

BUILDS

Not financial advice™

# LEGALLY AVOIDING TAXES FOR ENGINEERS

# Agenda

Budgeting

Investing

Avoiding Taxes (Legally)

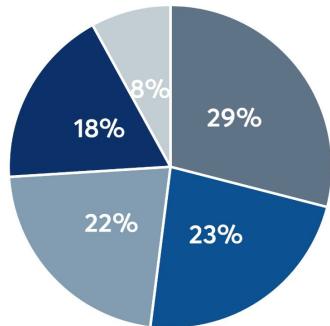
Credit

What can you do today?

# Why is budgeting important?

## Do Americans have enough emergency savings?

- 6 months-plus, 29%
- 3 to 5 months, 18%
- Less than 3 months, 22%
- None, 23%
- Don't know, 8%



Source: Bankrate

## AVERAGE DEBT

Here's a look at the **average debt** carried per US household broken down by type:

	Credit Card.....	<b>-\$6,270</b>
	Automobile.....	<b>-\$11,156</b>
	Student Loans.....	<b>-\$12,459</b>
	Mortgage.....	<b>-\$135,737</b>

Assuming a **5%** rate, the average household is paying **\$8,594** in interest every year. If that money was invested instead, after 40 years it would turn into **\$3,974,049**. Don't let banks keep you broke.



PERSONAL**FINANCE** CLUB

# Budgeting

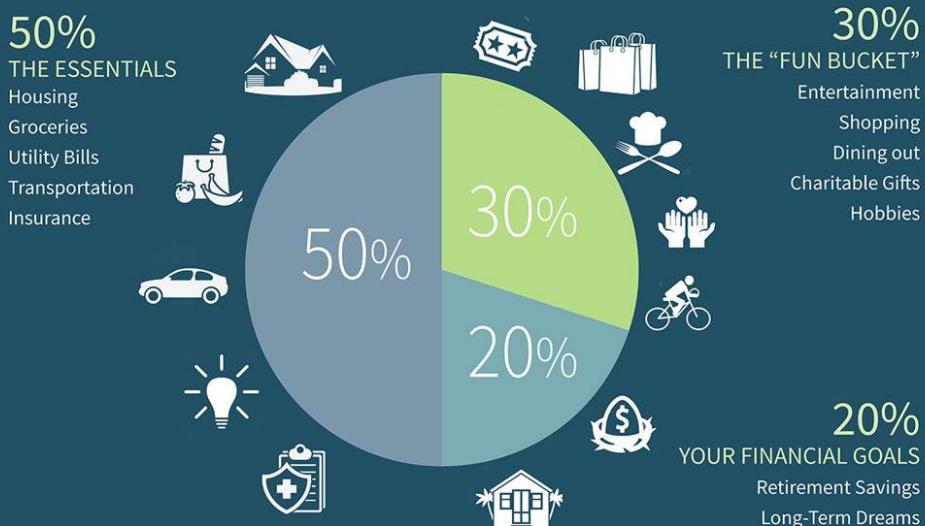
A starting point:  
\$4000/mo

50% to needs: \$2000  
30% to wants: \$1200  
20% to savings: \$800

Remember: just a  
starting point! Modify  
to suit your situation.

## THE 50/30/20 BUDGETING RULE

Having a budget can be essential for a healthy financial future, but how do you get started? A percentage-based budget can be a great way to get the ball rolling towards financial security! This type of budget provides an easy way to divide your after-tax income into 3 categories.



Having a hard time tracking your expenses? There's an app for that! Budgeting apps like Mint, Wally, PocketGuard and EveryDollar, are good places to start! Sign up to receive our Blog & get more information on personal finance! [bedelfinancial.com/blog](http://bedelfinancial.com/blog)

# High-Yield Savings Accounts

1. **High Interest Rate** - 4.5% vs 0.01% national average
2. **FDIC Insurance** - \$250k per account
3. **Liquidity** - near-instant access to wealth
  - a. Emergency Fund (at least 6 months)
  - b. Short-Term Savings Goals



<https://www.nerdwallet.com/best/banking/high-yield-online-savings-accounts>

The screenshot shows the Wealthfront mobile application interface. At the top, there's a header with a close button (X), a "Viewing demo mode" indicator with a UK flag, and a "Share Wealthfront with a friend" link. Below the header, the screen displays a list of savings accounts under the heading "Cash". Each account entry includes a circular icon with a small icon (e.g., folder, umbrella, watch, clipboard, speech bubble), the account name, the category (Individual), the APY (5.30%), and the current balance. The total cash balance is £167,259.55.

Account Type	Category	APY	Balance
Individual Cash Account	Individual	5.30% APY	£0.00
Emergency Fund	Individual	5.30% APY	£74,952.00
Grand Seiko and NOMOS	Individual	5.30% APY	£41,640.00
Vacation	Individual	5.30% APY	£5,654.71
Taxes	Individual	5.30% APY	£5,554.78

# Agenda

## Budgeting

## Investing

## Avoiding Taxes (Legally)

## Credit

## What can you do today?

# Why do you care so much?

## Step 1: Initial Investment

**Initial Investment \***

\$10,000

Amount of money that you have available to invest initially.

## Step 2: Contribute

**Monthly Contribution**

\$2,000

Amount that you plan to add to the principal every month, or a negative number for the amount that you plan to withdraw every month.

**Length of Time in Years \***

40

Length of time, in years, that you plan to save.

## Step 3: Interest Rate

**Estimated Interest Rate \***

9

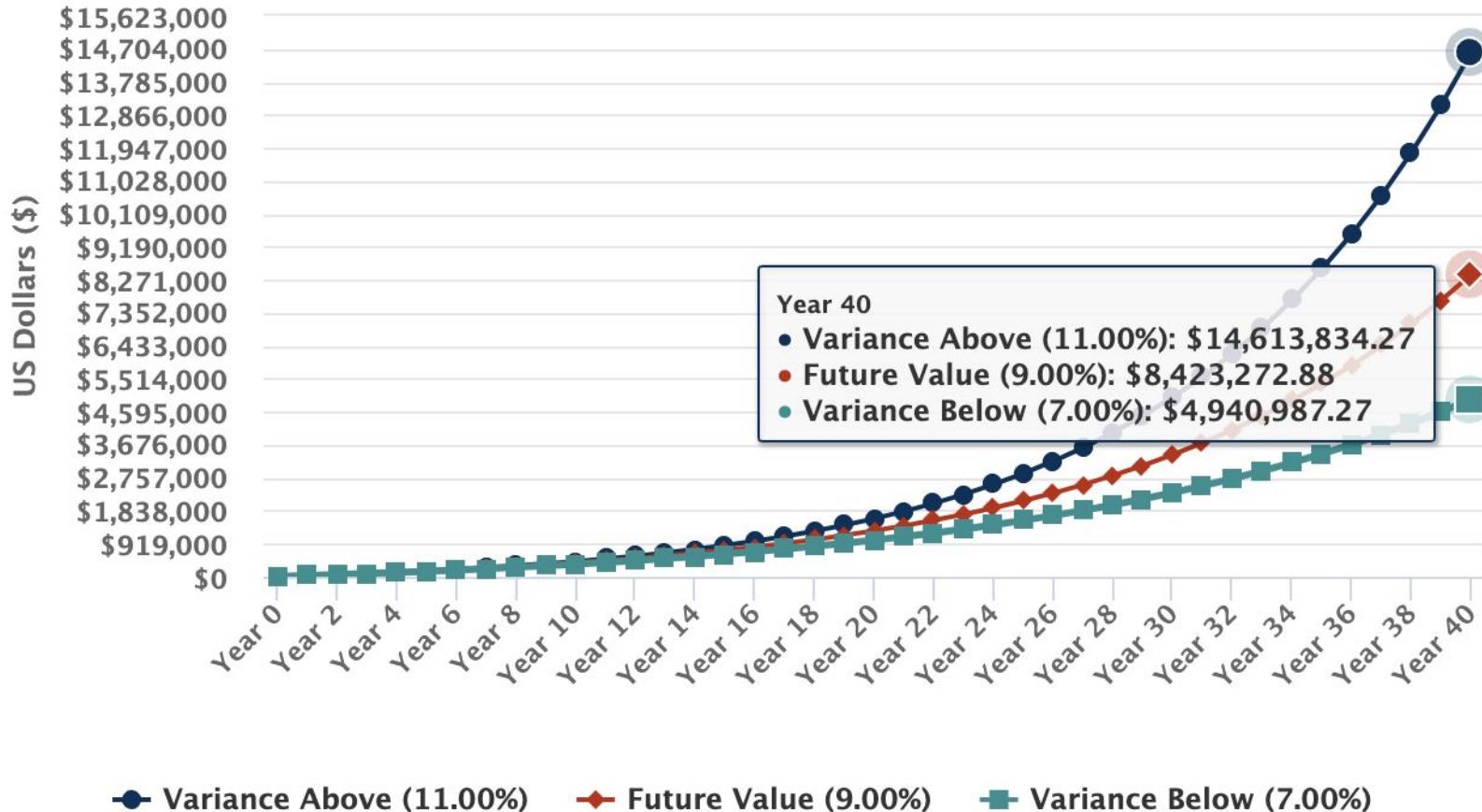
Your estimated annual interest rate.

