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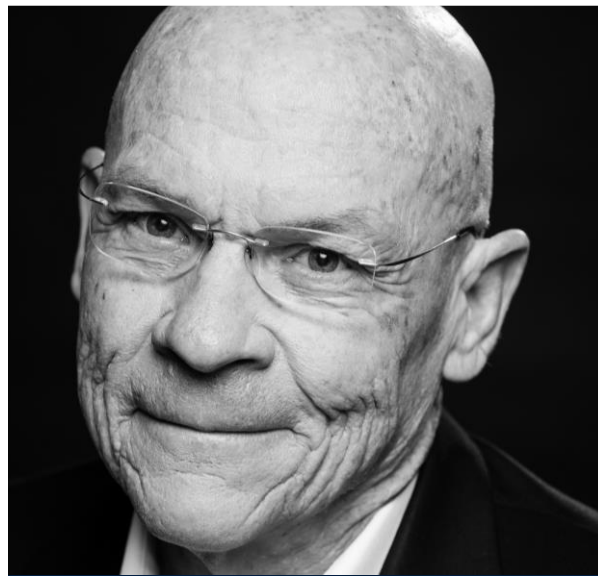


ESTATE PLAN

ESTATE PLANNING UNDER THE
SECURE & CARES ACTS

What Does It Mean For You?

OUR SPEAKERS



PAUL HUGHES, ChFEBC, CEPA

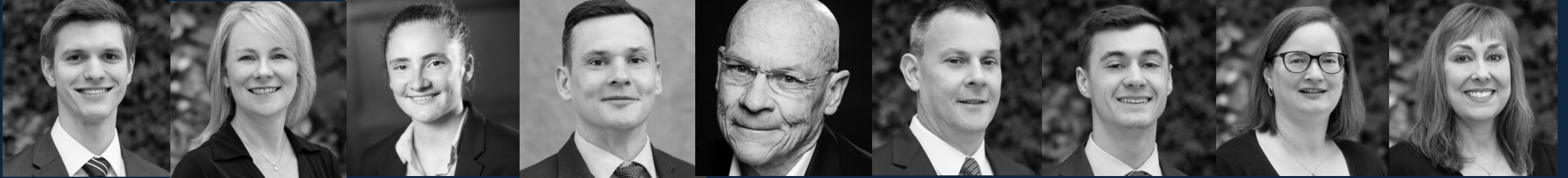
Managing Partner
& Financial Advisor



SCOTT HUGHES, CFP®, MBA

Managing Partner
& Financial Advisor

ABOUT HUGHES FINANCIAL SERVICES



Independent
Registered
Investment
Advisor



Comprehensive
financial planning
and wealth
management



Fiduciary

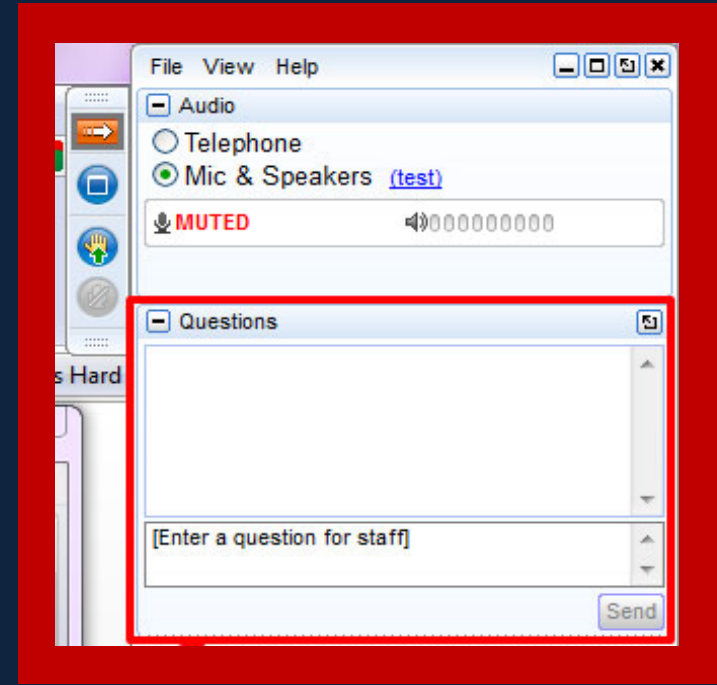


Professional
certifications,
licenses, and
continuing
education



Over 100
years
combined
experience

Q&A HAVE QUESTIONS?



