Navigating the SECURE Act's Impact on Inherited IRAs, Trusts, Estates & Probate

SAEPC PRESENTATION

NOVEMBER 13, 2024

Darryl J. Lynch, AIF ®
Managing Director – Investments
500 108th Avenue NE, Suite 2100
Bellevue, WA 98004 // P: (425) 709-0404

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Today's Topics

The Impact of the Secure Act

- Required Minimum Distributions
- Special Needs Trust
- Trust and Estate Planning

Inherited IRA Special Needs Trusts

- The Three-Step Transfer
- Case studies: Funding SNTs with Inherited Qualified Assets
- Options & Tax Savings

Investing & Monitoring SNT Accounts

- 7 Traps to Avoid as a Trustee
- How to Decide to Invest or Leave in Cash
- Conservator's Responsibilities

The SECURE Act & SECURE 2.0: Key Changes

- **Background:**
  - The SECURE Act (2019) and its enhancement, SECURE 2.0, introduced major updates.
- **Impact Areas:**
  - Changes affect retirement accounts, trusts, estates, and special needs planning.
- **Overview:**
  - Summary of the most significant updates follows.

1

Required Minimum Distributions (RMDs)

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- **Age Adjustments:**
  - Under SECURE 2.0, the starting age for RMDs increased.
  - **2023:** Age raised to 73.
  - **2033:** Age will increase further to 75

2

Inherited IRAs and the 10-Year Rule

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- **General Rule:**
  - Most non-spouse beneficiaries must fully withdraw inherited IRA assets within 10 years of the account owner's death.

- **Exceptions for Eligible Designated Beneficiaries (EDBs):**
  - Certain beneficiaries, such as individuals with disabilities, can stretch withdrawals over their life expectancy, enabling extended tax deferral.

3

Special Needs Trusts (SNTs)

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- **Designation as Beneficiaries:**
  - SNTs can be named as beneficiaries of retirement accounts. (Third Party)
  - Allows individuals with disabilities to receive extended distributions without affecting means-tested benefit eligibility.

- **Charitable Remainder Beneficiaries:**
  - SECURE 2.0 allows charities to be named as remainder beneficiaries of SNTs.
  - Does not affect the trust's favorable tax treatment.

4

ABLE Accounts: Expanded Eligibility

- **New Age Limit:**
  - Starting January 1, 2026, the age limit to open an ABLE account will increase from 26 to 46.

- **Benefit:**
  - Expands access to tax-advantaged savings for individuals with disabilities.

5

Trusts and Estate Planning

- **See-Through Trusts:**
  - Allows beneficiaries to use their own life expectancy for Required Minimum Distributions (RMDs).
  - Can extend the distribution period for each beneficiary.

- **Separate Account Rule:**
  - Applies if the trust divides immediately into separate sub-trusts after the owner's death.
  - Each sub-trust is treated individually, so beneficiaries aren't bound by the oldest beneficiary's life expectancy for RMDs.

SECURE Act 2.0: Separate Share Treatment Requirements

- **Immediate Division:**
  - The trust must be split into separate shares right after the participant's death.

- **No "Pick and Choose" Funding:**
  - Retirement benefits cannot be allocated at discretion across beneficiaries or sub-trusts.

Trust Protector Amendment Powers: Key Considerations

- **Potential Issue:**
  - If a trust protector has the power to allow "pick and choose" funding, it could raise concerns, even if that power is not used.
- **IRS and Court Interpretation:**
  - The existence of this power alone may be seen as a risk.
  - Could be interpreted as violating the prohibition against selective funding.
- **Impact on Separate Shares:**
  - May prevent the trust from qualifying for separate share treatment.

Points to Consider

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- **Trust Language and Powers:**
  - If the trust protector can decide fund allocation after death, it may disrupt the clear separation of shares.
- **IRS Scrutiny:**
  - The IRS might reject separate shares if the trust allows selective funding among beneficiaries.
- **Mitigation:**
  - Limit the trust protector's power to make post-death changes that could affect share division.
- **Trust Protector Powers Review:**
  - Broad trust protector powers could risk separate share disqualification under SECURE Act 2.0, even if selective funding isn't currently allowed.

Summary

- **Trust Protector Powers:**
  - If the trust protector can amend the trust to allow "pick and choose" funding after death, it could prevent separate share treatment, even if this power is not used.

- **Recommendation:**
  - Limit the trust protector's powers in this area.
  - Alternatively, include a provision in the trust document stating that amendments cannot impact separate share treatment of retirement benefits.