**Interest rate variance range**

2

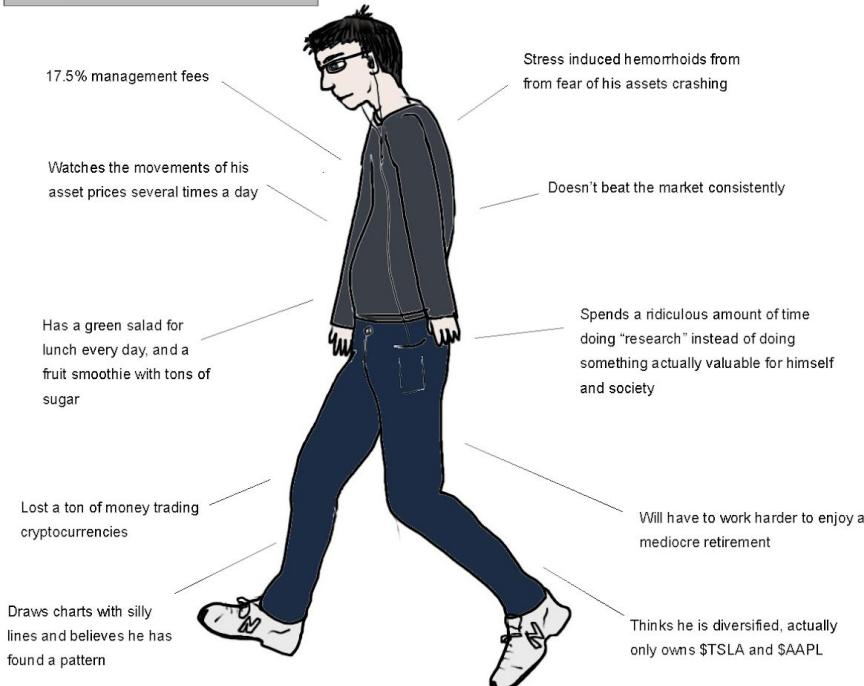
Range of interest rates (above and below the rate set above) that you desire to see results for.

# Total Savings

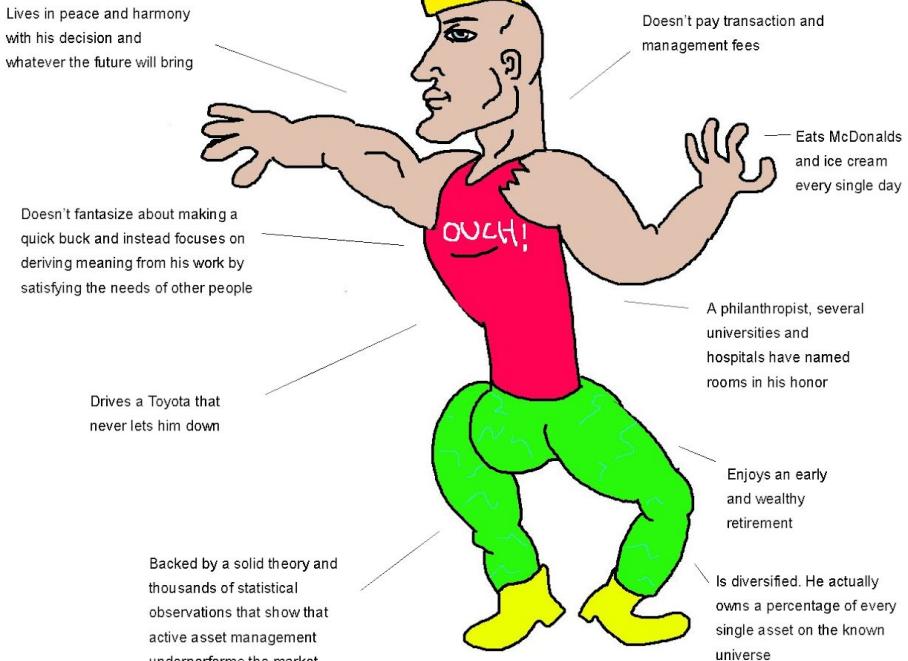


# Active “Managed” vs. Passive Investing

The Virgin Technical Trader



THE CHAD PASSIVE INVESTOR



Short term: “Buy low, sell high” vs. Long term: “Buy and hold”

# Active vs. Passive Investing



## Day Trading for a Living?

9 Pages • Posted: 22 Jul 2019 • Last revised: 15 Jun 2020

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Date Written: June 11, 2020

### Abstract

We show that it is virtually impossible for individuals to day trade for a living, contrary to what course providers claim. We observe all individuals who began to day trade between 2013 and 2015 in the Brazilian equity futures market, the third in terms of volume in the world. We find that 97% of all individuals who persisted for more than 300 days lost money. Only 1.1% earned more than the Brazilian minimum wage and

The cross-section of speculator skill:  
Evidence from day trading

Brad M. Barber<sup>a</sup> Yi-Tsung Lee<sup>b</sup> Yu-Jane Liu<sup>c</sup> Terrance Odean<sup>d</sup>

Show more

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<https://doi.org/10.1016/j.finmar.2013.05.006>

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### Highlights

- Day trading is an equilibrium feature of trading on the Taiwan Stock Exchange.
- We document cross-sectional differences in returns earned by speculative traders.
- Few day traders are able to earn positive abnormal returns net of fees.
- The spread in returns between top-ranked and bottom-ranked speculators is large.
- Variation in investor skill is an important feature of financial markets.

## The Failure of Active Management

Percentage of Active Public Equity Funds That Failed to Beat the Index



### Abstract

We document economically large cross-sectional differences in the before- and after-fee returns earned by speculative traders by analyzing day traders in Taiwan from 1992 to 2006. We sort day traders based on their returns in year  $y$  and analyze their performance in year  $y+1$ ; the 500 top-ranked day traders go on to earn daily before-fee (after-fee) returns of 61.3 (37.9) bps per day; bottom-ranked day traders go on to earn daily before-fee (after-fee) returns of -11.5 (-28.9) bps per day. Less than 1% of the day trader population is able to predictably and reliably earn positive abnormal returns net of fees.