Coronavirus Aid, Relief, and Economic Security (CARES) Act & Beyond

Coronavirus Supplemental Appropriations

Emergency Aid for Returning Americans Act

Families First Act

PPP & Health Act Enhancement Act

Response and Relief Act

September 2020 Continuing Resolution

American Rescue Plan Act of 2021

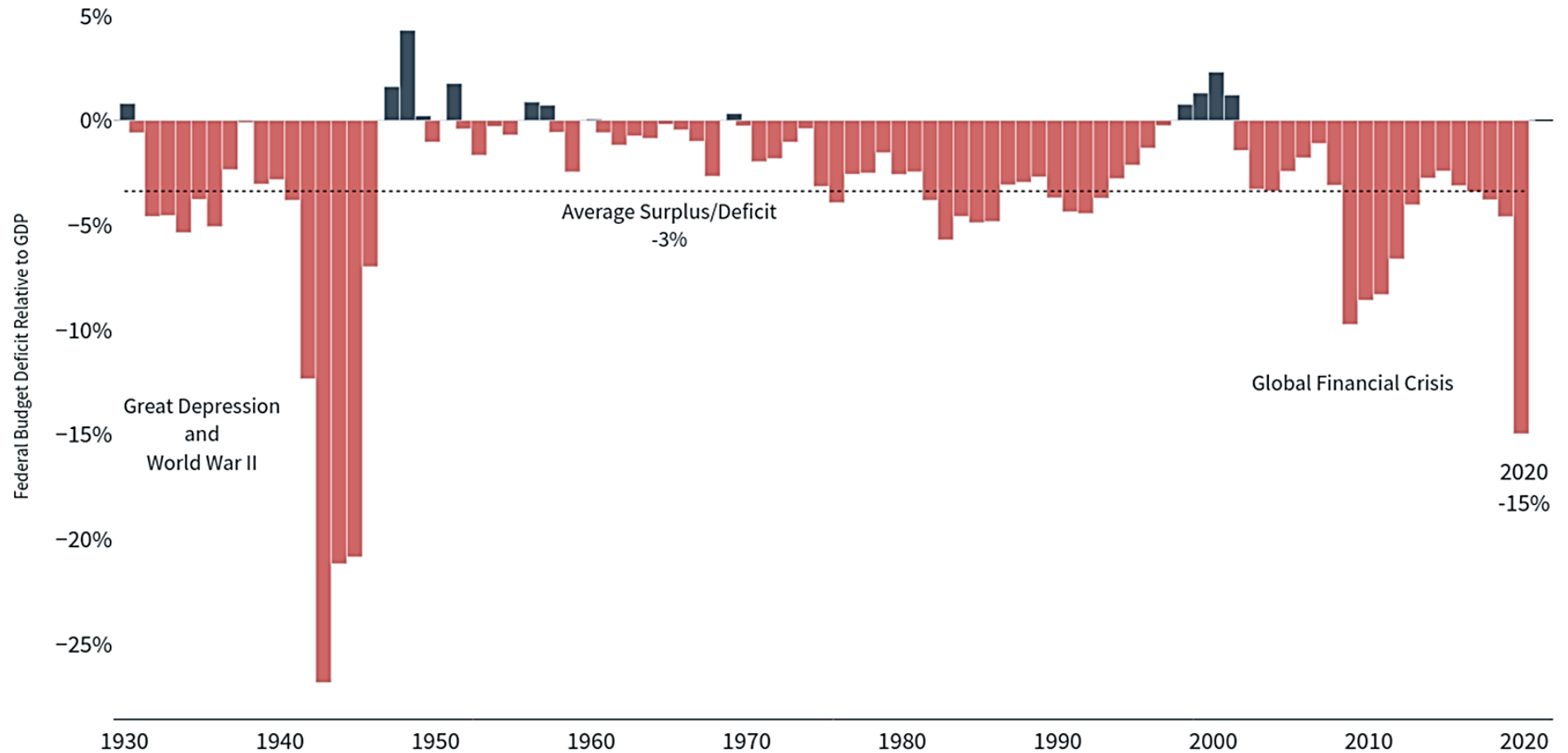
The background of the image is a dark blue gradient. On the left side, there is a detailed, light-colored image of the United States Capitol dome. Overlaid on the right side of the image are several US dollar bills, including a \$100 bill featuring Benjamin Franklin and a \$50 bill. The text "\$6 trillion" is prominently displayed in the center-right area.

\$6 trillion

FEDERAL BUDGET DEFICIT TO GDP

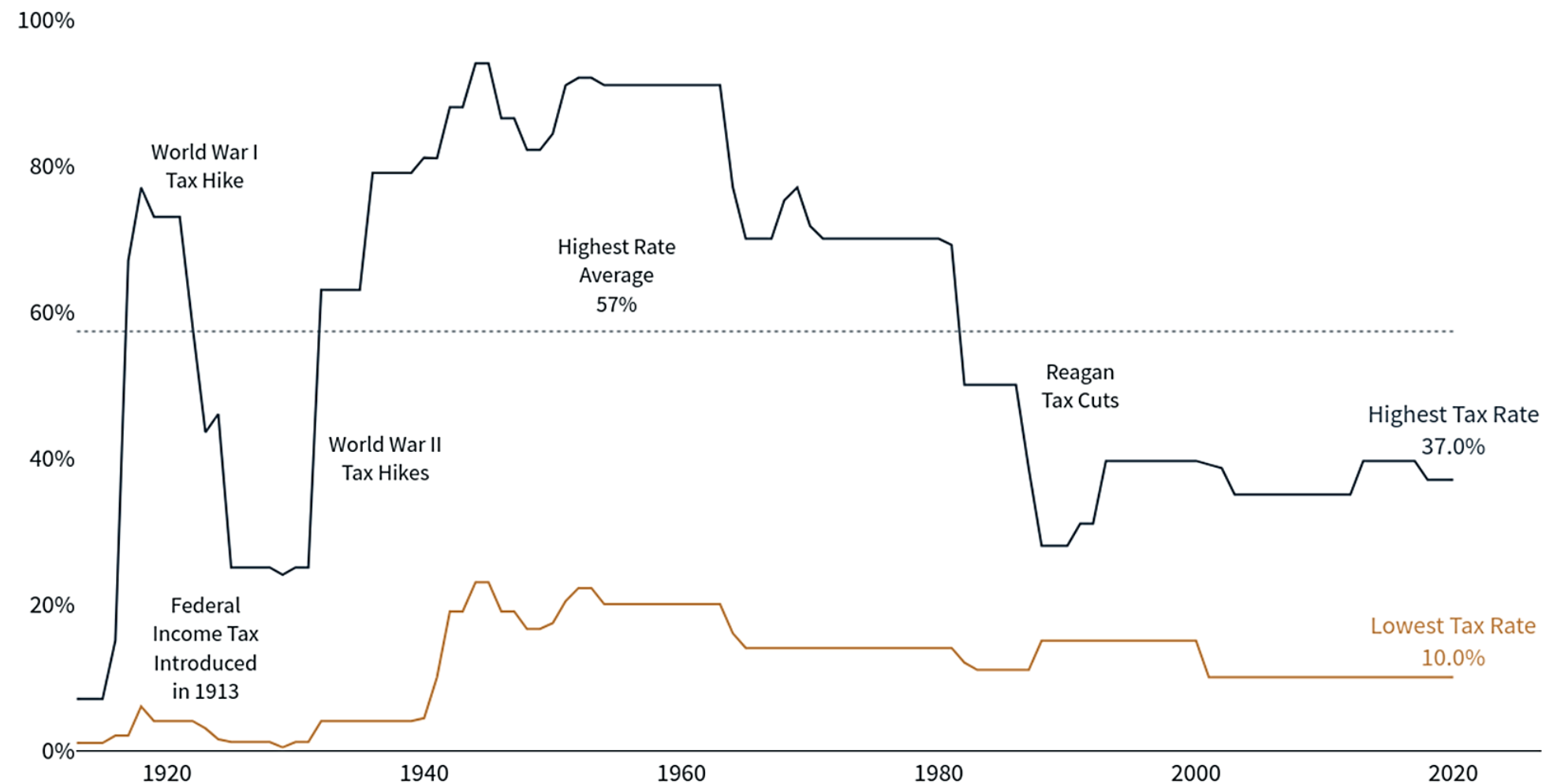
Annual Federal Deficit to U.S. GDP Since 1930

- U.S. has historically run a budget deficit each year
- Deficit: difference between federal government revenues and expenses
- Deficits tend to spike during recessions and wars



