

Program Begins at 4:00 p.m.



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Financial Strategies™

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Webinar Agenda:

Details of the SECURE Act law

Details of the CARES Act law

Unique and Timely Opportunities
Given the Market Conditions



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Topic: The SECURE Act

The SECURE Act law - Effective January 1, 2020

- No more age limits for traditional IRA contributions
- Required Minimum Distribution (RMD) age changed to age 72
- Elimination of the Inherited IRA (Stretch IRA)
 - New flexible 10 year distribution period
 - Major pitfall warning: potential time bomb!

Topic: The SECURE Act

5 Solutions and Planning Opportunities:

1. Re-evaluate beneficiaries

- Spousal rollovers can be more valuable for tax deferral
- Learn how to plan with “Beneficiary Tax Bracket Multiplier”

2. Tax bracket management

Qualified charitable distributions (QCDs)

3. Roth conversions

4. Life insurance – moves to the top of the solutions list, replacing IRA trust

5. Charitable remainder trust (CRTs) and direct charitable beneficiaries

Topic: The SECURE Act

How the New, Post-Death IRA Rules Work

No annual RMD's

- The only RMD on an inherited IRA would be the balance at the end of the 10 years after death.
- Entire amount would be the RMD

Topic: The SECURE Act

Two Big Issues

1. Post-death control
2. Taxes – **especially trust taxes**

IRA trust problems: most large IRAs are left to trust to protect and preserve those large inherited IRA balances for (and from) beneficiaries.

IRA trust benefit – long-term, post death protection and control.

Topic: The SECURE Act

Upgrade: **Life insurance** moves to the top of the list as an estate and tax planning vehicle for the largest IRAs.

Downgrade: IRA trusts will move to the bottom of the list (or possibly become extinct) under the proposed tax rules.

Life insurance can replace all of the benefits of the **stretch IRA and IRA trust.**

Topic: The SECURE Act

Life Insurance | Benefits for the Large IRAs Under the New Law

More tax efficient

Life insurance will be income tax free to beneficiaries (except for annual investment income)

Life insurance can also be estate tax free – set up outside the estate

More Flexibility

Life insurance is a better, more flexible and customizable asset to leave to a trust

Topic: The SECURE Act

Life Insurance | Other Policy Benefits

Life insurance trusts can be *customized* to simulate the stretch IRA over any payout period desired

- Trustee can have the power to keep the funds protected in the trust without having to incur a trust tax
- The trustee can invade the trust for beneficiaries

Second-to-die policies can work well

Long term care (LTC) – certain life insurance policies can include long-term care rider's to protect other assets

Topic: The SECURE Act

Life Insurance I Downside

Only for funds specifically earmarked for beneficiaries. This is a long-term strategy and commitment.

Limited lifetime access

- This strategy assumes the IRA funds will not be needed during lifetime (which is likely the case for large IRAs); other (non-IRA) funds will need to be available for lifetime use.

Topic: The CARES Act - Effective March 27, 2020

- Tax return deadline extended to July 15th
- 2019 contribution deadline for IRA and Roth IRA contributions extended to July 15th
- Waiver of the 10% early withdrawal penalty on up to \$100,000 of 2020 distributions from retirement accounts for 'Coronavirus Effected Individuals'
 - Taxes can be spread out over 3 years, or paid back within 3 years to avoid tax
- Charitable Contributions:
 - For 2020, the AGI limit on charitable giving, previously 60%, has been raised to 100%
- Waiver of RMDs for tax year 2020

Topic: The CARES Act - Effective March 27, 2020

Have You Already Taken Your RMD for 2020?

RMDs taken this year can be undone if they are eligible to be rolled over.

- They must have been taken within 60 days (which was extended for distributions taken between February 1 and May 15, 2020.)
- There must not have been an IRA-to-IRA or a Roth-IRA-to-Roth-IRA rollover in the 12 months preceding the receipt of the 2020 RMD.

Planning option: If the distribution is still within the 60 days, but there was an IRA-to-IRA rollover within the preceding 12 months, then a Roth conversion as possible. (Roth conversions don't count for the once per year rule.)

* Non-spouse beneficiaries cannot undo RMDs to already taken.

Topic: The CARES Act - Effective March 27, 2020

Voluntary distribution options: RMD's are
“minimums” only

- Roth conversions
- Qualified charitable distributions (QCDs)

Topic: Market Volatility

Market Volatility!



