NFI Retirement Academy

350 W Burnsville Parkway, Suite #360,

Burnsville, MN 55337

ESTATE PLANNING

2026

Protecting Your Legacy. Empowering Your Family.

NFI

RETIREMENT ACADEMY

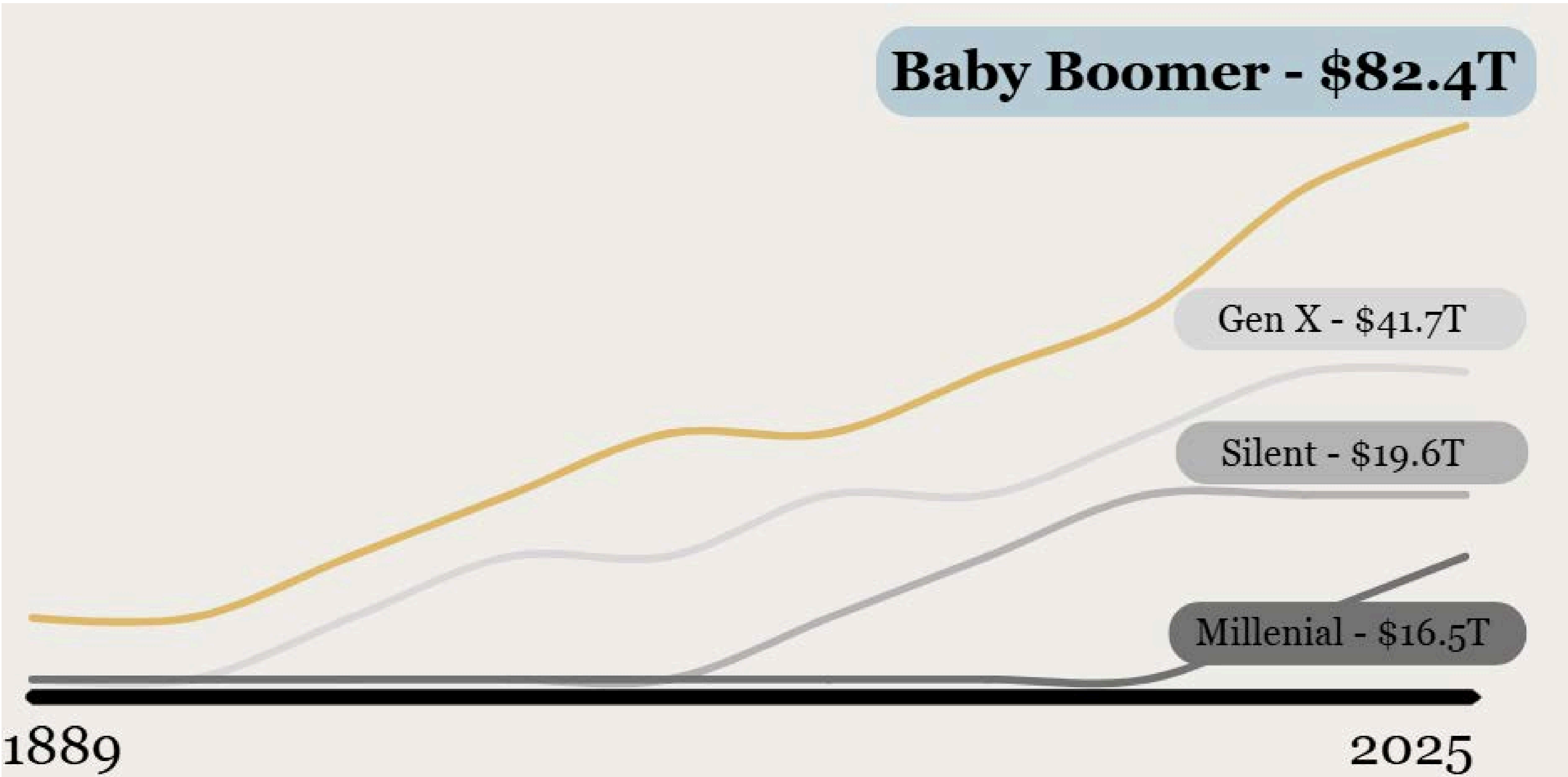
EDUCATE. EMPOWER. ENRICH

Those Nearing or in Retirement → **$82.4 Trillion**

51% of the America’s Wealth

Compared to **12%** of your Parent’s Generation

THE PROBLEM


Baby Boomer - $82.4T
Gen X - $41.7T
Silent - $19.6T
Millenial - $16.5T
1889
2025

Who Is NFI Retirement Academy

NFI Retirement Academy empowers individuals and families to make informed retirement decisions through education, personalized guidance, and trusted resources. Our seminars are designed to simplify complex retirement topics, answer real questions, and provide the confidence needed to plan for the future.

Wealth Management

Comprehensive financial planning tailored to your goals and risk profile.

Tax Strategies

Proactive tax planning to potentially reduce your lifetime and estate tax burden.

Estate Planning

Coordinated strategies to protect your legacy and simplify wealth transfer.