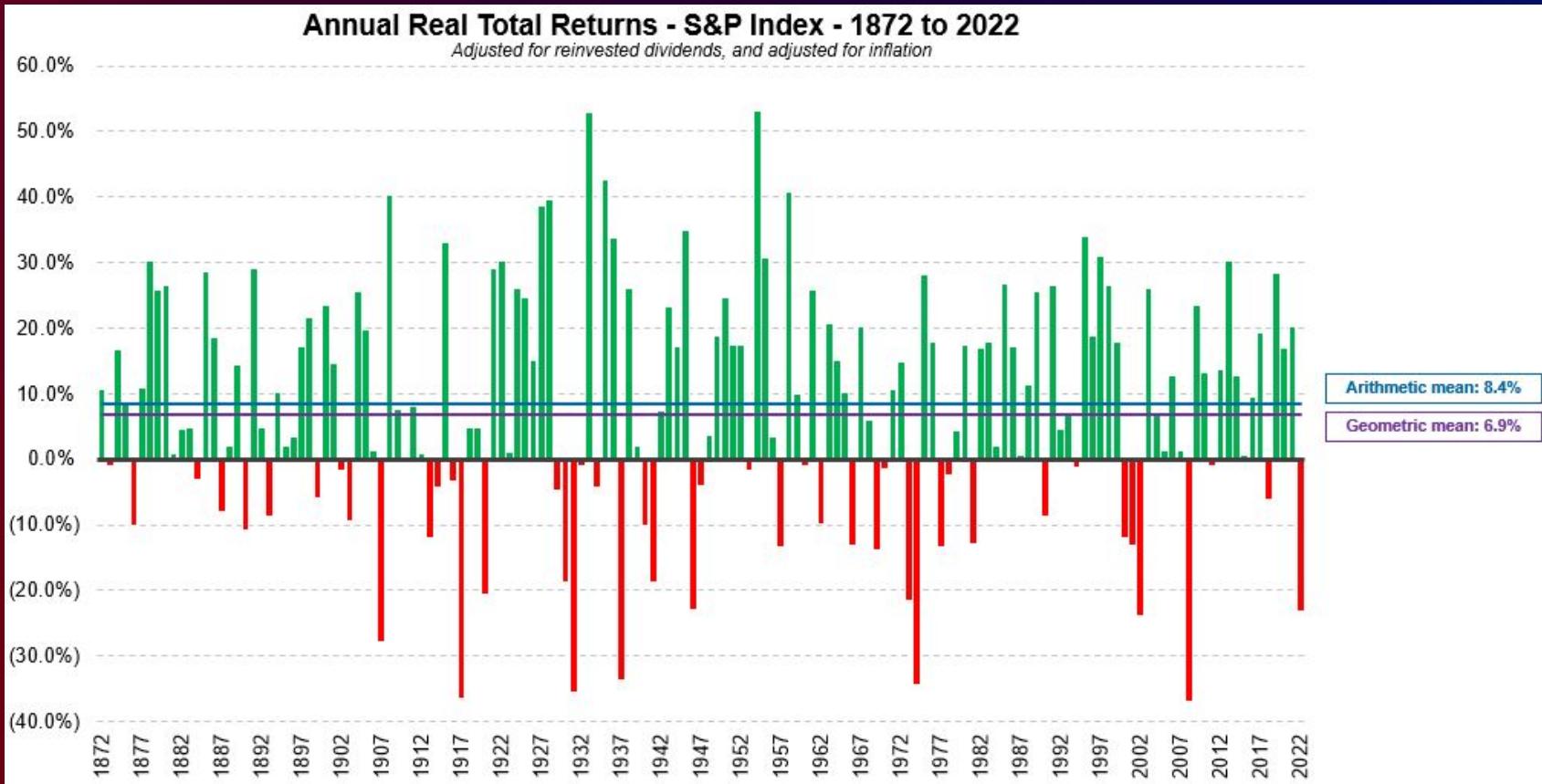
# BE the market, don't BEAT it!

If you're looking for a simple plan to build your retirement savings, one of the world's most successful stock market investors has some clear advice.

"Consistently buy an [S&P 500](#)  low-cost index fund," [Warren Buffett](#) told CNBC's On The Money in an interview recently. "I think it's the thing that makes the most sense practically all of the time."

And he suggests staying the course, despite market fluctuations. "Keep buying it through thick and thin, and especially through thin," the chairman and CEO of [Berkshire Hathaway](#)  said with a laugh.

# BE the market, don't BEAT it!



# How to be the market: Index Funds

S&P 500: **VOO**

Whole US Stock Market: **VTI**

International Stock Market: **VXUS**

Why choose index funds over an actively managed fund?

- Low management fees (0.03%) compared to actively managed funds (1-3%)
- Easy Diversification
- Tracks the stock market closely

## Index Fund

[in-.deks 'fənd]

A type of mutual fund or exchange-traded fund (ETF) with a portfolio constructed to match or track the components of a financial market index.



thank you  
for changing  
my life



**Vanguard®**

i'm literally an index fund

# Bonds

## Current Interest Rate

### Series I Savings Bonds

4.30%

This includes a fixed rate of 0.90%

For I bonds issued May 1, 2023 to October 31, 2023.

**How do the bonds earn interest?** EE bonds you buy now have a fixed interest rate that you know when you buy the bond.

That rate remains the same for at least the first 20 years. It may change after that for the last 10 of its 30 years.

We guarantee that the value of your new EE bond at 20 years will be double what you paid for it.

(If you have an EE bond from before May 2005, it may be earning interest at a variable rate. See more at [EE bonds](#).)

I bonds earn a rate that can change every 6 months. The rate is a combination of:

- a fixed interest rate and
- an inflation rate that we calculate twice a year (November, May)

We guarantee that the interest rate of an I bond will never fall below zero.

**How often do the bonds for sale today earn interest?**

Both EE and I savings bonds earn interest monthly. Interest is compounded semiannually, meaning that every 6 months we apply the bond's interest rate to a new [principal value](#). The new principal is the sum of the prior principal and the interest earned in the previous 6 months.

Thus, your bond's value grows both because it earns interest and because the principal value gets bigger.

EE and I bonds earn interest until the first of these events: You cash in the bond or the bond [matures](#) – reaches the end of its 30-year term. (If you cash in the bond before 5 years, you lose 3 months interest.)

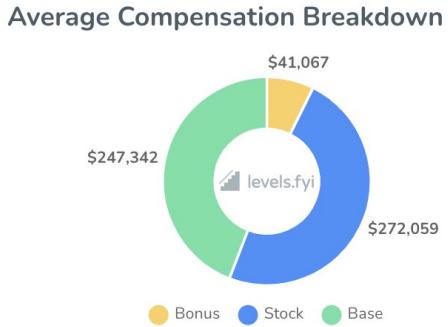
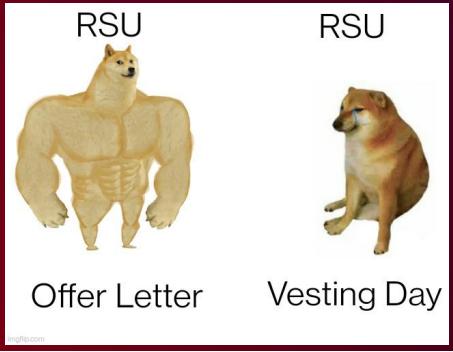
If you have an electronic bond, you can see what it is worth in your TreasuryDirect account.

To see what your paper bond is worth, use our [Savings Bond Calculator](#).

- For 8k invested, you earn 30 bucks a month!

