

New Version of WealthTec Suite Now Available

WealthTec Suite has been technically overhauled. The new version, which replaces **WealthTec Suite NV**, has the same advanced modeling/presentation capabilities but is vastly superior from a technical perspective. Please see the *Product News* document available on the www.wealthtec.com/downloads.php page for more details.

WealthTec Suite Updates

Highlights of each 2015 **WealthTec Suite** update are listed below.

v2015.18 – 11/17/15

- The OptiMarital Planner incorporates the New York rules for phasing out the estate tax exclusion. This requires circular calculations, so implementation of this feature was not possible with v2015.16 (below).

v2015.17 – 10/22/15

- Effective for 2015 and beyond, Connecticut estate taxes are limited to \$20 million per estate. The update affects Synergy, the Cash Flow & Estate Planner (CFEP), EstatePro and the OptiMarital Planner.
- The update fixes EstatePro's *Life Insurance* estate planning flowchart object for a married couple. Before the fix that object did not include policy cash values in the Type B insurance products. EstatePro's calculations are unaffected.

v2015.16 – 10/5/15

- **WealthTec Suite** supports a limited version of state-specific estate tax calculations in Synergy, the CFEP, EstatePro and the OptiMarital Planner. Detailed rules regarding how the tax base is derived in each jurisdiction are not incorporated. Instead, the existing logic in these models is applied to arrive at the state tax base (i.e., the federal taxable estate before the state death tax deduction minus the state exclusion equals the state estate tax base). Graduated rates are then applied to the tax base to yield the state estate tax. The state exclusions follow the rules in each jurisdiction with one caveat: the New York phase-out rules are not incorporated. These require certain circular calculations, which unfortunately, have proven to be unstable in these models.
- In order to use the new state estate tax calculations your Excel security settings cannot be set "too high." Please refer to the Support/Troubleshooting: Excel Security Settings section of the help, user manual or Quick Start Guide for details.
- The update fixes a growth rate sensitivity analysis error in Synergy where you select "No" for applying the range of growth rates to the cash management fund. Prior to the fix the income rate was used in lieu of the assumed constant growth rate.
- In EstatePro, the MCS confidence level analysis erroneously showed a dip in investment capital in the second year of the progression. This update fixes that error.

v2015.15 – 7/29/15

- The CFEP includes a new "Taxable income" option for computing the base for an expense sequence.
- The update fixes the starting balance calculation in the NIMCRUT Planner's baseline scenario. Before the update the 3.8% Medicare surtax (i.e., net investment income tax) was not reducing the starting balance.
- Before the update the 3.8% Medicare surtax was not being levied against the realized gain associated with the taxable sale of appreciated property in the FlipCRUT Planner's baseline scenario.

- Before the update Synergy's growth rate sensitivity analysis results were incorrect when portfolios 13-18 were active, and any of the active portfolios were not subject to the range of growth rates.

v2015.14 – 6/27/15

- In the CFEP you can apportion cash flow deficit funding across the available portfolios on a percentage basis, so portfolio invasion is now computed as the lesser of a) the year-end value of a portfolio, b) total cash flow deficit x a user-defined percentage for each portfolio and c) the then remaining deficit. This gives you more cash flow planning flexibility.
- In EstatePro the extensive charitable planning element of the flowcharts was refined, so that charitable planning objects and connectors are visible or hidden depending on the fact pattern of the active case.

v2015.13 – 6/7/15

- EstatePro allows you to apply a one-time market decline to selected assets in a user-defined year. You can combine this new feature with or without a Monte Carlo simulation (MCS). The new input sections are located on the EstatePro: Variable Investment Rates & Monte Carlo Simulations and EstatePro: Asset Investment Returns screens.
- In EstatePro the comprehensive estate planning flowcharts hide the flowchart objects and connectors on the far right side (i.e., advanced planning) when these are inapplicable.

v2015.12 – 5/24/15

- The CFEP allows you to apply a one-time market decline to selected portfolios in a user-defined year. You can combine this new feature with or without a Monte Carlo simulation (MCS). The new input section is located on the Cash Flow & Estate Planner: Variable Investment Returns & Monte Carlo Simulations screen.

v2015.11 – 5/13/15

- The CLAT Planner and CLUT Planner were accounting for unrealized gains associated with the property transferred in trust properly only at the start. Going forward the transferred property's tax basis was inadvertently ignored in the formulas. This update fixes the error in these two planners.
- The CRAT Planner, CRUT Planner and FlipCRUT Planner were overstating the consumption amount by the Medicare surtaxes associated with the payouts. This error affected only those cases where CRT payouts were consumed rather than reinvested in an accumulation account. This update fixes the error in these planners.
- The CFEP allows you to enter a taxable base greater than 100% of distributions or total return on the Cash Flow & Estate Planner: Other Irrevocable Trusts screen.

v2015.10 – 4/6/15

- On the CFEP's Non-Asset-Based & Miscellaneous Income screens for client and spouse you can now allocate the taxable portion of each income sequence across short-term capital gain, long-term capital gain and ordinary income buckets, as necessary.
- A new input assumption on the CFEP's Cash Purchases & Additions screen lets you define the portion of a purchase/addition allocable to tax basis (e.g., receipt of a gift of appreciated property would have a carryover basis less than fair market value).
- The assumption for the cash outflow percentage is now respected for cash purchases and additions. Before the fix, the CFEP automatically treated purchases and additions as cash outflows.
- For each of the four nonlinear expense changes (for each expense sequence) in the CFEP you can now enter the change year(s) manually, in lieu of pegging the timing of the change(s) to preset life events.

