

Fast Plan

Prepared for: Sample Report

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Fast Plan: Global Assumptions

- The purpose of this analysis is to show settlement costs and totals to beneficiaries through three different dispositive strategies for Romeo and Juliet. The three strategies included are:
 1. Romeo leaves everything to Juliet, with no additional planning
 2. Romeo leaves nothing to Juliet, with no additional planning
 3. Both spouses include some level of basic planning.
- The Analysis Date used for this report is 1/1/2021. This date is required to be on or before Romeo's death. This date is used for several calculations, including growth and verification of the 3 year rule for including Insurance placed in a trust.
- For this analysis, Romeo's date of death is 12/31/2023, and Juliet's date of death is 12/31/2025.
- There is no global growth rate used for the analysis. Each asset is assigned a unique growth rate.
- For calculations with future years, the assumed inflation rate for the Federal Exclusion is 1.0%. For calculations beyond 2025, its also assumed that the Federal Exclusion does sunset.
- In addition to Federal Estate taxes, some states impose their own taxes in the form of either inheritance tax or state estate tax (decoupled).
 - Inheritance Tax States: If the domicile used in the calculation for either the first estate or second estate is a state that collects inheritance taxes. Currently, these states impose inheritance taxes: IA, KY, MD, NE, NJ, and PA.
 - Some decoupled states also have an election which will treat a Qualified Terminable Interest Property (QTIP) for the purpose of the state estate tax differently than the election made for federal estate tax purposes. In the diagnostics reports, such states will be identified and that report will illustrate how the QTIP is set up at first estate, and the impact of the QTIP on the second estate. Currently, the following states do have such an election: CT, IL, MA, MD, ME, MN, OR, RI, and WA.
 - Romeo's domicile at time of death is CT and Juliet's domicile at time of death is CT.
- Current law allows for portability of the deceased spouse's unused exclusion (DSUE) to be used at the time of the second estate. This model has a feature where you can toggle if you want the second estate to utilize the DSUE from the first estate. For this analysis assumes that the DSUE portability is used.
- Romeo made total Prior Taxable Gifts in the amount of \$100,000, and the maximum Unified Credit was used (\$23,800). The maximum federal estate tax exclusion allowable for Romeo's death is \$11,940,000.
- Juliet made total Prior Taxable Gifts in the amount of \$500,000, and the maximum Unified Credit was used (\$155,800). The maximum federal estate tax exclusion allowable for Juliet's death is \$12,180,000
- Due to the scope of this analysis, Required Minimum Distributions are not calculated. If you wish to show such an estimation based on withdrawals, its suggested to turn off the Global Rate option, and enter a negative growth rate for the Retirement Assets.

Fast Plan: Current Asset Arrangement

- Romeo and Juliet's estates includes the following assets and liabilities.

Romeo's Estate	Growth Rate	Analysis Date (1/1/2021)	First Death (12/31/2023)	Second Death (12/31/2025)
IRA	3.0%	\$250,000	\$273,137	\$289,748
401(k)	4.0%	\$450,000	\$506,082	\$547,320
Roth IRA	3.0%	\$40,000	\$43,703	\$46,361
Outside State Property	0.0%	\$0	\$0	\$0
Other Assets	1.2%	\$14,500,000	\$15,027,312	\$15,389,632
Nontaxable Assets	0.0%	\$0	\$0	\$0
Liabilities	0.0%	\$0	\$0	\$0

Juliet's Estate	Growth Rate	Analysis Date (1/1/2021)	First Death (End) (12/31/2023)	Second Death (12/31/2025)
IRA	4.0%	\$300,000	\$337,424	\$364,919
401(k)	4.7%	\$350,000	\$401,656	\$440,245
Roth IRA	6.0%	\$70,000	\$83,357	\$93,645
Outside State Property	0.0%	\$0	\$0	\$0
Other Assets	3.0%	\$3,000,000	\$3,277,919	\$3,477,267
Nontaxable Assets	0.0%	\$0	\$0	\$0
Liabilities	0.0%	\$0	\$0	\$0