# RSUs

- Equity compensation
- Grants shares based on vesting schedule
- Not yours until vesting requirements met
- Vest = Tax, (put them in retirement account)



## Restricted Stock Unit Award

Subject to approval by the Board of Directors of Amazon.com, Inc., you will be granted a restricted stock unit award with respect to shares of Amazon.com, Inc. common stock valued at \$122,590.00. The number of restricted stock units in your award will be calculated based on the 30-trading-day trailing average closing price of the common stock as of the first Friday preceding (or concurrent with) the 15th day of the month prior to the month in which you start employment. This award will vest and convert into shares of common stock over four years, as follows, subject to your continued employment with the Company:

Base Pay		\$164,200 per year	(43% increase)						
Additional Cash									
Description	Start Date	End Date	Total Amount	2022 Compensation Year Amount					
Signing Bonus	1-Apr-22	17-May-22	\$2,839	\$2,839					
2022 New Grant									
2022 New Grant^			33 (\$99,380 value @ \$3,011.51 stock price)^AA						
Grant Vesting Information by Compensation Year (April 1 - March 31): Details of your new and existing stock grants									
Grant	Grant Type	Grant Date	Stock Grant Price (US\$)	Total Shares Granted	Value at Grant (US\$)	2022			
New Hire	RSU	24-Jun-20	\$2,758.50	42	\$115,857	14			
Annual 22^	RSU	-	\$3,011.51	33	\$99,380	14			
Total shares vesting in each compensation year					28	26			
						19			
2022 Total Compensation: Your projected total compensation from April 2022 through March 2023									
Base Pay ^AAA						\$164,200			
Additional Cash						\$2,839			
Share value from prior grants vesting^A						\$42,161			
Share value from current grants vesting ^						\$42,161			
Projected Total Compensation						\$251,361			

<sup>A</sup> Subject to Board approval

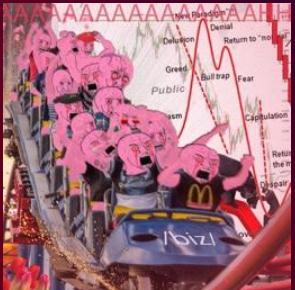
<sup>AA</sup> Includes existing RSUs and/or stock options vesting in 2022 @ \$3,011.51 stock price (30-trading-day-average on March 11, 2022). This is a hypothetical value provided for illustrative purposes only.

<sup>AAA</sup> \$3,011.51 stock price (30-trading-day-average on March 11, 2022). This is a hypothetical value provided for illustrative purposes only.

<sup>AA</sup> Base Pay effective the first day of the pay period that starts on or after April 1, 2022.

Your Personal Compensation Statement (PCS) is not a contractual document or agreement. It reflects your information as of April 1, 2022 and does not reflect any changes that may occur over time, respectively, to your base pay rate, incentive pay target, other cash compensation and benefits nor a change in equity (RSU or Stock Option) vest schedules due to any revision. Be advised that equity awards are granted under separate agreements and grants made by Amazon.com, Inc. Individuals may be granted equity awards and/or deferred and indirect compensation awards. You will not have or acquire additional rights to these benefits or rights to continue these benefits in the future even if they are granted over several years. Any equity award is subject to approval by the Board of Directors of Amazon.com, Inc. and would be evidenced by, and subject to, the terms and conditions of, an award agreement between you and Amazon.com, Inc. Equity awards and/or deferred and indirect compensation will not be relevant for the calculation of any termination payments. Please be aware that this statement is not a promise of employment or continuation of employment and does not alter any terms of your employment.

# Capital Losses



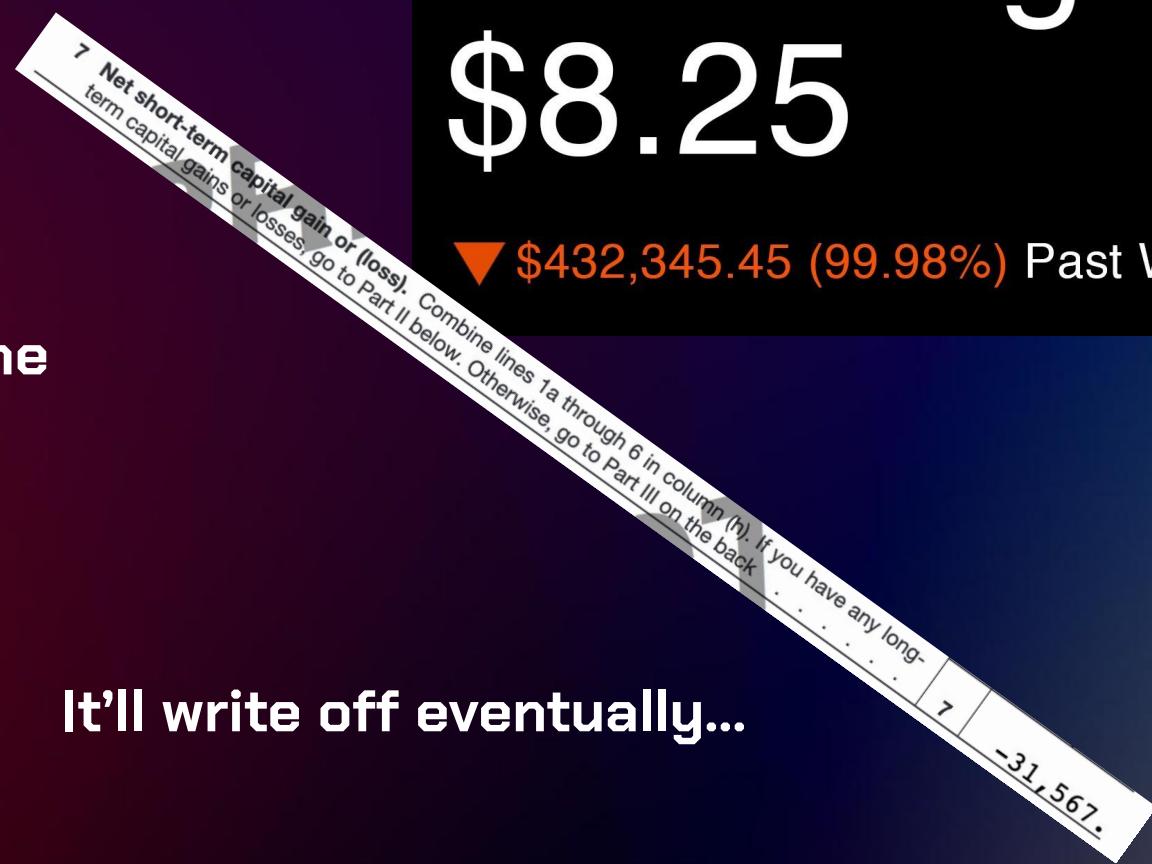
It rolls over, it's fine



It'll write off eventually...

# Investing \$8.25

▼ \$432,345.45 (99.98%) Past Week



# Capital Gains



## Short-Term & Long-Term Capital Gains Tax Rates By Income For Singles

Income	Short-Term Capital Gains Tax Rate (Income Tax Rate)	Long-Term Capital Gains Tax Rate
Up to \$11,000	10%	0%
\$11,001 to \$44,725	12%	0% up to \$44,625
\$44,726 to \$95,375	22%	15% over \$44,625
\$95,376 to \$182,100	24%	15%
\$182,101 to \$231,250	32%	15%
\$231,251 to \$578,125	35%	15% up to \$492,300
\$578,125+	37%	20% over \$492,300

ST capital gains tax is a tax on profits from the sale of an asset held for <1 year

ST capital gains tax rate = federal marginal income tax rate

Source: IRS, FinancialSamurai.com

# Note: Tax on Gains!!

Dad, what are capital gains taxes?