Estate & Finance Clarity — Agenda

Today's seminar covers two pillars of a complete estate plan:

PART ONE

Estate Planning Documents

- What is an Estate?
- Probate
- Will
- Trust
- Durable Power of Attorney
- Transfer of Real estate to the next generation

PART TWO

Estate Planning Strategies

- Three Types of Money
- Step-Up & Cost Basis
- Tax Bracket Management
- Roth Conversions
- QCDs & RMDs
- Gifting • 529 Plans • Life Insurance • Annuities

Estate Planning Documents

Part One: The Legal Foundation

What Is an Estate?

DEFINITION

A general term for all the wealth and property that you have accumulated during your lifetime.

Real Property

Home, land, investment property

Personal Property

Vehicles, jewelry, collectibles, furniture

Liquid Assets

Cash, bank accounts, savings

Business Interests

Ownership stakes, partnerships

Retirement / Investment

IRAs, 401(k)s, brokerage accounts

**Unless jointly held by, or beneficiary designated to, a living, mentally competent adult.*

What Is NOT Subject to Probate?

These assets transfer directly to beneficiaries — bypassing probate entirely:

- ✔ **Jointly Held Property**
  Assets owned as joint tenants with right of survivorship
- ✔ **Beneficiary Designated**
  Life insurance, retirement accounts with named beneficiaries
- ✔ **Life Insurance**
  Proceeds paid directly to the named beneficiary
- ✔ **Property in a Valid Trust**
  Assets titled in the name of a funded trust

How assets avoid probate:

- **Asset Transfers & Beneficiary Designations**
- **Business Interest Transfers**
- **Lady Bird Deed/TOD Deed**
- **Personal Property Assignment**

Characteristics of a Will

IMPORTANT

What is a Will?

A WILL DOES NOT AVOID PROBATE

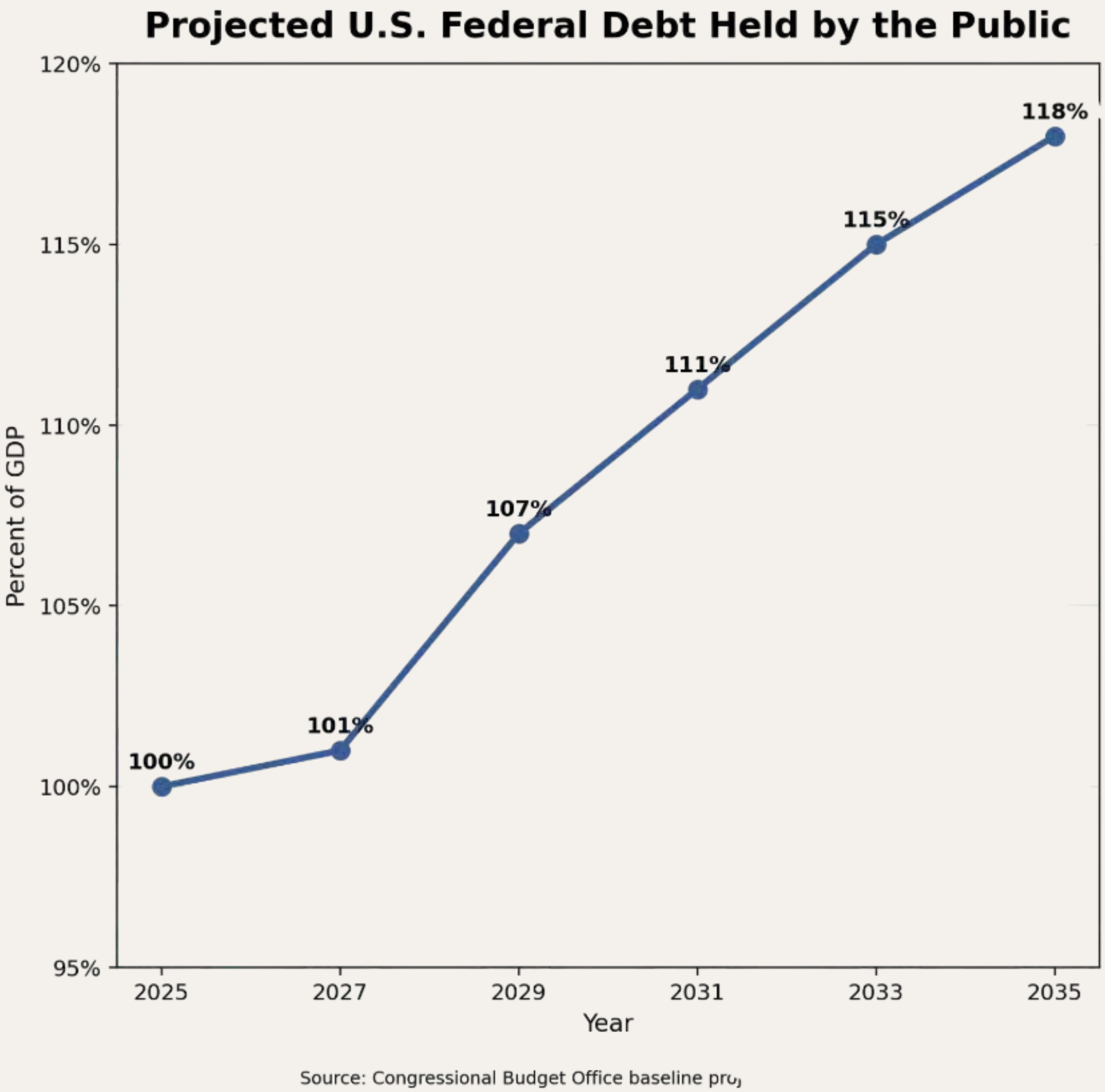
A WILL DOES NOT PROTECT FROM INCAPACITY

A Will is an essential starting point — but it is not a complete estate plan.

