

9 Circles Calculator

Future asset value

\$890,000

Future asset value with insurance premiums

\$525,000

Life Insurance Death Benefit

\$1,990,000

Assumed Beneficiary Tax Rate

Federal

State

30 %

5 %

Helping you control and preserve your legacy

Certain assets are subject to "income in respect of a decedent" (or, "IRD"). IRD is income that was originally taxable to you—but that you didn't receive while alive—and on which income taxes have not been collected. When a beneficiary inherits the assets and makes withdrawals, he or she will be taxed and depending on his or her tax bracket, almost a third of the assets' value could be lost to income taxes.

There is a way to help control and preserve your legacy so that you reduce or eliminate the amount of taxes that go to the IRS.

With your advisor's help, this calculator lets you see the impact your choices could make in how your assets are distributed to your heirs and charity, while also showing how you could potentially eliminate the IRS as a "beneficiary" altogether. The calculator compares your "IRD asset" ¹ under three scenarios:

- > Current
- > Family
- > Family & Social

IRD Asset Balance at joint life expectancy	Heirs (Family and Friends)	Charity (Social Legacy)	Taxes (Financial Obligations)
Current Scenario: \$890,000 Future asset value	\$591,850 After-tax legacy	\$0	\$298,150 Estimated Taxes
Family Scenario: \$525,000 Future asset value with insurance premiums \$1,990,000 Life insurance death benefit	\$2,339,125 After-tax legacy + income tax-free death benefit	\$0	\$175,875 Estimated Taxes
Family & Social Scenario: \$525,000 Future asset value with insurance premiums \$1,990,000 Life insurance death benefit	\$1,990,000 Income tax-free death benefit	\$525,000	\$0

¹ Though not a real asset class, "IRD assets" is used here to refer to assets that are subject to income in respect of a decedent (IRD).

Before you purchase, be sure to ask your sales representative about the life insurance policy's features, benefits and fees, and whether the life insurance is appropriate for you, based upon your financial situation and objectives

This is a hypothetical example and is for illustrative purposes only. Individual situations will vary. RiverSource Life Insurance Company and RiverSource Life Insurance Co. of New York do not provide investment advice. If you are seeking an investment recommendation, please consult your financial advisor.

Neither RiverSource Life, nor its affiliates or representatives, offer tax or legal advice. Consult with your tax advisor or attorney regarding your specific situation.

This tool estimates income taxes only and does not address estate or alternative minimum taxes which may also apply. Different beneficiaries may have different income tax rates. Additional income may put a beneficiary into a higher tax bracket. Income tax rates may change.

Distributions from the IRA will be taxable to the client (not the heirs in this situation). If the client is under age 59½, the distributions may be subject to an IRS 10% early withdrawal penalty.

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