## Long-Term Capital Gains Rates (2023)

**20%**

Income greater than \$553,850 (Single)  
\$553,850 (MFJ)

**15%**

Income \$44,626 to \$492,300 (Single)  
Income \$80,801 to \$553,850 (MFJ)

**0%**

Income \$44,625 or less (Single)  
Income \$89,250 or less (MFJ)

# Agenda

Budgeting

Investing

Avoiding Taxes (Legally)

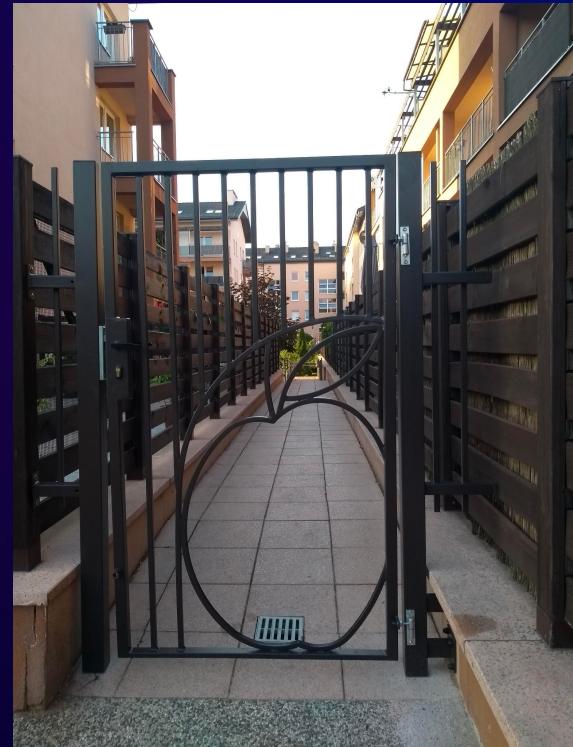
Credit

What can you do today?



# Legal Tax Avoidance

Real Photos of US Tax code



# Legal Tax Avoidance

401(k) SEP-RA

403(b) Solo 401(k)

Roth 401(k) 529

IRA ESA

Roth-IRA etc.

Backdoor IRA

HSA

FSA

Confused Much?

# 401(k)

*Company retirement account*

Contribute PRE-TAX Dollars

Reduces your income (taxes too)

Employer match

\$22,500 Contribution Limit

Pay tax on withdrawal

## BENEFITS OF 401(K)



### Paycheck Deferrals

The contributions are taken from your pay before income taxes are applied. This lowers your taxable income, which, in turn, reduces your income taxes.



### Company Match

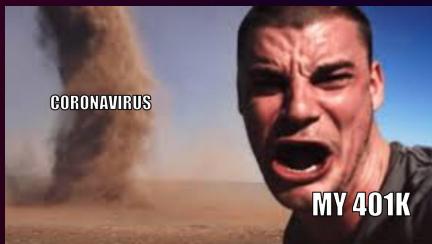
Your employer can deposit contributions to your 401(k). Most commonly, the employer deposits \$0.50 for every \$1 you contribute, up to 6% of your salary.



### Potential Tax Savings

In a 401(k), you don't owe taxes annually on interest, dividends, or profits earned. You won't pay taxes until you withdraw funds from the account.

The Motley Fool



### 1. Your Gross Pay was adjusted as follows to produce

Wages, Tips, other Compensation  
Box 1 of W-2

Gross Pay	36,724.31
Less 401(k) (D-Box 12)	913.80
Reported W-2 Wages	<b>35,810.51</b>

Note - Fringe benefits include : Other \$6,492.83

# Note about 401(k)

Brokerages want you to buy their funds and pay a fee (~2/3%)

Most ETFs management fees are 0.02 to 0.05%, so it pays to invest yourself using ETFs!

**VOO**  
Vanguard S&P 500  
ETF

Also available as an [Admiral™ Shares](#) mutual fund.

**Buy**    **Compare**

Management style	Index	Asset class
Category	Large Blend	Domestic Stock - General
Expense ratio	0.03%	Risk / reward scale
	as of 04/29/2022	Less      More
Market price (MP)	\$368.61	30 day SEC yield
	as of 03/29/2023	1.63% B
NAV price	\$368.65	as of 02/28/2023
	as of 03/29/2023	

BrokerageLink →

Accounts & Trade

Trade Transfer

Customize

All Accounts

**\$-10,000**  
AS OF 03/29/2023 11:18 PM ET

Retirement Accounts	\$-10,000
ROLLOVER IRA 23783	\$-100.00
ROTH IRA 23938	\$-500.00 \$0.00 (+1.06%)
AMAZON 401(K) PLAN 34	\$-900.00
BROKERAGELINK 652	\$-10,100.10 \$0.00 (+1.48%)
Linked to plan AMAZON 401(K) PLAN 34.††	
BROKERAGELINK ROTH 652	\$0.00
Linked to plan AMAZON 401(K) PLAN 34.††	

# IRA

*individual retirement account*

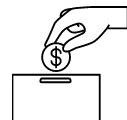
Contribute PRE-TAX Dollars

Reduces your income (taxes too)

\$6,500 Contribution Limit

Deduct tax now, pay later

## Traditional IRA



Contributions tax deductible in year made



Tax deferral on earnings (no tax while money is in account)



Distributions are fully taxed as ordinary income

VS

## Roth IRA



Contributions not tax deductible in year contributed



Tax deferral on earnings (no tax while money is in account)



Distributions are tax free

# ROTH IRA

*Individual retirement account*

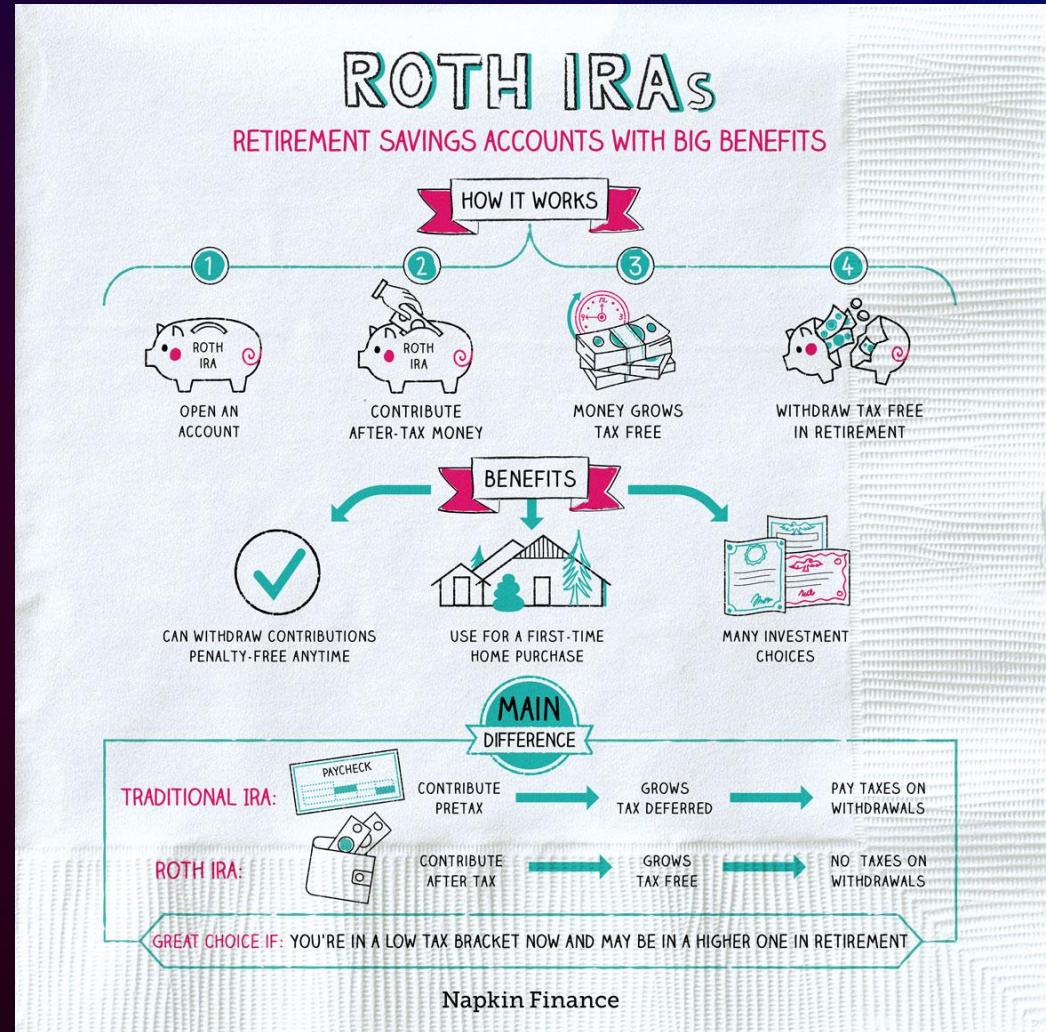
Contribute POST-TAX Dollars

\$6,500 Contribution Limit

\$144,000 Income Limit

(backdoor Roth)