Joint Estate	Growth Rate	Analysis Date (1/1/2021)	First Death (End) (12/31/2023)	Second Death (12/31/2025)
Outside State Property	3.0%	\$267,000	\$291,712	\$309,452
Other Assets	2.0%	\$7,500,000	\$7,958,205	\$8,279,272
Nontaxable Assets	0.0%	\$0	\$0	\$0
Liabilities	1.0%	\$752,000	\$0	\$0

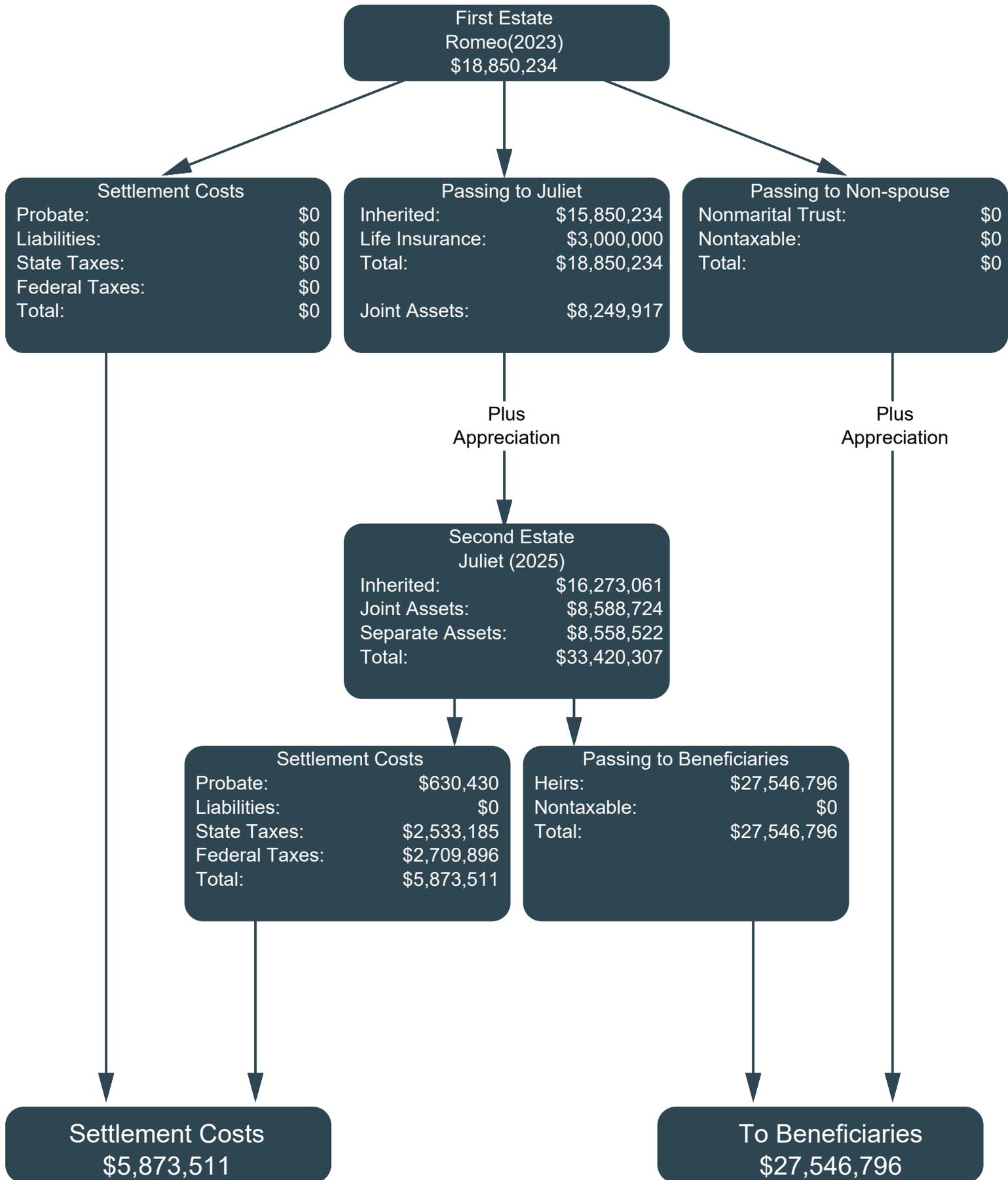
- CT (first death) does not recognize community property laws, so joint assets will not be dividable at first death, and will be assumed to be in the second estate only. Joint Liabilities are paid at time of the second to die.
- Insurance 'owned': If either spouse owns an insurance policy, for which they have the right to name a beneficiary, that insurance is included in their estate. If Romeo owns such insurance and the beneficiary is the spouse, the death benefit is assumed to pass to Juliet and will be placed into Juliet's Other Assets, or Marital Trust if applicable. If the beneficiary is not the spouse, then

