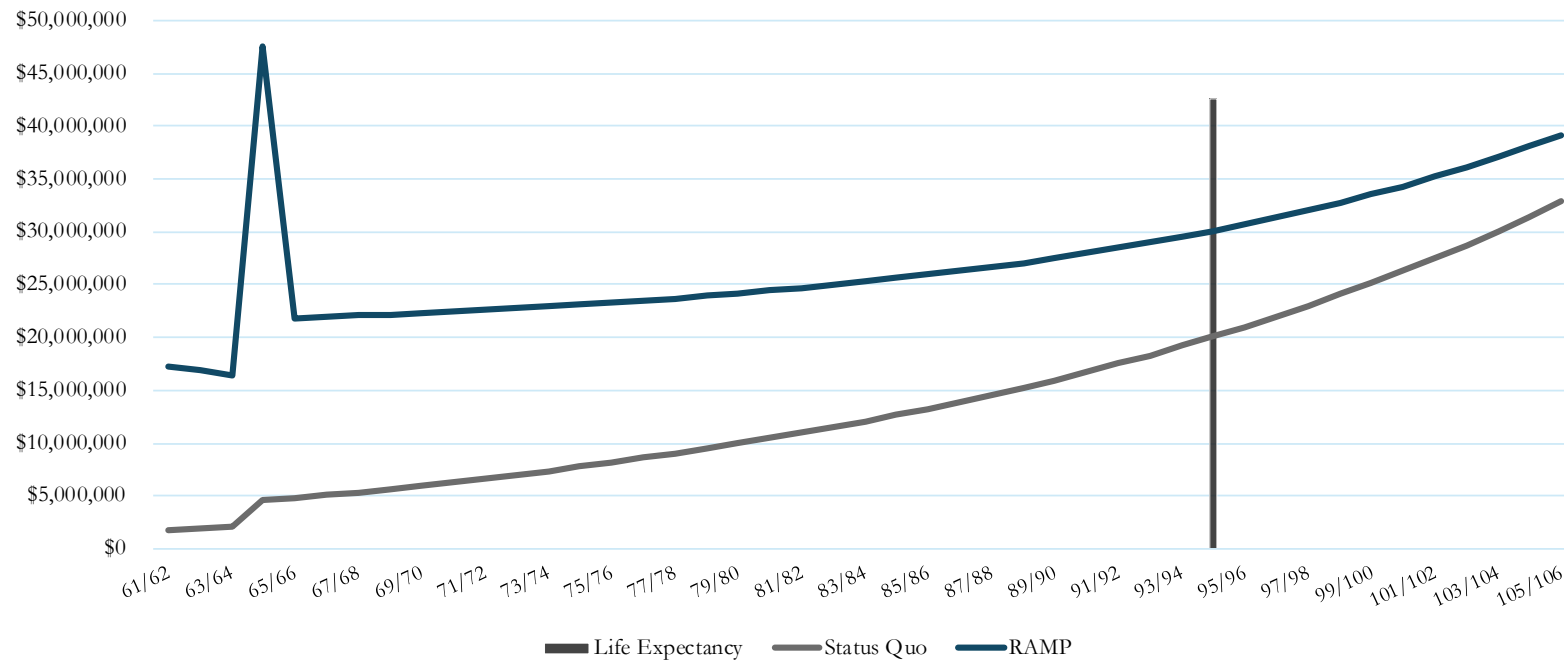
Legacy Wealth Transfer Summary

Approach	Retirement Plan Assets	Brokerage Account	Total Taxes Paid <sup>1</sup> at LE <sup>2</sup>	Net to Heirs at LE <sup>2</sup>	Improvement at LE <sup>2</sup>
Status Quo	\$5,000,000	\$2,774,554	\$26,769,093	\$20,092,135	Baseline
RAMP	\$5,000,000	\$2,774,554	\$7,615,693	\$30,078,059	49.70%
<b>RAMP Difference</b>			<b>(\$19,153,400)</b>	<b>\$9,985,924</b>	<b>49.70%</b>

1 - RAMP "Total Taxes Paid" includes cumulative interest carry on Roth tax loan

2 - Life Expectancy (Age 94/95)

Net to Heirs Comparison





- ④ Revenue Procedure 2005-25
  - Safe Harbor Ruling
    - Previously determined value of the policy – greater of the ITR or PERC value
  
- ④ Prohibited Transaction Exemption Rules
  - PTE 92-6
    - Allows a plan participant's grantor trust to purchase a life insurance policy from their profit-sharing plan
  
- ④ The SECURE Act has enhanced the RAMP value proposition
  - Stretch provisions now limited to 10 years



