



WINDFALL GAINS

Simple Tax Strategies for all kinds of gains,
planned or *NOT*.





DISCLAIMER

All information and discussions regarding potential windfall gains, events, taxes, and plans are for educational and entertainment purposes only. MaxPlans for Life Inc. and all affiliate companies, representatives, associates, or employees are hereby held harmless and disclaim any results coming from this, or future, events regarding tax implications and strategies. Effective and established tax planning needs to be done with licensed professionals of your own choosing.

MaxPlans for Life Inc. is a Utah based service owned by attorney, David Steffensen.

David has been practicing law, especially in estate planning, for over 30 years.

Bob Adams, the manager of MaxPlans for Life, has a 31 year career as a professional tax preparer specializing in tax strategies for small business owners.

All of the services offered by MaxPlans for Life Inc. are considered, “vanilla”, or already proven methods acceptable as standard options for the IRS.

The idea of MaxPlans was created as the need for a simple, practical, and an economical way to prepare for windfall gains became apparent. The items being presented to you in this video are legal, ethical means, and apply to about 90% of known potential, and unknown financial happenings.

Once you elect to utilize any of these services, (which can be applied to multiple gains), you become a member with access to our website, which contains additional educational information.

SO, what kind of windfall gains can use Maxplans for Life?



Dave Steffensen



Bob Adams



Exotic Currencies



Inheritance



Cryptocurrencies



Forex Trading



Precious Metals



Real Estate



Lottery



Gambling



Gift

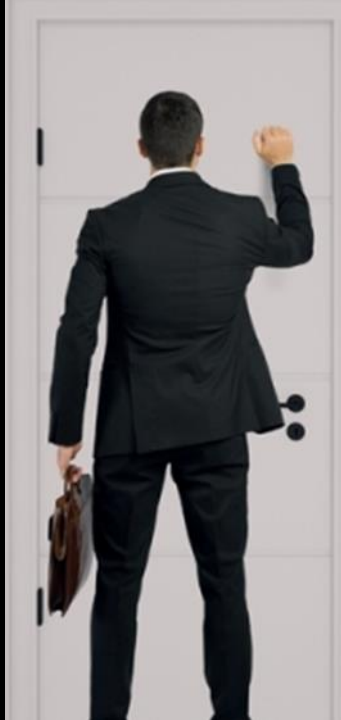


THE INVESTMENT PAID OFF!



**And all their
dreams came
TRUE!**

Then one day, there's a knock on the door.....



Life after winning the lottery or successful investing may not stay glamorous forever. Whether they receive \$500 million or \$1 million, about 70 percent of large windfall recipients lose or spend all that money in five years or less.

Worse than spending all that money is the taxes that were ignored. Suddenly, all the joy, prestige, parties, and items purchased for friends dim under the scrutinizing eyes of the IRS.

IT DOESN'T HAVE TO BE THIS WAY!

Properly planned tax strategies, either before or after sudden wealth, can reduce, defer, or even ELIMINATE taxes on those gains.

Let's look at just one example how tax planning made all the difference.

In this example of an investment that cost \$1,000, but is projected to return \$1,000,000.



Purchased an investment for \$1,000



Projected value would increase to \$1,000,000



This particular investment type is treated as ordinary income. They decide to cash it all in at once. Here is the result:



A “taxable event” occurred at the moment the exchange happened. It is exposed to a federal rate of **37%** and a California state rate of **13%**. That means 50% of this investment is now **GONE** in taxes.



That leaves \$500,000 for them to invest. As they invest those remaining funds, the gains from the investment is **TAXED AGAIN!** And, because it’s an investment, there is exposure to potential losses in the markets.



Their investment, which could have served them the rest of their lives, is now small, or non-existent.

Let's look at this same investment, but put into a **ROTH IRA**.

The ROTH IRA is a retirement account funded by actively earned and taxed income.

The investment needs to be in a ROTH **PRIOR** to any gain in value. There are certain requirements to qualify for a ROTH; contributions are limited by age and income, the ROTH must be aged the required 5 years, and withdrawn at 59.5 years of age.



The gain, because it increased under the umbrella of the ROTH, is **TAX FREE**.

In addition, any other investments done in the ROTH with the revalued gains are also, **TAX FREE**.

The funds in a ROTH can be handed down to heirs, **TAX FREE**, but the ROTH is also considered to be part of an estate. Planning around estate taxes is also crucial and should be part of your overall financial/tax planning.



Because the funds coming from the ROTH are completely **TAX FREE**, they may be used any way the owners wish. Establishing an ongoing investment strategy, potentially including an annuity, could gain a lifetime of income, (once again),

TAX FREE!

Let's look at this same investment, but they decided to use a **Charitable Remainder UniTrust (CRUT)**

The CRUT is a great post instant wealth option. It's an irrevocable trust intended for charities upon the beneficiaries passing. Funds put into a CRUT are exchanged in a **TAX FREE** environment, then invested, or put in an annuity for a guaranteed payment. The beneficiaries receive payments that are taxed based on the classification of the investment.



