

# Wealth Management Strategies

Presented by:

CAPITAL ESTATE PLANNING

## The Cascade Plan

**A simple way to transfer your assets between generations while minimizing tax.**

### Your Situation

You have accumulated assets which you may want to pass to a child or grandchild after your death. However, you don't want the tax burden and probate fees to be part of the inheritance. And, in the meantime, you want to minimize the amount of annual tax you're obliged to pay.

### Your Strategy

You begin by setting up a Legacy Fund plan, naming a child or grandchild as the life insured/contingent owner and yourself as the owner. Over time, your policy deposits grow within the account tax-deferred. At your death, the policy and its cash accumulation transfers or "cascades" tax-deferred to the child or grandchild. This money can be used to help meet future needs, such as funding retirements or reducing a mortgage. And, you've provided your child or grandchild with an established life insurance portfolio as well as tax-deferred wealth. At the same time, you've minimized the tax payments that would have resulted if you didn't redirect your investment into a Legacy Fund

There's more: If your child or grandchild is below age 18 or if you are uncertain of his or her ability to handle cash, you can appoint your spouse or another child as contingent owner. This ensures that the child or grandchild cannot access the cash accumulating inside the policy without the contingent owner's permission. It also avoids taxes resulting from a disposition.

If a contingent owner is not available, you can achieve the same results by naming a trusted individual as irrevocable beneficiary. Then, when it's appropriate to transfer the contract to the child or grandchild, this person waives his or her rights and a new beneficiary is established.

*Legacy Fund. A simple way to transfer your assets between generations while minimizing tax.*

Talk to us at Capital Estate Planning for more information on the Cascade Plan or other wealth management strategies.



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