Inherited IRA Special Needs Trusts

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Self-Settled SNT under 42 U.S.C. §1396p (d)4(a)

- Irrevocable trust agreement created during the lifetime
- Created for the sole benefit of a person with disabilities under 65
- Established by an individual, parent, grandparent, guardian, or court
- Medicaid Reimbursement stipulations
- Must be funded with trust beneficiary's own funds before age 65

Inherited IRA Special Needs Trusts

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

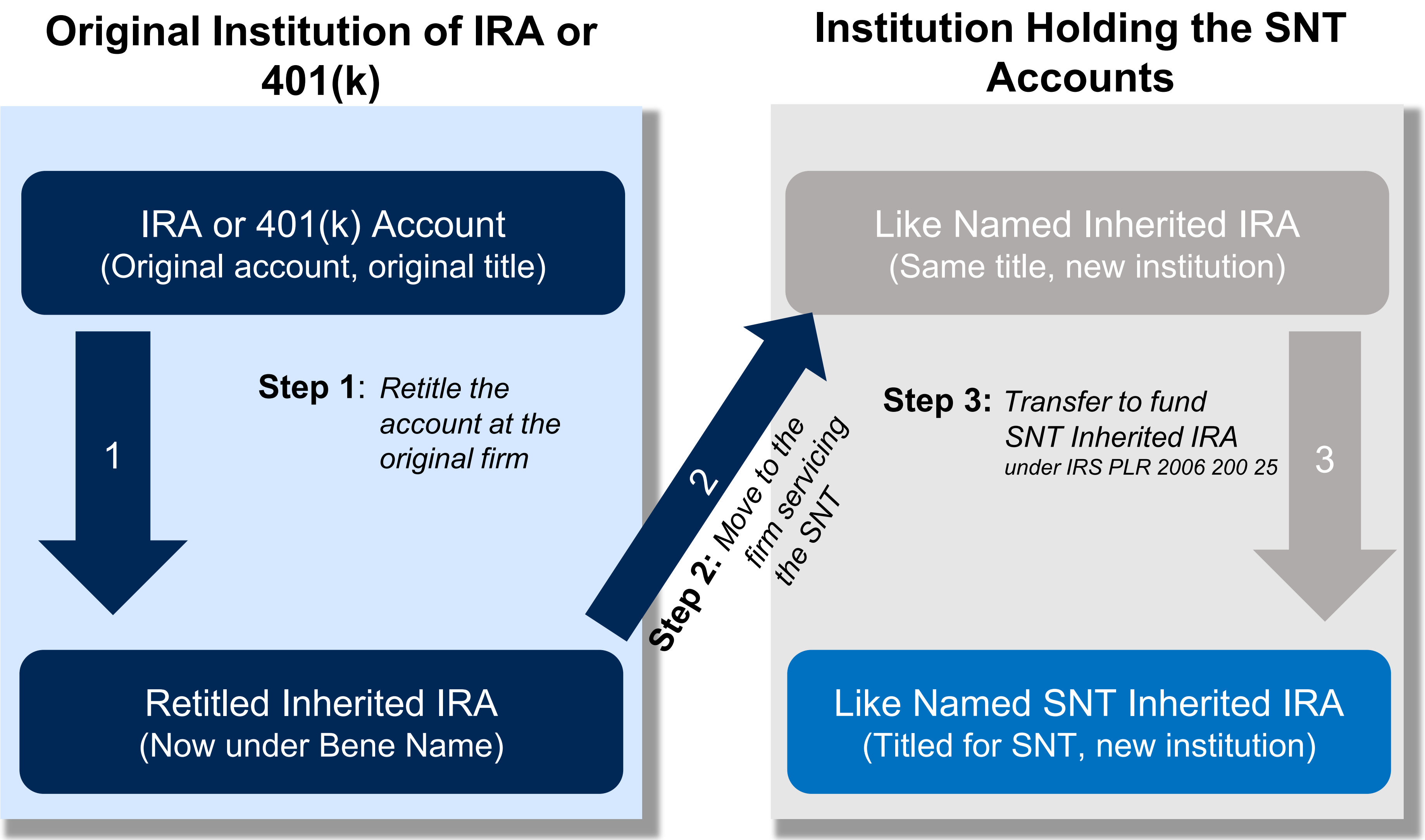
Funded with Inherited IRA under IRS PLR 2006 200 25 *

- Inherited IRA is put into beneficiary's name at current institution
- Funds are moved to a like named account at receiving institution
- Transferred into an SNT IRA account by Letter of Authorization

Timing counts: The three-step transfer must be completed quickly, so that funds don't remain in the beneficiary's name to affect benefits eligibility

* A private letter ruling, or PLR, is a written statement issued to a taxpayer that interprets and applies tax laws to the taxpayer's specific set of facts. A PLR is issued to establish with certainty the federal tax consequences of a particular transaction before the transaction is consummated or before the particular taxpayer's return is filed. A PLR may not be relied on as precedent by other taxpayers or IRS personnel. Some tax and legal practitioners may view the holdings of a PLR as an indication of the IRS position on a certain issue, and should be consulted prior to an individual using a PLR for guidance

Three-Step Transfer



THE LYNCH GROUP
of Oppenheimer & Co. Inc.

