



LEADING A FAMILY MEETING ON WEALTH TRANSFER

HOW PREPARED ARE YOU TO HELP YOUR CLIENTS TO EITHER GIFT OR RECEIVE AN INHERITANCE?

Research shows though that many advisors aren't even trying to make inroads with clients' children. Many said they don't know how to appeal to clients' kids, or they believe that connection is not worth the effort.

For some, it's too much work to invest time developing relationships with a client's family, given how diluted assets can become as they are passed from one generation to the next.

If financial professionals are falling short in educating their clients' beneficiaries, so are the clients themselves. Only 31% of people have talked about how to manage money with their kids¹, providing an opportunity for you to step in and help families talk about money, investments, and end-of-life plans while parents are still alive and able to help guide their heirs.

Your clients may, of course, be the heirs! How can you help your existing Gen X and Millennial clients to work with their parents on estate planning? Many people are ill-prepared and may have limited knowledge of the wealth transfer process, including about the decisions that could have significant tax implications.

Whether your client is the benefactor or inheritor, this tool is here to help guide you to lead this critical family discussion about wealth transfer.

¹ CNBC + Acorns Survey, 2022

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Be The Financial Educator

For many people, money is a vast and intimidating mystery. There can be a great deal of apprehension over potentially making very costly decisions that will impact their futures as well as confidence. This wealth transfer is potentially the most significant financial event in your clients' lives, and you need to give them all the guidance and self-confidence to make the best decisions that will reach their family's goals.

Be Prepared

Guiding a family meeting to discuss a future wealth transfer can be a complex conversation, and it is up to you to be adequately prepared so you don't miss anything vital. With your heavy client load, it can be difficult to remember every item to cover. To help, we have provided this convenient checklist of items to review and evaluate while preparing to lead a family meeting on wealth transfer.

- ☐ Get information on accounts that may not be under your management, such as 529 accounts, long-term care, and life policies.
- ☐ Obtain the most recent retirement account statements on assets held away, Employee Stock Purchase Plan (ESPP), and stock options.
- ☐ Does their accountant or estate attorney need to be involved in this meeting (in person or by phone)? If so, contact their offices to make the arrangements.
- ☐ Verify automatic distribution or contribution arrangements.
- ☐ Update client and beneficiary profiles: is the information current, especially telephone numbers and e-mail addresses?
- ☐ Review Beneficiary/Transfer-On-Death (TOD) designations.
- ☐ Check if there's a Required Minimum Distribution (RMD) due, for the client's own accounts or an inherited retirement account.
- ☐ How many years are left on term life insurance policies?
- ☐ Obtain an updated in-force ledger projection for any variable universal life (VUL) insurance policy they may have.
- ☐ Ensure your clients' login information for online accounts is recorded in a safe place for quick access when needed.
- ☐ Do you have educational materials to share?

How Can We Help?

We at Security Benefit are here to help you and your clients successfully plan for an upcoming inheritance.

Stretch Retirement Account

- One good opportunity to discuss with your clients may be in the ability to stretch their retirement assets.
- With a Stretch IRA, if your client’s spouse is their primary beneficiary, he or she can simply re-register their IRA in his or her name upon the client’s death and continue distributions based on his or her life expectancy. When the spouse dies, his or her primary beneficiary can also continue receiving monthly benefits as long as the account is depleted by the end of the 10th year following the year of death.
- The “stretch” option on non-qualified annuities provides several advantages to your clients’ beneficiaries — including non-spousal beneficiaries, such as only paying taxes each year on the amount of taxable gains distributed instead of on a lump sum distribution.

Inherited IRA

- An inherited IRA, also known as a beneficiary IRA, is an account that is opened for someone who inherits another person’s IRA or employer-sponsored retirement plan after the original account owner dies.
- Anyone can inherit an IRA, but a beneficiary can’t contribute more money into it.
- There are additional rules for beneficiaries of inherited IRAs depending on if you are a spousal beneficiary or a non-spousal beneficiary. We would be happy to consult with you on the available options for both spousal and non-spousal beneficiaries.

Educational Materials

We have a wealth of educational materials available for you to provide to your clients during this Family Meeting:

Estate Planning Basics	Provides a guide to estate planning for everyone, not just your wealthier clients, including key considerations such as health care, property management, wills and probate, taxes, lifetime gifting, life insurance, and trusts.
Advanced Estate Planning	For clients with estates exceeding the federal gift and estate tax basic exclusion amount (\$12.92 million in 2023), this overview provides several strategies to help minimize federal estate taxes so that more of their money goes to their loved ones instead of the federal government.
Specialized Estate Planning	A guide for those with a special needs loved one to ensure they have ongoing financial support that creates a rich quality of life led as independently as possible without jeopardizing income received from government support programs.
Maximizing Benefits for Beneficiaries	Provides tips for navigating the intricacies of being the beneficiary of a retirement plan, including creditor protection laws and estate, gift, and income tax considerations.
How to Handle Disposition of Your Digital Assets	While many focus on their tangible assets when estate planning, this guide provides tips on managing your clients’ online data and online accounts.
Stretch Your Annuity’s Benefits for Generations	Helps your clients understand how the stretch feature on non-qualified inherited annuities may help preserve and extend more of their wealth to beneficiaries.

By speaking clear-language, explaining financial terminology, and being the confident educator ready to guide them head-on to plan for their wealth transfer, your clients will not only be in a better position to make wise decisions but will trust you to guide them.

We're here to help your clients
To and Through Retirement®

Call us for more information at 800-747-5164, Option 3,
or visit SecurityBenefit.com.

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