# Polling Question #3

# TAX ASSUMPTIONS

## Current Portfolio - Returns & Tax Treatment

<u>Assumptions</u>					
State	AZ	Federal	State	NIIT	City
OI/STCG Tax Rate*	43.30%	37.00%	2.50%	3.80%	0.00%
LTCG Tax Rate	26.30%	20.00%	2.50%	3.80%	0.00%

Portfolio Allocation	Investment Allocation	Investment Balance	Investment Assumption	Assumed Tax Treatment	Assumed Turnover	Assumed Tax Rate*
Fund I	100.00%	\$ 2,774,554	6.00%	Blended Rate (50% OI; 50% LTCG)	25.00%	24.94%
Fund II	0.00%	\$ -	0.00%	Blended Rate (100% OI; 0% LTCG)	0.00%	43.30%
<b>Total/Weighted Average</b>	<b>100.00%</b>	<b>\$ 2,774,554</b>	<b>6.00%</b>			<b>24.94%</b>

\*Assumes the tax treatment of each fund, factors in the marginal ordinary and long-term capital gain tax rates and frequency of when they are incurred/realized.

### Current Investment Portfolio Return & Tax Rate:

Portfolio Weighted Return	6.00%
Portfolio Weighted Tax Rate	24.94%
Portfolio Net Return	4.50%
Cost of Taxes	1.50%

### Assumed Transfer Tax Rates:

Gift Tax	40.00%
Estate Tax	40.00%
IRD Tax	43.30%

## Assets & Assumptions Used in Analysis

Assets	Balance	Pre-tax Return	Average Tax Rate
Qualified Plan Assets	\$5,000,000	6.00%	39.50%
Non-Qualified Assets	\$2,774,554	6.00%	24.94%

- ☉ Tax assumptions are based on current federal, state and city tax rates along with the client's current investment portfolio information given to WealthPoint by the advisor team



# STATUS QUO – QP ASSETS

			Retirement Plan Assets						
			6.00%						
			39.50%						
			40.00%						
Pre-Tax Return			6.00%						
Income Tax Rate			39.50%						
Estate Tax Rate			40.00%						
EOY	EOY		Gross	Tax	Net		EOY	Net to Heirs	
Owner	Insurance		RMD	on	RMD	Growth	Balance	After Estate Tax	
Age	Age	Year	BOY	RMDs	Distributions			and IRD*	
			Balance						
61	61/62	1	\$5,000,000	\$0	\$0	\$0	\$300,000	\$5,300,000	\$1,803,060
62	62/63	2	\$5,300,000	\$0	\$0	\$0	\$318,000	\$5,618,000	\$1,911,244
63	63/64	3	\$5,618,000	\$0	\$0	\$0	\$337,080	\$5,955,080	\$2,025,918
64	64/65	4	\$5,955,080	\$0	\$0	\$0	\$357,305	\$6,312,385	\$2,147,473
65	65/66	5	\$6,312,385	\$0	\$0	\$0	\$378,743	\$6,691,128	\$2,276,322
66	66/67	6	\$6,691,128	\$0	\$0	\$0	\$401,468	\$7,092,596	\$2,412,901
67	67/68	7	\$7,092,596	\$0	\$0	\$0	\$425,556	\$7,518,151	\$2,557,675