Pay tax now, none later



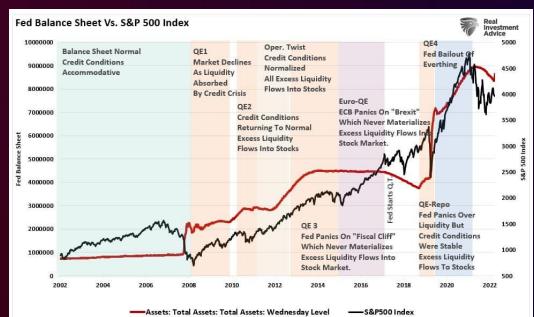
# TAX BET

## Roth vs. Traditional Retirement Accounts

No Change in Tax Rate	Traditional	Roth
Pre-tax investment	\$10,000	\$10,000
Tax rate (now)	0%	20%
After-tax investment	\$10,000	\$8,000
Pre-tax rate of return	100%	100%
Pre-tax gain	\$10,000	\$8,000
Tax rate (retirement)	20%	0%
<b>After-tax value</b>	<b>\$16,000</b>	<b>\$16,000</b>
After-tax rate of return	60%	60%

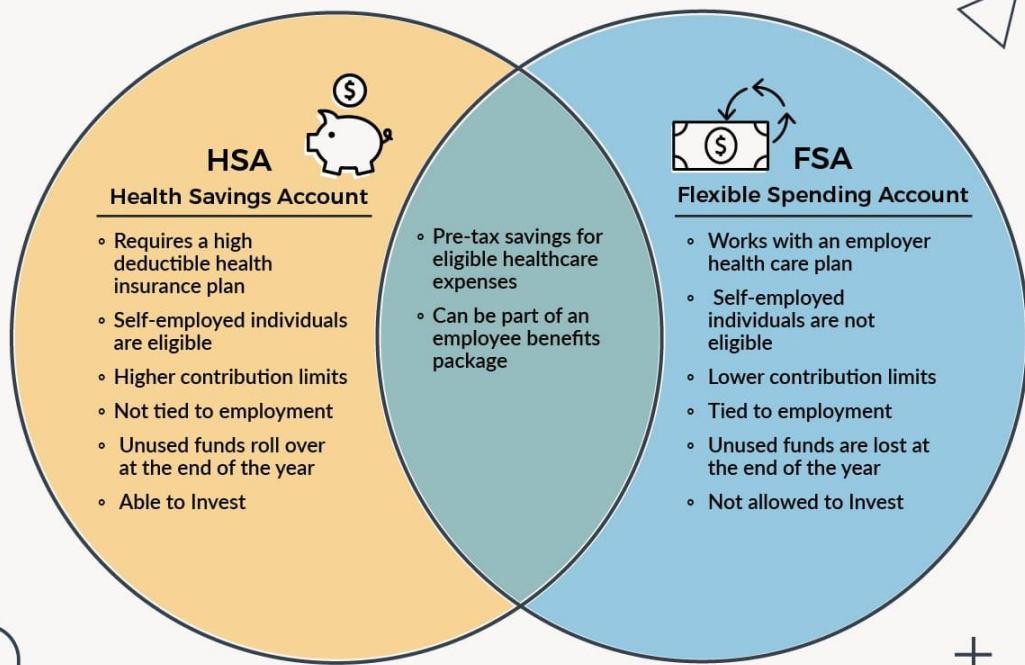
Taxes Go Up 50%	Traditional	Roth
Pre-tax investment	\$10,000	\$10,000
Tax rate (now)	0%	20%
After-tax investment	\$10,000	\$8,000
Pre-tax rate of return	100%	100%
Pre-tax gain	\$10,000	\$8,000
Tax rate (retirement)	30%	0%
<b>After-tax value</b>	<b>\$14,000</b>	<b>\$16,000</b>
After-tax rate of return	40%	60%

ROTH 401(K)	REGULAR 401(K)
\$10,000	\$10,000
- \$2,800	- \$0.00
<b>\$7,200</b>	<b>\$10,000</b>
INITIAL CONTRIBUTION	
ASSUME THE INVESTMENT TRIPLES OVER TIME	
\$21,600	\$30,000
- \$0.00	- \$8,400
<b>\$21,600</b>	<b>\$21,600</b>
BALANCE AFTER TAX	



# HSA / FSA

## HSA vs. FSA



# TAX REFUND

• Taxes

Federal Income Tax

Social Security Tax

Medicare Tax

IL State Income Tax

WA Paid Family Leave Ins

WA Paid Medical Leave Ins

\$10,411.96 ^

\$5,668.58

\$2,276.91

\$532.50

\$1,772.63

\$113.06

\$48.28

## Filing ▾



Federal Refund [?](#)

**\$5,669**



IL Refund [?](#)

**\$269**

# Note: State Tax

- Your state tax depends on where you live.
- Some states have minimal to 0 tax



Greg Abbott   
@GregAbbott\_TX



Elon Musk reportedly told friends he plans to move to Texas.

Texas is the best state for business.

Texas has no state income tax, while California's is the highest in the country.

It just got better because Texas made an income tax unconstitutional.

# Agenda

Budgeting  
Investing  
Avoiding Taxes (Legally)  
**Credit**

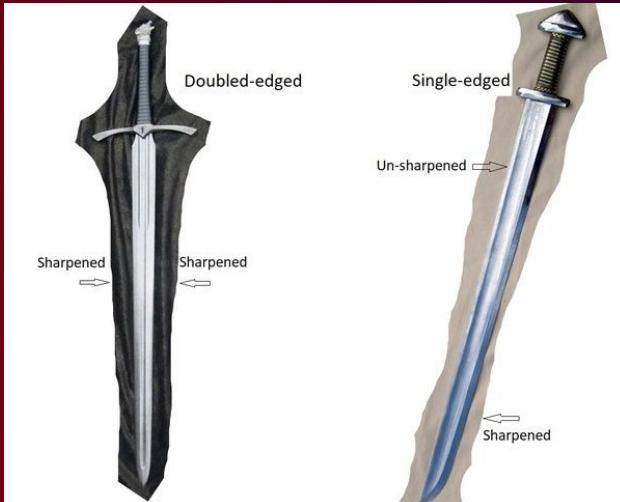
## What can you do today?

# CREDIT CARDS



# What is a credit card?

You “borrow” money from a lender, then pay it off before the statement due date. Like a friend who always Venmo’s you back, you’re demonstrating that you’re responsible with money that you’re borrowing.