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Case Study on Inherited Qualified Assets

Let’s Look at Four Scenarios Around the Beneficiaries of a $1MM IRA

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- A decedent named two beneficiaries before passing away in 2020
- The beneficiaries were the decedent’s adult <u>son</u> and <u>daughter</u>
- Each child is a 50% beneficiary, and the son is a special needs individual

Case Study: The Daughter's Beneficiary IRA

The daughter receives $500K, half of the $1MM IRA/401(k), into a Inherited IRA under her SSN

Decedent's IRA or 401(k): $1MM

Daughter listed as beneficiary

Daughter's Inherited IRA
(Receives half of assets: $500K)

- Non-taxable transition
- 10 year set payout
- No stretch provision

Case Study:
The Son's Inheritance: 3rd Party SNT Inherited IRA

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Option 1

Moving the son's inherited assets ($500K) into a 3rd party SNT IRA

The 3rd party SNT is created with it's own TIN, and is named as the beneficiary of the IRA or 401(k)

Decedent's IRA or 401(k): $1MM

↓

Non-taxable Transfer

SNT listed as beneficiary

↓

Funds 3rd Party SNT Inherited IRA
$500,000

↓

3rd Party SNT Inherited IRA: $500,000
- No Medicaid clawback
- RMDs required
- Distributions taxable

Correct Titling is Critical

Correct titling enables a quick, smooth transfer process

- John Doe Jr SNT as Beneficiary for Jonathan Doe IRA”

Incorrect titling creates negative outcomes

- Time, effort, and documentation to correct
- Delay of the transfer process at a critical stage
  - Assets delayed while under the beneficiary’s name can affect benefits eligibility

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Case Study:
The Son's Inheritance: 1st Party Non-IRA SNT

Option 2

Moving the son's inherited assets ($500K) into a 1st party SNT

Funds pass to an inherited IRA for the son, under his SSN, *then* to a 1st party SNT with it's own TIN

Decedent's IRA or 401(k): $1MM

Son listed as beneficiary

Son's Inherited IRA
Distributions taxed appx 30%

Less $150,000 in taxes

1st Party SNT: $350,000

- Non-IRA SNT

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Case Study:
The Son's Inheritance: 1st Party SNT IRA

<u>Option 3</u>

Moving the son's inherited assets ($500K) into a 1st party SNT

Funds pass to the inherited IRA for the son, under <u>his SSN</u>, *then* are transferred to an SNT IRA per LOA

Decedent's IRA or 401(k): $1MM

Son listed as beneficiary

Son's Inherited IRA
Opened under his own SSN

Non-taxable transfer with LOA
Per IRS PLR 2006 200 25

1st Party <u>Inherited IRA SNT</u>
Opened under it's own TIN
$500,000 with stretch RMDs

+

Use a Non-IRA SNT account to receive RMDs

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Summary: Inherited Qualified Assets

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Named Beneficiary	Daughter's Bene IRA	Son's 3rd Party SNT IRA	Son's 1st Party Non-IRA	Son's 1st Party SNT IRA
Type of Account	Inherited IRA (No SNT)	3rd Party SNT IRA directly funded by son's inheritance	Trad. 1st Party Non-IRA SNT Funded by son's inherited IRA	1st party SNT IRA funded by son's Inherited IRA via "3 Step Transfer"
Taxable Event	No	No	Yes	No
Medicaid Clawback	N/A	No	Yes	Yes
Set Payout / Stretch	10 Year	Stretch *	N/A	Stretch *
RMDs Required	Yes	Yes	No	Yes

* While the transition to an inherited IRA in the beneficiary's name is not taxable, distributions are taxable.

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Timeframe

- The goal is to complete the transfer into the SNT Inherited IRA within a calendar month to avoid termination of Medicaid benefits.

- To accomplish this, we have three steps…

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

1 step

Prior to 1st of Month

- Establish Inherited IRA Account with original Firm

&

- Establish Inherited IRA and Inherited IRA SNT with the receiving firm

→ First of Month

2 step

1st of Month

- Fund Inherited IRA at Original Firm

&

- Notify the receiving firm to Initiate Transfer to Inherited IRA

→ Journal

3 step

Prior to Month End

- Sign Letter of Authorization to Transfer to Fund SNT Inherited IRA

&

- Receiving firm to Complete as a Non-Taxable Transfer SNT Inherited IRA

Key Benefits of Transfer

Non-taxable event

Maintain State Medicaid Benefits

Preserve More Assets for Client

Completed as a Non-taxable Transfer to SNT Inherited IRA

IRA Distribution	Federal Tax Rate		Tax
	Marginal	Effective	
$3,000,000	37%	35.61%	$1,068,163
$2,000,000	37%	34.91%	$ 698,163
$1,000,000	37%	32.82%	$ 328,163
$ 500,000	35%	28.84%	$ 144,220
$ 200,000	32%	20.04%	$ 40,087
$ 100,000	22%	14.77%	$ 14,768

Estates Named as Beneficiary

What if the estate is the beneficiary of qualified assets?

- Executor may be able to assign an IRA to a beneficiary
- Estate beneficiary establishes an Inherited IRA
- Assets are then transferred by LOA to the beneficiary
  - "John Doe Jr SNT as Beneficiary for Jonathan Doe IRA"
- Non-taxable transfer
- IRS PLR 2003 43 030

Important Items to Remember

1. Timing is critical

- Assets in a client's name at month-end may affect benefits eligibility
- Start early in a month and finish as quickly as possible
- A transfer in under 10 business days is possible with preparation

2. Prepare thoroughly

- Prepare the documentation for all steps before you initiate
- Have the trust established, TIN in hand, and trust accounts open
- Remember: Correct titling on each account is key to a smooth transfer
- Be ready with completed transfer forms, court orders, LOAs, etc.