The trust beneficiaries receive 5% annually of the value of the CRUT. That comes out to \$50,000 per year, potentially **FOR THE REST OF THEIR LIVES!**

They invested the entire amount **TAX FREE**, and only pay income/capital gains, (dependent on the type of investment), taxes on the payments to them. Upon their passing, the remaining funds are released to their selected charities.



They got a write off on schedule A for the original contribution, potentially recovered their original investment in 20 years, (or longer depending on their life span).

NOTICE

The CRUT is the gateway to satisfying most investors long term plans.

Let's look at this same investment, but they decided to use a Charitable Remainder UniTrust (CRUT) with an annuity.



Their CRUT offered TAX DEFERRED income, (reducing their tax exposure,) while retaining the full value for investing.

They may elect to use an annuity. The annuity offers benefits besides potentially guaranteed income for life.



Long term health insurance to cover anticipated medical expenses from aging.

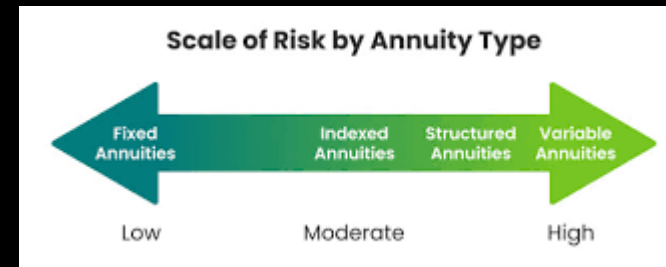


Death benefit for the amount originally put in the CRUT, which goes to their heirs **TAX FREE**.

An annuity is a long-term investment that is issued by an insurance company and is designed to help protect you from the risk of outliving your income. Through annuitization, your invested funds, (what you contribute), are converted into periodic payments that can last for life.

There are four basic types of annuities to meet your needs: **immediate fixed, immediate variable, deferred fixed, and deferred variable annuities.**

When creating your CRUT with an annuity, you get to select the type that works best for you. A return over 5% retains your original principle.



Let's look at this same investment, but they decided to use a Charitable Remainder UniTrust (CRUT) with a private foundation.



The benefit of using the CRUT is not only the deferred taxes and lifetime income, but the remaining funds on passing goes to charities of your choosing. Many investors desire to share their new wealth with charities suited to their perspectives. The CRUT allows up to 6 chosen charities to benefit from your remaining funds.



An option to retain the funds for the family is to create a Private Foundation. You can change your CRUT, and indicate the remaining funds to your private foundation at a later time. This would allow the perpetual giving while having the family, (potentially for many generations), reap the rewards of your windfall gain.



The original investment has:

1. paid out for a lifetime,
2. covered medical costs,
3. paid heirs with death benefit,
4. And possibly continued for generations.

Let's do a quick review of the CRUT and the value it can have for your financial future plans.

THE CRUT IS THE GATEWAY



- It defers and reduces taxes on our investment exchange.
- It can offer you and your spouse, (over 40 years of age), lifetime income with a lower tax rate.
- It can offer you and your spouse 20 years of income at a lower tax rate if you are younger than 40 years of age.
- It can potentially offer long term health care and death benefits.
- It can be invested in various options to maintain or increase its value,
- **TAX FREE** (Meaning all transactions under the CRUT are non taxable.)
- It can give your remaining funds to up to 6 charities of your choosing.
- It can give your remaining funds to your private foundation and maintain your charitable desires after your are gone.
- The private foundation can potentially provide income to your heirs, and their heirs, for generations yet to come.
- It REDUCES estate taxes



THE TAX BENEFITS OF USING A CRUT

Exchanging <u>WITHOUT</u> a CRUT	\$1,000,000
Federal taxes for single	\$329,429
Federal taxes for married	\$297,236
Single balance to spend/invest	\$670,571
Married balance to spend/invest	\$702,571
Then add state, county, city taxes	\$?

Potentially lose up to nearly 50% on taxes

Any gains from investments after paying are still subject to more taxes.

Exchanging <u>WITH</u> a CRUT	\$1,000,000
Federal taxes for single/married	\$0.00
State, County, City taxes	\$0.00
Amount to invest	\$1,000,000
Taxes on 5% for single	\$4,298 X 20 yrs = \$85,960
Taxes on 5% for married	\$2,593 X 20 yrs = \$51,860

State, County, and city taxes will be less

100% of your \$1,000,000 went into investments and future gains are **TAX FREE**.

SO, by using a CRUT, you save: SINGLE	\$329,429 - \$85,960 = \$243,469
MFJ	\$297,236 - \$51,860 = \$245,376

That's nearly a quarter of a million back in your pocket.

One final note on estate planning.



When large windfall gains happen, one of the usually overlooked aspects is estate planning.

The estate tax is applied to the remains of your estate once you and your spouse pass away.

It's percentage is around 40% on funds OVER an established cap.

The cap is usually established by each new administration and can be subject to wide swings in value.