INDIVIDUAL INCOME TAX RATES

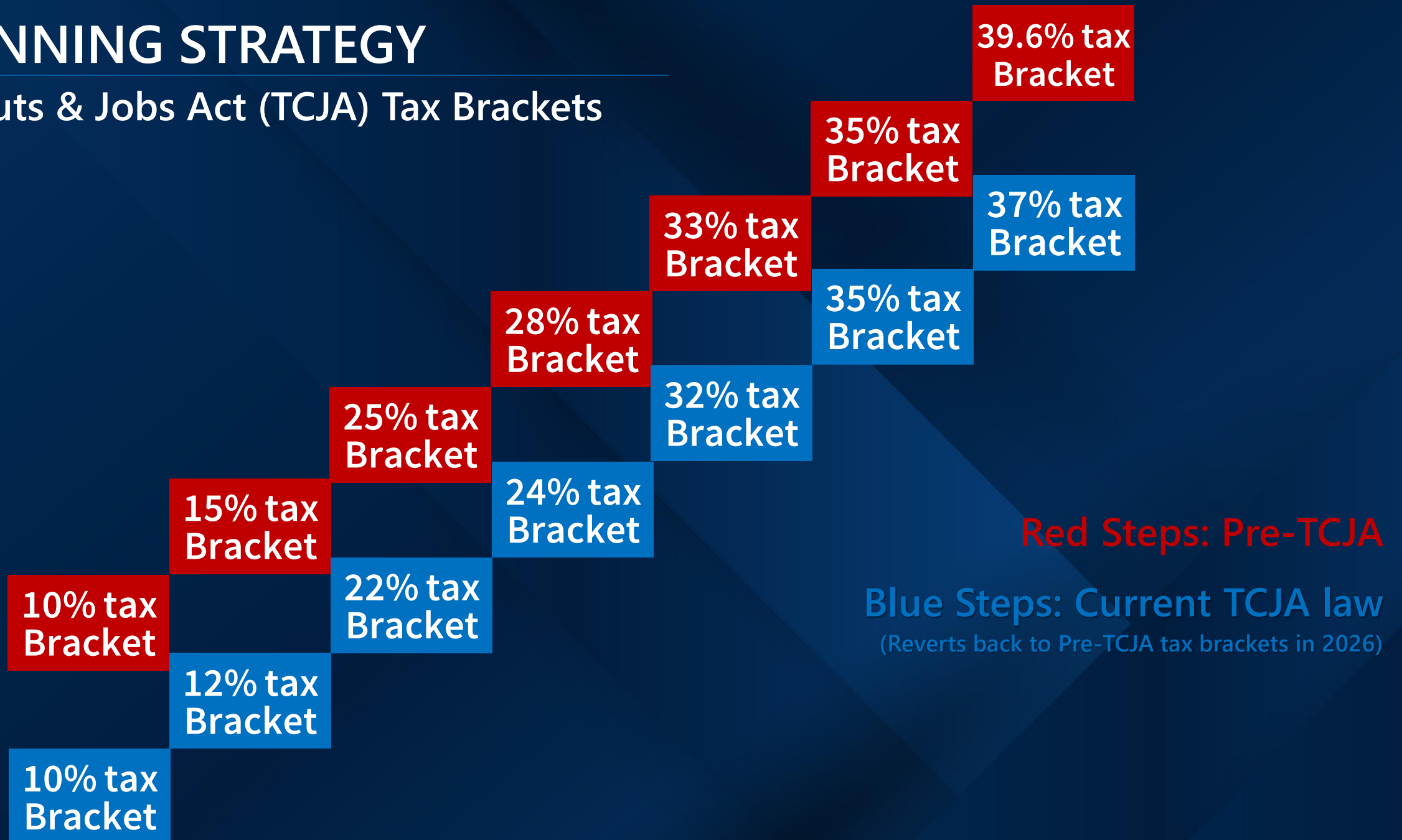
Historical Highest and Lowest Tax Brackets



Latest data point is 2020

PLANNING STRATEGY

Tax Cuts & Jobs Act (TCJA) Tax Brackets





THE **SECURE** ACT

SETTING EVERY COMMUNITY
UP FOR RETIREMENT
ENHANCEMENT



“

This might raise almost
**\$16 Billion for the
Treasury**

Martin Shenkman
Estate Planning and Author

”

NEW TAX REGIME

SECURE Act Key Provisions That Impact Estate Planning



Required Minimum
Distribution (RMD)
age increases from
70½ to 72



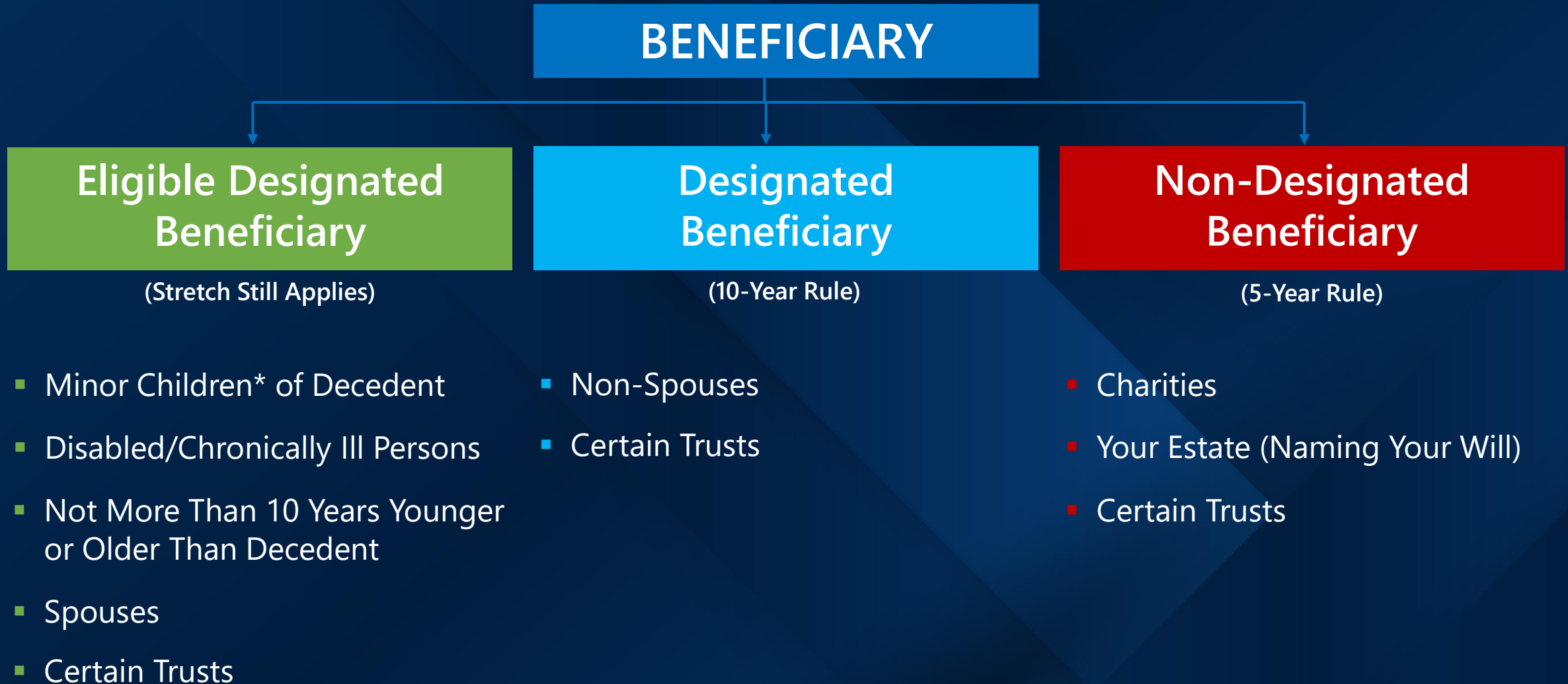
Traditional/Roth IRA
contributions over
age 70½



