

SUMMER

2023



What the Administration's 2024 Revenue

Proposals Mean for You and Your Estate Plan

In This Issue:

What the Administration's 2024 Revenue Proposals Mean for You and Your Estate Plan

Have You Outgrown Your Estate Plan?

Second Harvest Food Bank

RWay Symposium

Madison Summer Activities

This Quarter in History

Infusing the Principles of Etiquette into Your Estate Plan

Mark Your Calendars

Introduction

On March 9, 2023, the Biden administration released a proposed budget for fiscal year 2024, calling for an increase in federal spending along with a series of counterbalancing revenue raisers. The budget was outlined in a document called the "General Explanations of the Administration's FY2024 Revenue Proposals," otherwise known as the "Greenbook."

The Greenbook is a document created by the US Department of the Treasury to explain the revenue proposals in the President's budget. The Greenbook also serves as a guide to Congress for tax legislation by describing current laws, proposed changes to those laws, the rationale behind the proposed changes from a policy perspective, and US Department of the Treasury's revenue projections based upon the proposed changes.

Proposed Changes to How Your Retirement Plan is Managed

Prevent Excessive Accumulation

The Greenbook outlines proposals on several different topics. One proposal that could directly impact your future financial security is the proposal to prevent excessive accumulations of wealth by high-income taxpayers using tax-favored retirement accounts.

Tax-favored (sometimes referred to as *tax-deferred*) retirement accounts, such as individual retirement accounts (IRAs) and 401(k)s, were approved by the federal government as a method of encouraging American citizens to save money for retirement. These accounts allow individuals to contribute a portion of their earnings to an investment account without taxes being withheld at the time of

contribution. The money invested can grow with tax liability being delayed until the monies are withdrawn from the retirement account.

In 2021, 87 percent of US citizens who were sixty-years-old or older had some type of retirement savings. According to the latest findings, the average balance in American retirement accounts was \$141,542 in 2021. However, the Joint Committee on Taxation estimates that as of 2022, there are roughly 500 taxpayers with retirement accounts worth \$25 million or more, and over 28,000 additional retirement accounts worth \$5 million or more.

Because of the special tax treatment afforded retirement accounts, some high-income people have started using these accounts as wealth transfer tools. An individual is in the high-income category if their modified adjusted gross income is over \$450,000 if married filing jointly, over \$425,000 if head-of-household, or over \$400,000 in other cases. Some high-income taxpayers have been able to accumulate amounts in "tax-favored retirement arrangements that are far in excess of the amount needed for retirement security." According to the Greenbook, "the exemption from required minimum distribution rules for Roth IRAs means that a taxpayer who has other sources of retirement income could choose to continue accumulating investment returns on a tax-favored basis until the taxpayer dies, which means that the tax-favored retirement arrangement could be passed on in its entirety to the taxpayer's heirs."