WHAT A WILL DOES

- Created during your lifetime
- Names your executor / administrator
- Designates beneficiaries and distribution
- Names guardian for minor children
- Only takes effect after death
- Distributes estate all at once

National Debt: Why Long-Term Planning Matters



Current long-term government projections indicate federal debt is expected to continue increasing if current trends persist.

Higher government debt may lead to future changes in taxes, spending, and the economy. A flexible retirement strategy can help prepare for that uncertainty.

What Is a Trust?

DEFINITION

A trust is a legal arrangement under which one person or institution controls property — given by another person — for the benefit of a third party.

GRANTOR

Creates and funds the trust

The person who establishes the trust and transfers their assets into it.

TRUSTEE

Manages the trust

The individual or institution responsible for managing trust assets according to its terms.

BENEFICIARY

Benefits from the trust

The person(s) or organization(s) who receive the benefits of the trust assets.

Two Main Types of Trusts

REVOCABLE

Living Trust

- Created during your lifetime
- You retain full control during life
- Can be changed or revoked at any time
- Avoids probate at death
- Does NOT protect from creditors or estate taxes

IRREVOCABLE

Irrevocable Trust

- Terms generally cannot be changed once established
- Assets are removed from your taxable estate
- Provides protection from creditors
- Can reduce estate taxes
- Used for Special Needs, ILITs, and more

Revocable Trust: The Living Trust

A living trust is one of the most effective tools for avoiding probate and maintaining control of your assets.

How It Works

A person (the grantor) places their assets into a trust during their lifetime to be managed and distributed according to their instructions — either during their lifetime or after their death — often avoiding probate.

Avoids Probate

Assets transfer directly, saving time and cost

Incapacity Planning

Successor trustee can manage assets if you're incapacitated

Maintains Privacy

Unlike a will, trusts are not public record

Flexible & Revocable

You can change, amend, or revoke at any time during life

Irrevocable Trust: Special Needs Trust

A special needs trust financially supports individuals with disabilities without jeopardizing eligibility for government benefits like Medicaid or SSI.

PARENTS (or Relatives)
Establish a Trust

SPECIAL NEEDS TRUST
Managed by Trustee

DISABLED CHILD
Beneficiary

BASIC NEEDS (Government Covers)

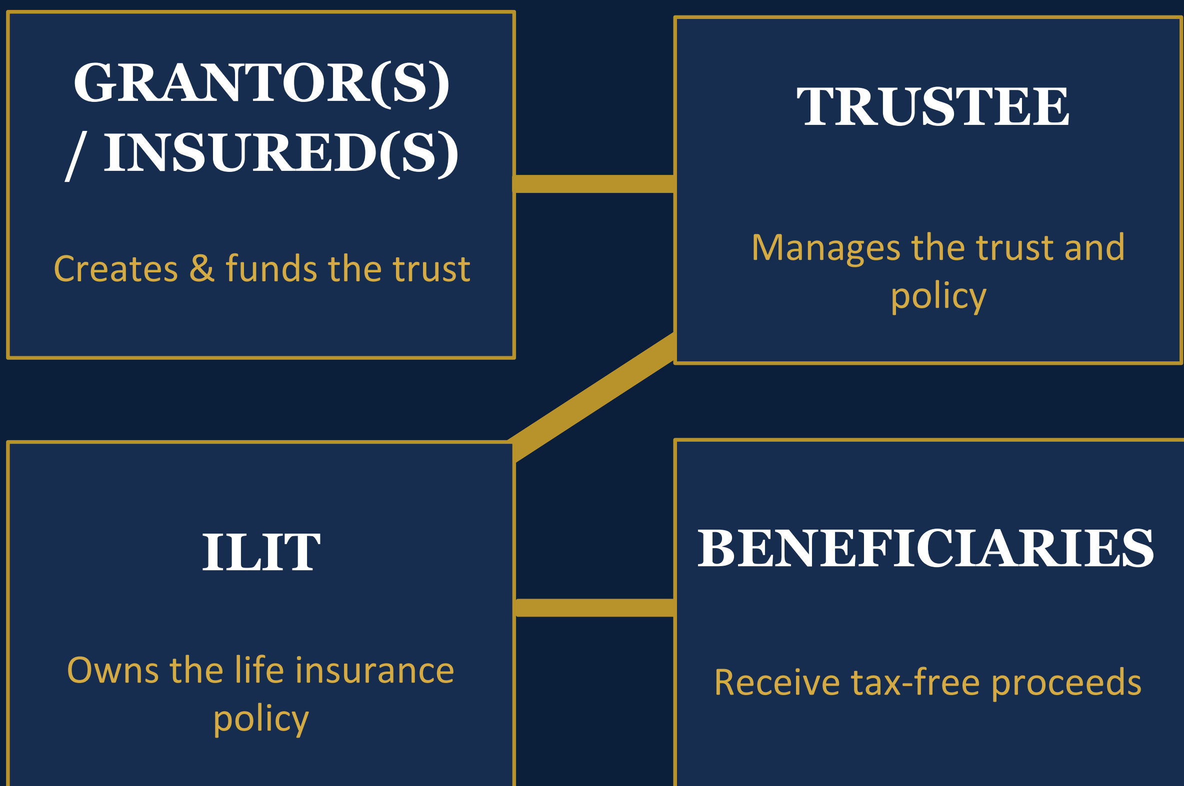
- Food
- Shelter
- Clothing
- Medical Care (Medicaid)