IRA distributions
follow new 10-year
rule; exceptions
apply

THE SECURE ACT

IRA Beneficiaries



* Applicable until the minor reaches the age of majority

SOURCE: Michael Kitces

5 PLANNING STRATEGIES IN THE NEW TAX REGIME ERA

1

Tax Efficiency
Through
Diversification

2

Family Lifetime
Income Tax
Planning

3

Roth
Contributions
and
Conversions

4

Charitable
Giving

5

Review Estate
Plans, Trusts
and
Beneficiary
Designations

PLANNING STRATEGY

1. Seek Tax Efficiency Through Diversification



PLANNING STRATEGY

2. Family Lifetime Income Tax Planning

- Evaluate last year's tax dynamics
 - Income sources
 - Standard deduction or itemize
 - Taxable income
 - Tax bracket
- Forecast through 2026 and/or next 10 years
- Do these create opportunities?

★★★★★ **TIP**

Forecast your
family's
tax



PLANNING STRATEGY

2. Family Lifetime Income Tax Planning

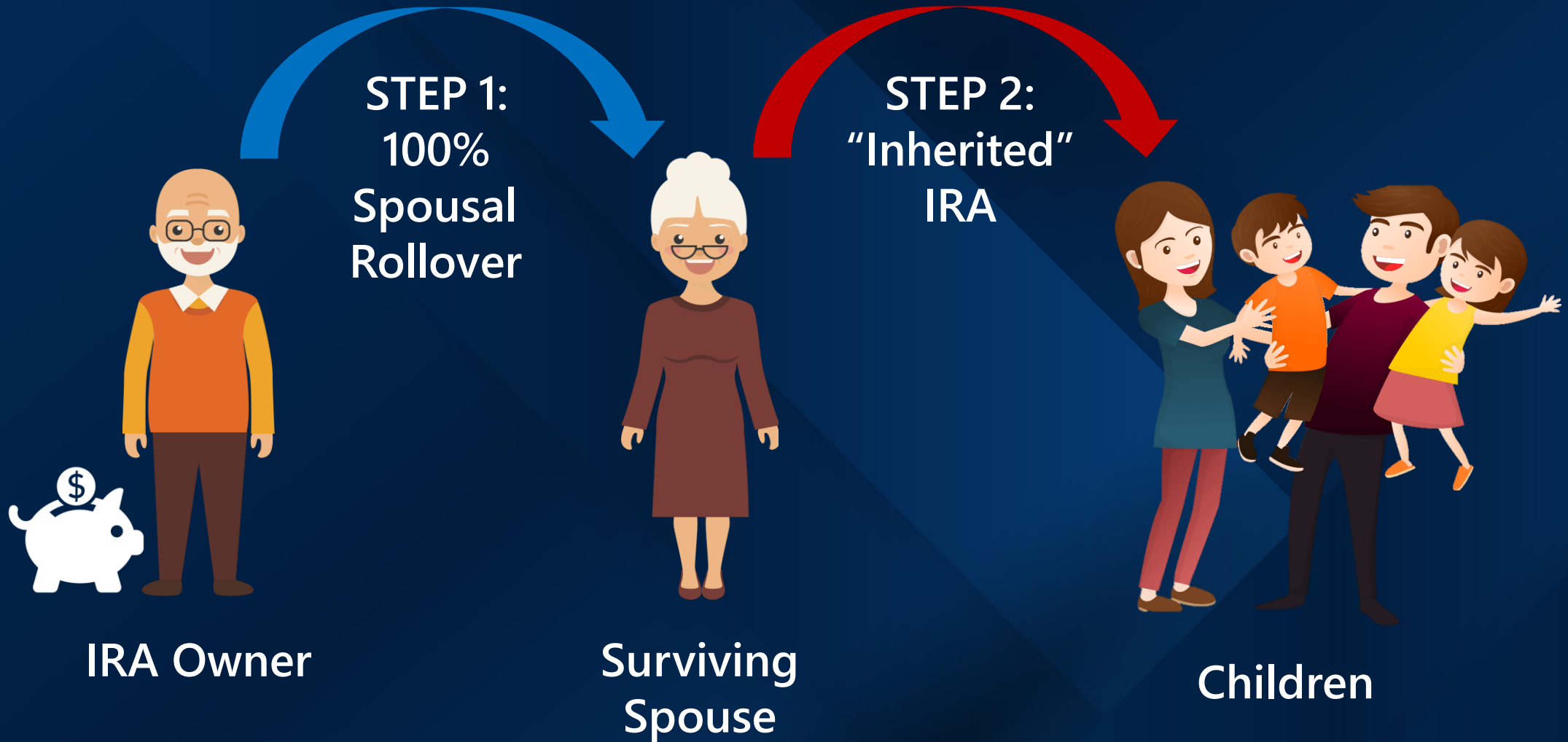
- Evaluate last year's tax dynamics
 - Income sources
 - Standard deduction or itemize
 - Taxable income
 - Tax bracket
- Forecast through 2026 and/or next 10 years
- Do these create opportunities?