3. Work with a fiduciary

- If you plan to invest assets, invest time in finding a fiduciary to help
- Confirm that the firm serving you allows Bene IRAs to be held in SNTs

Delegation to a Fiduciary for SNT Accounts

"Delegation. For a fiduciary without substantial investment expertise, it is both a good plan and protective against liability, to select an investment advisor."

National Guardianship Association

"The prudent investor rule is a test of conduct and not of resulting performance."

(760 ILCS 5/5) (Ch. 17, para 1675)

You Will be Judged on Your <u>Process</u> and <u>Procedures</u>

not

the Performance of the Markets

7 Traps to Avoid as a Trustee

1. Inappropriate Assets
2. Incorrect Mutual Fund Classes
3. Proprietary Investments
4. Over-Concentrations
5. Alternative Investments & Limited Partnerships
6. Fees & Commissions
7. Conflicts of Interest

#1: Inappropriate Assets

Avoid investing exclusively in stocks and annuities

1. **Individual stocks**
   - Market / Systemic Risk
   - Firm / Company Risk
   - Degrees of risk may vary, but no stock is immune
2. **Annuities**
   - Lack necessary liquidity
   - Create difficulties in accessing funds
   - Assets may be “locked up” for many years
   - Liquidation penalties and surrender charges are common
   - High internal costs

#2: Incorrect Mutual Fund Classes

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Mutual fund share classes determine costs and fees

Share classes include:

- A Shares: Front-end fees, lower expenses
- B Shares: No front-end fees, back-end fees, higher expenses; Convert to A shares after a period
- C Shares: No front-end fees, small back-end fees, high expense ratios; No conversions or discounts
- I Shares: No front- / back-end fees, low internal fees/expenses

Index Funds

Active vs Passive Management

#3: Proprietary Investments

Investment products created/sold by Advisor's firm

- Often mutual fund or annuity products
- Advisor may be incentivized to push proprietary products
- May create a conflict of interest

Red Flag: Portfolios invested heavily in proprietary investments

#4: Over-Concentrations

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

A large percentage or entire portfolio consisting of

- CDs – Inflation Risk
- Single stock holdings – Market Risk
- One asset class - For example:
  - All Growth Funds
  - All Tech Funds / FAANG Stocks → Facebook, Apple, Amazon, Netflix, Google
  - All Oil-based Investments

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

#5: Alternative Investments & Limited Partnerships

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- Low or no liquidity
- High up-front costs
- High internal fees
- Can be a “black box”
- K-1 tax reporting
- Difficult and costly to re-register or terminate
- Hedge funds
- Cryptocurrencies → Bitcoin, Bitcoin Cash, Ethereum, Cardano, Etc.

#6: Fees & Commissions

Fees

- Allow you to know the cost of management
- Usually charged as a flat rate – a percentage of assets
- Compare rates: Fees can be as high as 3%
- Gold Standard: 1% or less for asset management

#6: Fees & Commissions

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Commissions

- May be variable with total fees depending on several factors
- May create conflicts of interest
- Incentivizes more transactions, not necessarily more care
  - Excess trading / churning increases accounting and record-keeping costs
- In a commission account, total cost should still be 1% or less

#7: Conflicts of Interest

- Personal bias
- Commission accounts
- Proprietary investments
- Self-dealing

How to Avoid These Issues

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Standardize processes & document decisions

- Use objective methods for assessing risk, determining investment models, and evaluating performance

Implement proper controls

- Regular monitoring and review of accounts
- Information security and document retention

Delegate: Work with a fiduciary

Suitability: Evaluating Client Needs

- Time horizon
- Age & health
- Sources of income and total investable assets
- Annual expenses (individual & guardianship)
- Expected short fall (if any)
- Anticipated large withdrawals
  - Education, housing, vehicle, etc.
- Limitations or restrictions on investments

Deciding Whether to Invest

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- **Use objective standards & logical decision-making**

- **Ask common sense questions**
  - How does this meet the beneficiaries' needs / goals?
  - Is this the right level of risk / time-frame for the client?
  - How long will the funds last?
  - What are the client's income needs?

Deciding Whether to Invest

- **Tools to determine suitable investment options**
  - Objective scoring system
  - Quantifiable risk categories
  - Data-driven investment model
  - Standardized questionnaire

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Why do we use the Questionnaire?

