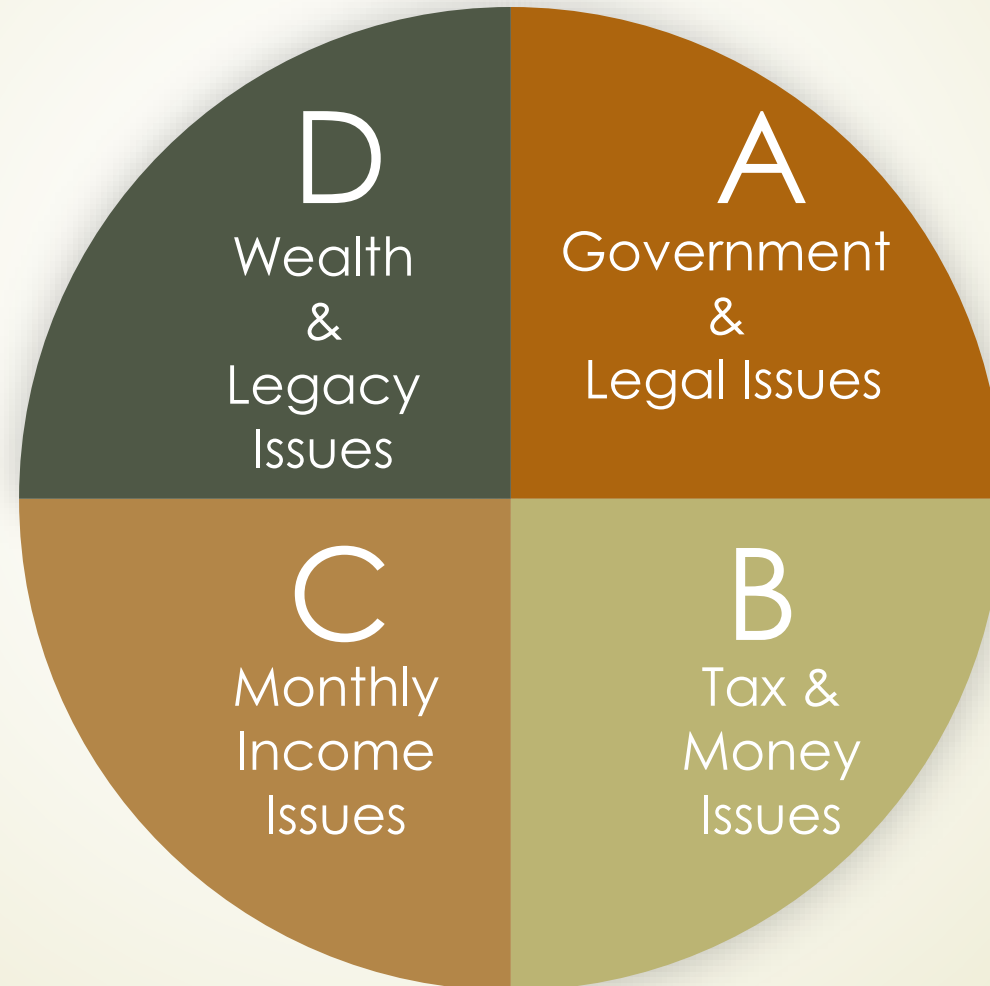




# Life After...Retirement

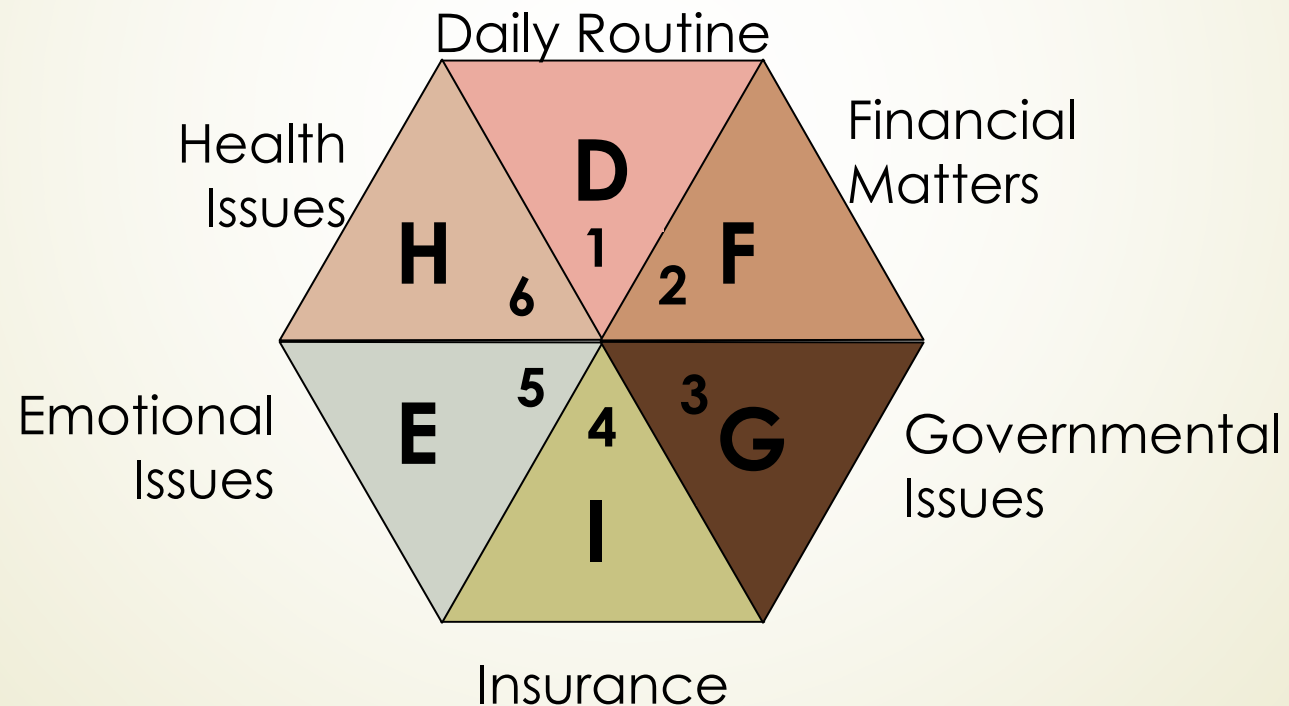
- Ranvir Biki Mohindra

# ABC + D of Retirement



# Issues relating to Life After Loss of a