**Credit limits:** The maximum amount of money you can borrow from the lender.

**Exhibit A:**  
Chad Double-Edged Credit Card vs.  
Virgin Single-Edged Debit Card



# Why use credit cards?

1. **Build Credit** - get better loans, mortgages, etc.
2. **Earn Rewards** - earn cashback or redeem points for travel; sign up bonus
3. **Fraud Protection** - easier to dispute fraudulent charges than debit cards



**5%** on Chase travel portal  
**3%** on restaurants  
**3%** on drugstores  
**1.5%** on everything else

**5%** on quarterly rotating categories

**1%** on everything else

**2%** on everything

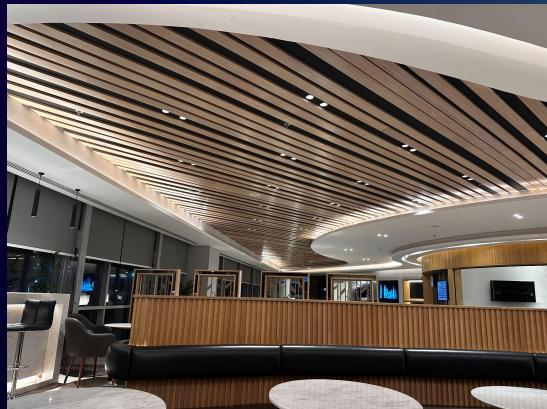
**Did I mention credit card rewards are tax free?**

# Why use credit cards?



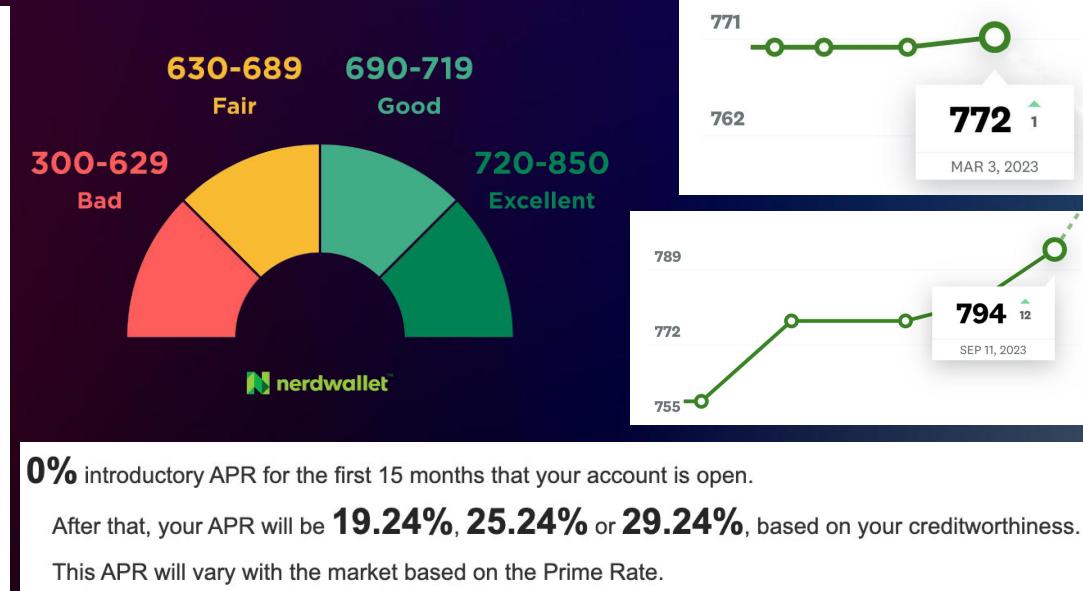
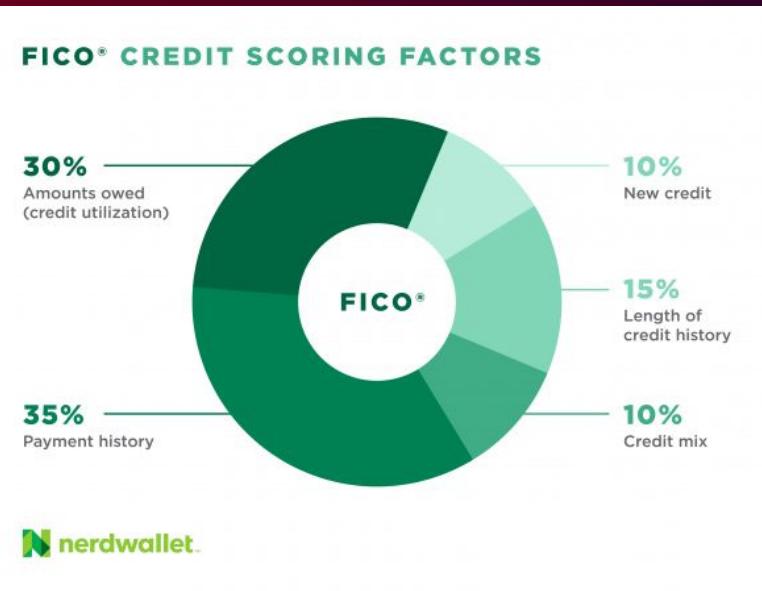
**10x** on Hotels  
**5x** on Flights  
**2x** on Everything  
**75,000** bonus miles  
**\$400** annual travel credit  
**\$395** annual fee

**TSA Precheck**  
**Global Entry**  
**Priority Pass** —→



# Using Credit Cards Responsibly

1. Treat a credit card like a debit card. **DON'T SPEND MONEY YOU DON'T HAVE.**
2. Set up automatic payments so you **NEVER MISS A PAYMENT.**
3. Always pay your statement balance **IN TIME** and **IN FULL**. Never carry a balance.
4. Stay below 30% credit utilization **PER CARD**. Below 10% is even better for your credit score.
5. Use the **CREDIT KARMA** app to track your credit score and view places of improvement.



# Your First Credit Card

Chase Freedom Rise<sup>SM</sup> Credit Card



## CARDMEMBER REWARDS Start building credit

while earning 1.5% cash back on all purchases.

**Please note:** you may need to provide additional verification documents after applying, such as a U.S.-issued driver's license and Social Security Card

## AT A GLANCE

### Best for: New to Credit

Increase your chances of getting approved for Chase Freedom Rise<sup>SM</sup> by having a Chase checking account with at least \$250 before applying.

APR

26.99% variable APR.<sup>†</sup>

ANNUAL FEE

\$0<sup>‡</sup>

## Student Credit Cards:

1. No annual fee
2. Near-Instant approval odds
3. Get a head start to building credit

## Authorized User:

1. Do your parents have good credit?
2. Inherit part of their credit score!



[nerdwallet.com/m/credit-cards/excellent-student-credit-cards](http://nerdwallet.com/m/credit-cards/excellent-student-credit-cards)

# Advice for Beginners

1. **Avoid cards with annual fees** when you're starting out.
2. **Hit the sign up bonus!** Jump start your rewards journey.
3. **Don't apply too often.** Have at least a year of your own credit history before applying for more cards. Space out applications 3-6 months after that.
4. **Start with Chase.** The "Chase Trifecta"
  - a. Most flexible points currency: travel + cashback.
  - b. 5/24 rule
5. **Credit cards are NOT a status symbol.** AMEX included.

