



Smart Strategies for Estate Planning

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“We are unconditionally committed to work with our clients to create the best context possible for their Economic Freedom™, so that they do not have to worry about money.”

— Kendrick Mercer, Founder (1986)

For nearly 40 years, we’ve worked with families to help them simplify the complexity of their money and, most importantly, to help them figure out what it’s all for.



The Four Pillars of the Mercer Advisors Family Office

Our history and structure combine to create advantages that help set us apart from other wealth management firms.

YOUR TEAM

A unified, in-house team

of advisors, planners, investors, accountants, and estate strategists that designs – and executes – your financial plan



YOUR PERSON

A hand-picked advisor

who is focused on serving you, not on finding new clients



YOUR PORTFOLIO

An institutional-grade portfolio

personalized to you and managed by a team of 100+ investment professionals, not just one advisor



YOUR FIRM

An independent, national fiduciary

legally obligated to always act in your best interest



A Unified Team

We know every part of your financial life is interconnected. That's why we don't just give you access to planners, specialists, CPAs, and strategists.

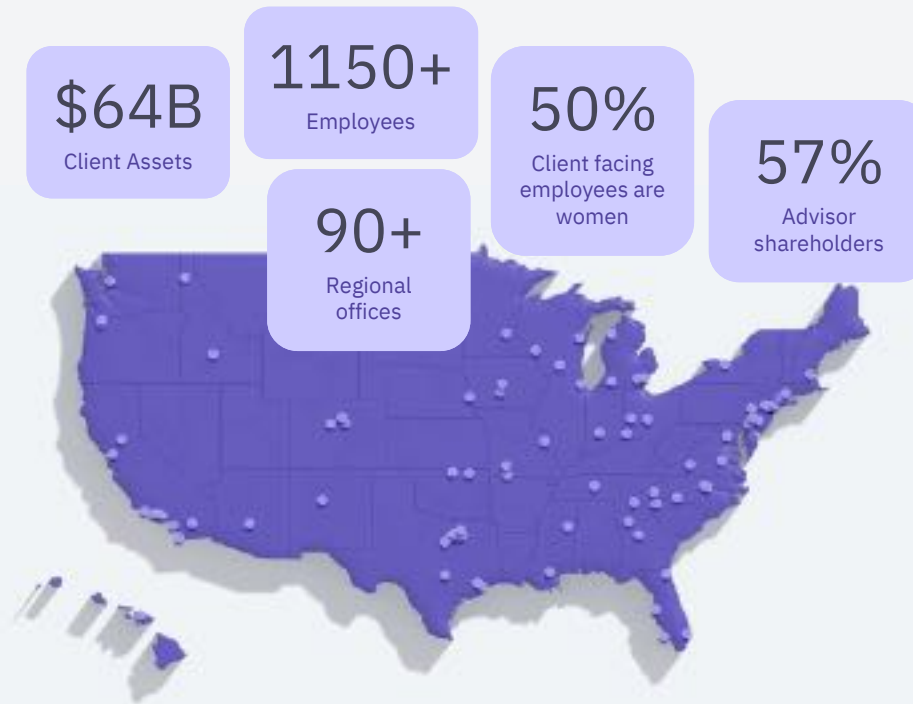
We put them together, working on one integrated team that knows you, your family, your needs, and your goals.



An Independent, National Fiduciary

Unlike brokers and banks, Mercer Advisors is an SEC registered investment advisor that is legally obligated to always act in your best interest.

But – since we are one of the largest and fastest growing advisors in the US – we have capabilities and resources most small advisors don't have.



AWARDS AND RECOGNITION

BARRON'S

Mercer Advisors #1
2024 Top 100 RIA Firms



CEOWORLD Magazine

Best Investment Advisory Firms
in America 2024

Wealth
Management.com
2023 Industry Awards

Most Awarded RIA Firm at the
2023 Wealth Management
Industry Awards

See awards methodology on "Awards Methodology" slide. Client assets refers to client assets under management (AUM) and client asset under advisement (AUA) as well as assets gained from recent acquisitions where the advisory agreements have been properly assigned to Mercer Global Advisors, but the custodial accounts have yet to be transferred and/or the accounts have yet to be migrated to Mercer Global Advisors' portfolio management system. Company data as of August 31, 2024.

Smart Strategies for Estate Planning

Integral Part of a Financial Plan

Estate planning is a critical part of your plan. It provides the tools you need to guide your loved ones and safeguard your legacy.

Understand and document your goals and objectives

Assess your net worth

Develop a budget based on assets and expenses

Project retirement income

Run Monte Carlo analysis (probability of achieving long term goals)

Integrate tax strategy into plan

Create estate and legacy plans

Customize investment strategy based on your risk tolerance

Three Strategies for Maximizing Estate Planning

Protect and transfer more of your wealth by proactively implementing estate strategies.

3 strategies:

1

Foundational Planning to Protect Yourself and Loved Ones

2

Retirement Wealth Transfer with the SECURE Act

3

Maximize Gifting in Opportunistic Tax Environment



Foundational Planning to Protect Yourself and Loved Ones

What Does a Foundational Plan Look Like?