Fast Plan: Current Asset Arrangement

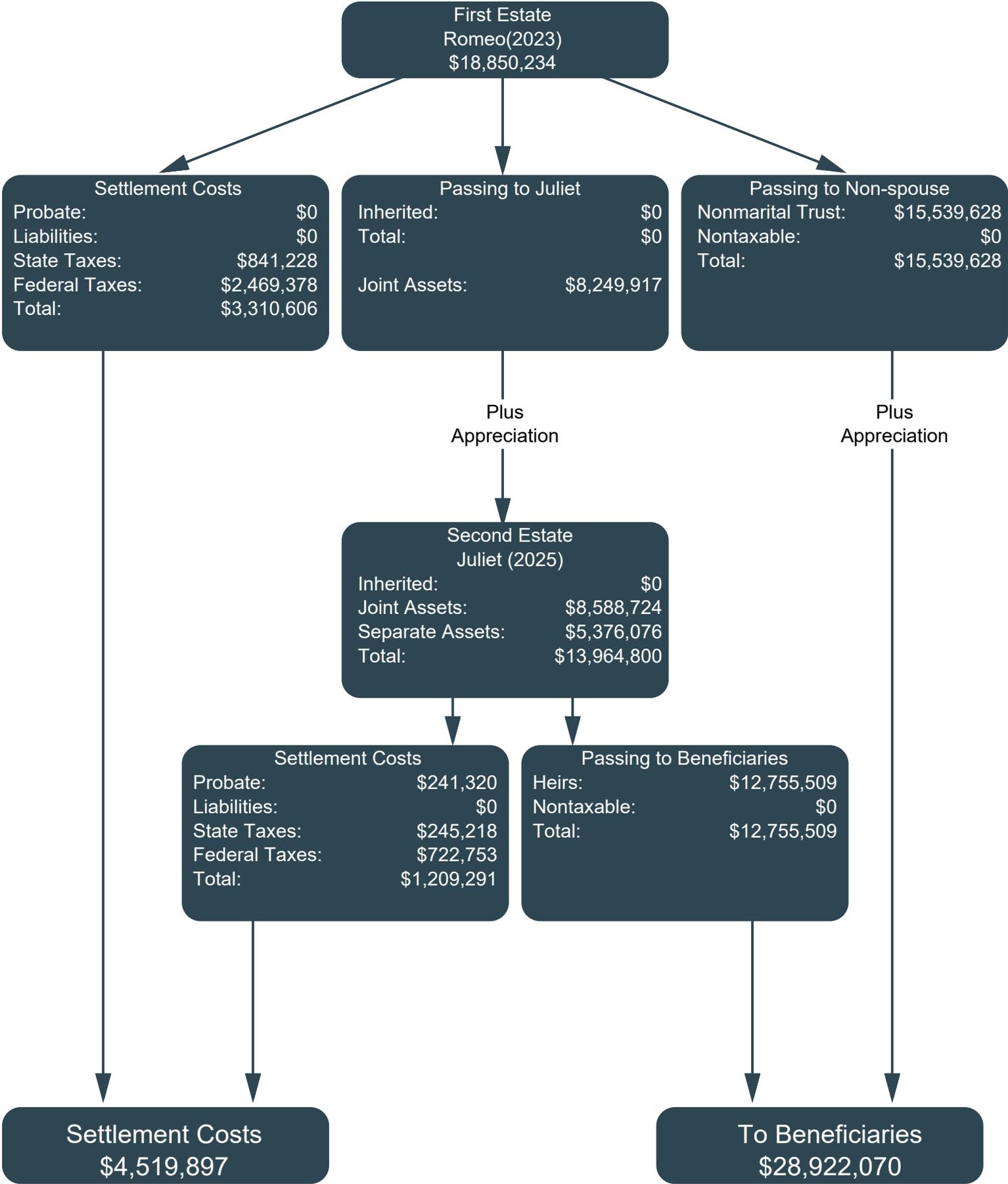
the death benefit will pass to the Heirs in the Nonmarital Trust. Romeo owns \$3,000,000 of insurance. Juliet owns \$1,000,000 of insurance, and a second to die policy in the amount of \$0 .
NOTE: Planning allows you to place insurance into an Irrevocable Insurance Trust (ILIT) if the policy was purchased more than 3 years ago. Romeo's includable insurance was purchased on 1/24/2014.