Dow Market High

29,551.42 set on Feb. 12, 2020

Dow Market Low

20,188.52 set on March 16, 2020

DOWN 32%

S&P Market High

3,394 set on Feb. 19, 2020

S&P Market Low

2,192 set on March 23, 2020

DOWN 35%

Topic: Opportunities

Market Conditions **Create Opportunities**

1. Put cash money to work – Many buying opportunities right now!
2. If you have a mortgage, consider refinancing - Mortgage rates are at historic lows



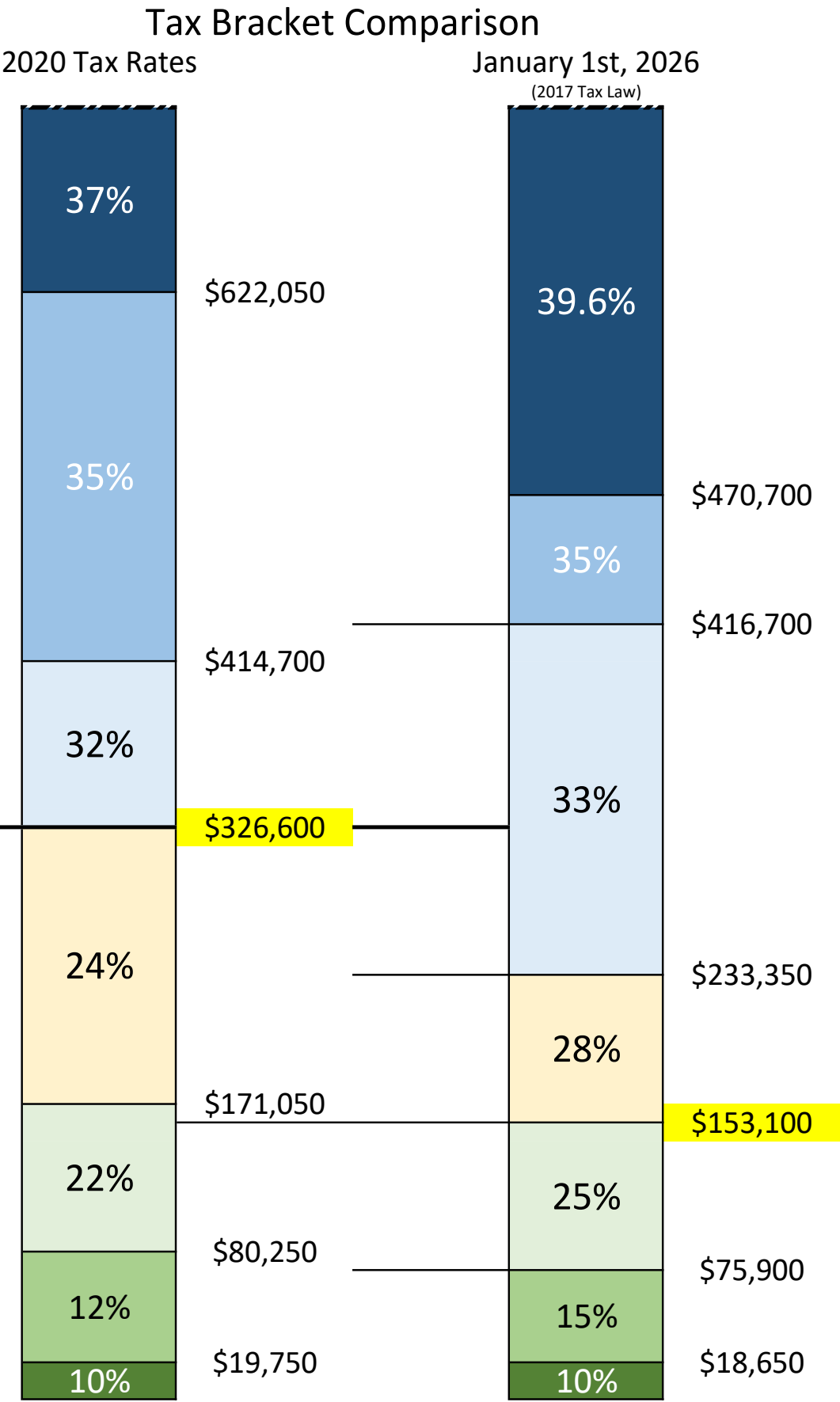
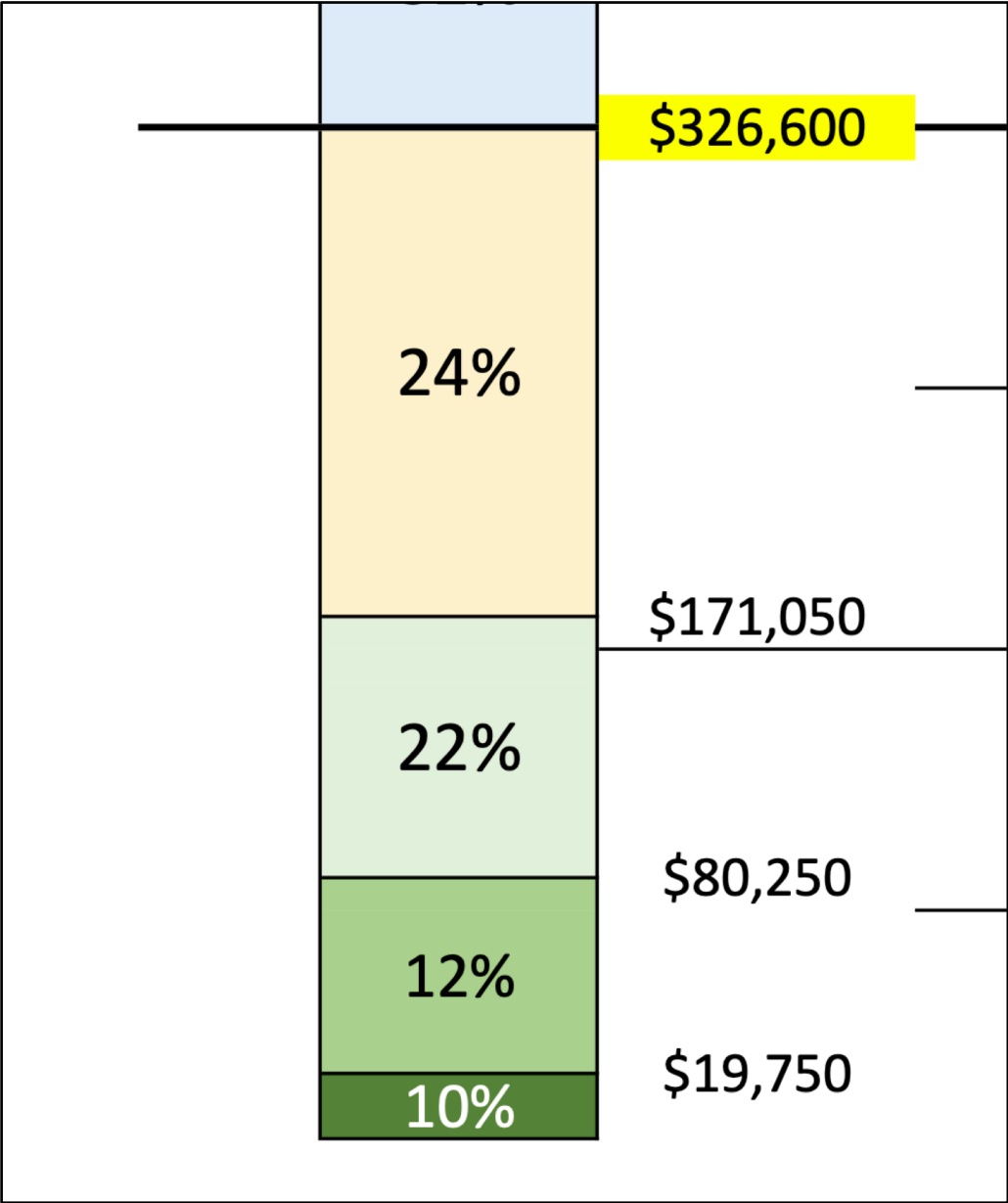
Topic: Opportunities