Incapacity Planning
Financial Power of Attorney
Healthcare Power of Attorney
HIPAA Authorization
Living Will



End of Life
Living Trust
Will
Retirement Trust

Incapacity Planning

Incapacity Planning: What are the Key Components?

Financial Power
of Attorney

Healthcare
Power of Attorney

Living
Will

HIPAA
Authorization



End of Life Planning

Trust-Based Planning: Beneficial for Wealth Transfer

Avoid Probate

Public, time consuming, expensive

Reduce Taxes

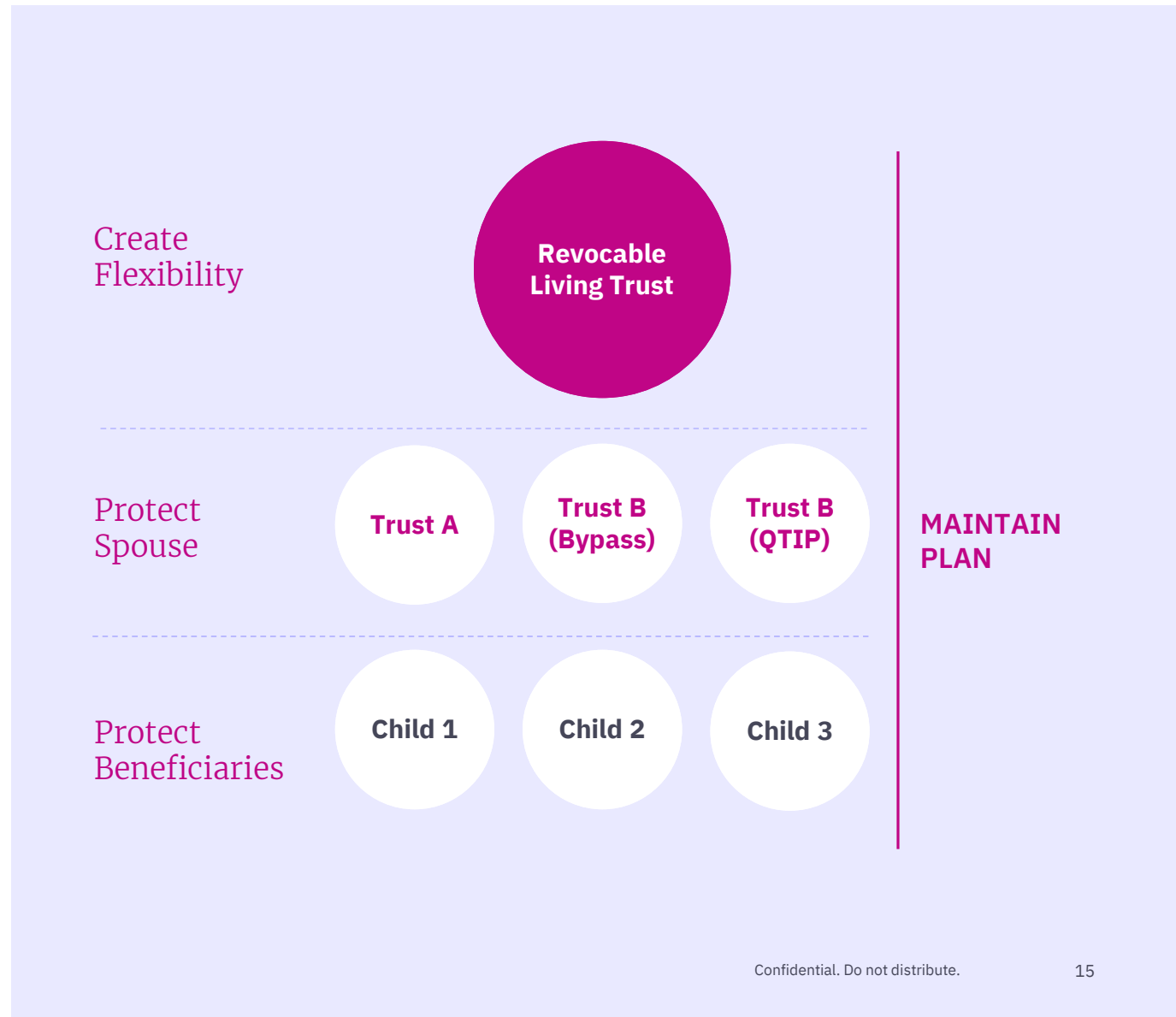
Estate, gift, income, and (in some states) property and inheritance taxes

Protect Assets

For spouses and children from divorce and creditors



New Estate Plan Design



For Illustrative Purposes Only.