Special Distribution Rules for Large Account Balances

To prevent such "excessive accumulations" by individuals, the Greenbook contains

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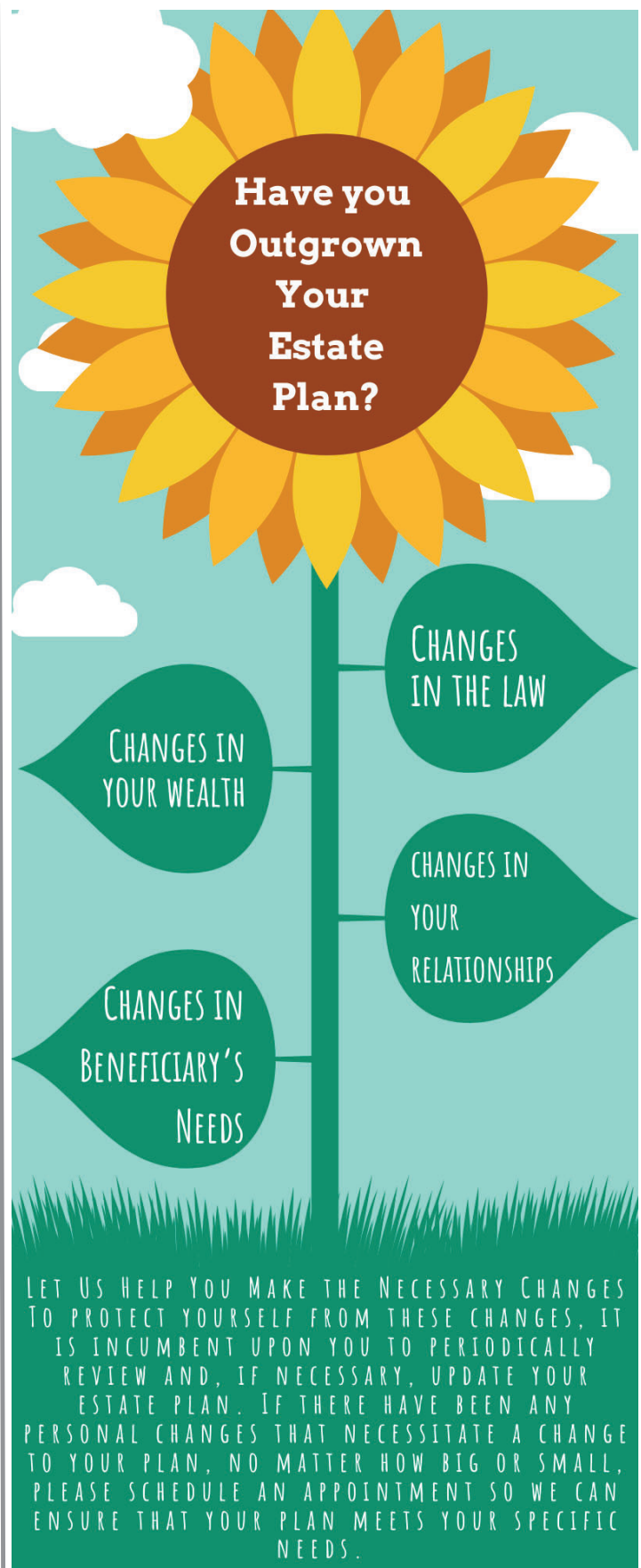
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contains proposals that would modify rules related to retirement accounts. One such proposal would impose special distribution rules on prior balances. Under the proposal, a high-income taxpayer with an aggregate vested account balance in a tax-favored retirement account exceeding \$10 million would be required to distribute a minimum of 50 percent of the excess. "[I]f the high-income taxpayer's aggregate vested account balance under these tax-favored retirement arrangements exceeded \$20 million, then the required distribution would be subject to a floor." "The floor is the lesser of (a) that excess and (b) the portion of the taxpayer's aggregate vested account balance that is held in a Roth IRA or designated Roth account." Commentators have suggested that this proposal is simply a rehashing of the mega-IRA proposals in the Build Back Better Act. Based on a \$10 million threshold, the proposal would not likely affect the majority of retirement plan participants. However, for those individuals who have accumulated more than \$10 million in their retirement account, the proposed changes would greatly limit their ability to retain balances in excess of \$10 million and use these accounts as wealth transfer tools.

Limit on Rollovers and Conversions

Another Greenbook proposal that could impact your financial plan is the proposed limit on rollovers and conversions to designated Roth retirement accounts or to Roth IRAs. The proposal "would prohibit a rollover of a distribution from a tax-favored retirement arrangement into a Roth IRA unless the distribution was from a designated Roth account within an employer-sponsored retirement plan or was from another Roth IRA if any part of the distribution includes a distribution of after-tax contributions." The proposal would further "prohibit a rollover of a distribution from a tax-favored retirement arrangement into a designated Roth account if any part of the distribution includes a distribution of after-tax contributions, unless the distribution was from a designated Roth account." "This proposal would eliminate the commonly used 'backdoor' Roth conversion for all high-income earners." A *backdoor Roth conversion* is a strategy used by high-income earners who are prohibited from contributing to a Roth IRA because their income is above certain limits. Instead of contributing directly to a Roth, these high-income taxpayers contribute to a traditional IRA (which has no income limits), and then convert it to a Roth IRA. "Backdoor conversions would still be allowed for taxpayers with income above the Roth IRA contribution limit, but below the high-income earner limit." However, according to some commentators, "this proposal does not appear to limit Roth contributions in employer retirement plans."

