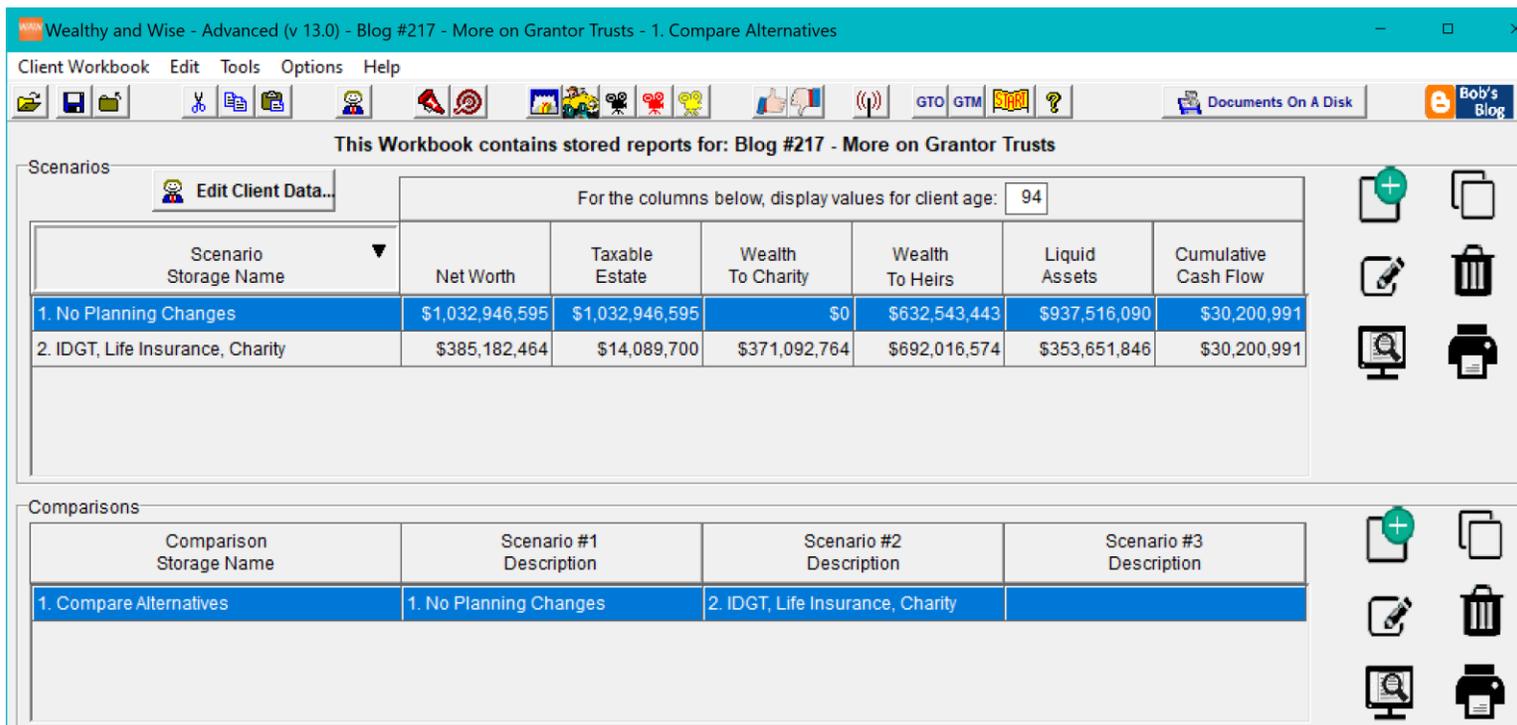


Below is the Workbook Main Window of **Wealthy and Wise® (Advanced)** used for Blog #217.



The screenshot shows the 'Wealthy and Wise - Advanced' software interface. At the top, it says 'This Workbook contains stored reports for: Blog #217 - More on Grantor Trusts'. Below this, there are two main sections: 'Scenarios' and 'Comparisons'.

Scenarios Table:

Scenario Storage Name	Net Worth	Taxable Estate	Wealth To Charity	Wealth To Heirs	Liquid Assets	Cumulative Cash Flow
1. No Planning Changes	\$1,032,946,595	\$1,032,946,595	\$0	\$632,543,443	\$937,516,090	\$30,200,991
2. IDGT, Life Insurance, Charity	\$385,182,464	\$14,089,700	\$371,092,764	\$692,016,574	\$353,651,846	\$30,200,991