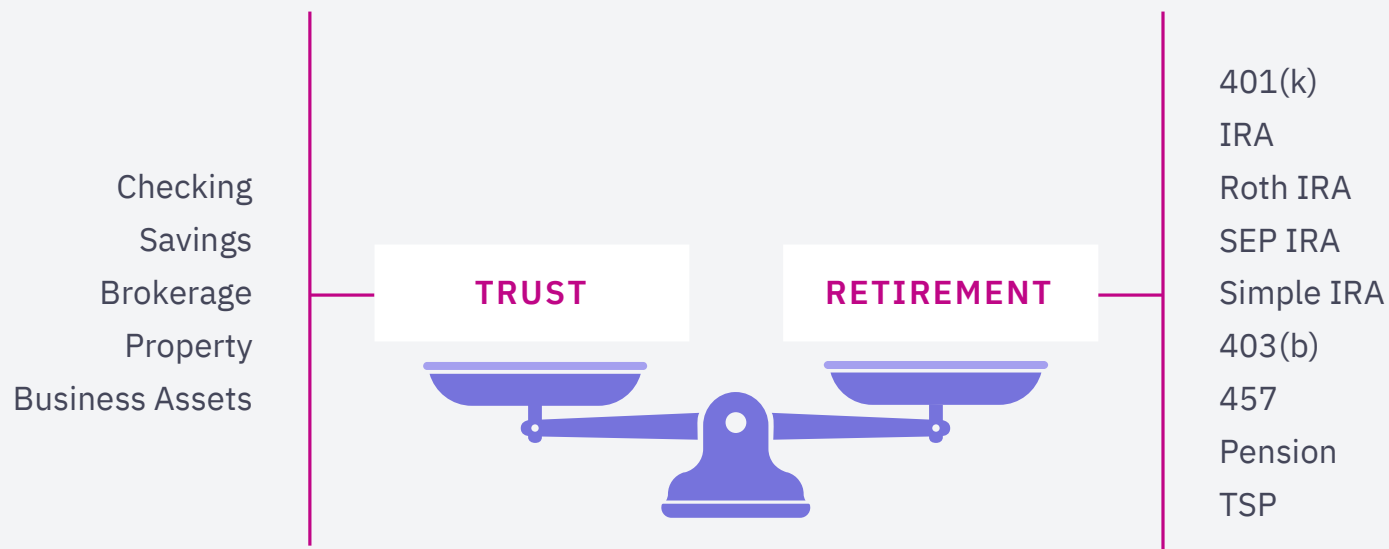
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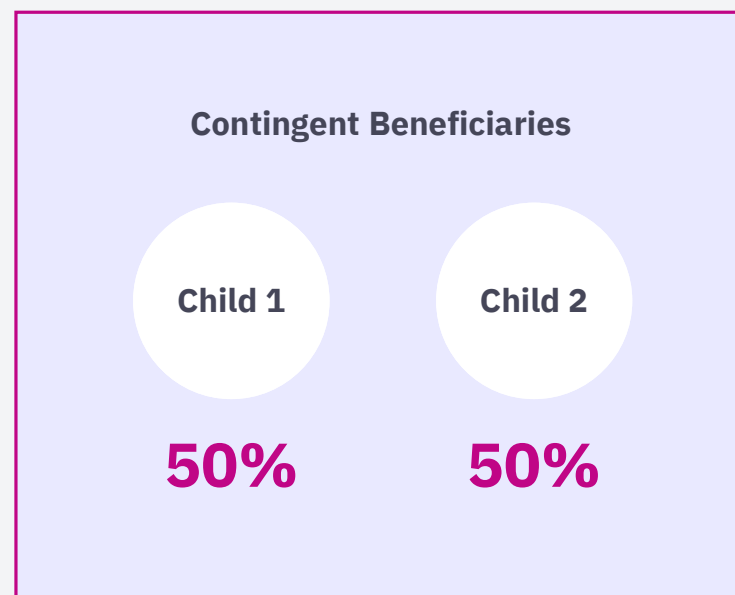
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Retirement Trusts to Transfer Wealth Due to the SECURE Act

Planning for All Your Assets



Passing Assets to Beneficiaries



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Inheriting Retirement Accounts After 2020