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- Standardize our decision making
- Make objective decisions instead of subjective opinions
- Scoring the clients with quantifiable risk categories and models ensures that clients with similar risk categories have similar investment outcomes
- By using objective scoring systems, it allows you to document your decision-making process so you can defend it in court and with beneficiaries and heirs

When to use the Questionnaire

- When requesting proposal documents
- *Before* investing a client's funds
- When re-evaluating a client's status
  - Changes in a client's life that may impact the way we as fiduciaries should be investing on their behalf, include:
    - Major health events or expenses
    - Changes in spending / financial needs
    - Major Contributions and Distributions

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Sample Investment Profile Questionnaire

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

INVESTMENT PROFILE QUESTIONNAIRE

Sample

Date: ____________
Account Title: ____________
Investable Assets: $____________
Client's Age: ____________
Time Horizon: ____________
Proposed Model: ____________
Monthly withdrawal: ____________
Blocked Y/N: ____________

1. What is the size of the account? (Does not include real estate or personal property)

a)	$0 - $25,000	(2 points)
b)	$25,000 - $50,000	(4 points)
c)	$50,000 - $100,000	(6 points)
d)	$100,000 - $250,000	(8 points)
e)	$250,000 - $500,000	(10 points)
f)	$500,000 - $750,000	(12 points)
g)	$750,000 - $1,000,000	(14 points)
	*add 2 pts for each additional $250,000	

2. When do you anticipate that routine annual withdrawals exceeding 3% of invested assets (stocks, bonds, odds, etc.) will be needed from the account?

a)	Less than 3 years	(2 points)
b)	3 – 5 years	(4 points)
c)	5 – 10 years	(6 points)
d)	10 – 15 years	(8 points)
e)	15+ years	(10 points)

3. If any lump sum distributions are expected in the next 5 years, what is the approximate percentage of the current account value?

a)	No lump sum distributions are expected	(8 points)
b)	0% - 10%	(6 points)
c)	11% - 25%	(2 points)
d)	26% - 50%	(0 points)
e)	50% +	(-2 points)

4. During the next 5 years, any income that comes to the ward, outside of investment income (Social Security, annuity, wages, etc.) that will most likely?

a)	Decline	(-2 points)
b)	Client does not have outside income	(0 points)
c)	Remain about the same	(2 points)
d)	Increase slightly (1% - 3%)	(4 points)
e)	Increase significantly (4% or greater)	(8 points)

5. During the next 5 years, what percentages of the routine annual expenses are expected to be covered by income that comes to the guardian, outside of investment income?

a)	Client does not have outside income	(0 points)
b)	1% - 20%	(2 points)
c)	21% - 50%	(4 points)
d)	51% - 80%	(8 points)
e)	81% - 100%	(10 points)

6. What is the likelihood that large withdrawals will be made for the ward, due to an unforeseen circumstance (health reasons or legal problems, etc.)?

a)	Very Likely (81% – 100%)	(-2 points)
b)	Likely (66% - 80%)	(0 points)
c)	Somewhat Likely (35% - 65%)	(2 points)
d)	Not Likely (11% - 34%)	(4 points)
e)	Very Unlikely (0% - 10%)	(8 points)

7. If any significant non-routine distributions (home or vehicle purchases, college, etc.) are expected, when will they occur? If more than one is expected, when will the first distribution occur?

a)	Less than 3 years	(2 points)
b)	3 – 5 years	(4 points)
c)	5 – 10 years	(6 points)
d)	10+ years	(8 points)
e)	No lump sum distributions expected	(10 points)

SUBTOTAL: 36

8. During the next year what percentage of the current account value do anticipated net withdrawals represent? (Income + Investment Income – Expenses = Net Withdrawals)

a)	0% - 3%	(+15.0%)
b)	4% - 10%	(+12.0%)
c)	11% - 19%	(+6.0%)
d)	20% - 35%	(+3.0%)
e)	36% +	(- 3.0%)

9. What is the Ward's age?

a)	0 – 7 years	(+24.0%)
b)	8 – 15 years	(+18.0%)
c)	16 – 30 years	(+10.0%)
d)	31 – 65 years	(+ / - 0.0%)
e)	66 – 75 years	(-10.0%)
f)	76+ years	(-18.0%)

10. Based on known spending and with a 3% return on investments, how long will the account last?

a)	Less than 3 years	(-3.0%)
b)	3 – 5 years	(+ 3.0%)
c)	5 – 10 years	(+ 6.0%)
d)	10 – 15 years	(+12.0%)
e)	15 – 20 years	(+18.0%)
	* add 6 pts for each additional 5 years	

TOTAL SCORE:
00 – 19 = Capital Preservation
36 – 60 = Balanced Income
97 – 100 = Growth

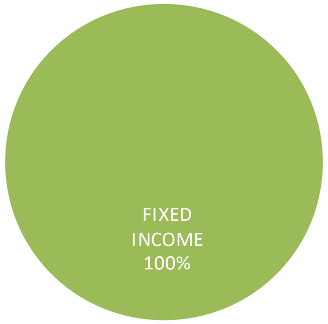
TOTAL SCORE: 43

APPROVAL SIGNATURE:

DATE:

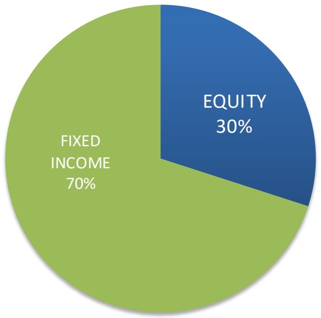
Allocation Models

CAPITAL PRESERVATION



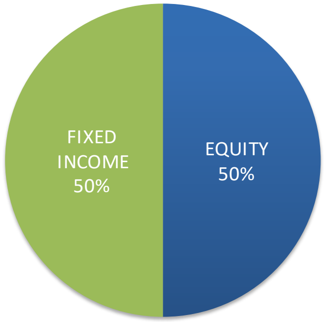
FIXED INCOME	**100%**
Ultra Short Term Fixed Inc.	24
Short Term Fixed Income	60
Intermediate Term Fixed	15
Cash	1

INCOME



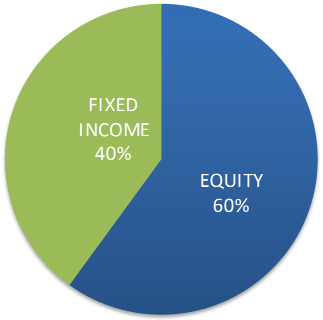
FIXED INCOME	**70%**
Short Term Fixed Income	29
High Yield Bonds	10
Intermediate Term Fixed	20
Long Term Fixed	10
Cash	1
EQUITY	**30%**
Large Cap Value	10
Large Cap Growth	9
Mid Cap Blend	6
International Equities	5

BALANCED INCOME



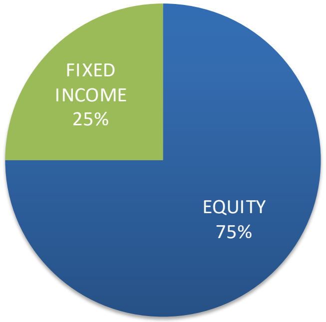
FIXED INCOME	**50%**
Short Term Fixed Income	19
High Yield Bonds	7
Intermediate Term Fixed	18
Long Term Fixed	5
Cash	1
EQUITY	**50%**
Large Cap Value	15
Large Cap Growth	14
Mid Cap Blend	10
International Equities	10
REIT	1

BALANCED GROWTH



FIXED INCOME	**40%**
Short Term Fixed Income	4
High Yield Bonds	7
Intermediate Term Fixed	18
Long Term Fixed	10
Cash	1
EQUITY	**60%**
Large Cap Value	15
Large Cap Growth	17
Mid Cap Blend	8
Small Cap Blend	6
International Equities	10
Emerging Markets	3
REIT	1

GROWTH



FIXED INCOME	**25%**
Short Term Fixed Income	5
High Yield Bonds	7
Intermediate Term Fixed	6
Long Term Fixed	6
Cash	1
EQUITY	**75%**
Large Cap Value	20
Large Cap Growth	20
Mid Cap Blend	10
Small Cap Blend	8
International Equities	10
Emerging Markets	4
REITS	3

The above allocation examples are for illustrative use only and are not intended as investment advice. The use of an asset allocation model does not guarantee a profit or protect against a loss in declining markets. You should discuss your individual situation with your financial advisor to find the right balance between risk and potential reward.

Investment Proposal Summary

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Sample Special Needs Trust

Account Name	Special Needs Trust
Total Investable Assets	$500,000
Type of Account	Trust
Monthly Withdrawal	N/A
Time Horizon	2 - 5 years
Risk Tolerance	Conservative - Moderate
Allocation Model	Income
Benchmark Model	70% Barclays Aggregate Bond Index / 30% S&P
Rebalancing Frequency	Semi-Annual
Blocked / Restrictions	n/a
Performance Reporting	Quarterly in Person Reviews

Oppenheimer & Co. Inc. Conservatorship accounts have the following costs and benefits:

- Oppenheimer's Annual Management Fee is 0.85%
- We provide opportunities for increased income for the client through proper asset allocation
- Oppenheimer holds approximately 9 – 12 securities in the portfolio, reducing annual accounting costs
- Each Oppenheimer model maintains proper diversification & receives regular rebalancing
- Provide standardized performance reports quarterly
- Ongoing monitoring & risk evaluation to keep in compliance with the Uniform Prudent Investor Act (UPIA)

This proposal is for illustration purposes only and is not a representative of the performance of any specific investment, and there is no guarantee that the hypothetical rate of return can be achieved.

Compound Interest Calculator (moneychimp.com)

Home | Calculator | Glossary | Search | Books

Compound Interest Calculator

Inputs

Current Principal:	$	
Annual Addition:	$	
Years to grow:		
Interest Rate:		%
Compound interest	1	time(s) annually
Make additions at	◉ start ○ end of each compounding period	

Calculate

Results

Future Value:	$	

- Compound Interest
- Present Value
- Return Rate / CAGR
- Annuity
- Pres. Val. of Annuity
- Bond Yield
- Mortgage
- Retirement

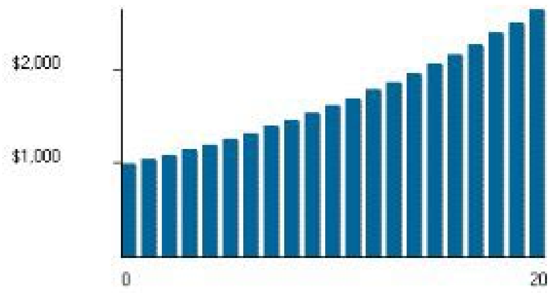
Compound Interest Formula

Compound interest - meaning that the interest you earn each year is added to your principal, so that the balance doesn't merely grow, it grows at an increasing rate - is one of the most useful concepts in finance. It is the basis of everything from a personal savings plan to the long term growth of the stock market. It also accounts for the effects of inflation, and the importance of paying down your debt.