68	68/69	8	\$7,518,151	\$0	\$0	\$0	\$451,089	\$7,969,240	\$2,711,136
69	69/70	9	\$7,969,240	\$0	\$0	\$0	\$478,154	\$8,447,395	\$2,873,804
70	70/71	10	\$8,447,395	\$0	\$0	\$0	\$506,844	\$8,954,238	\$3,046,232
71	71/72	11	\$8,954,238	\$0	\$0	\$0	\$537,254	\$9,491,493	\$3,229,006
72	72/73	12	\$9,491,493	\$326,797	(\$129,085)	\$197,712	\$549,882	\$9,714,578	\$3,304,899
73	73/74	13	\$9,714,578	\$358,170	(\$141,477)	\$216,693	\$561,384	\$9,917,792	\$3,374,033
74	74/75	14	\$9,917,792	\$380,964	(\$150,481)	\$230,483	\$572,210	\$10,109,038	\$3,439,095
75	75/76	15	\$10,109,038	\$403,162	(\$159,249)	\$243,913	\$582,353	\$10,288,229	\$3,500,055
76	76/77	16	\$10,288,229	\$426,542	(\$168,484)	\$258,058	\$591,701	\$10,453,388	\$3,556,243
77	77/78	17	\$10,453,388	\$449,268	(\$177,461)	\$271,807	\$600,247	\$10,604,368	\$3,607,606
78	78/79	18	\$10,604,368	\$475,154	(\$187,686)	\$287,468	\$607,753	\$10,736,967	\$3,652,716
79	79/80	19	\$10,736,967	\$502,577	(\$198,518)	\$304,059	\$614,063	\$10,848,453	\$3,690,644
80	80/81	20	\$10,848,453	\$531,533	(\$209,956)	\$321,577	\$619,015	\$10,935,935	\$3,720,405
81	81/82	21	\$10,935,935	\$559,199	(\$220,883)	\$338,315	\$622,604	\$10,999,341	\$3,741,976
82	82/83	22	\$10,999,341	\$591,132	(\$233,497)	\$357,635	\$624,493	\$11,032,702	\$3,753,325
83	83/84	23	\$11,032,702	\$621,432	(\$245,466)	\$375,966	\$624,676	\$11,035,947	\$3,754,429
84	84/85	24	\$11,035,947	\$656,708	(\$259,400)	\$397,309	\$622,754	\$11,001,992	\$3,742,878
85	85/86	25	\$11,001,992	\$689,747	(\$272,450)	\$417,297	\$618,735	\$10,930,980	\$3,718,720
86	86/87	26	\$10,930,980	\$723,815	(\$285,907)	\$437,908	\$612,430	\$10,819,595	\$3,680,826
87	87/88	27	\$10,819,595	\$759,096	(\$299,843)	\$459,253	\$603,630	\$10,664,129	\$3,627,937
88	88/89	28	\$10,664,129	\$789,751	(\$311,952)	\$477,800	\$592,463	\$10,466,840	\$3,560,819
89	89/90	29	\$10,466,840	\$826,677	(\$326,537)	\$500,139	\$578,410	\$10,218,573	\$3,476,359
90	90/91	30	\$10,218,573	\$857,938	(\$338,885)	\$519,052	\$561,638	\$9,922,274	\$3,375,558
94	94/95	34	\$8,722,023	\$965,938	(\$381,546)	\$584,393	\$465,365	\$8,221,450	\$2,796,937
95	95/96	35	\$8,221,450	\$980,003	(\$387,101)	\$592,902	\$434,487	\$7,675,934	\$2,611,353
100	100/101	40	\$5,179,909	\$912,487	(\$360,432)	\$552,054	\$256,045	\$4,523,467	\$1,538,883