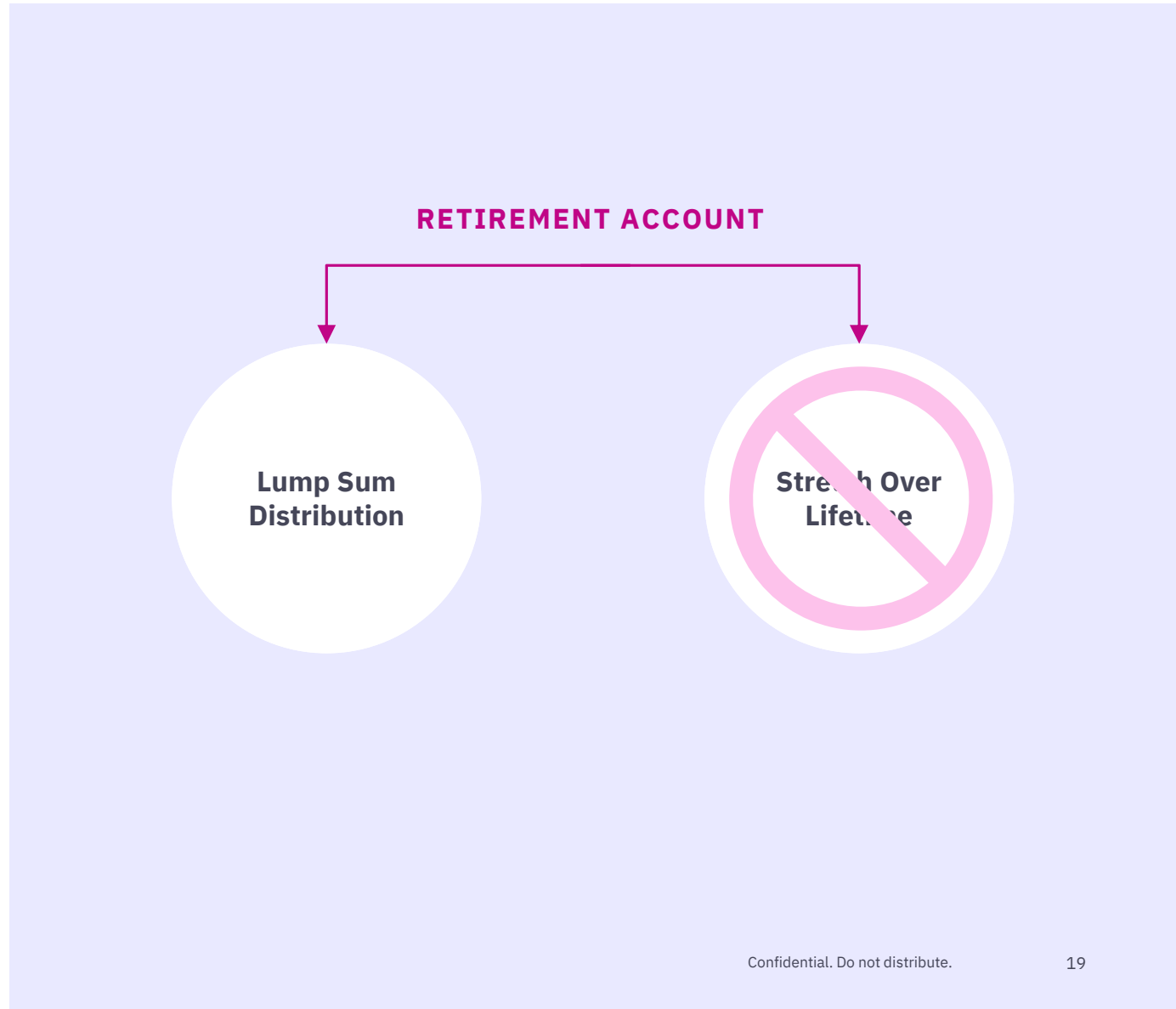
Impact of SECURE Act

10-Year Rule Replaces Stretch IRA

Requires beneficiaries to withdraw inherited account balances within 10 years from the end of the year of the account owner's death

Source: SECURE Act.

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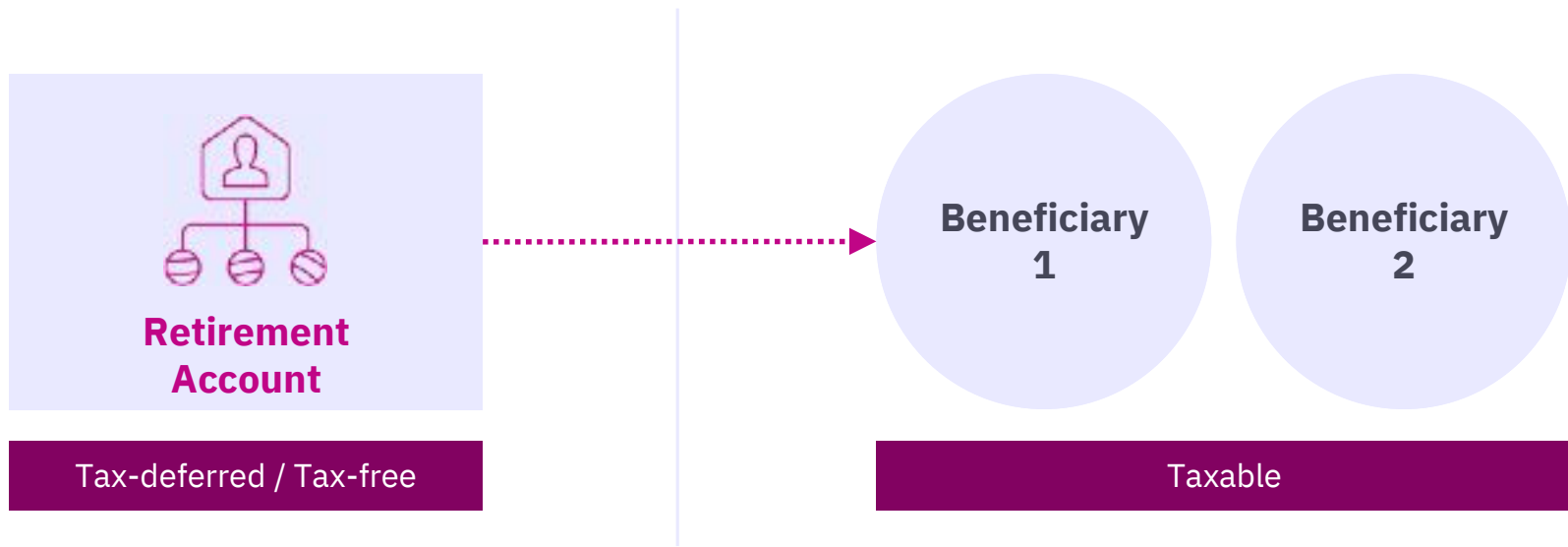
Under SECURE Act: Required Minimum Distribution Examples