- Insurance 'insured': If either spouse is insured by an insurance policy, these are treated as nontaxable assets and are placed into an ILIT at time of death. Romeo is insured for \$0 Juliet is insured for \$0, with second to die insured amount of \$0.
- Nontaxable Assets: If either spouse owns nontaxable assets, they are removed from the taxable estate analysis. They will appear in the box going to beneficiaries.
- Remaining assets could be forced into probate, where the probate fee for Romeo is 0.0%, and Juliet is 0.0%. Assets included in the probate are Other Assets and Out of State Property. If Romeo dies in a state with community property laws, then those assets (joint) will also be included in the amount to probate.
- If Romeo has liabilities to be paid at time of death, the available assets will be liquidated in order to satisfy the liability. The total amount passing to any entity from the first estate will be net of liability, probate, and state or federal estate taxes. If there is a shortfall created by not satisfying a liability, it will be noted on the flowchart and the liability will be paid at time of Juliet's death.
- Romeo will only have availability to their owned assets to pay for liabilities, probate, estate taxes, etc. However, planning involving the Annual Gift Exclusion will use joint assets if necessary. Additionally, after Romeo's death, if assets are left to Juliet, they will be able to use the assets from Romeo. The liquidation order for all expenses, including Annual Gifts, is:
 1. Other Assets
 2. Outside of State Assets
 3. Roth IRA
 4. IRA
 5. 401(k)
 6. Nontaxable Assets
- Romeo's projected death date is 12/31/2023. The federal estate tax exclusion allowable for this date is \$11,940,000. The remaining exclusion for Romeo is \$11,840,000.
- Assets placed into the Nonmarital Trust will be excluded from the estate tax calculations. In addition, the trust will have an appreciation rate of 2.0%.
- Assets placed into the Irrevocable Life Insurance Trust will be excluded from the estate tax calculations. In addition, the trust will have an appreciation rate of 1.0%.