SUPPLEMENTARY NEEDS (Trust Provides)

- Telephone / Internet
- Special Equipment
- Education
- Entertainment & Recreation

Irrevocable Life Insurance Trust (ILIT)

An ILIT is a legal arrangement where a life insurance policy is held in trust, keeping the death benefit outside of the insured's taxable estate — providing potential tax and estate planning benefits.



Removes death benefit from taxable estate

Life insurance proceeds are NOT counted in the estate for tax purposes.

Protects and directs proceeds

Trust terms control exactly how and when beneficiaries receive funds.

Provides estate liquidity

Heirs can use proceeds to pay estate taxes without selling other assets.

Power of Attorney

A durable power of attorney grants someone the authority to make financial and legal decisions on your behalf — even if you become incapacitated.

1. Financial Power of Attorney

Authorizes a chosen person to manage your financial affairs — including bills, investments, and property — if you are unable to do so yourself.

2. Medical Power of Attorney

Designates someone to make healthcare decisions on your behalf if you become unable to communicate or make those decisions on your own.

Transferring Your Home Without Probate

The right deed can pass your home directly to your heirs — skipping probate, preserving control, and protecting your legacy.

Lady Bird Deed

Enhanced Life Estate Deed

Available in 5 States FL, MI, TX, VT, WV

- ✓ Owner retains full control
- ✓ Revocable at any time
- ✓ No beneficiary consent needed

TOD / Beneficiary Deed

Transfer-on-Death Deed

Available in ~30 States AZ, CA, CO, IL, MN + more

- ✓ Simple — recorded like a deed
- ✓ Revocable while owner is alive
- ✓ No probate at death

Revocable Living Trust

Fallback for All States

Works in ALL 50 States All States

- ✓ Most flexible & comprehensive
- ✓ Avoids probate on all assets
- ✓ Privacy — not public record

How They Compare

Feature	Lady Bird Deed	TOD / Beneficiary Deed	Revocable Living Trust
Avoids Probate	✓ Yes	✓ Yes	✓ Yes
Owner Keeps Control	✓ Full	✓ Full	✓ Full
Revocable	✓ Yes	✓ Yes	✓ Yes
Medicaid Protection	✓ Strong	~ Varies	✗ Limited
Step-Up in Basis	✓ Yes	✓ Yes	✓ Yes
Covers Multiple Assets	✗ Deed only	✗ Deed only	✓ All assets
Cost to Set Up	$ Low	$ Low	$$ Moderate
States Available	5 States	~30 States	All 50 States

** Always consult a licensed estate planning attorney in your state. Laws vary and change. This is educational, not legal advice.*

Optional Documents Attorneys Often Recommend

Depending on your situation, your attorney may also recommend:

Situation	Will	Power of Attorney	Healthcare Advocate	Property (Varies by State)	Trust
Married couples with adult kids	√	√	√	√	√
Adults with minor kids	√	√	√	√	√
Widow / widower	√	√	√	√	√
Single w/ no assets (few assets)	√	√	√	—	—

CHECKPOINT

#1 Estate Planning Documents

1 **Do you have these documents? (Check if yes)**

□ *Will* □ *Trust* □ *Health Care Directive* □ *Power of Attorney*

2 **Have your documents been updated in the last 3 years?**

Y / N — If so, last updated: ___________________

3 **If you have a Trust, is it funded?**

Y / N

4 **Do you know how your Estate Plan works?**

Y / N

5 **Are your beneficiaries up to date?**

Y / N

Estate Planning Strategies

Part Two: Tax-Efficient Wealth Transfer

Three Types of Money: Tax Rates at a Glance

PRE-TAX

401(k) / IRA

ORDINARY INCOME

10 / 12 / 22 / 24 / 32 / 35 / 37%

· 7 Brackets

AFTER-TAX

NQ / Investment

L.T. CAP GAINS

0 / 15 / 20% · 3 Brackets

TAX LOSS HARVESTING OPPORTUNITY

TAX-FREE

Roth IRA

TAX-FREE

No tax on qualified distributions

How Your Family Is Taxed At Your Death

PRE-TAX

401(k) / IRA

TAX TREATMENT AT DEATH:

FULLY TAXABLE

AFTER-TAX

NQ / Investment

TAX TREATMENT AT DEATH:

STEP-UP COST BASIS

TAX-FREE

Roth IRA

TAX TREATMENT AT DEATH:

TAX-FREE

Step-Up in Cost Basis — Example

Step-up in cost basis adjusts the original cost of an inherited asset to its fair market value at the time of the owner's death.

