



Below is a view of the Workbook Main Window from Wealthy and Wise® used for Blog #198 along with a description of the three scenarios.

Client Workbook Edit Tools Options Help

For the columns below, display values for client age: 94

Scenario Storage Name	Net Worth	Taxable Estate	Wealth To Charity	Wealth To Heirs	Liquid Assets
1. Use Liquid Assets	\$4,415,283	\$4,542,764	\$0	\$4,433,495	\$364,231
2. Reverse Mortgage	\$6,375,537	\$6,975,446	\$0	\$6,461,239	\$6,237,144
3. Reverse Mortgage + Roth + IUL	\$7,530,007	\$7,562,137	\$0	\$7,562,137	\$6,125,904

To save re-entering all the data:  
When finished preparing Scenario #1, copy it for Scenario #2 and add the reverse mortgage data;  
When finished preparing Scenario #2, copy it for Scenario #3 and add the Roth IRA and IUL.

Comparison Storage Name	Scenario #1 Description	Scenario #2 Description	Scenario #3 Description
Compare Strategies #1	1. Use Liquid Assets	2. Reverse Mortgage	
Compare Strategies #2	1. Use Liquid Assets	2. Reverse Mortgage	3. Reverse Mortgage + Roth + IUL

Storage names can be edited on this screen by single-clicking the selected storage name.

Preview or Print Client Presentation...

Workbook file name: Blog #198.lww

Scenario 1: Use Liquid Assets. This is the current retirement plan for Joe and Annie Jordan.

Scenario 2: Reverse Mortgage. Two 401(k)s are converted to Roth IRAs on the Retirement Plan Assets tab:

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

Defined Contribution  
  Inherited Def. Contr.  
  Roth Def. Contr.  
  Inherited Roth Def. Contr.  
  Defined Benefit

Client  
  Spouse  
  Client  
  Spouse  
  Client  
  Spouse  
  Client  
  Spouse  
  Client  
  Spouse

Include Roth defined contribution plan for Joe Jordan

Roth Status

- Client has a current Roth
- Client does not have a current Roth but intends to convert an existing Defined Contribution plan to a Roth
- Client has a current Roth and intends to convert an existing Defined Contribution plan to a Roth

Yield

- Yield: 7.00 %    Use a 2nd yield: 0.00 %   Starting at age: 60
- Schedule yields
- Stored schedules: [ ]   Review

Withdraw funds:

- as needed (use like any other liquid asset)
- per schedule: Schedule... thereafter as needed
- per schedule: Schedule... and for no other purpose
- using level after tax distributions that deplete the account over 0 year(s), starting at age 65

Schedule Roth conversion

Conversion details:

The source of the funds for the income tax due on the Roth conversion can be selected on the "Schedule" screen.

Account data

Client age when current Roth was established: 55

Current value: \$0   Remaining cost basis: \$0

Schedule additional contributions:

Roth management fee: 0.5000 %

Charitable bequests

- Include Charitable Bequests at age: 60
- 100.00 % of retirement plan asset value
- Up to \$0 in value

Roth IRA Conversions

Change level amount  
 Level amount: \$0  
 in all years  
 from age: 60 to: 94  
 Apply  to col 2  to col 4

Change growth rate  
 Rate: 0.00 %  
 Use a second rate of 0.00 %  
 Starting at age: 60  
 Apply  to col 2  to col 4

Interpolate values  
 From age: 60 to: 94  
 Apply  to col 2  to col 4

Level depletion  
 Level amount that depletes the account over 10 years starting at age 60  
 Apply

Income tax on Roth IRA conversion  
 Let the system figure it out  
 I'll specify the amount  
 Change Roth IRA Conversion Income Tax Rate...

Source of funds for the income tax on the Roth Conversion:  
 Any excess cash flow followed by my liquid assets based on the prioritization established under the Prioritize the Use of Assets sub-tab available under the Illustration Details tab.  
 The following liquid asset: Taxable account @ 3.00%

Year	Ages	(1) Value of Account (After Required Min. Distr.)	(2) Conversion Amount	(3) Conversion Amount Including 0.00% Growth	(4) Income Tax on Conversion	(5) End of Year Value in Account
1	60/60	700,000	91,310	91,310	31,959	648,042
2	61/61	648,042	91,310	91,310	31,959	592,725
3	62/62	592,725	91,310	91,310	31,959	533,831
4	63/63	533,831	91,310	91,310	31,959	471,130
5	64/64	471,130	91,310	91,310	31,959	404,375
6	65/65	404,375	91,310	91,310	31,959	333,305
7	66/66	333,305	91,310	91,310	31,959	257,640
8	67/67	257,640	91,310	91,310	31,959	177,083
9	68/68	177,083	91,310	91,310	31,959	91,318
10	69/69	91,318	91,318	91,318	31,961	0
11	70/70	0	0	0	0	0

**Scenario 3: Reverse Mortgage + Roth + IUL.**

Wealthy and Wise (v 13.0) - Blog #198 - 3. Reverse Mortgage + Roth + IUL

Client Workbook Edit Tools Options Help

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

Include Other Current Assets  
 Inside the Estate  Outside the Estate  Grantor Trust

Life insurance inside the estate

Include Add Indexed IUL Schedule...  
 Include Current Split Dollar Plan Schedule...  
 Include Proposed Life Insurance Schedule...

Note: Liabilities that reside inside the estate should be entered on the Illiquid Assets tab.

**Comparisons:**

Comparison Storage Name	Scenario #1 Description	Scenario #2 Description	Scenario #3 Description
Compare Strategies #1	1. Use Liquid Assets	2. Reverse Mortgage	
Compare Strategies #2	1. Use Liquid Assets	2. Reverse Mortgage	3. Reverse Mortgage + Roth + IUL

For comprehensive printing of Scenarios and Comparisons in Wealthy and Wise, use this selection (located on the bottom right of the Workbook Main Window):

Preview or Print Client Presentation...

**Important:** In all three Scenarios, there is a critical prompt on the Prioritize the Use of Assets sub-tab located on the Illustration Details tab. [Click here](#) for important information about this prompt.

**Importing Basic Illustration Data into InsMark Systems:** The source of illustration data is 1) via a link from the life insurance company whose basic illustration software you are using, or 2) from a Winflex connection that has links with InsMark, or 3) from your hand-entered data in InsMark Source Data Storage. The first two are the most reliable because the source of the data is the insurance company's basic illustration.

There are, however, three ways to hand-enter illustration data in InsMark Source Data Storage:

- 1) Enter pertinent data along with year by year numerical values in the arrays in InsMark's Source Data Storage. This procedure is simple to do for most of the prompts, although entering several years of cash values and increasing death benefits can be tedious (unless you have staff who can do it for you).

**Caution: Be very careful when you hand-enter data. Mistakes are easy to make, and you should have a second set of eyes evaluating your results.**

- 2) Print a pdf of non-guaranteed values from the basic illustration, convert that pdf to an Excel file ([PDF Converter Elite](#) can do this), and copy the columns of premiums, withdrawals, loans, cash values, and death benefits from Excel into the arrays in InsMark Source Data Storage.
- 3) View InsMark's video tutorial using the Acrobat Reader. [Click here](#) to view that video.

**Important Note #1:** The hypothetical life insurance illustrations and alternative investments referred to in this report assume the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. Actual illustrations of life insurance are not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Important Note #2:** 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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