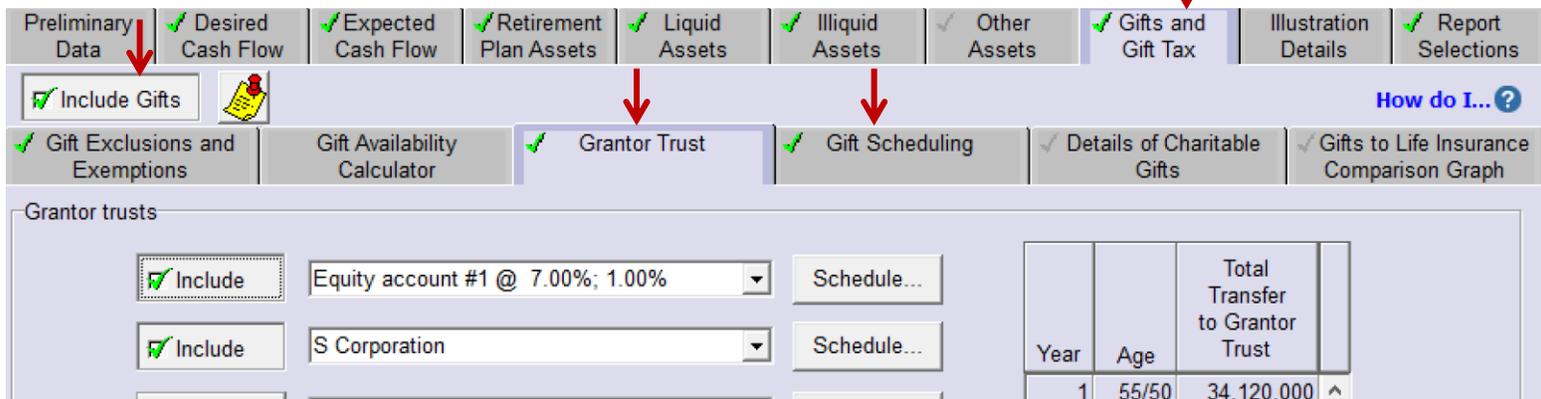
Comparisons Table:

Comparison Storage Name	Scenario #1 Description	Scenario #2 Description	Scenario #3 Description
1. Compare Alternatives	1. No Planning Changes	2. IDGT, Life Insurance, Charity	

Anthony and Anita Favaro, age 55 and 50, have retired after selling their commercial real estate company for \$40 million. Their overall net worth is \$80.5 million. The purpose of this **Wealthy and Wise® (Advanced)** analysis is to calculate a wealth plan for the Favaros featuring the use of an intentionally defective grantor trust (IDGT) featuring our specialty, **do-it vs. don't-do-it™**.

As you can see from the image above, Scenario 1 does not involve the IDGT as it replicates the Favaros current wealth as outlined in Blog #217. Once done with Scenario 1, I copied it as Scenario 2 and made the IDGT adjustments.

These prompts were critical In Scenario 2 to adjust the data for the IDGT:



The screenshot shows the 'Grantor trusts' section of the software. At the top, there are several tabs: Preliminary Data, Desired Cash Flow, Expected Cash Flow, Retirement Plan Assets, Liquid Assets, Illiquid Assets, Other Assets, Gifts and Gift Tax, Illustration Details, and Report Selections. Below these are several checkboxes and buttons: Include Gifts, Gift Exclusions and Exemptions, Gift Availability Calculator, Grantor Trust, Gift Scheduling, Details of Charitable Gifts, and Gifts to Life Insurance Comparison Graph. At the bottom, there is a table for Grantor trusts with columns for Year, Age, and Total Transfer to Grantor Trust.

Year	Age	Total Transfer to Grantor Trust
1	55/50	34,120,000

We transferred (retitled) \$24,120,000 (maximum lifetime gift) from the Favaro's equity assets to the IDGT and sold their S Corporation to the IDGT. Read the details of these two transactions in Blog #217.

Gift Exclusions and Exemptions Gift Availability Calculator Grantor Trust Gift Scheduling Details of Charitable Gifts Gifts to Life Insurance Comparison Graph

Note: Do not include new gifts to illustrate the "status quo" ("current situation").

Include gifts funding: Grantor Trust Life Insurance for the benefit of: Heirs Charity Schedule...

We entered data for the \$10,000,000 life insurance policy in this section.

These locations are where we entered the prompts for the automatic Zero Estate Tax results:

Preliminary Data Desired Cash Flow Expected Cash Flow Retirement Plan Assets Liquid Assets Illiquid Assets Other Assets Gifts and Gift Tax Illustration Details Report Selections

Excess Cash Flow and Reinvestment Options Prioritize the Use of Assets Estate and Gift Transfer Taxes Charitable Bequests Custom Paragraph

Include Charitable Bequests

Zero Estate Tax Strategy

Bequeath any taxable portion of the estate.
 If you would like to change the Wealth Transferred to Heirs or Charity, deselect this option and edit Col (5) or (7) in the schedule.

Year	Age	(1) Total Estate Assets	(2) Individual Asset Charitable Bequests	(3) Remaining Lifetime Exemption	(4) Additional Charitable Bequests	(5) Estate Assets Allocated to Heirs	(6) After Tax Wealth Transferred to Heirs	(7) Wealth Transferred to Charity
1	55/50	54,792,555	4,258,600	9,700	50,524,255	9,700	40,264,048	54,782,855

It is not difficult to enter data for an IDGT In **Wealthy and Wise™ (Advanced)**.

If you are, or become, licensed for **Wealthy and Wise™ (Advanced)**, the best way to understand the necessary prompts for the results illustrated in Blog #217 is to download the file named "Blog #217 - More on Grantor Trusts.!wa" from Blog #217. (It is available right after the puzzle pieces graphic near the end of Blog #217.)

Stay safe and well,

Bob Ritter

Important Note: The information in this report is for educational purposes only. In all cases, the approval of a client's legal and tax advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.

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