

WealthTec Suite Updates

Highlights of each 2016 **WealthTec Suite** update are listed below.

v2016.20 – 11/19/16

- In EstatePro you can offset an asset or account on the EstatePro: Asset Type, Ownership, Legatee & Values screen with a note receivable set up on the EstatePro: Notes Receivable screen. The program reduces the ongoing accumulation value of the asset or account by the note payments made to the senior generation and reduces the net, year-end values of the asset or account by the outstanding balance of the note.
- On the EstatePro: Notes Receivable screen you can indicate whether each note receivable is an existing note (i.e., as of the *Analysis date*) or, if not, the year in which the note originates.

v2016.19 – 11/07/16

- In EstatePro the private annuity model was fixed, so that the upfront gain associated with the transfer is not recognized when grantor trust status is activated. Also, grantor trust treatment now properly terminates no later than upon the transferor's death.
- In EstatePro the self-canceling installment note model adds a time-value-of-money assumption to capture the opportunity cost associated with the payment of capital gain and Medicare taxes upon the cancellation of an outstanding debt, if any, at the transferor-seller's death.

v2016.18 – 11/04/16

- A recent Office 2016 update caused the program to generate a pop-up error message that referred to the failure to save a temporary workbook upon launch. This update fixes that.

v2016.17 – 10/31/16

- **WealthTec Suite** now includes the IRA CRT Planner, which compares postmortem distributions and wealth accumulation from an outright bequest of an IRA to heirs versus a bequest of the IRA to a standard charitable remainder unitrust for the benefit of heirs. The new tool is included in the *Qualified Plans & IRAs* group of focused planners.
- In Synergy the Estate Tax Balance Sheet report was recreated from scratch. Reason is that the existing report caused the program to freeze after exporting the report to Excel or to PDF in Office 2013 or 2016.
- In EstatePro you can exclude charitable gifts set up on the EstatePro: Expenses input screen from the *Cumulative Transfers to Charity* section on the Wealth Transfer Summary report and comprehensive estate distribution flowchart.

v2016.16 – 10/25/16

- In EstatePro you can delay the start of required minimum distributions from qualified retirement plans until retirement if later than the year in which the participant reaches age 70 ½.

v2016.15 – 10/10/16

- In EstatePro's sale to grantor trust (i.e., IDGT) models, the outstanding note can now be prepaid over a period of years. Such payments are in addition to the principal payments scheduled on the basis of the note amortization method selected. Prepayments can be computed on the basis of excess cash flows or as a percentage of the outstanding note balance.

- In EstatePro, planned asset liquidations (i.e., distributions, dispositions) are by default included in the senior generation's cash inflows. However, you can now indicate the percentage of planned liquidations to include/exclude. Note, however, that the same percentage is also applied to investment income distributed from the asset/account.

v2016.14 – 10/07/16

- In the Cash Flow & Estate Planner (CFEP), EstatePro and Synergy the state death tax calculations were refined, so that now the New York estate tax calculations reflect a phaseout of the estate tax exclusion if the state taxable estate exceeds the basic exclusion for a given year. The OptiMarital Planner had already performed the exclusion phaseout calculations, but the other planners were previously precluded from doing so due to the circular calculations involved.
- **WealthTec** code, dlls, executables, VBA modules and xll files are now digitally signed and timestamped using the SHA256 algorithm, which provides greater security than the SHA1 algorithm previously applied.

v2016.13 – 9/13/16

- In the CFEP, EstatePro, CLAT Planner and CLUT Planner the income tax deduction recapture calculations associated with grantor charitable lead trusts (CLT) now include two alternative methods for performing the calculations. The required method for computing the amount of the deduction recaptured by the grantor when the trust is no longer treated as a grantor trust remains unsettled, because the method stipulated under §170(f)(2)(B) of the Code differs from that which is spelled out under Reg. §1.170A-6(c). These planners now include each method, and you control which one is to be used in your illustration.
- The CLAT Planner and CLUT Planner each include a new report that shows the detailed calculations associated with the income tax deduction recapture associated with grantor CLTs.
- In the CFEP and EstatePro grantor trust tax treatment was refined by changing the cutoff year for such treatment from the end of the senior generation to the year of the grantor's death. The previous convention had been adopted due to simplicity, but the new convention is the correct one.