Spouse

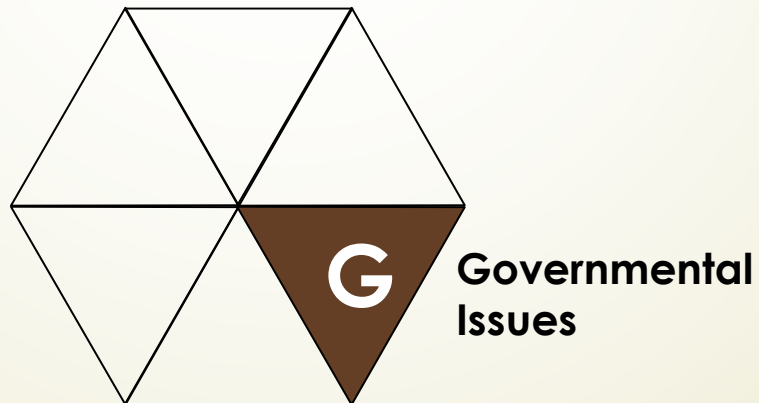
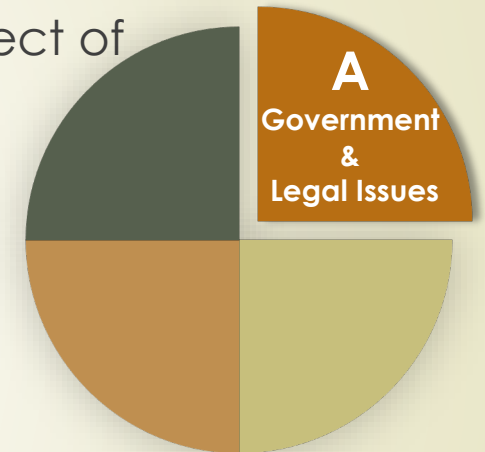
- ▶ Last meeting on June 2018 at India House, was focused on issues relating to **Life after Loss of a Spouse**.



