How will you be remembered?

Your 5-minute Guide to Wealth Transfer Strategy

Nationwide®
On Your Side

You've accomplished a lot in your life — but you're not done yet. With careful planning, you could give serious financial support to the people and causes you care most about.

This may take more than a simple will. With a professional estate plan, you can direct how and when you want to benefit others:

- Children
- Grandchildren
- A community organization
- A college
- A charity

The memories you'll leave to others are priceless. By leaving a financial gift as well, you may be able to make a difference that lasts for generations to come.

Pass more on

Little moments of giving come naturally — greater gifts take some planning.

The first step in developing a strategy for transferring wealth is to identify what assets you won't need in retirement. Then position these assets so they offer more advantages to you and your beneficiaries.

Whether your strategy makes use of lifetime gifts, inheritances, trusts or endowments, it should ideally enable you to maximize the amount of wealth you transfer. It may also help reduce or eliminate several kinds of risk, including the risk:

- Of income tax reducing the amount you give
- Of estate tax further shrinking what you leave to your beneficiaries
- Of delays in settling your estate that may lead to additional expenses for your family

In short, you want a wealth transfer plan to help you make gifts and leave inheritances as tax-efficiently as possible.

A plan with a view

Most people who develop a strategy for transferring wealth are over age 59½, so they have a good view of their retirement horizon. They also have ample financial resources for retirement and emergencies.

You'll see a lot of information in this brochure on taxes. It's important to remember that the complexity and ever-changing nature of taxes could result in changes not discussed here. And because Nationwide® and its representatives don't give legal or tax advice, it's a good idea to talk to your legal or tax advisor for any specific questions you have.

How much is enough?

It's impossible to predict just how much you'll spend in retirement. Because of the uncertainties of life expectancy, economic factors, interest rates, and inflation, even the best estimate is still a guess. So even though you may want to leave a lot to your beneficiaries, make sure you don't tie up money you may need for yourself.

One useful approach could be to fund your strategy with life insurance. Consider these advantages:

- Your beneficiaries may receive substantially more than you could otherwise leave them
- The policy proceeds are income tax-free, further increasing their inheritance
- Payment of the death benefit may not be held up by probate

If you're concerned about estate tax, the life insurance policy can be owned by a life insurance trust or other qualified third party, which will remove it from your estate.

As your personal situations change so will your life insurance needs. Care should be taken to ensure a fixed life insurance policy remains suitable for long-term life insurance needs.

Life insurance has fees and charges associated with it that include costs of insurance that vary with such characteristics of the insured as gender, health and age, and additional charges for riders that customize a policy to fit your individual needs.

Finding the right funding for you

The key is to find a source of funds you can use without weakening your own financial security. Some of your choices include:

- Making systematic withdrawals from an existing asset
- Annuitizing an existing deferred annuity that starts paying you regularly

To qualify for life insurance, you must meet certain medical and financial requirements. Your insurance or investment professional can tell you more about these criteria and the underwriting process.

Out with the old — in with the new

You may have an asset whose income you don't really need. Or perhaps an underperforming asset you could sell, using the proceeds to buy fixed life insurance — while possibly benefiting from a tax loss.

Even if the days of a regular paycheck are behind you, there are several ways to fund a life insurance policy, including:

- Interest or principal from a CD
- Required minimum distributions (RMDs) from an IRA
- Social Security or annuity income you don't need
- Fixed annuities
- Money market funds

The fine print — only bigger

When considering strategies for transferring wealth, there are a few other things you should know:

- **Money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency; although they seek to preserve the value of your investment at $1.00 per share, it's possible to lose money**
- CDs are insured by the Federal Deposit Insurance Corporation and offer a fixed rate of return
- Fixed annuities offer a guaranteed rate of return subject to the claims-paying ability of the issuer

Getting started

With any type of estate planning, you'll need to consult a qualified estate planning attorney who will work with your insurance or investment professional to properly address your need. Consider taking the following steps:

1. Set an appointment with your attorney and your insurance or investment professional to discuss your personal situation and the options available to you.
2. Complete a fact-finder that sums up your needs and financial holdings.
3. Identify assets you will not need for retirement income and are interested in leaving to others.
4. Work with your insurance or investment professional to determine ways to implement your wealth transfer goals.
5. Review possible methods of funding your plan to determine a strategy consistent with your needs and to increase the benefit to your heirs.

Now may be your best time to prepare for the needs of those you care about. Your financial legacy can give them a better chance to do great things.

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