v2016.12 – 9/07/16

- On the EstatePro: Asset Type, Owner, Legatee & Values screen you can enter different cash flow surplus reallocation percentages for each asset during periods one and two.
- EstatePro supports spousal lifetime access trusts (SLATs). On the EstatePro: Applicable Exclusion Gifts screen there is a new input item that controls how much of the trust income is distributed to the non-transferor spouse annually during the spousal beneficiary's lifetime.
- EstatePro had been erroneously hiding certain rows on the surviving spouse's Applicable Exclusion Amount Illustration, but this update fixes that error.
- In EstatePro ordinary income distributions to the surviving spouse from the marital and bypass trusts were understated by the amount of qualified dividend distributions from those trusts. This update fixes that error.

v2016.11 – 9/02/16

- EstatePro supports a grantor CLAT and CLUT. Grantor trust treatment can be turned off after the expiration of the annuity/unitrust term or maintained throughout the senior generation period. The partial recapture of the income tax charitable deduction calculations in the event grantor trust status terminates during the course of the illustration are included.
- The CFEP had already supported grantor charitable lead trusts. This update adds the income tax charitable deduction recapture calculations and related reporting. However, unlike in EstatePro, in the CFEP you must manually enter the computed recapture amounts in the year of recapture, if applicable. Reason is that the CFEP has far more detailed income tax calculations, and unfortunately, an automatic recapture would trigger unstable circular calculations. Enter the recaptured amount as ordinary income on the Cash Flow & Estate Planner: Noncash Tax Items screen.

- The CFEP has a new Cash Flow Deficit Funding Summary (Summaries menu) report that combines the first four columns of the Annual Cash Flows & Net Worth Summary report with the deficit-funding source details of the Integrated Cash Flows Illustration report.
- The CFEP's Income Tax Summary and Annual Net to Heirs Illustration reports are now listed under the main Summaries menu.
- New input items in the CLAT Planner and CLUT Planner allow you to illustrate the income tax charitable deduction (i.e., for a grantor trust-type CLT) being claimed over 1-6 years, which is helpful in situations where the percentage-of-AGI limitations would restrict the grantor's ability to deduct the entire value of the charitable lead interest in the year of transfer.

v2016.10 – 8/22/16

- In August 2016 the IRS published Rev. Proc. 2016-42, which applies to charitable remainder annuity trusts (CRATs) providing for annuity payments for one or more measuring lives. A CRAT containing the sample provision set forth in the Revenue Procedure is not subject to the 5% probability of exhaustion test set forth in Rev. Rul. 70-452 and applied in Rev. Rul. 77-374. Prior to the issuance of Rev. Proc. 2016-42, a trust that failed the probability of exhaustion test was disqualified as a CRAT under §664 of the IRC. This update adds a new input item applicable to CRATs relating to Rev. Proc. 2016-42, along with the relevant calculations associated with the new test. Finally, a new report shows the details and results of this test.
- This update affects the CFEP, EstatePro and the CRAT Planner.

v2016.9 – 8/08/16

- Dialogs were not scaling properly on UHD monitors, so the display of their contents was frequently illegible. This update fixes the scaling feature.
- The Export-to-PDF and Export-to-Excel procedures in Office 2016 were fixed, so that the WYSIWYG standard is now met.

v2016.8 – 7/28/16

- **WealthTec** obtained new digital signature certificates for its code, dlls, executables and VBA modules. These are good until July 2018. Accordingly, you will no longer see warning messages when you use Internet Explorer® or Microsoft Edge® to download the WealthTec Suite.exe or WealthTecSuitePatch.exe setup files.
- The digital signature certificates that were replaced with this update will expire in October 2016, so please download and install v2016.8 or later by mid-October.

v2016.7 – 7/24/16

- The July 2016 update for Microsoft Office® 2013 has caused a disruption of **WealthTec Suite's** Export-to-PDF and Export-to-Excel features. The effect of this update is to prevent **WealthTec Suite** from exporting more than a single page to PDF or Excel, regardless of the multipage method you choose (i.e., Customize or All). In response to this problem **WealthTec Suite** has updated its export procedures to reflect Microsoft's new requirements. This update affects only users of Office 2013.
- To facilitate deployment of this update, a [WealthTecSuitePatch.exe](#) is available for download. This file does not include any **WealthTec Suite** planners, since no planners required an update. This is strictly a patch of technical components. The patch does not require a product key to install; the installer will recognize the existence of a previously installed **WealthTec Suite** setup.