See How Finance Works for the compound interest formula, (or the advanced formula with annual additions), as well as a calculator for periodic and continuous compounding.

If you'd like to know how to *estimate* compound interest, see the article on The Rule of 72.

(Also compare simple interest.)



Home | Calculator | Glossary | Search | Books |

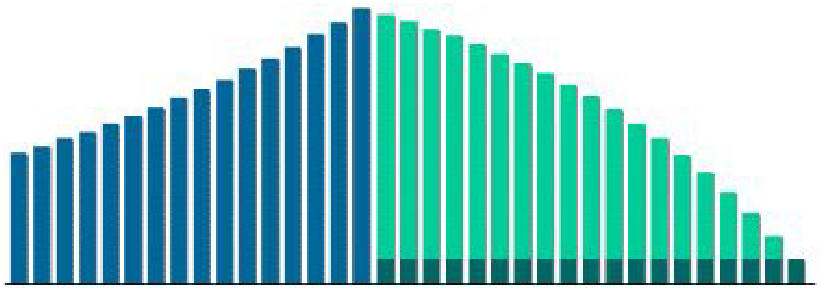
Simple Retirement Calculator

Inputs		
Current Principal:	$	
Pre-Retirement		
Annual Addition:	$	
Years to grow:		
Growth Rate:		%
In Retirement		
Years to pay out:		
Growth Rate:		%
	Calculate	
Results		
Annual Retirement Income:	$	

Compound Interest
Present Value
Return Rate / CAGR
Annuity
Pres. Val. of Annuity
Bond Yield
Mortgage
Retirement

Retirement Formulas

This calculator assumes a constant return rate, with your account growing like compound interest and then paying out like an annuity:



See the Risky Retirement Calculator to see how volatility affects retirement income.

Search For

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Risky Retirement Calculator (moneychimp.com)

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Home | Calculator | Glossary | Search | Books |

Retirement Calculator: Planning around Volatility

What will last longer - your money or yourself? This calculator uses historical stock market data to let you check your chances for a comfortable retirement.

Starting Principal at Retirement: $ 1,000,000
Time in Retirement: 40 years
Desired Annual Withdrawal: $ 40,000
☑ Adjust for Inflation
Principal you'd like to have left to leave to your heirs: $ 0

Portfolio: 60 % stocks / 40 % cash

Use market data from 1871 through 2021
"Stocks" lose 0.25 % in annual expenses
"Cash" earns 1 % above inflation

Calculate | Reset

Results

S&P 500 returns (dividends included): Robert Shiller and Yahoo! Finance

Retirement Planning - Success and Failure

Article

Market Abnormality
Significant Outliers
Ups and Downs
Long Term Risk
Momentum & Reversion
Crashes & Recoveries
Retirement Planning
MPT, VaR
Skill vs. Luck
Books & Links

Monitoring Accounts

- Performing regular reviews with your delegated Advisors are:
  - A fiduciary responsibility
  - An important tool
  - A best practice
- A fiduciary advisor should assist you on an ongoing basis with:
  - Periodic due-diligence and Suitability Reviews
  - Documentation
- Your advisor may provide standardized documentation

Advisory Account Portfolio
Review Log

OPPENHEIMER

Personal Information

Financial Advisor: Darryl J. Lynch & Peter C. Palumbo	FA#: ZV4 Branch: Bellevue, WA / St. Louis, MO
Client Name: Sample McExample	Conservator/Trustee: Pacific Northwest Guardians
Date of Meeting: 10/10/2019	☐ Phone ☐ In ☑ Out

Attendees: Darryl Lynch & Peter Palumbo of Oppenheimer; Joe B. Conservator, CEO of PNG

Account#:	Type:	Model:	Fee:	Blocked?
G71-XXXXXXX	Guardianship	Balanced Income	0.90%	Yes

Topics discussed during review meeting:

Economy in general	☐	Specific securities in portfolio	☑
Direction of financial markets	☑	Short term outlook / recommendations	☐
Investment objectives	☑	Long term outlook / recommendations	☑
Risk tolerance	☑	Changes in personal / financial profile	☐
Change in model	☐	Performance of the account	☑

Performance of the Portfolio

FY19 TYD performance: Portfolio is up +X.YX%

Notes on the Portfolio

Due to large gains in ABC fund, the account automatically re-balanced to the model at end of Q4.