1

MARGARET BUYS

1,000 shares of XYZ Corp @ $100/share

Cost Basis: $100,000

2

MARGARET PASSES

XYZ is trading at $400/share

Market Value: $400,000

3

SARAH INHERITS

Her daughter inherits the shares

Stepped-Up Basis: $400,000

RESULT: Neither Margaret, Sarah, nor the Estate owed Capital Gains Tax on the $300,000 gain — due to stepped-up basis rules.

This is a hypothetical example. Your results will vary. Does not reflect fees and charges inherent to investing.

Tax Bracket Management / Bracket Topping

Understand the optimal timing and account selection for withdrawing funds during retirement — to maximize tax efficiency for both yourself and your estate.

What Tax Bucket Do You Take From First?

1st

Tax Deferred (IRA, 401(k))

Distributions are taxed as ordinary income — take first while in lower brackets

2nd

Taxable (NQ / Investment)

Capital gains rates apply — take second, allowing step-up in basis planning

3rd

Tax Free (Roth IRA)

Let this compound tax-free as long as possible — a powerful legacy asset

Marginal Tax Brackets for 2026 Tax Year

Marginal tax brackets for 2026 tax year

Marginal rate	Individual income	Married couples filing jointly
10%	Up to $12,400	Up to $24,800
12%	$12,401 to $50,400	$24,801 to $100,800
22%	$50,401 to $105,700	$100,801 to $211,400
24%	$105,701 to $201,775	$211,401 to $403,550
32%	$201,776 to $256,225	$403,551 to $512,450
35%	$256,226 to $640,600	$512,451 to $768,700
37%	Over $640,600	Over $768,700

Source: IRS 2026 Tax Brackets · This is for educational purposes only. Consult a qualified tax advisor.

Tax Bracket Management — Example One

CASE STUDY

STEVE'S PROFILE

- 74-year-old retiree, married
- $60,000 income → 12% tax bracket
- Won't hit 22% until $96,951 income
- Adult children in the 32% bracket
- Needs $20,000 for home improvements
- Has both Roth and Traditional IRA

THE ANSWER

Use the Traditional IRA

- ✓ After $20K withdrawal, income = $80K → still in 12% bracket
- ✓ Steve's children will likely inherit the IRA in a higher bracket (32%), so paying 12% today is far more efficient
- ✓ The Roth remains untouched — growing tax-free for heirs

This is a hypothetical example and is not representative of any specific investment. Your results may vary.

Tax Bracket Management — Example Two: Bracket Topping

CASE STUDY

THE SITUATION

The following year, Steve remained in the 12% tax bracket. As year-end approaches, he realizes he could withdraw an additional $36,950 from his Traditional IRA before being bumped to the 22% bracket. What should he do?

SPEND IT?

He could pay for needs or wants — but misses a long-term planning opportunity.

SAVE IT?

Better — but the money stays in the taxable IRA, growing for heirs to inherit at a high tax rate.

CONVERT IT!

✓ Convert $36,950 into a Roth for tax free growth while alive or a tax-free inheritance for your beneficiaries.

This is a hypothetical example and is not representative of any specific investment. Your results may vary.

Roth Conversions

Conversions are allowed at any age and in any amount

Converts Qualified to Tax-Free

Moving pre-tax IRA/401(k) assets into a Roth converts future growth and distributions to tax-free.

Works with Bracket Topping

Convert just enough each year to fill lower tax brackets before RMDs and Social Security force higher income.

Powerful Legacy Strategy

Heirs inherit a Roth IRA tax-free .

Traditional IRA owners should consider income tax consequences, withdrawal limitations, and RMD rules before converting. Please consult a qualified tax advisor.

Required Minimum Distributions (RMDs)

DEFINITION

A Required Minimum Distribution (RMD) is the minimum amount that owners of tax-deferred retirement accounts must withdraw annually — starting at age 73.
(Moving up to 75 in 2033)

Applies To

Traditional IRAs, SEP IRAs, SIMPLE IRAs, 401(k)s, 403(b)s, and most other employer-sponsored retirement plans

Starting Age

Age 73 (under SECURE 2.0 Act, effective 2023) — rising to age 75 in 2033

Calculation

Based on account balance divided by IRS life expectancy tables — amount increases as you age

Penalty for Skipping

25% excise tax on the amount not distributed — reduced to 10% if corrected promptly

The Cost of Waiting

Roth Conversion vs. Doing Nothing: A 15-Year Comparison

Age 60 → 75 · $2M IRA · 7% Growth · Married Filing Jointly · Social Security at Age 70

PROACTIVE

John A — Converts $215K/year

REACTIVE

John B — Does Nothing

At Age 75: Side-by-Side Comparison

	✓ John A — Converts	✗ John B — No Action
IRA Balance	~$1.3M (reduced)	~$5.5M (untouched)
Roth Balance	~$4M+ (tax-free)	$0
Annual RMD at 75	~$53K	~$223K (forced)
Social Security Tax	0–50% taxable	85% taxable
IRMAA (Medicare)	Lower brackets	Highest brackets
Heirs Inherit	Large tax-free Roth	Pre-tax IRA (10-yr rule)

John A chooses ***when*** to pay taxes.