# STATUS QUO – NON-QUALIFIED ASSETS

Pre-tax/Pre-AUM Return			Taxable Account								
Tax Assumptions			6.00%								
EOY EOY Owner Insured			See Portfolio Assumptions Slide for Breakdown of Assumptions								
Age	Age(s)	Year	Initial Balance	RAMP Interest Deposits	RMD Deposits	Annual Growth	Annual Tax Liability	Account Balance	Future Unrealized LTCG	Step-Up Basis	Net to Heirs After Estate Tax
61	61/62	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	62/63	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63	63/64	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64	64/65	4	\$2,774,554	\$66,076	\$0	\$170,438	(\$42,503)	\$2,968,565	(\$63,914)	\$2,968,565	\$2,410,408
65	65/66	5	\$0	\$66,076	\$0	\$182,078	(\$45,406)	\$3,171,313	(\$132,194)	\$3,171,313	\$2,532,057
66	66/67	6	\$0	\$66,076	\$0	\$194,243	(\$48,439)	\$3,383,193	(\$205,035)	\$3,383,193	\$2,659,185
67	67/68	7	\$0	\$66,076	\$0	\$206,956	(\$51,610)	\$3,604,616	(\$282,643)	\$3,604,616	\$2,792,038
68	68/69	8	\$0	\$66,076	\$0	\$220,241	(\$54,923)	\$3,836,010	(\$365,234)	\$3,836,010	\$2,930,875
69	69/70	9	\$0	\$66,076	\$0	\$234,125	(\$58,385)	\$4,077,827	(\$453,031)	\$4,077,827	\$3,075,965
70	70/71	10	\$0	\$66,076	\$0	\$248,634	(\$62,003)	\$4,330,534	(\$546,269)	\$4,330,534	\$3,227,589
71	71/72	11	\$0	\$66,076	\$0	\$263,797	(\$65,784)	\$4,594,622	(\$645,192)	\$4,594,622	\$3,386,042
72	72/73	12	\$0	\$66,076	\$197,712	\$291,505	(\$72,694)	\$5,077,221	(\$754,507)	\$5,077,221	\$3,675,601
73	73/74	13	\$0	\$66,076	\$216,693	\$321,599	(\$80,199)	\$5,601,390	(\$875,106)	\$5,601,390	\$3,990,103
74	74/75	14	\$0	\$66,076	\$230,483	\$353,877	(\$88,248)	\$6,163,578	(\$1,007,810)	\$6,163,578	\$4,327,416
75	75/76	15	\$0	\$66,076	\$243,913	\$388,414	(\$96,861)	\$6,765,120	(\$1,153,466)	\$6,765,120	\$4,688,341
76	76/77	16	\$0	\$66,076	\$258,058	\$425,355	(\$106,073)	\$7,408,536	(\$1,312,974)	\$7,408,536	\$5,074,391
77	77/78	17	\$0	\$0	\$271,807	\$460,821	(\$114,917)	\$8,026,247	(\$1,485,781)	\$8,026,247	\$5,445,017
78	78/79	18	\$0	\$0	\$287,468	\$498,823	(\$124,394)	\$8,688,144	(\$1,672,840)	\$8,688,144	\$5,842,155
79	79/80	19	\$0	\$0	\$304,059	\$539,532	(\$134,546)	\$9,397,189	(\$1,875,165)	\$9,397,189	\$6,267,582
80	80/81	20	\$0	\$0	\$321,577	\$583,126	(\$145,417)	\$10,156,475	(\$2,093,837)	\$10,156,475	\$6,723,154
81	81/82	21	\$0	\$0	\$338,315	\$629,687	(\$157,028)	\$10,967,450	(\$2,329,970)	\$10,967,450	\$7,209,739
82	82/83	22	\$0	\$0	\$357,635	\$679,505	(\$169,452)	\$11,835,138	(\$2,584,784)	\$11,835,138	\$7,730,352
83	83/84	23	\$0	\$0	\$375,966	\$732,666	(\$182,709)	\$12,761,062	(\$2,859,534)	\$12,761,062	\$8,285,906
84	84/85	24	\$0	\$0	\$397,309	\$789,502	(\$196,882)	\$13,750,990	(\$3,155,597)	\$13,750,990	\$8,879,863
85	85/86	25	\$0	\$0	\$417,297	\$850,097	(\$211,993)	\$14,806,391	(\$3,474,384)	\$14,806,391	\$9,513,104
86	86/87	26	\$0	\$0	\$437,908	\$914,658	(\$228,093)	\$15,930,865	(\$3,817,380)	\$15,930,865	\$10,187,788
87	87/88	27	\$0	\$0	\$459,253	\$983,407	(\$245,237)	\$17,128,288	(\$4,186,158)	\$17,128,288	\$10,906,241
88	88/89	28	\$0	\$0	\$477,800	\$1,056,365	(\$263,431)	\$18,399,021	(\$4,582,295)	\$18,399,021	\$11,668,682
89	89/90	29	\$0	\$0	\$500,139	\$1,133,950	(\$282,779)	\$19,750,332	(\$5,007,526)	\$19,750,332	\$12,479,468
90	90/91	30	\$0	\$0	\$519,052	\$1,216,163	(\$303,281)	\$21,182,266	(\$5,463,587)	\$21,182,266	\$13,338,629
94	94/95	34	\$0	\$0	\$584,393	\$1,594,768	(\$397,695)	\$27,776,548	(\$7,633,217)	\$27,776,548	\$17,295,197
95	95/96	35	\$0	\$0	\$592,902	\$1,702,167	(\$424,478)	\$29,647,138	(\$8,271,530)	\$29,647,138	\$18,417,552
100	100/101	40	\$0	\$0	\$552,054	\$2,312,570	(\$576,697)	\$40,278,699	(\$12,131,790)	\$40,278,699	\$24,796,488

\*Calculation is based off the projected future unrealized gain (basis/gain) and the current state/federal LTCG rate if liquidated

\*\*Estate tax liability is calculated using the brokerage account value reduced by the Client's lifetime estate tax exemption utilized in the RAMP strategy