Although these are just proposals, we are committed to keeping you up-to-date on matters that may impact you, your loved ones, and your futures.

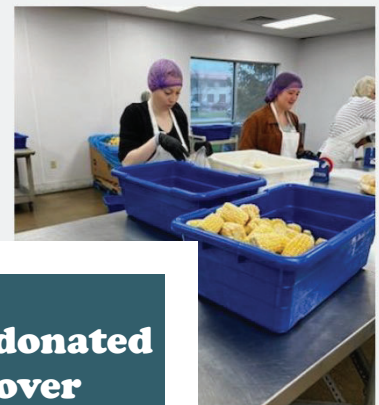


SECOND HARVEST

FOODBANK

OF SOUTHERN WISCONSIN

It was rewarding to give back and volunteer time at the Second Harvest Food Bank. If this is something you have ever considered, it is easier than ever to sign up for a shift. On Second Harvest Food Bank Madison website, you will click on Get Involved, then Become a Volunteer. Under the Group tab, meaning you will be volunteering with a group of volunteers, there is a link to sign up directly with Sign Up Genius. It allows you to pick your own shift. The shifts are Monday through Saturday 8:30-11:30am and 12:30-3:30pm, and Tuesdays from 5:30-7:30pm. The shifts typically revolve around preparing food to be distributed at a food pantry for individuals and families.



**We donated
over
\$3,000!!**



***All classes are offered
EXCLUSIVELY
to our RWay members and
their guests.***

RSVPs are Required!

Wilson Law Group combines
our most valued educational
workshops into two
convenient half-day events!

Where:

Clarion Suites
2110 Rimrock Road
Madison, WI 53713

When:

Saturday, September 23, 2023
Saturday, April 27, 2024

Three Ways to Register:

Phone

608-833-4001

Email

mail@wilsonlawgroup.com

Website

wilsonlawgroup.com

All classes are presented by WLG unless otherwise indicated

***Check Out Our
New Format!***

***Symposium I
Saturday, September 23, 2023***

8:15 a.m.—9:15 a.m. Trustee Training: Trust Process
Break
9:30 a.m.—10:30 a.m. Trustee Training: Administration Process
Break
10:45 a.m.—11:45 a.m. LegalVault
Break
12:00 p.m.—1:00 p.m. Funding Your Trust

***Symposium II
Saturday, April 27, 2024***

8:15 a.m.—9:15 a.m. Current Events
Break
9:30 a.m.—10:30 a.m. *Are You Ready for Your Future?
Break
10:45 a.m.—11:45 a.m. *Cyber Threats and Fraud
Break
12:00 p.m.—1:00 p.m. *Pre-Planning Your Funeral

Trustee Training: The Trust Process

This program will provide attendees with an understanding of estate planning concepts, why a trust is useful in comprehensive planning, and an introduction to the trust administration process. Attendance is a must for every Trustee and successor Trustee. A Trustee Handbook will be included. This program is a precursor for the Trustee Training (The Administration Process) program.

Trustee Training: The Administrative Process

The Trust Administration workshop provides Trustees with a detailed description of the decisions to be made and the tasks to be completed following the death of a Trustmaker. These include valuing assets, administering retirement plans and annuities, dividing and distributing trust assets, and preparing estate and fiduciary income tax returns. It is important to know how to handle these responsibilities before the need exists. Prior attendance at the Trustee Training (The Trust Process) program is highly encouraged.

LegalVault

This workshop is for anyone who would like to learn more about the benefits and functions of their LegalVault account. LegalVault enables you to keep, track, and review your documents outside of your regular estate planning meetings, control access to your estate planning documents, and add additional documents to your vault that requires privacy. LegalVault also allows healthcare providers to have access to your medical directives at a moment's notice.

Funding Your Trust

Funding is a critical function of maintaining your trust. Even though your current assets are in your trust, it is your responsibility to make sure that all assets acquired in the future are also in your trust. We are here to help you learn what to do and when to do it. This workshop will help you understand how to properly maintain your trust. This class provides essential information to correctly fund your trust, so be sure to sign up if you haven't yet taken the class.