John B is ***forced*** to pay taxes later — at higher rates.

1 Fill Lower Brackets

Convert before RMDs and Social Security stack income into higher brackets

2 Reduce Forced Income

Control your tax exposure — don't let the IRS force large distributions

3 Avoid IRMAA Cliffs

Keep Medicare premiums low by managing adjusted gross income

4 Tax Flexibility

Optimize your tax position year by year as laws and income change

5 Tax-Free Legacy

Heirs inherit Roth assets tax-free — avoiding the 10-year tax bomb

Qualified Charitable Distributions (QCDs)

A powerful tool for managing RMDs while supporting causes you care about.

DEFINITION

A QCD is a direct transfer from an IRA to a qualified charity — available to IRA holders age 70½ or older. It satisfies your RMD without the amount being counted as taxable income.

Traditional IRA Withdrawal

- Withdraw from IRA
- Amount counted as income on tax return
- Send to charity
- Claim as itemized deduction if you qualify

QCD Direct Transfer

- Instruct IRA custodian to send directly to charity
- Amount NOT included in Adjusted Gross Income
- Satisfies RMD requirement

Gifting in Estate Planning

Transferring assets during your lifetime to reduce your taxable estate — and support those you care about — while you can enjoy seeing the impact.

Annual Exclusion

$19,000

per recipient (2026) without triggering gift tax filing

Estate Exemption

$15M / $30M

individual / married couple (federal, 2026)

Purpose

Reduce Estate

Transfer wealth now to lower taxable estate at death

Why Gift If My Estate Is Below the Exemption Threshold?

Reducing Future Estate Growth

Gifting now prevents assets from appreciating inside your taxable estate — keeping its value below the threshold long-term.

Avoiding Probate

Gifted assets transfer directly — saving time, reducing costs, and keeping the process private for your beneficiaries.

Helping Loved Ones Now

Support education, home purchases, or financial needs — and see the direct impact of your generosity during your lifetime.

Emotional & Personal Fulfillment

Witnessing the joy your gifts bring to family and friends is a deeply rewarding experience for many individuals.

Estate Planning Strategies

Gifting pairs with trusts, 529 plans, and other tools to create a comprehensive, tax-efficient wealth transfer strategy.

529 Plans as an Estate Planning Tool

A 529 plan (Qualified Tuition Program) is a tax-advantaged vehicle designed for education savings — but when used strategically, it becomes an efficient estate planning tool.

$19K

Annual contribution per beneficiary (or $95K over 5 years)

Tax-Free

Growth and withdrawals for qualified education expenses

Flexible

Change beneficiary to another family member if needed

WHY THIS MATTERS FOR ESTATE PLANNING

- Contributions are considered completed gifts — immediately reducing your taxable estate
- Superfunding: contribute up to $95,000 per beneficiary at once using 5-year gift-tax averaging
- Generation-skipping: fund plans for grandchildren or future generations efficiently
- Assets in the plan remain under your control — you decide distributions

Prior to investing, consider state tax benefits. Withdrawals for qualified expenses are federally tax-free. Consult a tax advisor.

Using 529 Plans to Transfer Wealth Tax-Efficiently

Tax-Advantaged Gifting

Gift up to $19K/year per beneficiary, or $95K upfront using 5-year averaging. Contributions are completed gifts that immediately reduce your taxable estate.

Control Over Assets

Despite being a gift, you maintain control over the 529. You decide when and how much to distribute, and can change the beneficiary to another family member.

Generation-Skipping Transfer

Utilize 529 plans to transfer assets to grandchildren or future generations while minimizing generation-skipping transfer tax impact.

Contributions from Trusts

If you have an irrevocable trust, contributions to a 529 plan can be a tax-efficient way to support beneficiaries while providing educational funding.

Estate Tax Reduction

Removing assets from your taxable estate through 529 gifting can reduce potential estate tax liabilities over time.

Multi-Generational Planning

Funding 529 plans for multiple generations creates a lasting educational legacy while reducing your taxable estate over time.

Life Insurance in Estate Planning

Life insurance provides liquidity, protects inheritances, and achieves specific estate planning goals — often in ways no other tool can.

Provides Liquidity for Taxes

Death benefit can pay estate taxes and expenses without forcing heirs to sell assets.

Ensures Inheritance Without Asset Sales

Beneficiaries receive their inheritance intact — no need to liquidate business interests or real estate.

Equalizes Complex Inheritances

When one heir receives a business or illiquid asset, life insurance can balance the estate for other heirs.

Funds Irrevocable Life Insurance Trusts

An ILIT can hold the policy, removing the death benefit from your taxable estate entirely.

Secures Wealth for Future Generations

A properly structured policy creates a tax-efficient, multigenerational wealth transfer vehicle.

Reduces Estate Tax Exposure

Death benefit excluded from taxable estate (when held in an ILIT), reducing potential estate taxes.

IUL vs. ILIT

Indexed Universal Life vs. Irrevocable Life Insurance Trust — both used in estate planning, but they serve very different purposes.