**Forecast your
beneficiary's
tax bracket**

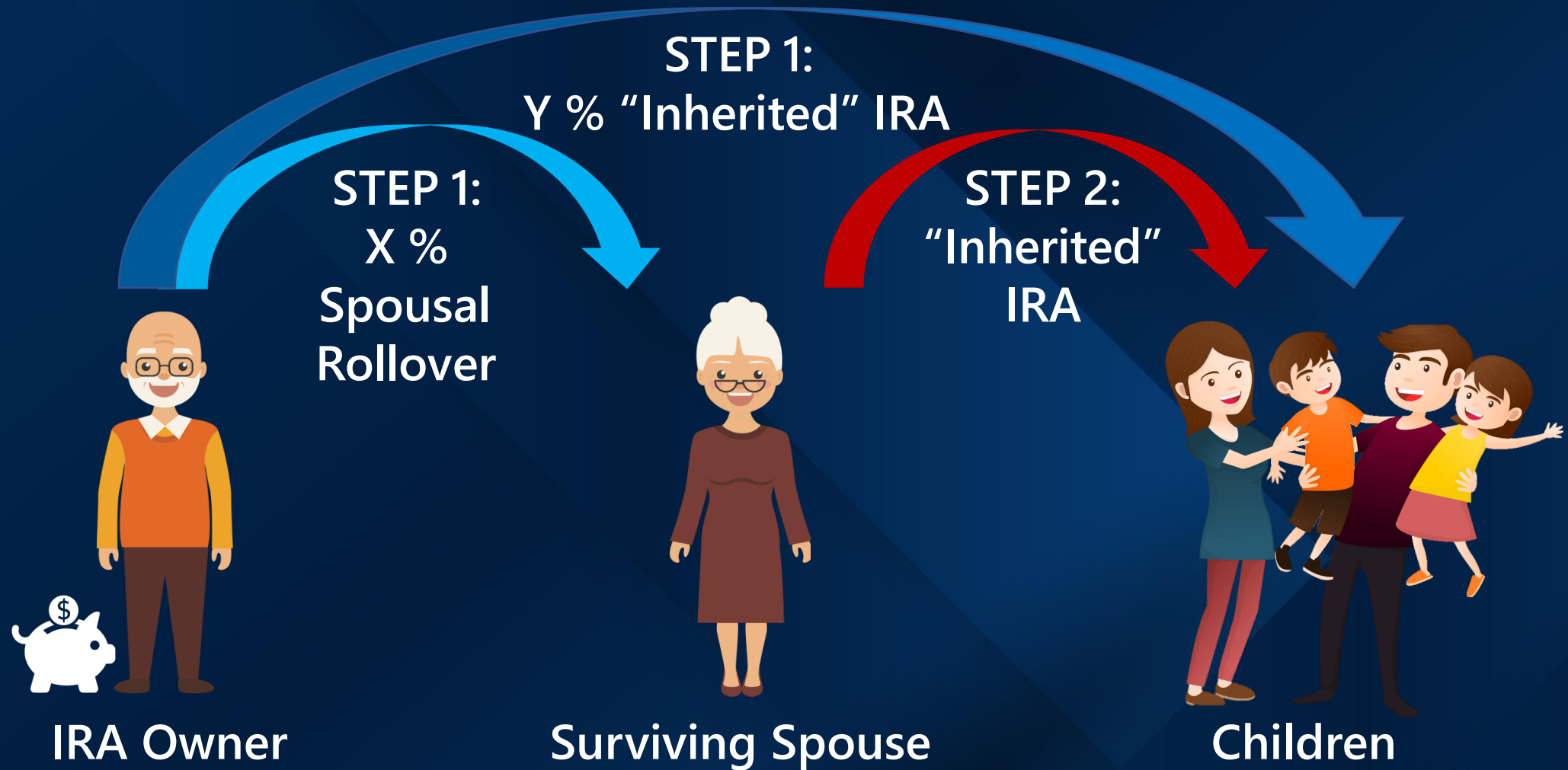
PLANNING STRATEGY

OLD STRATEGY: Spousal Rollover



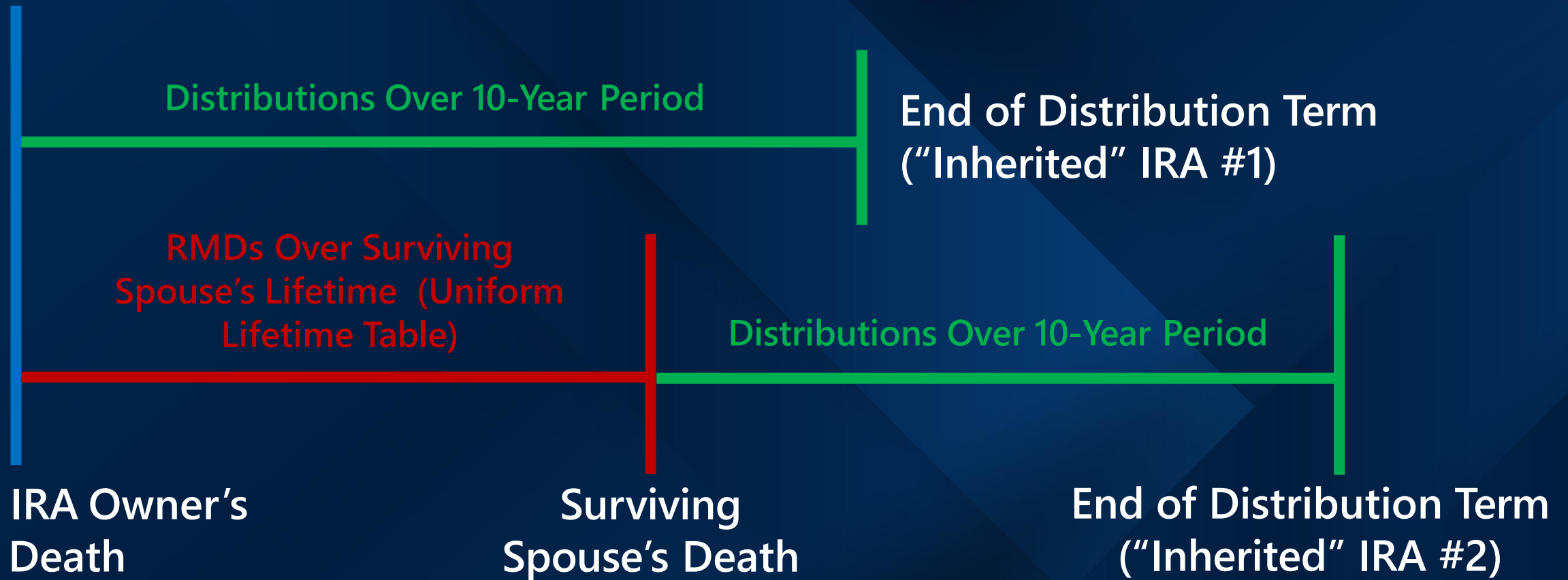
PLANNING STRATEGY

NEW STRATEGY: Spousal Rollover



PLANNING STRATEGY

