



**IWM Advisors, LLC**  
INDEPENDENT WEALTH MANAGEMENT

## IT'S ALL ABOUT THE NUMBERS



Most financial and estate planning projects have two components: legal and financial. All too often we see outstanding legal documents but limited consideration of the financial implications. No client should make any of the following decisions without crunching the numbers.

**Retirement.** Modern financial planning tools provide very sophisticated modelling of different retirement scenarios: When can I retire? How much money can I spend? Can I afford the health care that I may need? It is also possible to “stress test” your retirement under different market conditions. Don’t retire just because you feel like it. Crunch the numbers in advance so that you retire confidently.

**Roth IRAs.** A traditional IRA provides for tax-free build up, but distributions are taxable. A Roth IRA provides for both tax-free build up and distributions. There is a catch: to set up a Roth IRA, you have to withdraw money from a taxable IRA and pay income tax on the withdrawal. Because of that tax, many people shy away from a Roth IRA “conversion.” However, under the recent revisions to the tax law, Roth IRA conversions can be very advantageous. Crunch the numbers to see if a Roth IRA makes sense for you.

**Estate Planning.** Estate planners often recommend gifting assets during lifetime to reduce estate taxes. While the estate tax savings may be real, there is a more fundamental issue: can I afford to give away the assets? Crunch the numbers to realistically evaluate the consequences of giving away assets.

**Buy-Sell Agreements.** These agreements address what happens in a business with multiple owners when one of the owners dies, retires or becomes disabled. A well-thought out agreement can address the many different scenarios and protect the interests of both the departing and remaining partners. But no buy-sell agreement will be effective without considering in advance how the buy-sell will be funded. Crunch the numbers in advance to ensure that your buy-sell is realistic.

The above list highlights just a few situations where running detailed financial projections should be a key part of the planning process – right from the start. IWM Advisor’s Life Planning Division runs these calculations in many different scenarios. Please contact us if we can be of help:

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