- The CFEP's Noncash Tax Items screen includes a second nonlinear change in income, losses, deductions, credits and state additions/subtractions.
- The CFEP can now compute state taxable income on the basis of federal taxable income (as adjusted), federal adjusted gross income (as adjusted) or portfolio income (as adjusted).
- The TAX RATES input section was moved to the bottom of the Cash Flow & Estate Planner: General screen for easier access.
- The CFEP has a new Income Tax Summary report that includes marginal and average tax rates for each year of the illustration. These rates are computed on the basis of actual income and taxes, so the new report may be useful in income tax planning.

v2015.9 – 3/16/15

- This update fixes projected federal estate tax calculations when the first decedent's estate makes the DSUE election. Before the fix the DSUE amount was erroneously adjusted for inflation (the Application Exclusion Amounts reports showed the DSUE amounts correctly, but the underlying calculation functions for federal estate taxes applied the inflation factor). This error only affects the 2015 version of **WealthTec Suite**. The OptiMarital Planner, Synergy, the CFEP and EstatePro are the planners affected.
- This update fixes the absence of a state death tax when "Sec 2011 table" is the method selected (i.e., state death taxes are now calculated when that option is selected). The OptiMarital Planner, Synergy, the CFEP and EstatePro are the planners affected.
- The OptiMarital Planner is now able to gross up the credit shelter bypass funding amount for state death taxes, regardless of the state death tax calculation method chosen.
- The CFEP and EstatePro now allow you to eliminate a debt from the balance sheet without having it actually be repaid. By combining this new feature with setting up a new, future debt in the year after the year the first debt is eliminated you can simulate a debt refinancing during the course of the projection. (Please see the help or user manual for an example.)
- Similarly, the CFEP also allows you to simulate a refinancing of a note receivable by eliminating a note from the balance sheet in a future year—despite the note not being repaid—and setting up a new note in the future with different terms.

v2015.8 – 2/13/15

- **WealthTec Suite** now gives you the ability to turn off cash flow deficit-funding loans. We don't recommend enabling it, because by turning off the borrowing feature the models continue to reflect negative cash flows but without a funding source (i.e., once financial assets have been depleted unfunded cash needs would continue indefinitely). However, enough users have requested it to merit the additional feature. The new feature affects the CFEP, Portfolio Simulation Planner, Synergy and EstatePro.

v2015.7 – 2/09/15

- A new **WealthTec Suite** installer is available (private link) for firms that must register the **WealthTec Excel Addin** and operate **WealthTec Suite** with administrative privileges.
- After building the reports in the active planner, navigating between the input and output areas via the **Inputs/Reports** menus sometimes resulted in reports not being properly updated. This update fixes that problem (only v2015.6 was affected by the error).
- The **Office** button (Excel® 2007) and **File** menu (Excel 2010/2013) functions are grayed out (i.e., locked down), rendering them unavailable from within the **WealthTec Suite** window.
- The CFEP supports catch-up contributions to nonqualified plans for participants who are aged 50 or older.

v2015.6 – 2/04/15

- Exporting to Excel and exporting to PDF are considerably faster and smoother.

- Data load times have been reduced. (Keep in mind that the CFEP and EstatePro are very large files, so they still take longer to open than the other planners. Once they're open, however, data loading proceeds at a faster pace than in prior versions.)
- Screen updating in Excel has been aggressively suppressed, so that there is less screen flickering during the various **WealthTec Suite** procedures. This is most apparent with the updated exporting routines.
- Update fixes the calculation of the after-tax annuity payment in the Portfolio Simulation Planner. Before the fix, the payment was understated due an overstatement of the Medicare surtax (i.e., net investment income tax).
- The **WealthTec** troubleshooting tools now appear under Start/All Programs/WealthTec/WealthTec Suite/Troubleshooting, so that now they're clearly set apart from the **WealthTec Suite** program and user manual.
- Synergy now properly includes after-tax contributions relating to portfolios 13-18 in cash needs.

v2015.5 – 1/23/15

- The **WealthTec Suite** installer continues to be refined as we work with more institutional users. The version number is changing frequently primarily to facilitate tracking when helping users and IT professionals resolve technical issues.

v2015.4 – 1/20/15

- The **WealthTec Suite** installer and technical requirements continue to be refined as we work with more institutional users. The good news is that the **WealthTec Suite** setup no longer requires administrative rights in order to install and/or launch the program effectively.
- Some flowcharts were not properly updating with new results, so that the flowchart objects would reflect the last previous run. This update forces a Ctrl-Alt-F9 Excel calculation at the end of the report-rendering procedure, which updates the affected flowcharts. Therefore, if you're using a version prior to this update you can simulate what is now done automatically by hitting Ctrl-Alt-F9 after the reports have been rendered in planners containing flowcharts.

v2015.3 – 1/15/15

- The **WealthTec Suite** MCS engine was refined. Prior to the fix there was an anomaly that resulted in values of \$0 for all trials in year 51 of a projection. The error affected the CFEP, Synergy and the Portfolio Simulation Planner.
- The progress bar indicator now includes a counter for MCS trials and sensitivity analysis iterations, so you can see the progress of these calculations as they occur.

v2015.2 – 1/13/15

- Some technical changes were made to the **WealthTec Suite** setup and installer to account for nuances encountered at some financial institutions. These changes primarily affect how the **WealthTec Excel Addin** is registered and how the program completes its launch sequence (sounds like rocket science, and in some ways integrating with Excel can approach that).

v2015.1 – 1/07/15

- The CFEP supports the rollover of qualified plan after-tax contributions (i.e., basis) that are part of a lump-sum distribution (LSD) to a Roth IRA. The pretax portion of the LSD can be rolled over tax-free to a non-Roth IRA.
- Tax-related items throughout the system are updated to reflect IRS annual indexing.