Current Events in Estate Planning

As we all know, estate planning is essential to making sure your assets and values pass on to future generations in the way that you want. This program is designed to keep you up to date with how changing laws and court decisions can impact your existing planning. We will discuss the most important changes that can have an impact in your plan.

"Are You Ready for Your Future?"

Presented by Tracy Doeppers

As we all know, finding a senior living community is often an overwhelming and daunting task. Tracy works with families to learn about their needs, concerns, and preferences before making recommendations for safe and appropriate living options that fit their unique situation. Her goal is to empower seniors and their families as they make important decisions about the next chapter in their lives. During this exclusive presentation, she will be discussing all aspects related to planning for care after retirement.

Cyber Threats and Fraud

Presented by an Industry Professional

The Internet has changed how individuals and businesses are attacked. Cyber attacks, and the expert criminals that launch them, are more patient and resilient than ever before. This program will help you assess cyber risks and take the necessary steps to protect yourself.

Pre-Planning Your Funeral

Presented by an Industry Professional

Controlling the cost of your funeral is an important aspect of your estate plan. In this program, we will explore options for prepaying funeral and burial costs, requirements for cremation, and other matters every person should consider when making funeral arrangements. Making these important decisions in advance will provide peace of mind for both you and your family.

Can't make it?

Check out our growing library
of online workshops!

1. Go to wilsonlawgroup.com
2. Click "Log in to Watch RWay Workshops" under the red "Free Workshops" button
3. Enter the password Sinatra2013

Madison Summer Activities

- **Orquestra Salsoul del Mad: Live at the Boneyard**
 - July 1
 - 3 - 6PM
 - The Boneyard
- **Lakeside Cinema: High School Musical 2 (2007)**
 - July 3
 - 9 - 11 PM
 - Terrace at Memorial Union
- **Concerts on the Square: Contrastes**
 - July 5
 - 7 PM
 - King Street corner of the Capitol Square
- **Mary Poppins**
 - Seven shows weekly Thursday-Sunday, June 20 - Sept. 3
 - Fireside Dinner Theater
- **Music Bingo Thursdays**
 - Recurring weekly on Thursdays
 - 6:30 PM
 - Starkweather Brewing Company
- **Blooming Butterflies**
 - Recurring daily from July 13 - August 6
 - 10 AM - 4 PM
 - Olbrich Botanical Gardens
- **Midwest Fire Fest**
 - July 22 and July 23
 - Westside Park
- **Paint & Sip: Harry Potter Trivia Night!**
 - July 31
 - 6:30-8:30 PM
 - Wine & Design
- **National Mustard Day**
 - August 5
 - 10 AM - 4 PM
 - National Mustard Museum
- **Curd Fest**
 - August 13
 - 2 - 6 PM
 - Breese Stevens Field

- **Dane County Fair!**
 - July 20 - 23
 - 8 AM - 8 PM
 - Alliant Energy Center
- **Art Fair on the Square**
 - July 8-9
 - Saturday: 9AM-6PM, Sunday: 10AM-5PM
 - Capitol Square
- **Family Night on Lake Mendota**
 - Recurring weekly on Tuesdays, July 11 - August 22
 - Outdoor UW at Wisconsin Union
 - 4 - 6 PM
- **University Heights Historic Architecture Walking Tour**
 - July 8, August 17, September 9
 - Thursdays: 6 - 7:15 PM ; Saturdays: 10 - 11:15 AM
 - In front of Olin House
- **Agora Art Fair**
 - August 19
 - 10 AM - 5 PM
 - Agora at Fitchburg Center
- **Coffee Break Festival**
 - August 19
 - 9 AM - 3 PM
 - Mandt Park
- **Bargain Fair at the Jefferson Speedway**
 - Recurring weekly on Sunday
 - 7:00 AM - 12:00 PM
 - Jefferson Speedway
- **Taste of Madison**
 - September 2-3
 - Saturday: 2 - 8:30 PM, Sunday: 11 AM - 7 PM
 - Capitol Square