v2016.6 – 6/23/16

- EstatePro includes new *Annual Cash Flows & Net Worth Summary – Inflation-Adjusted Dollars* and *Wealth Transfer Summary – Inflation-Adjusted Dollars* reports.

v2016.5 – 5/23/16

- EstatePro now supports a detailed, year-by-year postmortem projection of up to 20 years beyond the senior generation's life expectancy(ies).
- In EstatePro, the testamentary charitable lead annuity trust (T-CLAT) funded upon the death of an unmarried client or the death of a surviving spouse is projected out in detail for up to 20 years. The value passing to heirs is computed as the value of the trust less the present value of the remaining annuity payments to charity.
- EstatePro adds a second general accumulation fund for heirs that is funded following the death of the surviving spouse. This new vehicle is funded from bequests from the surviving spouse's estate, the remainder interests in the credit shelter bypass and/or marital trusts established by the first decedent's estate, along with any unused education funds (as of the expiration of the senior generation).
- In EstatePro, annual taxable gifts of a user-defined amount can be indexed (rounded to the nearest \$1,000).
- In EstatePro, annual taxable gifts equal to a percentage of the remaining applicable exclusion amount (AEA)—rounded to the nearest \$1,000—can be modeled.
- EstatePro now includes a *Wealth Transfer Illustration Across a Range of Life Expectancies* report. This new sensitivity analysis illustrates key wealth transfer results across a range of client and spouse life expectancies.
- Two new line charts accompany the *Wealth Transfer Illustration Across a Range of Life Expectancies* report : *Wealth Transfer Illustration as of the End of the Senior Generation* and *Wealth Transfer Illustration as of the End of the 2nd Generation*.
- In EstatePro, the *Annual Cash Flows & Net Worth Summary* was modified by moving the Irrevocable Trusts & Education Funds column to the right of Net Worth, and by the addition of a new Pretax Family Wealth column to the far right.
- In EstatePro, the *Integrated Cash Flows Illustration* and *Income Tax Illustration* reports were moved to the Financial Planning Summaries reports menu, while the *Net to Heirs Illustration* was moved to the Estate Planning Summaries reports menu.
- In EstatePro, the *Wealth Transfer Summary* now displays the values at the end of the senior generation and the end of the second generation.
- DesignPro was updated to support the EstatePro enhancements by the addition of charts and schedules that compare the results of EstatePro cases at the end of the second generation period.

v2016.4 – 4/14/16

- In EstatePro, the calculation of income taxes on the outright-to-heirs fund's (now Heirs Accumulation Fund 1) ordinary income (between the first and second deaths) was fixed.
- In EstatePro, more comprehensive estate distribution flowchart objects are hidden when inapplicable.

v2016.3 – 4/02/16

- The CFEP supports taxable installment sales (intrafamily or between the transferor-seller and a third party), including the calculation of income in respect of a decedent relating to unpaid balances at death and the deferred tax interest charges on installment obligations exceeding \$5 million. These transactions are set up on the Cash Flow & Estate Planner: Other Large Lifetime Transfers screen.
- In EstatePro, the top life insurance object in the married couple's comprehensive flowchart now derives its value differently. Previously, the amount shown was the current in-force insurance coverage. After the update, the amount shown reflects the "unique" death benefits payable at the first and second deaths.

v2016.2 – 3/24/16

- In EstatePro the calculation of gain recognized upon the cancellation of an outstanding debt associated with a self-canceling installment note (SCIN) was fixed.

v2016.1 – 1/04/16

- Tax-related items throughout the system are updated to reflect IRS annual indexing.
- 7520 rates dialog correctly records edits after hitting the OK button.
- The catchup calculations for qualified retirement plans (i.e., for participants aged 50 or older) had erroneously limited the 2015-16 catchup contributions to \$5,500 instead of \$6,000. This release fixes that error.