# Government and Legal Issues

The Governmental issues are same as Legal Issues which is the subject of today's discussion.

- **Wills Trusts and Portability**
- **Probate**
- **Directives, Medical, Power of Attorney**





# Risks in Retirement

- ▶ **Longevity** – What if you live too long?
- ▶ **Inflation** – Purchasing power drops
- ▶ **Market Risks** – Up and down without control
- ▶ **Withdrawal rate** – Magic of 4 percent
- ▶ **Order of Returns** - Volatility Buffers
- ▶ **Long Term Care** – Rapid rise of Premiums
- ▶ **Role of Insurance** in all these issues

# Tax Issues and Types of Money

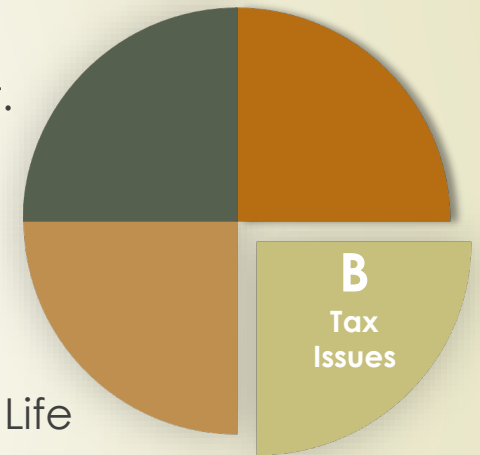
## ▶ Tax Issues

- ▶ The Government is your partner in all gains and losses.
- ▶ There must be timely reporting to avoid penalties from the Government.

## ▶ Three Types of Money

- ▶ **Qualified Money** – 401(k)/403(b), Traditional IRA, SEP/SIMPLE IRA
- ▶ **Tax Advantage money** – Roth IRA, Roth 401(k), Roth 403(b), Permanent Life Insurance, Municipal Bonds
- ▶ **Taxable Money** – CDs, Money Market, Stocks/Bonds, Mutual Funds, Cash, Real Estate

***So how should your money be allocated between these three types of Money?***



# Monthly Income Issues

## ▶ Income Issues – Monthly Income

- ▶ How much monthly income do you need in retirement?
- ▶ What is the **N** Factor

## ▶ Where does this money come from?

- ▶ Social Security and **X** Factor
- ▶ Annuity to cover the Income Gap, What is the **Y** factor
- ▶ Long Term Care to cover Alzheimer's and Dementia, what is the **Z** factor

***What are your N, X, Y, and Z factors?***



# Wealth and Legacy Issues

- ▶ Wealth and Legacy Issues

  - Need to know the Government Wealth Transfer Rules

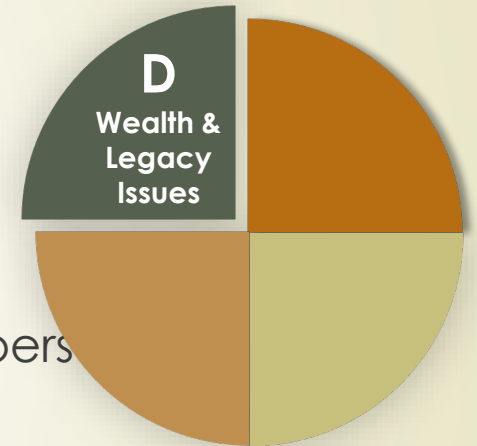
  - The best way to transfer Money is through Insurance