Fast Plan: Romeo Leaves Everything to Juliet



Fast Plan: Romeo Leaves Nothing to Juliet



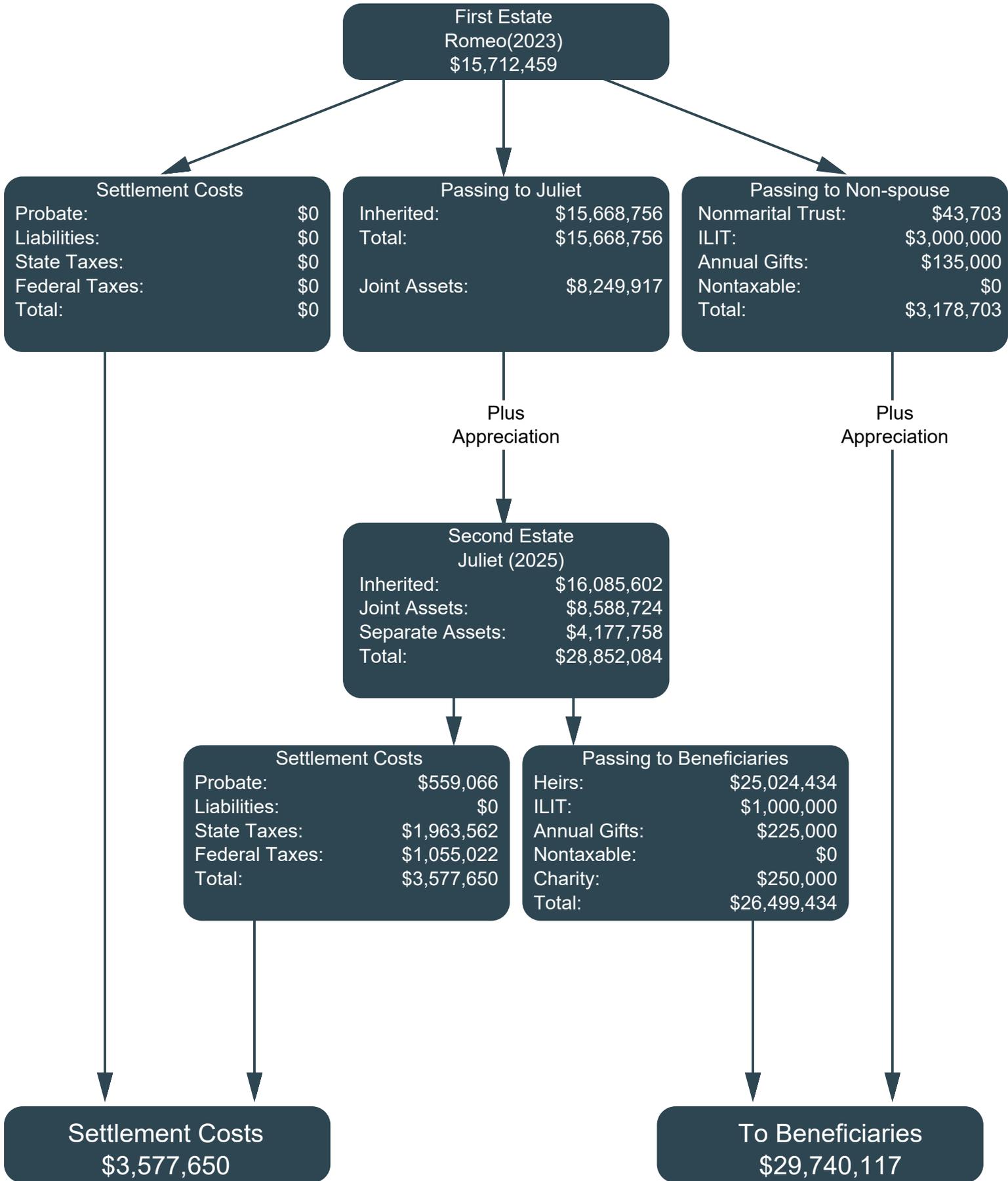
Fast Plan: Romeo and Juliet Use Planning