# RAMP – INSURANCE POLICY

Carrier  
Product  
Design  
Bill UW Rating  
Amy UW Rating  
Rate of Return

Insurance Policy & Roth Tax Loan												
John Hancock Life Ins. Co.												
Protection S-IUL 24												
RAMP												
Preferred Nontobacco												
Preferred Nontobacco												
5.70% - Select Capped Indexed Account												
EOY Owner	EOY Insurance		Remaining			Gross	Roth Conversion	Loan	Policy Pays	DB After Loan	Net to Heirs	
Age	Age	Year	RAMP	Retirement Plan	Accumulation	Surrender	Death	Tax Loan	Roth	Plus	After Estate Tax	
			Premiums	Balance	Value	Value	Benefit	Principal	Interest	Conversion Tax	RP Balance	
									Out-of-Pocket		and IRD*	
61	61/62	1	\$1,250,000	\$3,750,000	\$774,384	\$185,832	\$46,987,518	\$0	\$0	\$0	\$50,737,518	\$17,260,904
62	62/63	2	\$1,250,000	\$2,500,000	\$1,579,378	\$1,008,648	\$46,987,518	\$0	\$0	\$0	\$49,487,518	\$16,835,654
63	63/64	3	\$1,250,000	\$1,250,000	\$2,420,714	\$1,867,927	\$46,987,518	\$0	\$0	\$0	\$48,237,518	\$16,410,404
64	64/65	4	\$1,250,000	\$0	\$3,304,422	\$2,769,700	\$46,987,518	\$1,201,382	(\$66,076)	\$0	\$45,786,136	\$45,786,136
65	65/66	5	\$0	\$0	\$3,391,291	\$2,874,755	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
66	66/67	6	\$0	\$0	\$3,493,469	\$3,086,654	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
67	67/68	7	\$0	\$0	\$3,610,595	\$3,314,773	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
68	68/69	8	\$0	\$0	\$3,742,338	\$3,550,236	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
69	69/70	9	\$0	\$0	\$3,888,244	\$3,792,405	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
70	70/71	10	\$0	\$0	\$4,047,794	\$4,040,762	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
71	71/72	11	\$0	\$0	\$4,297,014	\$4,297,014	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
72	72/73	12	\$0	\$0	\$4,560,745	\$4,560,745	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
73	73/74	13	\$0	\$0	\$4,839,657	\$4,839,657	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
74	74/75	14	\$0	\$0	\$5,134,317	\$5,134,317	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
75	75/76	15	\$0	\$0	\$5,445,241	\$5,445,241	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
76	76/77	16	\$0	\$0	\$5,772,794	\$5,772,794	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
77	77/78	17	\$0	\$0	\$4,840,381	\$4,840,381	\$19,943,001	\$0	\$0	\$1,201,382	\$19,943,001	\$19,943,001
78	78/79	18	\$0	\$0	\$5,121,453	\$5,121,453	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
79	79/80	19	\$0	\$0	\$5,414,234	\$5,414,234	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
80	80/81	20	\$0	\$0	\$5,718,012	\$5,718,012	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
81	81/82	21	\$0	\$0	\$6,029,615	\$6,029,615	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
82	82/83	22	\$0	\$0	\$6,349,131	\$6,349,131	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
83	83/84	23	\$0	\$0	\$6,675,140	\$6,675,140	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
84	84/85	24	\$0	\$0	\$7,005,632	\$7,005,632	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
85	85/86	25	\$0	\$0	\$7,337,325	\$7,337,325	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
86	86/87	26	\$0	\$0	\$7,666,996	\$7,666,996	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
87	87/88	27	\$0	\$0	\$7,994,786	\$7,994,786	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
88	88/89	28	\$0	\$0	\$8,318,897	\$8,318,897	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
89	89/90	29	\$0	\$0	\$8,637,964	\$8,637,964	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
90	90/91	30	\$0	\$0	\$8,951,739	\$8,951,739	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
94	94/95	34	\$0	\$0	\$9,822,051	\$9,822,051	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
95	95/96	35	\$0	\$0	\$9,977,264	\$9,977,264	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
100	100/101	40	\$0	\$0	\$10,064,548	\$10,064,548	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
105	105/106	45	\$0	\$0	\$162,057	\$162,057	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
<b>Total Outlay:</b>									<b>(\$858,988)</b>			

\*ILIT has option to pay economic benefit cost of policy while inside the profit sharing plan to remove policy death benefit from taxable estate



