

# Financial Analysis: Stretch IRA

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## Summary of Transfer Taxation of Retirement Plan Assets

Note from Bob: See Year 38 for the IRA values that begin Caroline's Inherited IRA.

		Plan Assets Initial Value 800,000	Plan Assets Cost Basis 0	Plan Assets Yield 7.00%			
Year	M/F Ages	(1) Plan Assets in Estate	(2) Estate Tax on Plan Assets	(3) Income Tax on Plan Assets**	(4) Total Taxes Attributed to Plan Assets	(5) Heirs After Tax Plan Assets (1) - (4)	(6) Percent Loss Due to Tax
1	55/50	843,160	0	0	0	843,160	0%
2	56/51	888,648	0	0	0	888,648	0%
3	57/52	936,591	0	0	0	936,591	0%
4	58/53	987,120	0	0	0	987,120	0%
5	59/54	1,040,375	0	0	0	1,040,375	0%
6	60/55	1,096,503	0	0	0	1,096,503	0%
7	61/56	1,155,659	0	0	0	1,155,659	0%
8	62/57	1,218,007	0	0	0	1,218,007	0%
9	63/58	1,283,718	0	0	0	1,283,718	0%
10	64/59	1,352,975	0	0	0	1,352,975	0%
11	65/60	1,425,968	0	0	0	1,425,968	0%
12	66/61	1,502,899	0	0	0	1,502,899	0%
13	67/62	1,583,980	0	0	0	1,583,980	0%
14	68/63	1,669,436	0	0	0	1,669,436	0%
15	69/64	1,759,502	0	0	0	1,759,502	0%
16	70/65	1,786,748	0	0	0	1,786,748	0%
17	71/66	1,812,082	0	0	0	1,812,082	0%
18	72/67	1,835,241	0	0	0	1,835,241	0%
19	73/68	1,855,943	0	0	0	1,855,943	0%
20	74/69	1,873,883	0	0	0	1,873,883	0%
21	75/70	1,888,735	0	0	0	1,888,735	0%
22	76/71	1,900,149	0	0	0	1,900,149	0%
23	77/72	1,908,197	0	0	0	1,908,197	0%
24	78/73	1,912,073	0	0	0	1,912,073	0%
25	79/74	1,911,884	0	0	0	1,911,884	0%
26	80/75	1,907,274	0	0	0	1,907,274	0%
27	81/76	1,897,871	0	0	0	1,897,871	0%
28	82/77	1,883,286	0	0	0	1,883,286	0%
29	83/78	1,863,117	0	0	0	1,863,117	0%
30	84/79	1,836,946	0	0	0	1,836,946	0%
31	85/80	1,805,235	0	0	0	1,805,235	0%
32	86/81	1,767,689	0	0	0	1,767,689	0%
33	87/82	1,724,022	0	0	0	1,724,022	0%
34	88/83	1,673,959	0	0	0	1,673,959	0%
35	89/84	1,617,246	0	0	0	1,617,246	0%
36	90/85	1,554,979	0	0	0	1,554,979	0%
37	91/86	1,487,122	0	0	0	1,487,122	0%
38	92/87	1,413,691	0	0	0	1,413,691	0%
39	93/88	1,334,756	0	0	0	1,334,756	0%
40	94/89	1,252,177	0	0	0	1,252,177	0%

\*\*Calculations assume that the retirement plan assets qualify for use of a "stretch-out" strategy in which the heirs' income tax on inherited retirement plan assets is not paid upon the death of the retiree, i.e., the income tax continues to be deferred. Be certain to confirm the availability of this technique with your legal and tax advisers.