IUL *Indexed Universal Life*

PURPOSE:

Tax-free death benefit + lifetime cash value growth

- Life insurance with death benefit
- Cash value linked to equity index performance
- Tax-free death benefit to beneficiaries
- Accumulates cash value for policyholder's lifetime
- Flexible premiums and death benefit adjustments

ILIT *Irrevocable Life Insurance Trust*

PURPOSE:

Exclude death benefit from taxable estate

- Irrevocable trust holds the life insurance policy
- Death benefit excluded from insured's taxable estate
- Minimizes estate taxes
- Ensures controlled distribution of proceeds
- Trust terms cannot generally be changed once established

Fixed and Indexed Annuities

Annuities can provide guaranteed income and estate-planning benefits — particularly through their Guaranteed Minimum Death Benefit (GMDB).

Fixed Annuities

Offer a guaranteed interest rate and stable, predictable income during the payout phase. Ideal for conservative investors seeking certainty.

- Guaranteed interest rate
- Predictable income
- Low risk

Indexed Annuities

Returns are linked to a market index — offering potential for higher gains while providing a floor against significant losses.

- Linked to market index performance
- Potential for higher growth
- Downside protection

ESTATE BENEFIT: Most indexed annuities include a Guaranteed Minimum Death Benefit (GMDB) — which may protect beneficiaries from market losses.

Annuities are long-term, tax-deferred vehicles. Withdrawals prior to 59½ may result in an IRS penalty. Surrender charges may apply. Guarantees based on claims-paying ability of the issuing company. FIAs not suitable for all investors.

CHECKPOINT

#2 Estate Planning Strategies

1 **Are your three tax buckets set up to pass money efficiently to your spouse or next generation?**

Y / N

2 **Do you have an IRA exit strategy?**

Y / N

3 **Is your plan set up for an unexpected death of a spouse?**

Y / N

4 **Is your Financial Plan prepared for future tax changes?**

Y / N

5 **Have you performed tax planning to avoid excess death taxes?**

Y / N

NEXT STEPS

30-Minute Estate Clarity Visit

Schedule using your Blue Sheet

Private Q&A

Discuss your specific situation and questions in a confidential one-on-one setting.

Personal Strategy Session

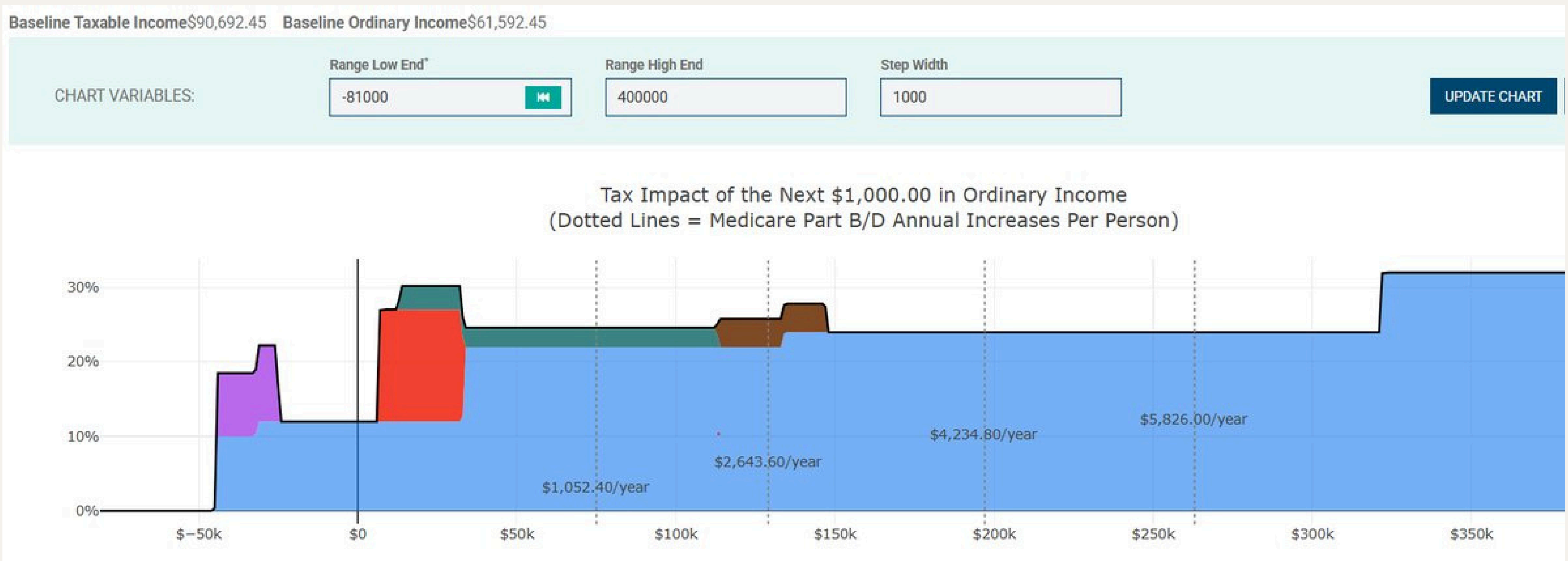
Review your current estate plan and identify gaps, opportunities, and next actions.