# RAMP – ROTH IRA

			Roth IRA					
			6.00%					
			40.00%					
			BOY		EOY	Estate	Net to Heirs	
Pre-Tax Return	EOY	EOY	Balance	Growth	Balance	Tax	After	
Estate Tax Rate	Age	Age				Liability	Estate Tax	
Owner Insurance	Year							
	61	61/62	1	\$0	\$0	\$0	\$0	\$0
	62	62/63	2	\$0	\$0	\$0	\$0	\$0
	63	63/64	3	\$0	\$0	\$0	\$0	\$0
	64	64/65	4	\$2,774,554	\$166,473	\$2,941,027	(\$1,176,411)	\$1,764,616
	65	65/66	5	\$2,941,027	\$176,462	\$3,117,489	(\$1,246,995)	\$1,870,493
	66	66/67	6	\$3,117,489	\$187,049	\$3,304,538	(\$1,321,815)	\$1,982,723
	67	67/68	7	\$3,304,538	\$198,272	\$3,502,810	(\$1,401,124)	\$2,101,686
	68	68/69	8	\$3,502,810	\$210,169	\$3,712,979	(\$1,485,192)	\$2,227,787
	69	69/70	9	\$3,712,979	\$222,779	\$3,935,758	(\$1,574,303)	\$2,361,455
	70	70/71	10	\$3,935,758	\$236,145	\$4,171,903	(\$1,668,761)	\$2,503,142
	71	71/72	11	\$4,171,903	\$250,314	\$4,422,217	(\$1,768,887)	\$2,653,330
	72	72/73	12	\$4,422,217	\$265,333	\$4,687,550	(\$1,875,020)	\$2,812,530
	73	73/74	13	\$4,687,550	\$281,253	\$4,968,803	(\$1,987,521)	\$2,981,282
	74	74/75	14	\$4,968,803	\$298,128	\$5,266,931	(\$2,106,773)	\$3,160,159
	75	75/76	15	\$5,266,931	\$316,016	\$5,582,947	(\$2,233,179)	\$3,349,768
	76	76/77	16	\$5,582,947	\$334,977	\$5,917,924	(\$2,367,170)	\$3,550,754
	77	77/78	17	\$5,917,924	\$355,075	\$6,273,000	(\$2,509,200)	\$3,763,800
	78	78/79	18	\$6,273,000	\$376,380	\$6,649,380	(\$2,659,752)	\$3,989,628
	79	79/80	19	\$6,649,380	\$398,963	\$7,048,342	(\$2,819,337)	\$4,229,005
	80	80/81	20	\$7,048,342	\$422,901	\$7,471,243	(\$2,988,497)	\$4,482,746
	81	81/82	21	\$7,471,243	\$448,275	\$7,919,517	(\$3,167,807)	\$4,751,710
	82	82/83	22	\$7,919,517	\$475,171	\$8,394,688	(\$3,357,875)	\$5,036,813
	83	83/84	23	\$8,394,688	\$503,681	\$8,898,370	(\$3,559,348)	\$5,339,022
	84	84/85	24	\$8,898,370	\$533,902	\$9,432,272	(\$3,772,909)	\$5,659,363
	85	85/86	25	\$9,432,272	\$565,936	\$9,998,208	(\$3,999,283)	\$5,998,925
	86	86/87	26	\$9,998,208	\$599,892	\$10,598,101	(\$4,239,240)	\$6,358,860
	87	87/88	27	\$10,598,101	\$635,886	\$11,233,987	(\$4,493,595)	\$6,740,392
	88	88/89	28	\$11,233,987	\$674,039	\$11,908,026	(\$4,763,210)	\$7,144,816
	89	89/90	29	\$11,908,026	\$714,482	\$12,622,508	(\$5,049,003)	\$7,573,505
	90	90/91	30	\$12,622,508	\$757,350	\$13,379,858	(\$5,351,943)	\$8,027,915
	94	94/95	34	\$15,935,625	\$956,138	\$16,891,763	(\$6,756,705)	\$10,135,058
	95	95/96	35	\$16,891,763	\$1,013,506	\$17,905,268	(\$7,162,107)	\$10,743,161
	100	100/101	40	\$22,604,989	\$1,356,299	\$23,961,288	(\$9,584,515)	\$14,376,773



# RAMP CASH FLOWS

EOY Owner Age	EOY Insured(s) Age	Year	Current Plan Inflows			RAMP Inflows		RAMP Cost = Interest on Roth Conversion Tax Loan					
			Retirement Plan Assets	Brokerage Account	RAMP Interest Deposits	RAMP Insurance Premiums	Roth IRA	Gross Death Benefit	Bank Loan Principal for Roth Tax	Loan Interest Paid Out-of-Pocket	Loan Principal Paid by Policy	Death Benefit After Loan	Net to Heirs After Estate Tax and IRD*
61	61/62	1	\$5,000,000	\$0	\$0	\$1,250,000	\$0	\$46,987,518	\$0	\$0	\$0	\$46,987,518	\$15,985,154
62	62/63	2	\$0	\$0	\$0	\$1,250,000	\$0	\$46,987,518	\$0	\$0	\$0	\$46,987,518	\$15,985,154
63	63/64	3	\$0	\$0	\$0	\$1,250,000	\$0	\$46,987,518	\$0	\$0	\$0	\$46,987,518	\$15,985,154
64	64/65	4	\$0	\$2,774,554	\$66,076	\$1,250,000	\$2,774,554	\$46,987,518	\$1,201,382	(\$66,076)	\$0	\$45,786,136	\$45,786,136
65	65/66	5	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
66	66/67	6	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
67	67/68	7	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
68	68/69	8	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
69	69/70	9	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
70	70/71	10	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
71	71/72	11	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
72	72/73	12	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
73	73/74	13	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
74	74/75	14	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
75	75/76	15	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
76	76/77	16	\$0	\$0	\$66,076	\$0	\$0	\$21,144,383	\$1,201,382	(\$66,076)	\$0	\$19,943,001	\$19,943,001
77	77/78	17	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$1,201,382	\$19,943,001	\$19,943,001
78	78/79	18	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
79	79/80	19	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
80	80/81	20	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
81	81/82	21	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
82	82/83	22	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
83	83/84	23	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
84	84/85	24	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
85	85/86	25	\$0	\$0	\$0	\$0	\$0	\$19,943,001	\$0	\$0	\$0	\$19,943,001	\$19,943,001
						<b>(\$858,988)</b>							