10-YEAR RULE OPTIONS			
YEAR AFTER DEATH	AGE	ANNUAL DISTRIBUTIONS	EQUAL DISTRIBUTIONS
1	40	\$21,882	\$135,867
2	41	\$23,195	\$135,867
3	42	\$24,586	\$135,867
4	43	\$26,062	\$135,867
5	44	\$27,625	\$135,867
6	45	\$29,283	\$135,867
7	46	\$31,040	\$135,867
8	47	\$32,902	\$135,867
9	48	\$34,876	\$135,867
10	49	\$1,356,759	\$135,867

Assumes \$1,000,000 IRA at death and a 6% interest rate.

For illustrative purposes only.

Lump Sum Distribution to Beneficiaries has Drawbacks



Why Create a Retirement Trust



**RETIREMENT
TRUST**

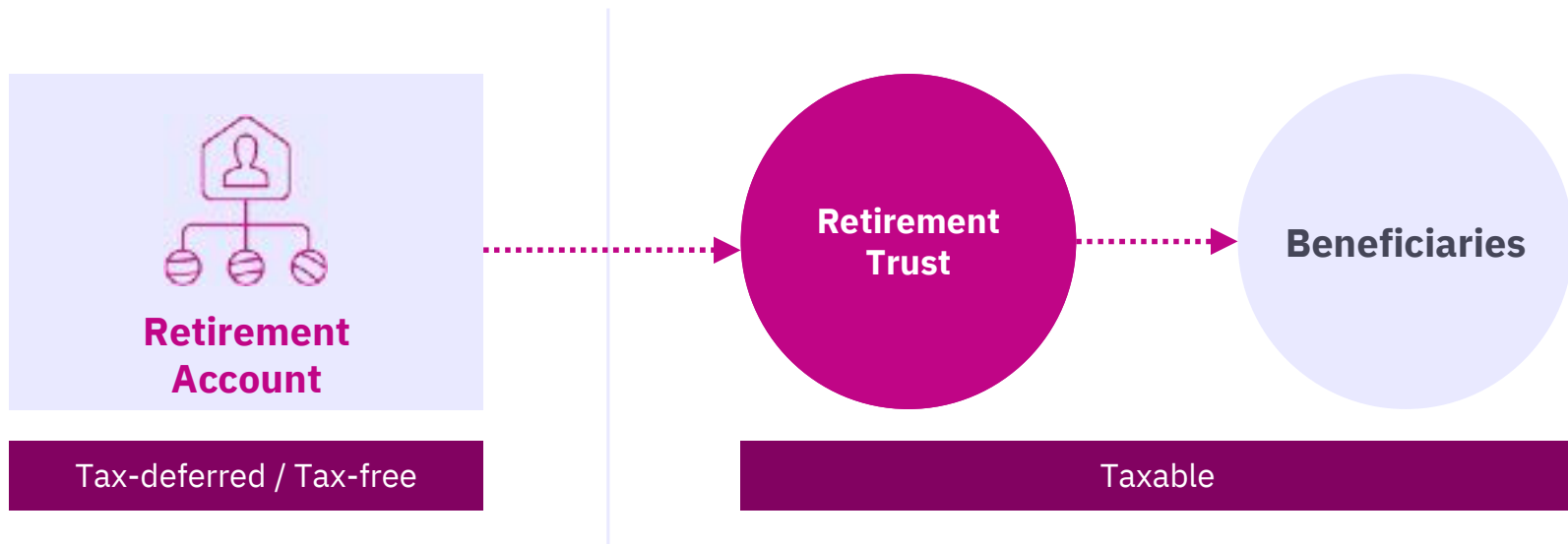
Benefits:

Asset Protection
Beneficiary Protection

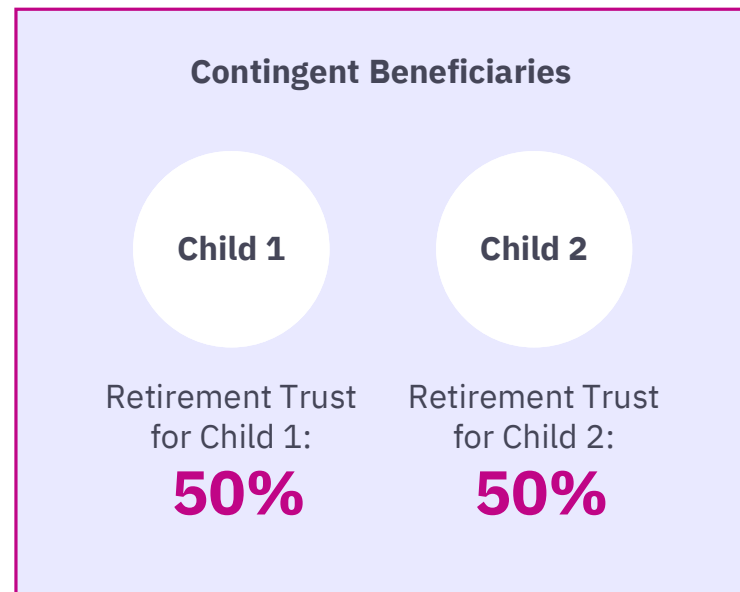
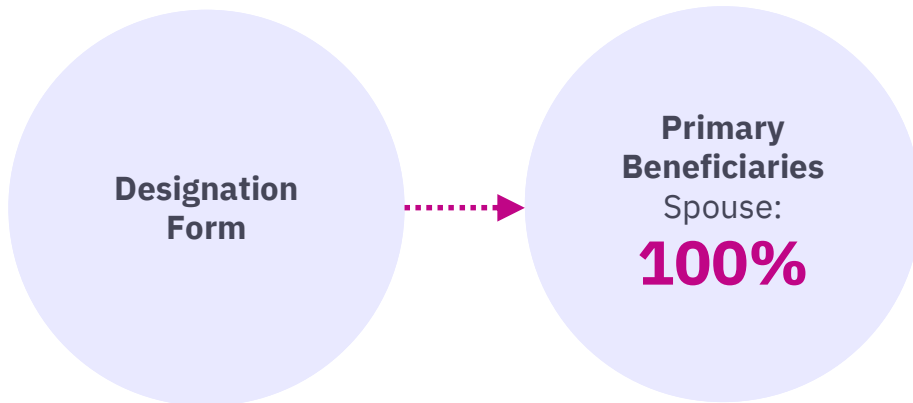
Ideal for:

Underage children
Spendthrift beneficiary
Second marriage

Retirement Trusts Provide Protection



Passing Assets to Beneficiaries



For illustrative purposes only.

Planning Opportunities Prior to the 2026 Tax Sunset

Tax Cuts and Jobs Act Highlights

2017 Tax Cuts and Jobs Act (TCJA) doubled the lifetime estate and gift tax exemptions

Originally

\$5 million, indexed for inflation

Under TCJA

\$10 million, indexed for inflation

In 2024 (after inflation)

\$13.61 million per person

Effective Jan. 1, 2026: Sunsets back to \$5 million, indexed for inflation

- Assuming no new laws passed
- If sunsets, likely to be around \$7 million per person

Source: IRC § 2010(c); Pub.L. 115-97 (2017) (Tax Cuts and Jobs Act) § 11061(a)

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Preparing for 2026: Estate Tax Planning Tools to Consider

Unlimited Marital Deduction

Transfers between spouses are always tax free (IRC 1041(a)(1)), including transfers at death (IRC 2056(a))

- Prevents payment of estate tax at the first spouse's death
- Does not use up any exemption
- Does not apply to transfers to non-spouses

Portability

The ability of a surviving spouse to claim any unused portion of their deceased spouse's estate tax exemption

- Allows surviving spouse to potentially double exemption amount

Source:
https://irc.bloombergtax.com/public/uscode/doc/irc/section_1041
https://irc.bloombergtax.com/public/uscode/doc/irc/section_2056

Preparing for 2026: Estate Tax Planning Tools to Consider

Annual Gifting

In 2024, everyone can gift up to \$18,000 (per person) annually

- No tax concerns for either giver or recipient
- Does not use up exemption unless the amount gifted by one individual to another exceeds the annual gifting amount
- Does not apply to transfers to spouses (unlimited)

Credit Shelter/Marital Trust

Surviving spouse can choose whether to move assets into this trust

- Could be funded with up to the deceased spouse's maximum exemption amount
- Does use deceased spouse's exemption amount
- Irrevocable – cannot be changed, and has a separate tax ID number
- No step-up in basis on assets in this trust