NEW STRATEGY: Spousal Rollover

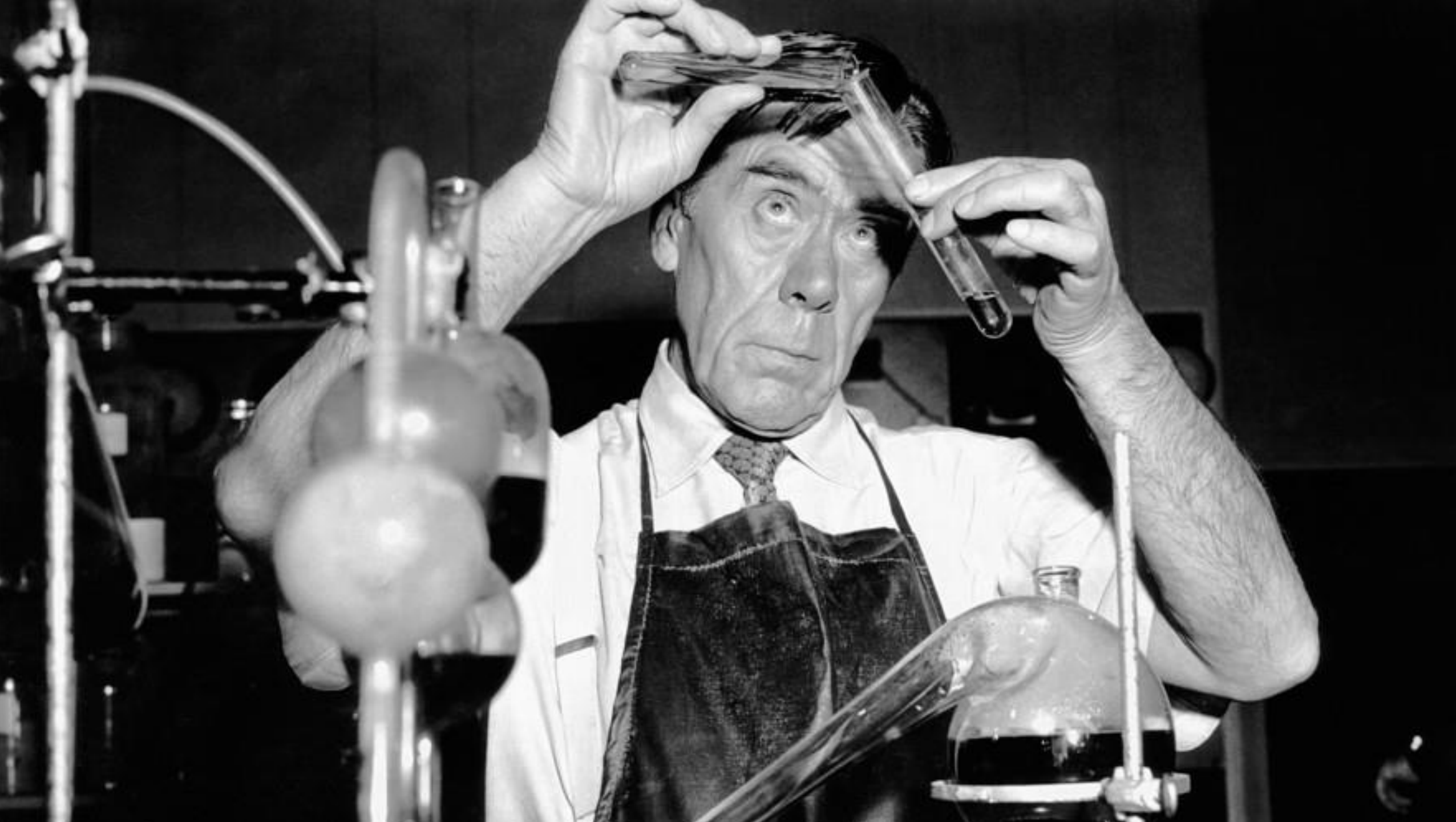


“

It appears that some retirement
accounts are **no longer an
effective way to transfer wealth.**

| Martha Sotelo
Principal, Vaughan, Fincher & Sotelo, PC

”