Concentrated positions *(if so, explain)*

None at this time. Account diversified according to 2019 Balanced Income model standards.

Darryl J. Lynch, AIF®
Managing Director – Investments
Oppenheimer & Co. Inc.
500 108th Avenue NE
Suite 2100
Bellevue, WA 98004
(425) 709-0404
darryl.lynch@opco.com

Joe B. Conservator — 10/10/2019
Conservator/Trustee Signature — Date of Review

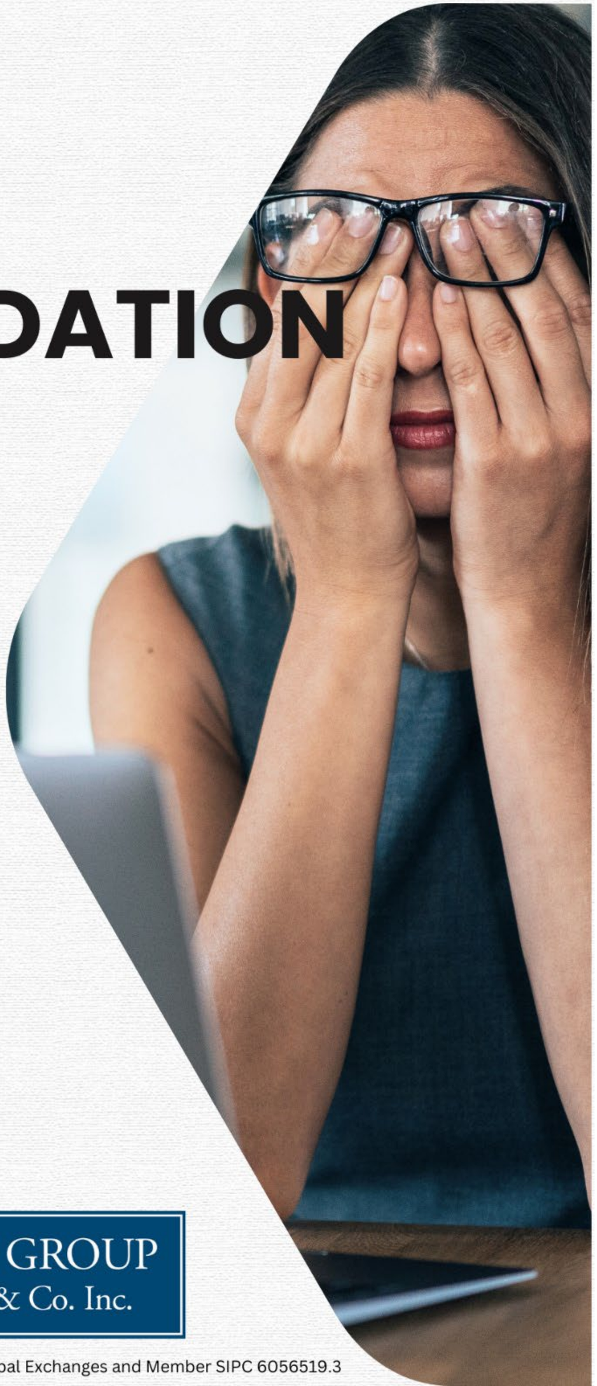
Darryl J. Lynch — 10/10/2019
Financial Advisor's Signature — Date of Review

Conservator’s Responsibilities

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

- Confirm investment goals and objectives
- Approve appropriate asset allocation strategy
- Establish or approve an explicit, written IPS
- Prudently select service providers
- Incur only reasonable expenses
- Monitor the activities of the overall investment program, including service providers
- Avoid conflicts of interest
- Documentation

PROBATE ESTATE CONSOLIDATION



ONE OF OUR KEY SPECIALTIES IS STREAMLINING THE CONSOLIDATION OF DECEDENTS' ESTATES. THIS SERVICE ALLOWS YOU TO SAVE VALUABLE TIME & MONEY AND AVOID THE COMPLEXITIES OF DEALING WITH COMPUTERSHARE, TRANSFER AGENTS, MEDALLION SIGNATURES AND MULTIPLE FINANCIAL INSTITUTIONS.

CONTACT US
425-709-0404
DARRYL.LYNCH@OPCO.COM

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Connect with Us

Contact Information

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

Darryl J. Lynch, AIF®
Managing Director – Investments
425-709-0404 Phone
425-709-0410 Fax
800-531-3110 Toll Free
darryl.lynch@opco.com

Lynch Group of Oppenheimer & Co. Inc.
500 108th Ave NE, Suite 2100
Bellevue, WA 98004

SCAN ME

IMPORTANT INFORMATION

THE LYNCH GROUP
of Oppenheimer & Co. Inc.

This presentation is intended for informational purposes only and is subject to change without notice.

For further information about the products/programs available and their suitability for your portfolio, please contact your Oppenheimer Financial Advisor. Any discussion of securities, should not be construed as a recommendation or an offer or solicitation to buy or sell interest in any securities.

Oppenheimer & Co. Inc. does not provide legal or tax advice.

Presentation approved: 07/12/2024 Tracking # 4842462.1