- ▶ Role of Insurance in wealth transfer – Law of large numbers

  - ▶ Term Life

  - ▶ 2nd to die

  - ▶ Whole Life



***How should your wealth be allocated for the best transfer of money to your spouse and finally your children?***

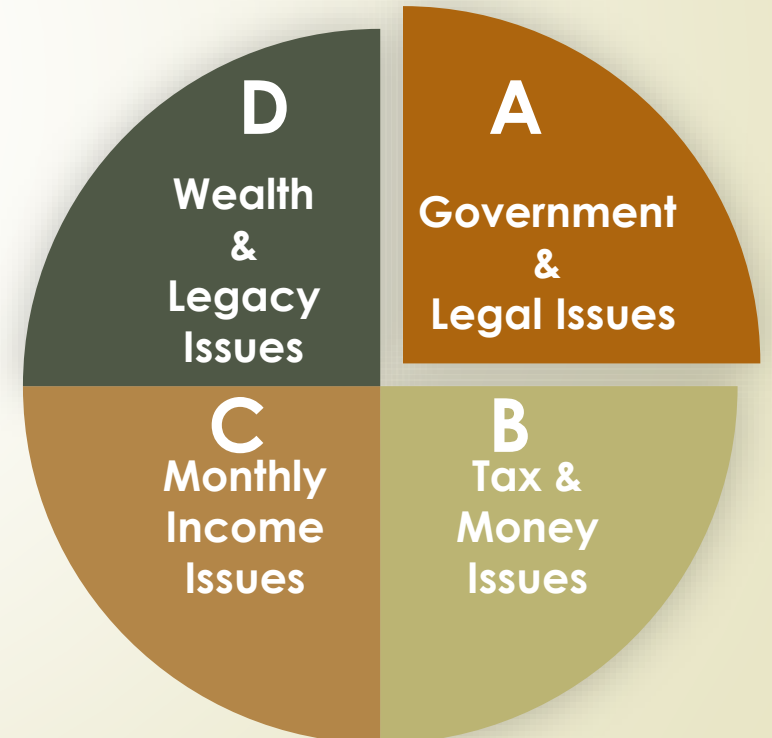


# Future Events

- ▶ **A**- Today we have covered largely the government and legal issues.
- ▶ Future events will cover
  - ▶ **B** - Tax Issues
  - ▶ **C** - Monthly Income Issues
  - ▶ **D** - Wealth and Legacy Issues

How insurance can play a role  
in the above issues

## ABC + D of Retirement





# Real Estate in India

- ▶ Inherited and Gifted Property
- ▶ Not for self purchased Property being resold
  
- ▶ **Option 1**
  - ▶ Sell in India, pay tax (in India) and not report in USA
  
- ▶ **Option 2**
  - ▶ Sell in India, pay tax (in India) and get a big refund and for foreign tax credit from U.S treasury

***WHICH OPTION AND WHY?***



# Real Estate in India


## Two Factors

- ▶ Double Taxation Treaty between USA and India
- ▶ Differences in **calculation of the “Gain”** from the real estate transaction
- ▶ Understanding Form 1116
  - ▶ Large total income
  - ▶ Ratio of foreign/Total income
- ▶ Potential tax credit \$50,000 - \$500,000
- ▶ How to use foreign tax credits

***YES it is 100% LEGAL***



# Options with money in India

- ▶ FATCA + FBAR kick in for money over 10,000 USD
  - ▶ NRE +NRO Accounts but no IR accounts
  - ▶ Aadhaar Card is not legal for NRI's
  - ▶ Investment returns in India Vs U.S.
  - ▶ Devaluation of Indian Currency Vs USD
- 



Thank you!