\*ILIT has option to pay economic benefit cost of policy while inside the profit sharing plan to remove policy death benefit from taxable estate





# RAMP Stress Testing

## *IDEAL CLIENT PROFILE*

---

- ④ Individual or couple between the ages of 45 and 70 with an estate that is currently or potentially taxable upon the sunset of the Tax Cuts and Jobs Act (TCJA)
- ④ Balance of \$1 million or greater in a qualified retirement plan
  - Dependent on plan origination and ability to adhere to seasoned money rules
- ④ After-tax investments of \$2.5 million or more
- ④ Not reliant upon their qualified plan or IRA during retirement
- ④ Desire to maximize their net to heirs or charity



## *LEARNING OBJECTIVES ACHIEVED*

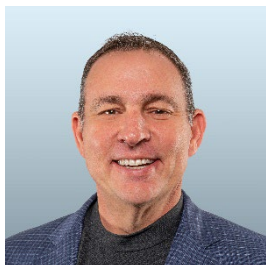
---

### 🕒 Learning objectives achieved:

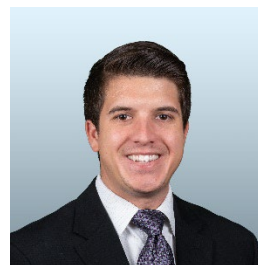
- ✓ Define RAMP, how it works and where it fits
- ✓ Understand the provisions within the tax code that allow this strategy to work
- ✓ Identify how life insurance is utilized and understand the different products and funding strategies







Ryan Barradas Managing  
Partner – WealthPoint  
[ryan@wealthpoint.net](mailto:ryan@wealthpoint.net)  
(602) 559-5388



Vince Brunoforte | Partner –  
WealthPoint  
[vince@wealthpoint.net](mailto:vince@wealthpoint.net)  
(602) 499-6585

- 🕒 Visit [www.wealthpoint.net](http://www.wealthpoint.net) for more information and to see our upcoming events
  - A copy of this recording and presentation will be published shortly in the Insights section of our website



*Know your story.*<sup>®</sup>

# Appendix

# IMPORTANT DISCLOSURES

---

This material is intended for informational purposes only and should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney, tax advisor, personal investment advisor or retirement plan or employee benefit plan provider. This report is not intended as an offer or solicitation to purchase insurance or any other product. Any discussion of US tax matters contained herein is not intended to be used and cannot be used for purposes of avoiding US tax-related penalties.

The financial information included in this report has been taken from sources, which we believe to be reliable, but there is no guarantee as to its accuracy. All information provided should be confirmed to any official account statement and is not a replacement for any account statement or transaction confirmation issued by the custodian or investment/insurance provider. WealthPoint (WP) has made reasonable steps to accurately reproduce the information from your official account custodian statements. Differences in positions and valuations may occur due to the reporting dates used and differences in valuation sources and methods. Please contact the carrier or your financial representative if you have any questions about your statements. In the event of a discrepancy your official account statement valuations would prevail.

## Nature of Services, and Responsibilities

The business advisory services, and possible resulting recommendations (estate planning solutions, need for liquidity planning, etc.) will vary in type and complexity, depending on a client's individual personal and business circumstances and goals. Services and responsibilities are outlined in our Proposal Letter and Relationship and Engagement Agreement. It is important that you provide accurate and complete responses to the questions asked by the WP Partner, that you review the information provided to you in the initial Instinct Verification, Decision Dialogue, financial modeling or other report, as well as any final report, and that you promptly inform the Partner of any subsequent changes to your situation or the information provided. You are solely responsible for the accuracy or completeness of the information you have provided, which may affect the results of any recommendations contained in the report. Information should be kept up to date, as results may vary over time and as assumptions change.

## Methods of Analysis and Projection

Information collected is intended to project future financial scenarios to meet your future goals or liquidity requirements. Financial Projections and other information prepared by WP are based on assumptions provided by and/or reviewed with the client in their final report, are hypothetical in nature, do not reflect actual investment or business results and are not guarantees of future performance. Actual results will vary, perhaps to a significant degree.