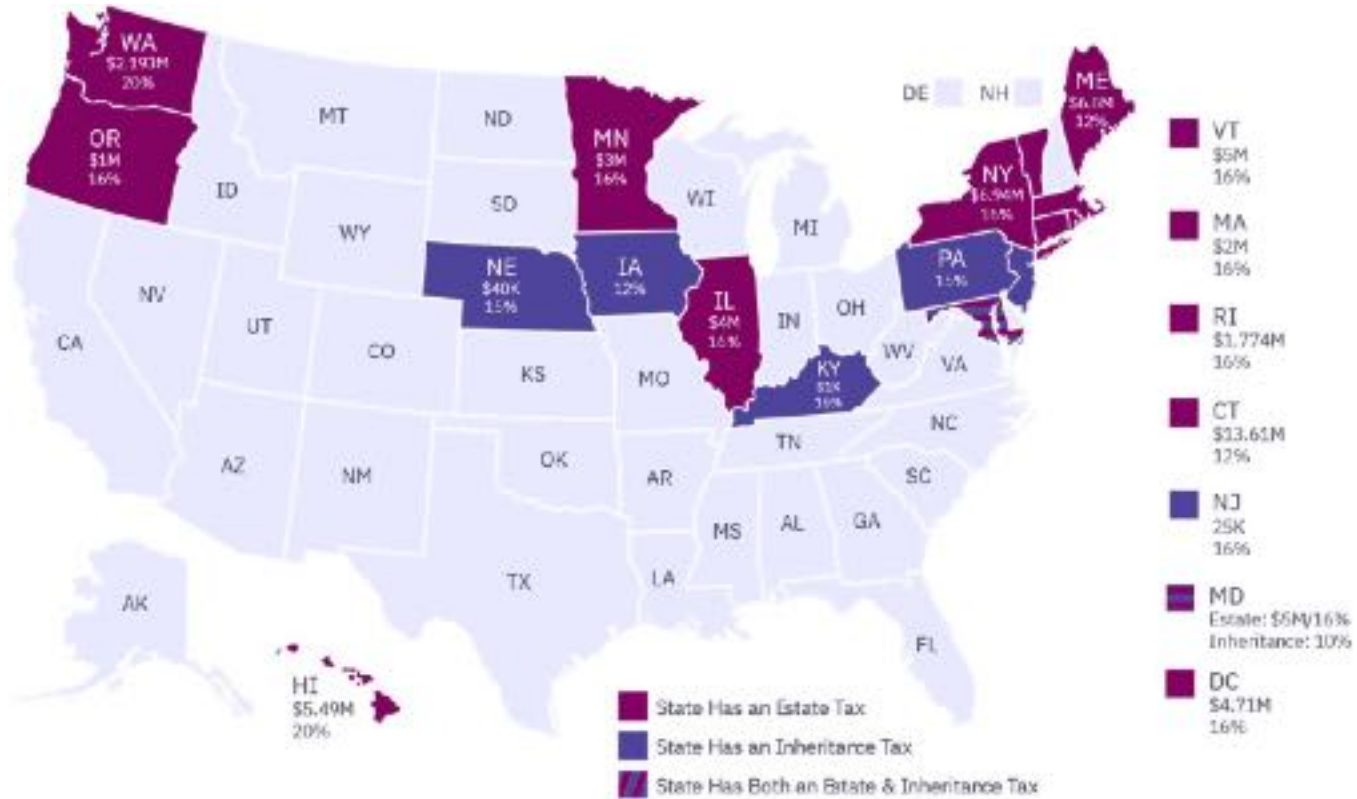
Irrevocable Trusts

Transfers of assets to these trusts remove that value from your taxable estate

- Future appreciation of assets occurs outside of your estate
- You lose control over the assets
- E.g., Life Insurance Trust, Charitable Remainder Trust

Source: IRS.gov (<https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2024>)

Where Not to Die



Exemption amounts are shown for state estate taxes only. Inheritance taxes are levied on the posthumous transfer of assets based on the relationship to the decedent; different rates and exemptions apply based on the relationship. Sources: Family Business Coalition, state statutes.

Working With Us

The bottom of the slide features a series of five horizontal, wavy lines in a light purple color, creating a decorative border against the dark purple background.

All the Services Your Family Needs

Financial Planning

Aligning on what matters

- Vision and goal setting
- Family alignment
- Wealth forecasting
- Cash flow planning
- Spend/budgeting
- Asset location
- Asset protection
- Multi-state considerations

Investment Management¹

Growing your assets

- Tax overlays
- Options strategies
- Alternative investments
- Custom asset allocations
- Mandate-driven investing
- Public & private markets access
- Concentrated position mgmt
- Retirement account mgmt

Tax Planning & Preparation²

Optimizing your taxes

- Tax return preparation
- Tax return filing
- Tax-efficient distribution planning
- Unwinding concentrated positions
- Navigating the sale of a closely-held business

Estate Planning³

Shaping your legacy

- Wealth transfer planning
- Incapacity planning
- Gifting & protection
- Trust structures
- Trust location strategies

Insurance Solutions⁴

Protecting your plan

- Property & casualty
- Life
- Disability
- Long-term care
- Annuities
- Natural disaster
- Cybersecurity
- Umbrella
- Whole life

Trustee Services⁵

Safeguarding family wealth

- Named in documents
- Serve as executor/co-executor
- Serve as trustee/co-trustee
- Trust bill pay

1.Options strategies, alternative investments, and private equity are for qualified/accredited investors only. These strategies and investments subject to greater risks than those associated with traditional investments and are not suitable for all investors.