- The basis of this plan assumes that all assets from Romeo's estate are passed to Juliet.
- Both spouses can take advantage of planning to minimize the collective settlement costs. Several basic planning strategies are available in this plan
- Planning Option : Life Insurance Trust - The life insurance owned by both spouses could qualify to be placed into the ILIT. Insurance has to be purchased more than 3 years prior to the death. Romeo's includable insurance was purchased on 1/24/2014, therefore, the insurance is eligible. Juliet's includable insurance was purchased on 3/12/2015, therefore the insurance is eligible.
- Planning Option : Annual Exclusion Gifting. Romeo will make maximum allowed annual exclusion gifts for 3 donee(s) starting in the analysis year through Romeo's year of death. Juliet will make maximum allowed annual exclusion gifts for 3 donee(s) starting in the analysis year through Juliet's year of death. These gifts will not impact the federal estate exclusion amount and the proceeds from the gifts will accumulate in a portfolio account outside of the estate. The appreciation rate used to track the benefit is 0.0%.
- Planning Option : Nonmarital Trust - several options are available (option 3 selected).
 1. Nonmarital Trust equal to the remaining federal exclusion for Romeo. This will result in no federal estate taxes at time of first death, but could trigger state estate taxes, or inheritance taxes due at time of first death. Romeo's remaining assets would pass to Juliet, unless they are designated to go to the Marital QTIP, or ILIT. Special rules apply for decoupled states where the QTIP election is different than the federal election.
 2. Nonmarital Trust equal to a decoupled state's exclusion amount. This will force no federal or state estate tax to be calculated at first death, but could still result in inheritance taxes. This analysis assumes that the portability of the Deceased Spousal Unused Exclusion (DSUE) is applicable. If the amount of Nonmarital Trust is less than the remaining exclusion, then the remaining portion will be used as the Deceased Spousal Unused Exclusion (DSUE) for the second estate. The amount of DSUE from first estate is \$11,796,297.
 3. Designate beneficiaries for Romeo assets. Assets can have the following beneficiary types: a) Spouse - If assets are left to the spouse, they would pass along to Juliet unless they are designated to go to the Marital QTIP, or ILIT. b) NonMarital Trust (Heirs) - Assets designated for the Nonmarital Trust, will place these asset values into the Nonmarital Trust and estate tax calculations at first death will be performed to determine taxes owed at first death. If there is remaining DSUE available, and portability is used, this will pass to Juliet's estate calculation. c) Charity - Assets left to charity are removed from the estate analysis.
 4. Do not set up a Nonmarital Trust.

Fast Plan: Romeo and Juliet Use Planning

Romeo's Estate	Beneficiary Named
IRA	Spouse
401(k)	Spouse
Roth IRA	Heirs (NMT)
Out of State	Heirs (NMT)
Other Assets	Spouse
Nontaxable Assets	Spouse
Insurance	Spouse

Fast Plan: Romeo and Juliet Use Planning



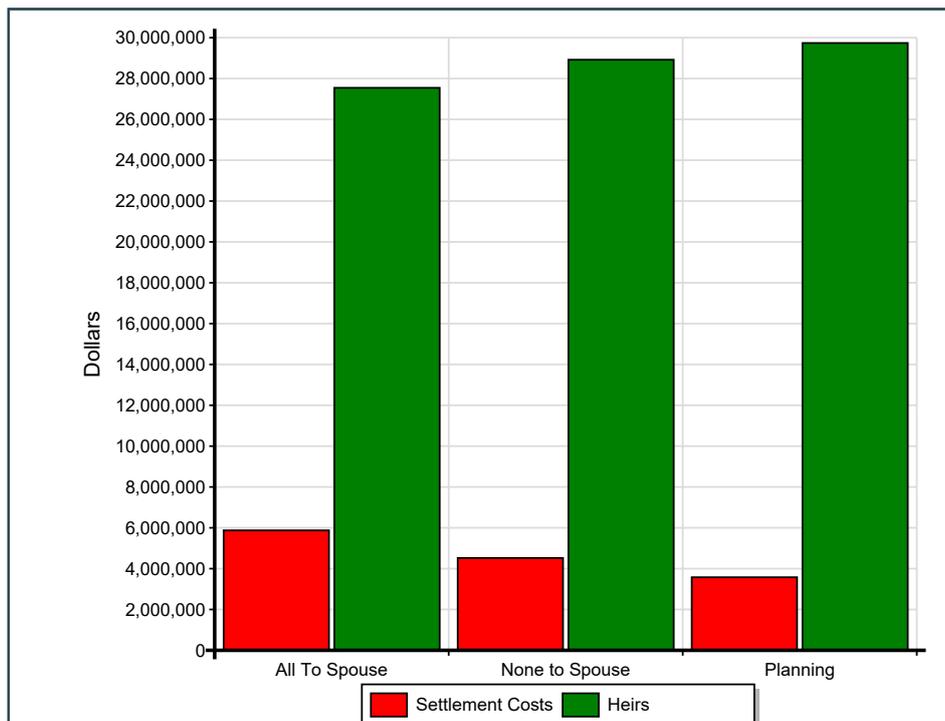
Fast Plan: Estate Tax Calculation Detailed Analysis