Market Conditions **Create Opportunities**

3. Invest more into your company sponsored retirement savings plan or IRA.
4. Use this opportunity to do Roth Conversions.



Topic: 2020 Tax Brackets



Topic: Things To Avoid

Market Conditions **Things To Avoid**

1. Taking big lump sums of money out during this time.
2. If you are taking monthly draws, if you have excess cash each month, it's a good idea to temporarily cut back.



Topic: Household Endowment Model

Why we follow the example of great institutional investors such as the Yale Endowment. Referred to this as the “Household Endowment Model.”

Topic: Case Histories

Avoiding Market Volatility Through Portfolio Design

In most cases, Kennedy Wealth Group targets a minimum allocation of 30% of the portfolio to market-insensitive assets (cash, bonds and absolute return). We further seek to limit illiquid assets (venture capital, leveraged buyouts, real estate and natural resources) to 50% of the portfolio.



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Topic: What Are Alternative Investments?

An **alternative investment** is a financial asset that does not fall into one of the conventional equity/income/cash categories.

Private equity or venture capital, hedge funds, real property, commodities, and tangible assets are all examples of **alternative investments**.



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Topic: Alternative Investments

Alternative Investment:



WE ARE BECOMING A NATION OF RENTERS

78% renting more affordable than owning

40 million cost burdened HHs

40% renters are 45 or older

\$37,500 median net income of renter HH

Topic: Alternative Investments

Alternative Investment:



Topic: Alternative Investments

Alternative Investment:



Topic: Alternative Investments

Alternative Investment:



SAFE

Finger stick.
No radiation exposure
health risks.



OBJECTIVE

Quantitative TBI
assessment to avoid
undiagnosed patients.

FAST

Test results in less than
90 seconds for greater
patient throughput.



"The Tbit" System has not been
evaluated by the FDA or other
regulatory agencies.

EFFICIENT

No expensive
capital equipment.
Systems integrated
for quality of care.

Topic: Alternative Investments

Alternative Investment:



Legendary Acquisitions
BY LEGENDARY CAPITAL



Topic: Alternative Investments

Alternative Investment:

LAND CONSERVATION



Thank You for Attending!



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