- Personal Investments - WP uses simple aggregate growth rates to project personal investments and retirement accounts, and all inputs are either provided by the client or client's financial advisor/provider or are jointly agreed on by WP and the client. Return assumptions do not reflect the deduction of any commissions, fees or product charges that may apply to any particular investment, which may negatively impact returns.
- Insurance Illustrated Performance - All policy values used reflect current policy charges, current cost of insurance rates, current mortality and expense risk charges, average fund expenses and the stated hypothetical gross rate of return. The policy values are hypothetical for illustration purposes only and may not be used to project or predict investment results. Policy values will vary based on the actual performance of sub-account investments selected, actual insurance charges over the life of the plan and the timing of the premium payments. A WP illustration may utilize a supplemental illustration from an insurance provider, that is only part of the basic illustration and must be read in conjunction with the actual basic illustration. Please refer to the actual illustration for more information about the guaranteed elements of the policy and other important details.
- Business Income Statement, Cash Flow Statement and Balance Sheet – Current company financial statement information is provided by the client, as well as revenue and expense growth assumptions for future years. These assumptions are used to project future Net Income, and business valuation based upon an appropriate multiplier disclosed to the client.
- Personal Cash Flow – Cash flows are projected based on information obtained from the client (tax returns, personal financial statements, bank statements, W-2s, 1099s, K-1s, etc.). Future cash inflows and outflows are based on input from the client and the client's advisors.





## *IMPORTANT DISCLOSURES (CONT'D)*

---

- Estate/Trust Cash Flow – Cash flows due to and from Trusts will be based on trust documents and financial information (tax returns, financial statements, etc.) obtained from the client.
- Personal Assets – In some situations, WP may project the value of an asset (i.e. real estate, other assets, etc.) based on input from the client and the client's advisors.
- Taxes – Taxes are being calculated in the analysis. However, WP does not provide tax advice and the tax calculations are for illustrative and hypothetical purposes only. The client should consult with their tax advisor to evaluate their tax situation.

### Other Compensation

In addition to WP's business consulting services, and the fees charged to clients as outlined in the Relationship and Engagement Agreement, WP Partners are licensed agents to sell insurance. WP may receive fees from life insurance companies, if insurance is purchased through WP relationships. Any commissions or fees will be disclosed to you in any life insurance proposal and agreement. WP is a member firm of Partners Financial and has access to all insurance providers on their network. The needs and circumstances of the client will drive the choice of the insurance provider.

### Insurance Product

An investment in variable life insurance is subject to fluctuating values of the underlying investment options and entails risk, including the possible loss of principal. The performance of your account will vary and you may receive more or less than the amount invested. Product guarantees, including the death benefit, are subject to the claims-paying ability of the issuing insurance company. Loans and partial withdrawals will decrease the death benefit and cash value and may be subject to policy limitations and income tax.

An insurer's financial strength rating represents an opinion by the issuing agency regarding the ability of an insurance company to meet its financial obligations to its policyholders and contract holders. A rating is an opinion of the rating agency only, and not a statement of fact or recommendation to purchase, sell or hold any security, policy or contract. These ratings do not apply to the safety or performance of any separate account.

### Sub Account Performance Disclosures (for Variable Universal Life policies)

The fund performance data shown in this report that relates to variable life insurance policies was obtained through Morningstar and represents the individual net returns of the underlying funds shown in the report. Morningstar is a non-affiliated third party investment research and management firm that provides mutual fund information, news, commentary, portfolio analysis, comparison reporting and other services. Past performance does not guarantee future results. The fund performance data is being provided for informational purposes only and does not reflect the actual returns of the sub accounts in the variable component of the insurance policies that are invested in those funds, which may be lower or higher than the performance quoted due to the timing of cash flows, holding periods, sub account allocation changes, policy fees and other expenses. Policy fees or expenses include premium loads, cost of insurance, administration fees, mortality and expense risk charges, or any other charges that may be incurred under the policy. Policy returns would be significantly lower after all policy fees and expenses are deducted.

Securities and Investment Advisory Services offered through The Leaders Group, Inc. Securities Dealer, Member FINRA/SIPC; TLG Advisors, Inc. Registered Investment Advisor. WealthPoint, LLC is not affiliated with The Leaders Group, Inc. WealthPoint is a member firm of Partners Financial. WealthPoint, LLC is independently owned and operated. WealthPoint, the WealthPoint logo and Know your story are all registered trademarks of WealthPoint, LLC. Life insurance services are provided through WealthPoint, LLC DBA WealthPoint Insurance Solutions, CA Insurance License #0N03255.