At Romeo's Death	Romeo Leaves Everything to Juliet	Romeo Leaves Nothing to Juliet	Romeo and Juliet Use Planning
Gross Estate	\$18,850,234	\$18,850,234	\$15,712,459
Inherited by Juliet	\$15,850,234	\$0	\$15,668,756
Life Insurance to Juliet	\$3,000,000	\$0	\$0
Marital Trust	\$0	\$0	\$0
Nonmarital Trust	\$0	\$15,539,628	\$43,703
Available Federal Exclusion	\$11,840,000	\$11,840,000	\$11,840,000
CT Available State Exclusion	\$11,940,000	\$11,940,000	\$11,940,000
CT State Taxes	\$0	\$841,228	\$0
Federal Taxes	\$0	\$2,469,378	\$0
Total Settlement Costs	\$0	\$3,310,606	\$0
At Juliet's Death			
Gross Estate	\$33,420,307	\$13,964,800	\$28,852,084
Available Federal Exclusion	\$11,680,000	\$11,680,000	\$11,680,000
DSUE	\$11,840,000	\$0	\$11,796,297
CT Available State Exclusion	\$12,180,000	\$12,180,001	\$12,180,001
CT DSUE Allowed:	\$0	\$-1	\$-1
Probate Expenses	\$630,430	\$241,320	\$559,066
CT State Taxes	\$2,533,185	\$245,218	\$1,963,562
Federal Taxes	\$2,709,896	\$722,753	\$1,055,022
Total Settlement Costs	\$5,873,511	\$1,209,291	\$3,577,650
Charity	\$0	\$0	\$250,000

Fast Plan: Summary Analysis

Combined Estates with Appreciation	Romeo Leaves Everything to Juliet	Romeo Leaves Nothing to Juliet	Romeo and Juliet Use Planning
To Heirs	\$27,546,796	\$12,755,509	\$25,024,434
Nonmarital Trust	\$0	\$16,166,561	\$45,466
ILIT	\$0	\$0	\$4,060,217
Nontaxable Assets	\$0	\$0	\$0
To Charity	\$0	\$0	\$250,000
*Annual Gift Accumulation	\$0	\$0	\$360,000
Total Beneficiary Proceeds	\$27,546,796	\$28,922,070	\$29,740,117
Total Settlement Costs	\$5,873,511	\$4,519,897	\$3,577,650

* Annual gifting assumes that the gifts grow outside of the analysis at 0.0%.



This is a hypothetical illustration based on the assumptions you made, and is to be used as a guide only, in order to help you understand what your planning needs may be. This illustration should be considered together with all other information you deem important in making your investment decisions. This is not an illustration or guarantee of the performance of any specific investment. Actual performance from your investments may vary. This illustration is not legal or tax advice. You should consult with your own attorney and/or accountant to review this information and determine its appropriateness with respect to your particular situation. The provider of this illustration provides no guarantee and assumes no responsibility or liability for the accuracy of the information provided (including whether the interest rate you have selected is in fact "reasonable"), or for your reliance or decisions based on this information.