PLANNING STRATEGY

3. Roth Contributions and Roth Conversions

Roth Contributions

Still working

\$6,000 maximum annually

Age 50 and older:
\$7,000 maximum annually

Some employer plans
allow Roth contributions

Roth Conversions

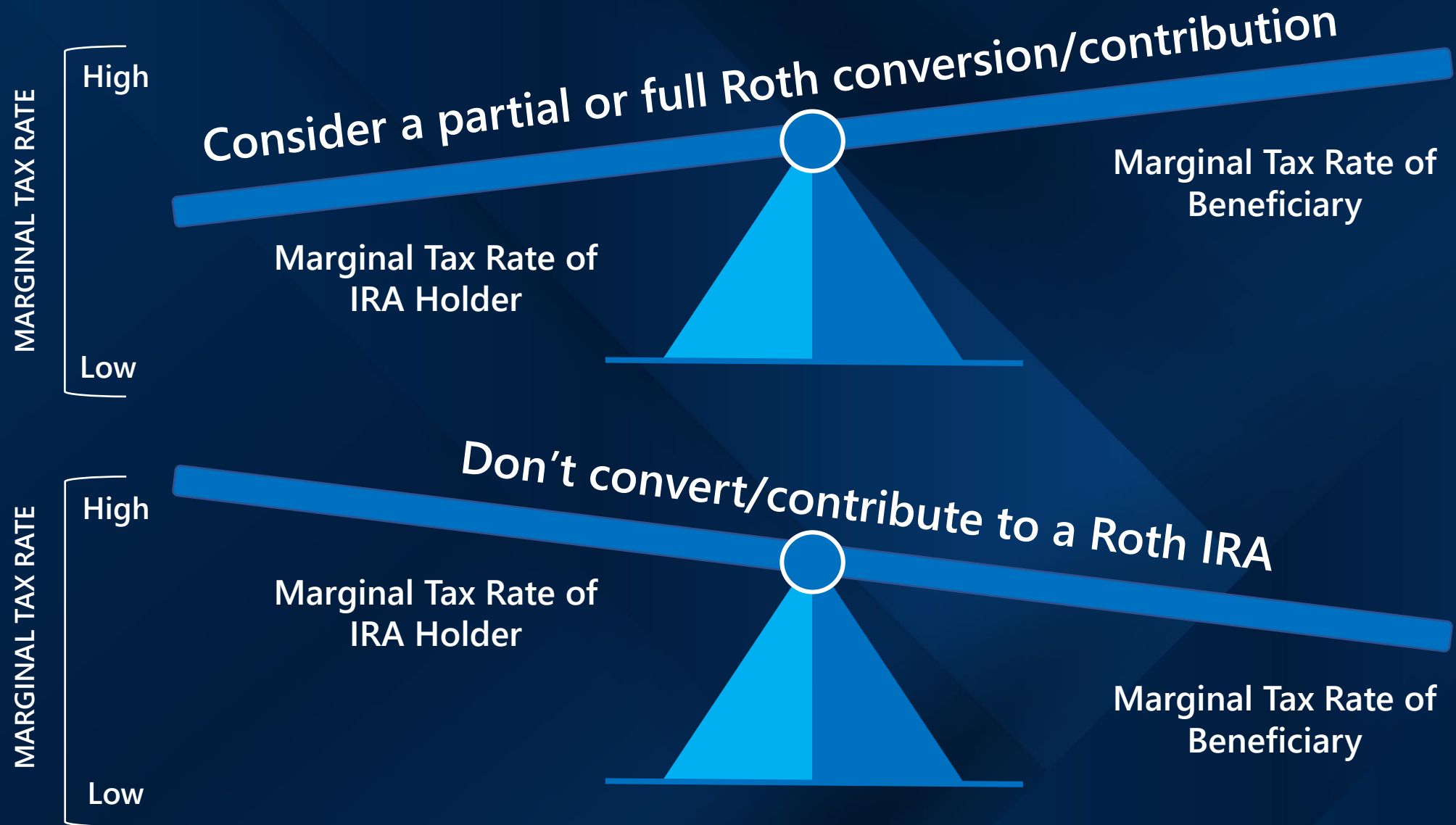
Anyone can convert

Pay taxes now

Tax-free growth

PLANNING STRATEGY

Traditional IRA vs Roth IRA



PLANNING STRATEGY

4. Charitable Giving

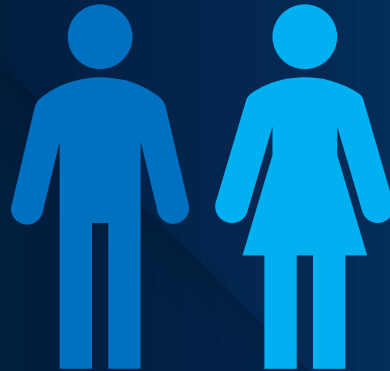


CHARITABLE GIVING

QCD (Qualified Charitable Donation) Your RMD (Required Minimum Distribution)



IRA Distribution



You
(70½ and older)



Qualified
Charity

CHARITABLE GIVING

MEGA-Qualified Charitable Distribution (QCD)

MEGA

QCD

CHARITABLE GIVING

MEGA-Qualified Charitable Distribution (QCD)