RightCapital & Holistiplan Analysis

Comprehensive tax planning , tax projection, and estate analysis if applicable.

Holistiplan: Tax Bracket Topping Analysis

This tool shows the tax impact of each additional dollar of ordinary income — helping identify your ideal Roth conversion or bracket-topping amount.



Source: Holistiplan · This is a hypothetical example and is not representative of any specific tax strategy or investment result. Your results may vary.

Plan For Tomorrow,

Live for Today.

Estate planning seminar

60–70%

of people die without an estate plan.

ARE YOU PREPARED?

Your family deserves a clear plan.

Schedule your 30-Minute Estate Clarity Visit today.

WHAT'S YOUR NEXT STEP?

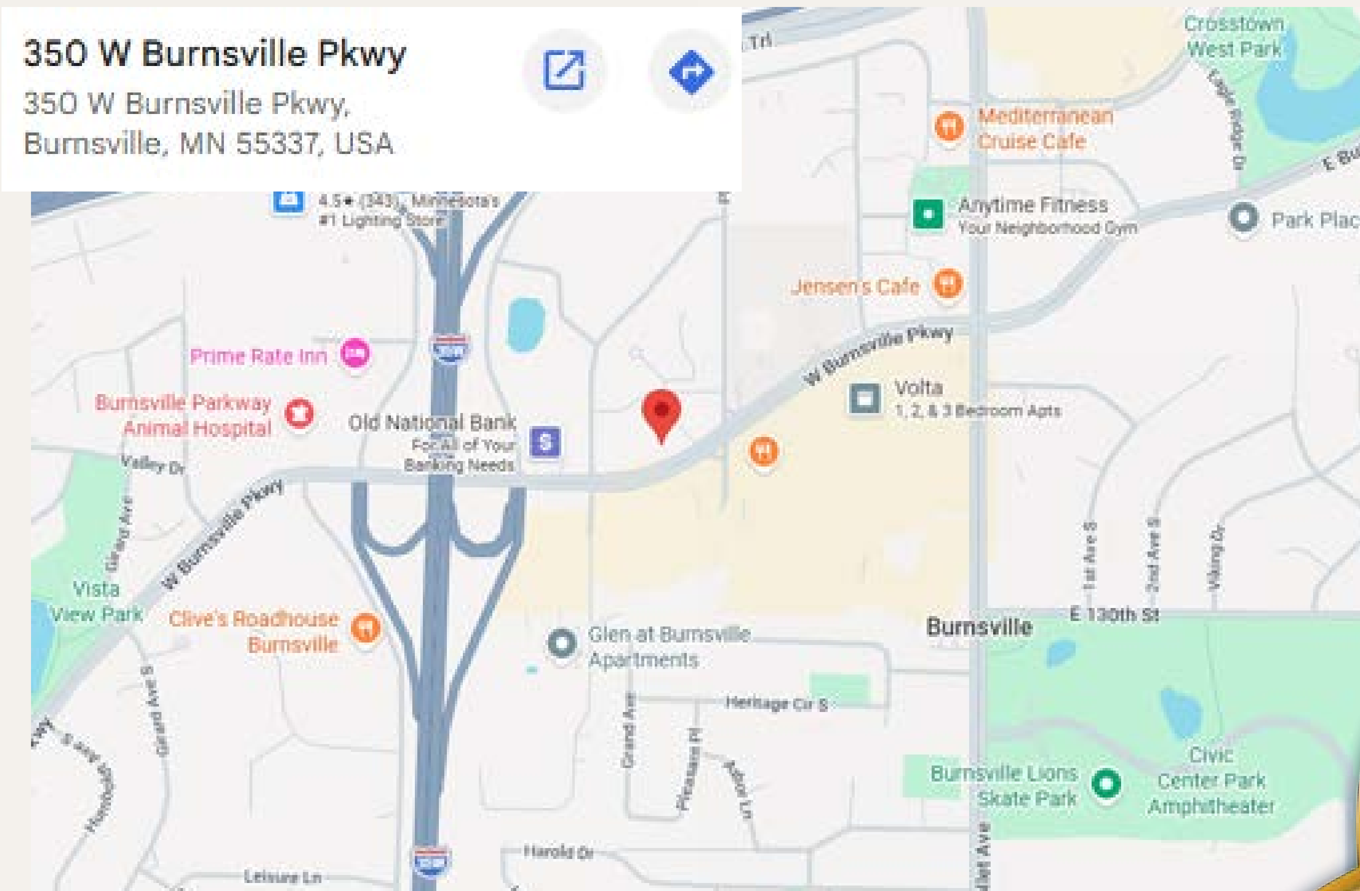
Today's seminar was designed to educate.

Your complimentary consultation is designed around your unique retirement goals.

RESERVE YOUR PREFERRED APPOINTMENT TIME BEFORE LEAVING TODAY

RECEIVE A $100 GIFT CARD AT YOUR CONSULTATION

Conveniently Located in Burnsville



Learn More About NFI Retirement Academy

QUESTIONS?

WE'D LOVE TO HELP!

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PLEASE FEEL FREE TO SPEAK WITH ONE OF OUR TEAM MEMBERS AFTER THE SEMINAR!