



Case Study | Did you receive an inheritance?

Claire

Problem

Claire, age 57, received an unexpected inheritance of \$300,000. She wanted to “invest” it; however, she had no idea what to do.

Consequences

If Claire were to invest her money in the stock market, it would be subject to market risk and the growth would be taxable at capital gains rates. In ten years, she could take distributions of 3% of the balance; however, she has no idea what her balance will be in ten years or how much it is going to cost her in fees and expenses to have her money “managed.”

Solution

We showed Claire a strategy based on the US tax code whereby she could systematically capitalize her money. Starting at age 67, she could withdraw tax-exempt spendable cash flow of \$28,500/year for 23 years, for a total of \$655,500 in her retirement years. She was shocked we more than doubled her money! It brought her complete peace of mind that she was honoring her parents with her inheritance.

Tax Diversification Strategies