2. Tax preparation and filing generally requires a separate fee from our investment management and financial planning services.

3.Mercer Global Advisors Inc. is not a law firm and does not provide legal advice to clients. All estate planning document preparation and other legal advice are provided through select third parties unaffiliated to Mercer Advisors.

4.Mercer Global Advisors has a related insurance agency. Mercer Advisors Insurance Services, LLC (MAIS) is a wholly owned subsidiary of Mercer Advisors Inc. Employees of Mercer Global Advisors serve as officers of MAIS.

5.Trustee services are offered through select third parties with which a client would engage directly, as such, additional fees may apply.

Mercer Advisors is a Family Office for a Broad Range of Families

ONE UNIFIED FIRM, THREE PURPOSE-BUILT OFFERINGS

	WEALTH PATH Under \$1M	CUSTOM WEALTH Above \$1M	ASCEND GROUP Above \$10M
Meetings / Year	<ul style="list-style-type: none"> Annual review of unified plan Follow-ups during the year as needed 	<ul style="list-style-type: none"> Annual review of unified plan 2-4 scheduled meetings per year Follow-ups during the year as needed 	<ul style="list-style-type: none"> Annual review of unified plan On-demand meetings throughout the year Scheduled meetings with specialists
Dedicated Advisor	X	X	X
Financial Planning	X	X	X
Investment Management	X	X	X
Tax Planning	X	X	X
Tax Preparation	+ Additional fee	+ Additional fee	X
Estate Planning	X	X	X
Private Assets		X	X
Private Banking		X	X

The scope of the services to be provided depends upon the terms of the engagement, and the specific requests and needs of the client. Mercer Advisors is not a law firm and does not provide legal advice to clients. All estate planning document preparation and other legal advice is provided through select third parties unaffiliated with Mercer Advisors. Additional fees may apply for complex tax preparation, including when prepared for entities, private foundations, and family members. Private Assets are for qualified/accredited investors only. Private assets are subject to greater risks than those associated with traditional investments and are not suitable for all investors. Private Banking Services are provided by US Bank National Association, or Charles Schwab Bank through a referral relationship with Mercer Advisors. Mercer Advisors is not a bank and does not provide banking services.

Awards Methodology

2024 - Barron's Top 100 RIA methodology: Mercer Advisors was ranked number 1 for firms with fewer than \$70 billion in client assets. In 2024 Barron's ranked the largest registered investment advisor firms separately from its broader RIA ranking. For Barron's Mega RIAs list, they selected firms that manage 2% or more of the total assets of all ranking applicants. This year, that created a threshold of \$70 billion in assets. Advisers who wish to be ranked fill out a 100+ question survey about their practice. Barron's verifies that data with regulatory databases and then Barron's applies their rankings formula to the data to generate a ranking. The formula features three major categories of calculations: (1) Assets (2) Revenue (3) Quality of practice. In each of those categories Barron's does multiple sub calculations including asset type, growth, client retention, technology spending, succession planning, diversity of their teams, charitable and philanthropic work and compliance records.

2024 Financial Advisor Magazine Annual RIA Ranking: To be eligible for the Financial Advisor (FA) magazine Registered Investment Adviser (RIA) ranking, firms must be independent registered investment advisors and file their own ADV statement with the SEC. They need to provide financial planning and related services to individual clients. For the 2024 ranking, firms were measured and ranked by their 2023 year-end assets under management. On an annual basis Financial Advisor (FA) magazine invites RIA firms to complete a survey for this ranking. The specific criteria for ranking is not included in the FA summary article. FA magazine independently sets its ranking criteria and Mercer Advisors has no influence on the criteria. FA Magazine does not disclose how many firms were considered or applied for inclusion on the list.

2024 - CEOWORLD Best Investment Advisory Firms in America - This award recognizes the leading consultants in the U.S. market, who play a significant role in important discussions about investing approaches, life-state planning, and wealth management.

Wealthmanagement.com, A panel of independent judges made up of top names in the industry and led by WealthManagement.com Editor-in-Chief David Armstrong determined the 2023 Wealthmanagement.com Industry Award winners. The best in each category were selected based on quantitative measures of their initiatives--such as scope, scale, adoption, and feature set--along with qualitative measures, such as innovation, creativity and new methods of delivery

Neither rankings and/or recognitions by unaffiliated rating services, publications, media, or other organizations, nor the achievement of any professional designation, certification, degree, or license, membership in any professional organization, or any amount of prior experience or success, should be construed by a client or prospective client as a guarantee that he/she will experience a certain level of results if Mercer Advisors or its investment professionals are engaged, or continues to be engaged, to provide investment advisory services. A fee was not paid by either Mercer Advisors or its investment professionals to receive the award or ranking. The award or ranking is based upon specific criteria and methodology (see ranking criteria/methodology). No ranking or recognition should be construed as an endorsement by any past or current client of Mercer Advisors or its investment professionals.