Nationwide®
is on your side

Wealth transfer

Strategy overview

Leave a legacy that makes a difference

Let your memories count

You've accomplished a lot in your life. Now you have another goal — to create a wealth transfer plan that benefits the people and causes that are important to you. This may require more than creating a simple will. With a professional estate plan, you can direct how and when you want to benefit others:

- Children
- Grandchildren
- A community organization
- A college
- A charity

The memories you'll leave behind are priceless. By leaving a financial gift as well, you can make a difference that lasts for generations to come.

Maximize your legacy

Little moments of giving come naturally. Greater gifts take some planning. The first step in developing a wealth transfer strategy is to identify what assets you won't need in retirement. Then position them to create more benefits for you and your beneficiaries.

Your strategy could include lifetime gifts, inheritances, trusts or endowments. Ideally, a wealth transfer plan should be as tax efficient as possible, enabling you to increase the assets you transfer while reducing or eliminating the following kinds of risk:

- Income tax eroding the value of your gifts
- Estate tax further shrinking what you leave to your beneficiaries
- Delays in settling your estate that may create additional expenses for your family

Consider tax implications

Most people who develop a strategy for transferring wealth are over age 59½, so they have a good understanding of their retirement horizon. They may also have ample financial resources for retirement and emergencies.

It's important to remember that the complexity and ever-changing nature of taxes could have consequences that are not discussed in this brochure. And because Nationwide® and its representatives don't give legal or tax advice, it's a good idea to talk to your legal or tax advisor for any specific questions you have.

How much is enough?

Due to the uncertainties of life expectancy, economic factors, interest rates and inflation, it's impossible to predict how much you'll spend in retirement. Although you may want to leave as much as possible to your beneficiaries, make sure you don't tie up money you may need for yourself.

One useful approach could be to fund your strategy with life insurance. Consider these advantages:

- Your beneficiaries may receive substantially more than you could otherwise leave them
- The policy proceeds are income tax free, further increasing their inheritance
- Payment of the death benefit may not be held up by probate

If you're concerned about estate tax, the life insurance policy can be owned by a life insurance trust or other qualified third party, which will remove it from your estate.

Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change — for example, marriage, birth of a child or job promotion. Weigh the costs of the policy, and understand that life insurance has fees and charges that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge.

Finding the right funding

The key is to find a source of funds you can use without weakening your own financial security. Some of your choices include:

- Making systematic withdrawals from an existing asset
- Annuitizing an existing deferred annuity that starts paying you regularly

To qualify for life insurance, you must meet certain medical and financial requirements. Your insurance or investment professional can tell you more about these criteria and the underwriting process.

Ways to fund a life insurance policy

You may have an asset you don't need for retirement income or an underperforming asset that you could sell. You could buy fixed life insurance with the proceeds, while possibly benefiting from a tax loss.

Even if the days of a regular paycheck are behind you, there are several ways to fund a life insurance policy, including:

- Interest or principal from a CD
- Required minimum distributions (RMDs) from an IRA
- Social Security or annuity income you don't need
- Fixed annuities
- Money market funds

Things to know about existing assets

When you consider repurposing an asset for wealth transfer, keep in mind that:

- Money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency; although they seek to preserve the value of your investment at $1.00 per share, it's possible to lose money
- CDs are insured by the Federal Deposit Insurance Corporation and offer a fixed rate of return
- Fixed annuities offer a guaranteed rate of return subject to the claims-paying ability of the issuer

Getting started

With any type of estate planning, you'll need to consult a qualified estate planning attorney who will work with your insurance or investment professional to properly address your needs. Consider taking the following steps:

1. **Set an appointment with your insurance or investment professional to discuss your personal situation and the options available to you.**
2. **Complete a fact-finder that sums up your needs and financial holdings.**
3. **Identify assets you will not need for retirement income and are interested in leaving to others.**
4. **Work with your insurance or investment professional to determine ways to implement your wealth transfer goals.**
5. **Review possible methods of funding your plan to determine a strategy consistent with your needs and to increase the benefit to your heirs.**

Now may be your best time to prepare for the needs of those you care about. Your financial legacy can give them a better chance to do great things.

Nationwide®

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