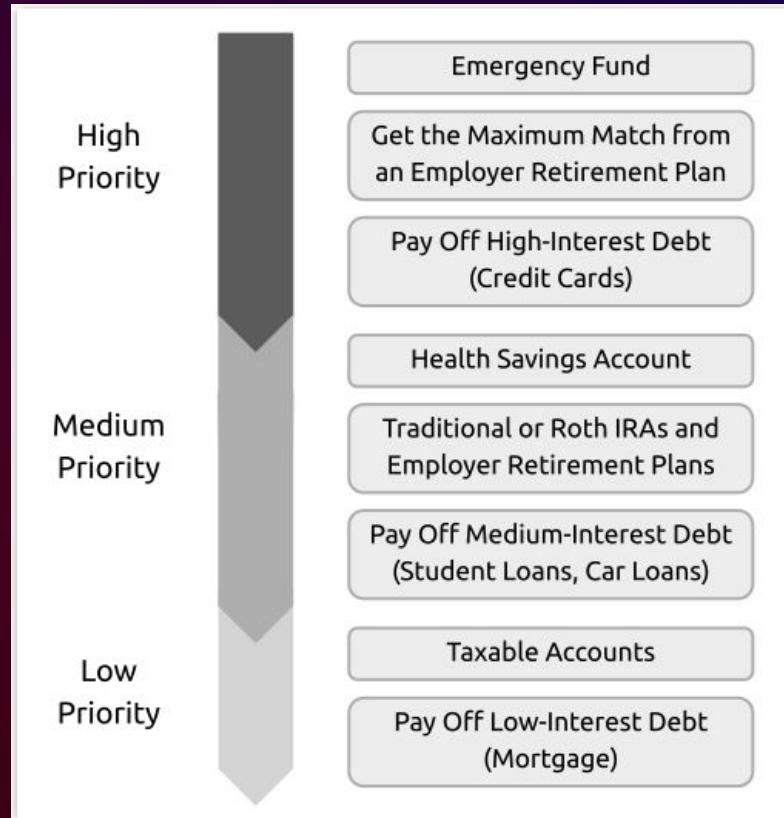


# Agenda

Budgeting  
Investing  
Avoiding Taxes (Legally)  
Credit

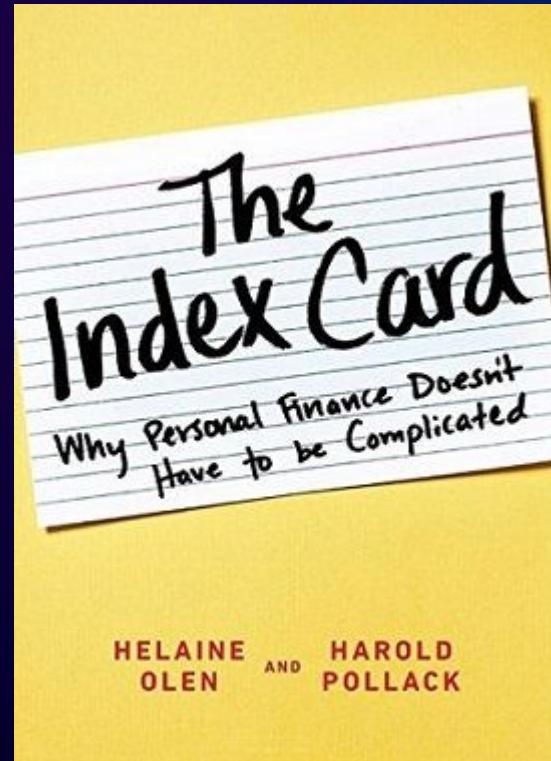
**What can you do today?**

# Investing Priorities



# The 97 Commandments

1. **Max your 401(k)** or equivalent employee contribution.
2. **Buy inexpensive, well-diversified mutual funds** (VTI, VOO, VXUS)
3. **Never buy or sell an individual security.** (APPL, AMZN, GOOG)
4. **Save 20% of your money.**
5. Pay your credit card balance **in full every month.**
6. **Maximize tax-advantaged savings vehicles** like Roth, SEP and 529 accounts.
7. Pay attention to fees. **Avoid actively managed funds.**



# Action Items not financial advice™

## 1. Emergency Fund

- a. Get a high-yield savings account (Wealthfront, Sofi, etc.)
- b. Build up at least 6 months of living expenses

## 2. Saving for Retirement

- a. Open a ROTH IRA account (Fidelity, Schwab, TD Bank, etc.)
- b. Stick to buying ETFs such as VTI, VOO

## 3. Building Credit

- a. Open a credit card (Chase Freedom Rise Card)
- b. Become an authorized user on your parent's card

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# BONUS: Building Generational Wealth

# How generational is wealth?

NOTE: Book published in 1998... YMMV.

Again, most American millionaires today (about 80 percent) are first-generation rich. Typically, the fortunes built by these people will be completely dissipated by the second or third generation. The American economy is a fluid one. There are many people today who are on their way to becoming wealthy.



Amazon.com

<https://www.amazon.com/dp/0446671255> ::

The Millionaire Next Door - Amazon.com

# What is a trust?

- A. The thing that most spoiled kids you meet at BU have.
- B. One of many methods the wealthy use to pass down their assets to their children.
- C. Something that ANYONE, regardless of economic status, can take advantage of.
- D. All of the Above**

## WHAT IS A TRUST?

A trust is a legal document which provides instructions for handling assets assigned to the trust.

### ASSETS

A variety of assets can be assigned to a trust. Below we've listed some of the most common assets you might assign to a trust.



Checking/  
Savings &  
Investment  
Accounts



Real  
Estate



Family  
Businesses



Insurance  
Policies

### BENEFITS

Depending on your financial circumstances, there could be benefits of adding a trust in conjunction with your will.



Privacy



Avoid Probate



Provide Funds  
for Family



Provide Funds  
for Charity

Sign up to receive our Blog & get more information on personal finance!  
[bedelfinancial.com/blog](http://bedelfinancial.com/blog)

# Revocable vs. Irrevocable Trusts

## Revocable:

- Flexible
- No lengthy court battle to pass down assets

## Irrevocable:

- Permanent
- Protects assets from creditors
- No lengthy court battle to pass down assets
- Your assets are no longer “yours”, so you don’t pay taxes on them

## DO YOU NEED A TRUST?

### REVOCABLE TRUSTS

You can amend after creation



Estate Planning ← → Estate Planning



Cannot be reversed after creation

VS

### IRREVOCABLE TRUSTS

Avoids Probate & Fees ← → Avoids Probate & Fees



Medicare Planning

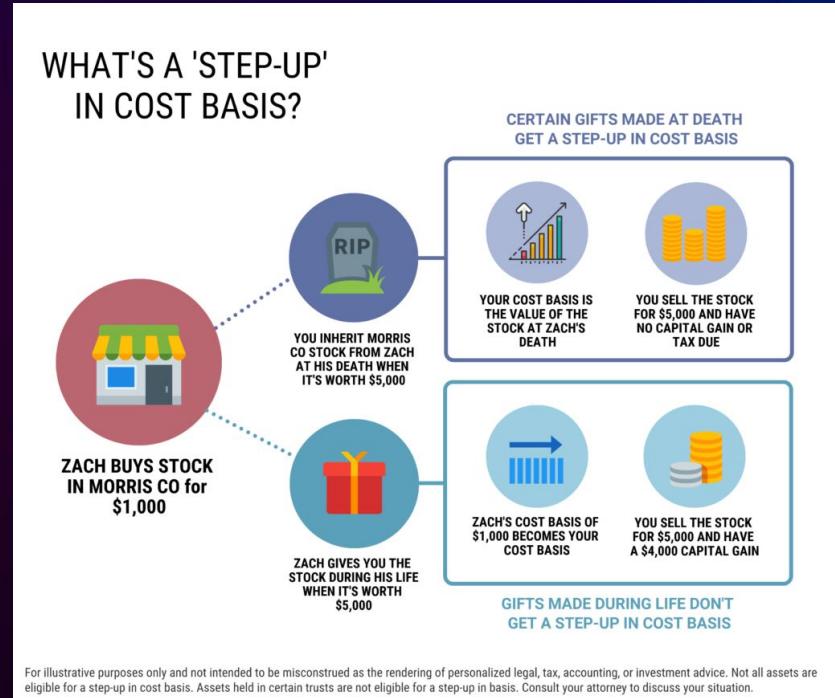


Tax Deductions



# Real Estate: The Infinite Money Printer\*

- **“House Hacking”**: Buying a duplex and renting out the other unit to help pay down the mortgage.
- **Section 121 (home sale exclusion)**: You can sell your primary residence and buy another primary residence. You will not owe capital gains tax.
- **Section 1031 (like-kind exchange)**: You can sell an investment home and then use the proceeds to buy another house, without being taxed on the sale of a house.
- **Stepped-up basis**: Assets inherited from a trust are valued at time-of-death. Meaning you owe less in taxes if you sell them.



\*you'll need enough capital to weather the storm; the laws could change!

# Thank you!