

PROBLEM

Nearly 80, a widowed client sought a clearer picture of her investments and future estate. She had been an active investor for many years, but wanted to ensure that she was optimizing her investments and estate plans as well as minimizing future taxes.

SOLUTION

- ◆ **Investment management:** Consolidated many accounts to streamline her balance sheet. We dedicated certain accounts to support near-term living expenses and others to be invested for the long term. We also placed tax-efficient investments more heavily into taxable accounts to reduce the overall annual income tax burden.
- ◆ **Estate taxes:** Identified more ways to gift to family members, including irrevocable trusts, 529 plans, and direct tuition payments. We analyzed the benefits of converting some or all of her IRA to a Roth IRA, particularly during a year with significant charitable contributions. We also accelerated planned gifts to charities and selected family members to simplify future estate administration and avoid estate taxes on future appreciation.
- ◆ **Estate planning:** Worked with her CPA to rectify issues in the administration of several trusts. We also dissolved a few unnecessary trusts, thus reducing ongoing annual expenses and complexity. In addition, the client's daughters were given a Power of Attorney on



several of the accounts to ensure that someone could readily help with investments and access to cash if needed in the future.

RESULT

At the start of our work with this client, her financial situation was unnecessarily complicated and less tax-efficient than desired. Our work streamlined her balance sheet, rationalized her trusts, increased the tax-efficiency of her investment portfolio, and accelerated the impact of her charitable and family giving plans. She now has clarity on her financial situation and greater confidence that it is structured both efficiently and effectively to meet her objectives.

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