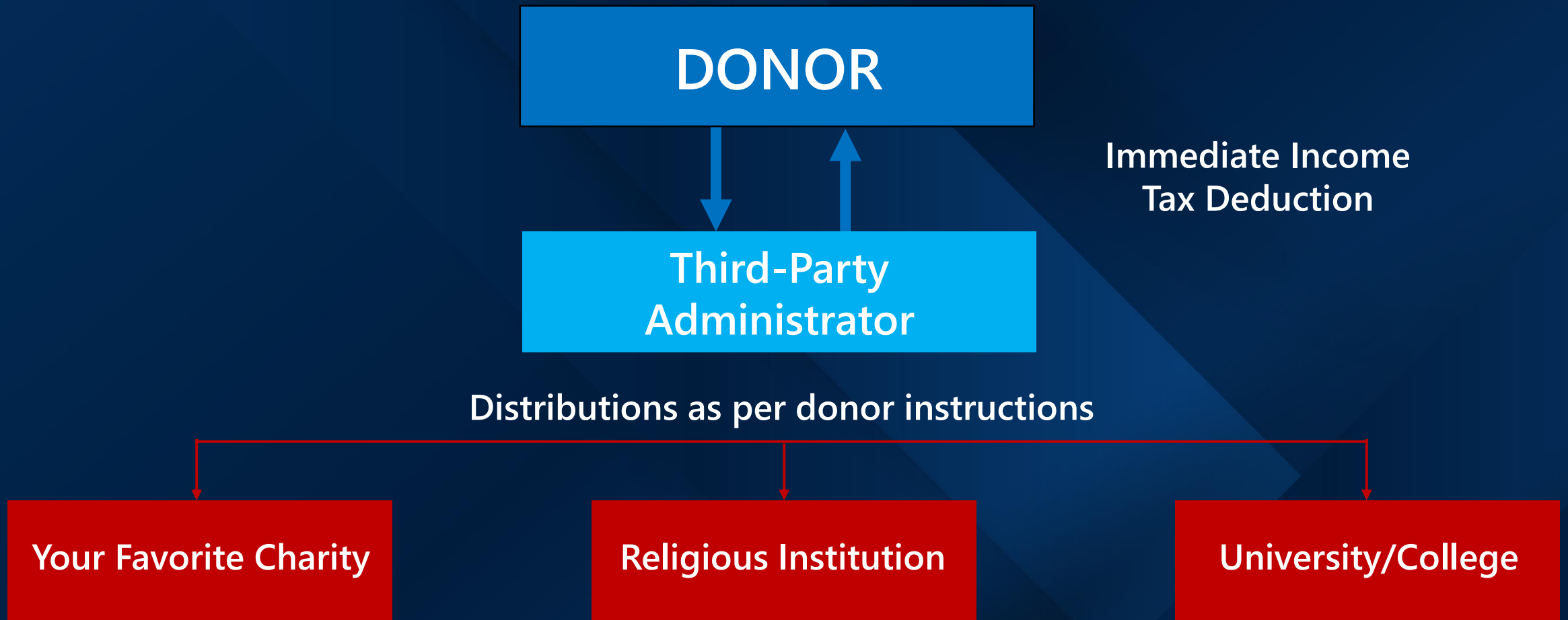
Minimum age



Only in 2021

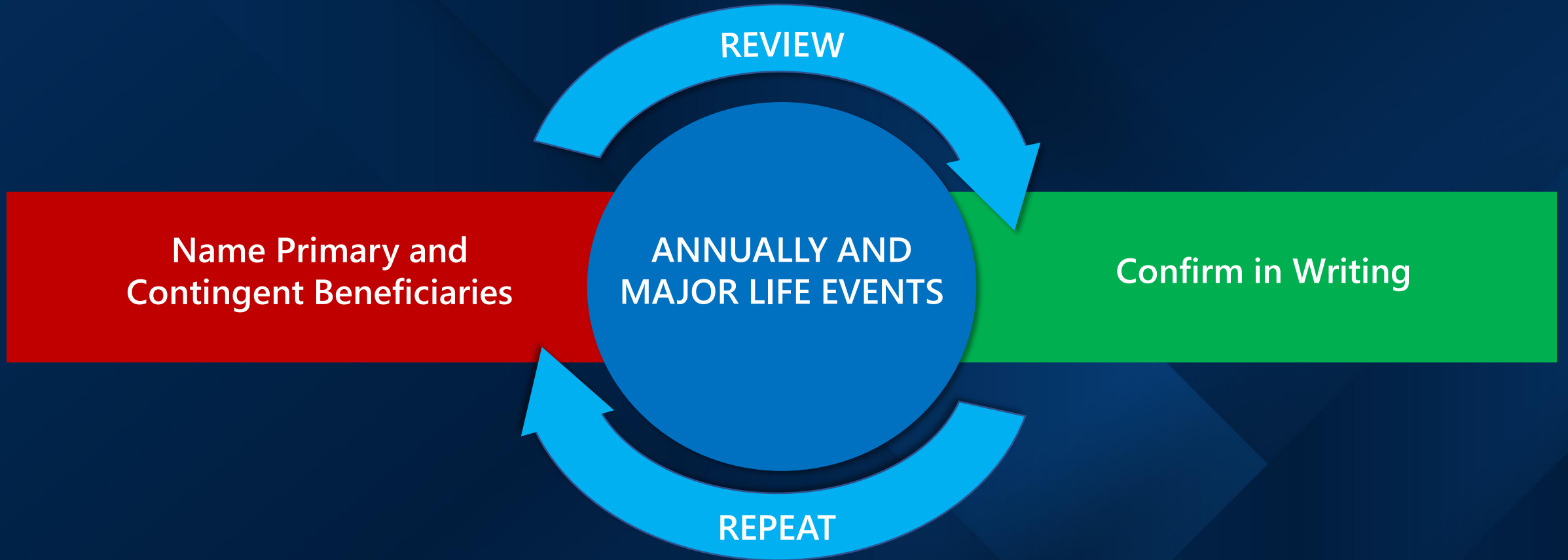
CHARITABLE GIVING

Donor Advised Fund (DAF)

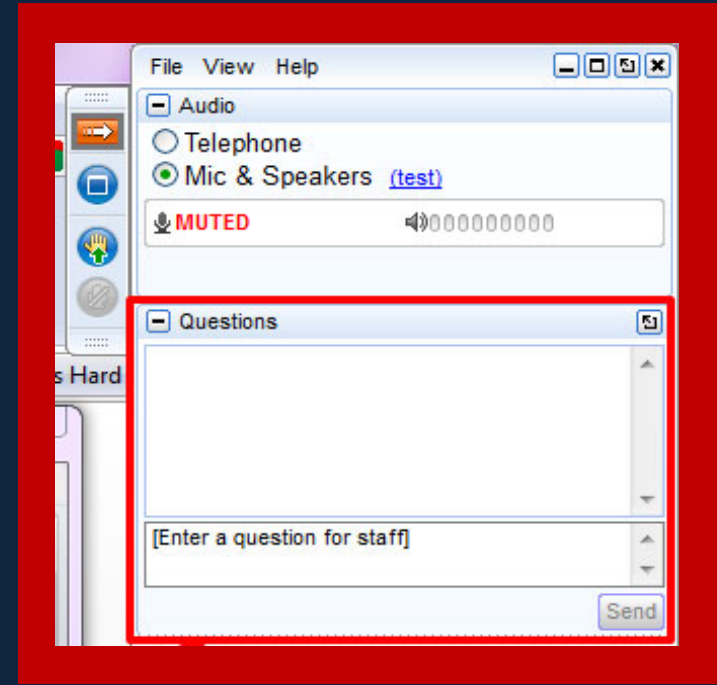


PLANNING STRATEGY

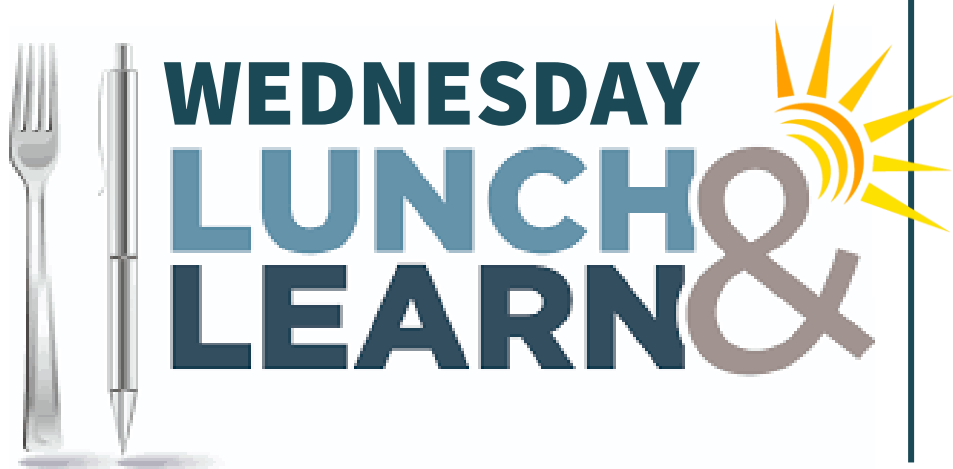
5. Review Estate Plan, Trust and Beneficiary Designations ... Regularly



QA HAVE QUESTIONS?



Hughes Financial Services' 20-minute virtual educational Lunch & Learn webinar sessions on a variety of financial planning topics are always recorded and available for you to replay at your convenience!



REPLAYS AVAILABLE AT WWW.H4FS.COM

> > Use the Events Tab and Workshops & Webinars Link

- 2021 Mid-Year Economic Update
- 2021 Taxes: What Do Current Tax Plans Mean For You?
- Cybersecurity in 2021: Protect Yourself From the Latest Scams & Crimes
- Estate Planning Under the SECURE & CARES Acts
- Estate Planning in 2021 with Guest Speaker Martha Sotelo, Esq.

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SOURCES: Clearanomics; IRS; US Department of Treasury; Michael Kitces; Keebler & Associates, LLP; APFA; Morningstar; Investment News

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