This Quarter in History



Elvis Presley died on
August 16, 1977

Beginning of the Battle
of Gettysburg
July 1, 1863



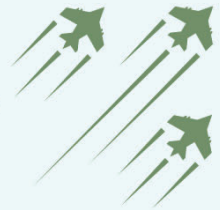
The Mayflower departed
from England on
September 16, 1620

Woodstock began its
three-day concert on
August 15, 1969



U.S. Postage stamps
went on sale for the first
time for 5 cents on
July 1, 1847

The U.S. Air Force is
Established on
Sept. 18, 1947



Harvard's first
commencement was on
Sept. 23, 1642

After an unsuccessful change
to its formula, Coca-Cola
brought back the original
"Classic Coke" flavor on
July 10, 1985



Infusing the Principles of Etiquette into Your Estate Plan

May was National Etiquette Month, and the goal was to encourage all people to act with consideration, respect, and honesty in their interactions with others and in their everyday lives.

Etiquette can also play a role in estate planning. A well-crafted estate plan ensures that your wishes are respected and that your loved ones are taken care of. Estate planning can also address what happens when you become ill and are unable to make decisions for yourself prior to death. Good manners and decorum can help minimize potential conflicts and disputes that may arise among family members during the planning process. As such, it is important to observe proper etiquette when planning and executing your estate plan to ensure a smooth and peaceful transition of your money and property to your loved ones. This involves communicating openly and honestly with family members about your plan and considering their feelings and opinions. Showing respect and sensitivity to family members can prevent future potential legal challenges that could arise from disagreements.

The following are some ways that you can bolster your estate plan by incorporating the key elements of etiquette.

Consideration. An estate plan can create a sense of stability in times of loss or uncertainty. If you do not leave detailed instructions for the type of medical care you desire, you will be putting those you love most in the position of being mind readers. They will have to do their best to figure out what you would have wanted and then potentially deal with the consequences, such as unhappy family members who disagree with them. A well-crafted estate plan shows consideration for your loved ones by preventing confusion about what to do and helping them avoid the pressure to make rushed choices.

Additionally, a carefully prepared estate plan can allow you to customize a plan that provides for your loved ones in a unique way that takes into consideration your loved one's personal circumstances. They can find solace in the love and consideration you showed them by ensuring that your estate plan was not just a one-size-fits-all document.

Another way you can demonstrate consideration in an estate plan is by carefully considering who you are choosing as your trusted decision makers. Each role in an estate plan is important and is best handled by individuals with the right skills. When you are choosing a decision maker, it is important that you pick the right person for the job and that the person you are choosing can handle the responsibilities.

Respect. Estate planning makes it easier for your loved ones to respect your wishes because they know exactly what you want. Trust-based estate plans can respect your and your loved ones' right to privacy by keeping private matters out of the public eye. Without a comprehensive trust-based estate plan, your estate may need to go through court in a probate proceeding. Through probate, your choices become visible to the public, as does any information that needs to be filed with the court.

Honesty. An estate plan can bring a family together. News stories are rife with examples of beneficiaries arguing over a deceased loved one's money and property or instances of a person's care and end-of-life wishes being ignored. A comprehensive estate plan, however, can avoid those types of emotionally draining situations. You should communicate your wishes for end-of-life care to your loved ones. While creating an advance directive document like a healthcare power of attorney is important, it is equally essential to have open and honest conversations with your loved ones about your wishes. These conversations can be difficult, but they can provide clarity and peace of mind for everyone involved. Many people also take the opportunity to write something personal to their family members – passing along hopes, dreams, stories, and wisdom.

By crafting an estate plan that is considerate of one's loved ones, respectful of privacy, and honest about wishes for care and end-of-life decisions, you can ensure that your wishes are carried out in the most respectful and dignified manner possible. If you are interested in learning more about our estate planning process, or to update your existing plan, please schedule a meeting with us.

Mark Your Calendars



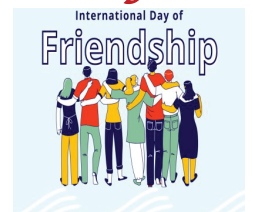
June 21



July 4



July 30



Sept. 4



Sept. 23