For example, the cap on an estate now is over \$12 million, (over \$24 million for married couples).

If your estate, (all ownings; real estate, businesses, equipment, jewelry, accounts, etc.), is valued less than the current cap, then you don't have much to worry about.

BUT,

When the current cap expires in 2025, it is scheduled to return to \$7 million, (\$14 million for married couples).

AND,

If the current administration achieves its desired cap, it could be less than \$3 million, (6 million for married couples).

This is where Gifting Assignments come into play.

Creating these documents before the gain, assigning individuals and amounts PRIOR, can reduce the estate value.

These are easy to create and store.

In the end you may not need them,

BUT,

**It's better to have them and NOT need them,
than to need them and NOT have them.**

These strategies can be applied to any investment.

As you can see, there is a HUGE difference in results using practical tax applications.

MaxPlans for Life Inc. offers four easy procedures to assist in preparing for windfall gains. These are:

1. UNLIMITED GIFTING ASSIGNMENTS (documents)
 - Used to reduce potential estate tax exposure by gifting anticipated gains to family members prior to the actual increase.
 - Unlimited digital documents stored as PDF files to be used as needed.
2. ROTH OPTIONS (instructions and links)
 - Precious Metal Roths for exotic currencies
 - One member LLC Roths for individuals to manage multiple investments on their own
 - Crypto Roths
3. Charitable Remainder UniTrust (CRUT) (documents)
 - Lifetime income
 - Potential annuity with health and death benefits
 - Potential use of remaining funds for family private foundation
4. Website with continuing education and webinars
 - Estate planning
 - Crypto investing and taxes
 - Resources for professionals in your state of residency

Selection of any, or all, of these services automatically enrolls you as a member with access to our ongoing education.

Each investment has 3 parts:

- Research
- Tax Strategies
- Acquisition

IQD



RESEARCH

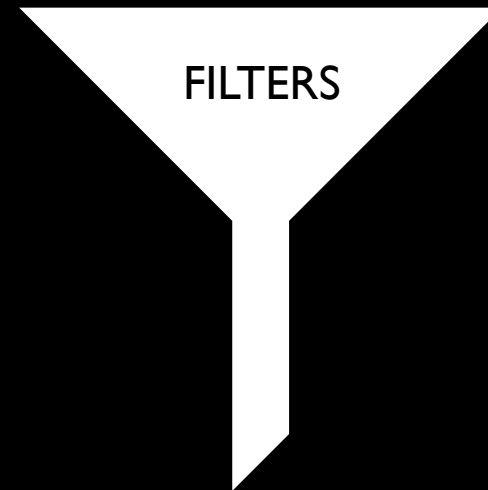
- IQD has a potential 1,000+% gain
- Considered ordinary income
- Odds are moderate within the next few years
- Not actively trading now

Tax Strategies

- Create ROTH for personal TAX-FREE gains
- Complete Gifting Assignments to reduce estate taxes
- Complete CRUT documents to:
 - Create lifetime income and charitable legacy
 - Potential Private Foundation for heirs

Acquisition

- Purchase directly from private or commercial sources for personal or CRUT purposes
- Purchase via custodial service for Precious Metal Roth
- Purchase directly from qualified sources for one-member SDIRA Roth



Each investment has 3 parts:

- Research
- Tax Strategies
- Acquisition

Cryptocurrencies



RESEARCH

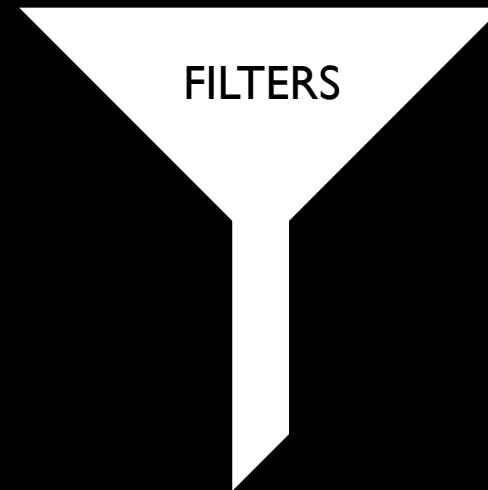
- Has a potential 100,000+% gain
- Considered Capital Gains
- Odds are high return within the next few years
- Actively trading at this time

Tax Strategies

- Create ROTH for personal TAX-FREE gains
- Complete Gifting Assignments to reduce estate taxes
- Complete CRUT documents to:
 - Create lifetime income and charitable legacy
 - Potential Private Foundation for heirs

Acquisition

- Purchase directly from exchanges for personal or CRUT purposes
- Purchase via custodial service for CryptoRoth
- Purchase directly from qualified exchange for one-member SDIRA Roth



The tax and investment funnel.



THANK YOU

To learn more about MaxPlans for Life Inc. talk with the person that referred you.

Our affiliates are well versed in these options and are active members of MaxPlans.

We look forward to sharing these tax saving options with you in the near future.