



THE GREAT WEALTH TRANSFER:

How to Pass and Receive Wealth



UNITED STATES
SENATE FEDERAL
CREDIT UNION®

W E L C O M E !

PRESENTATION OVERVIEW

TODAY'S KEY TAKEAWAYS:

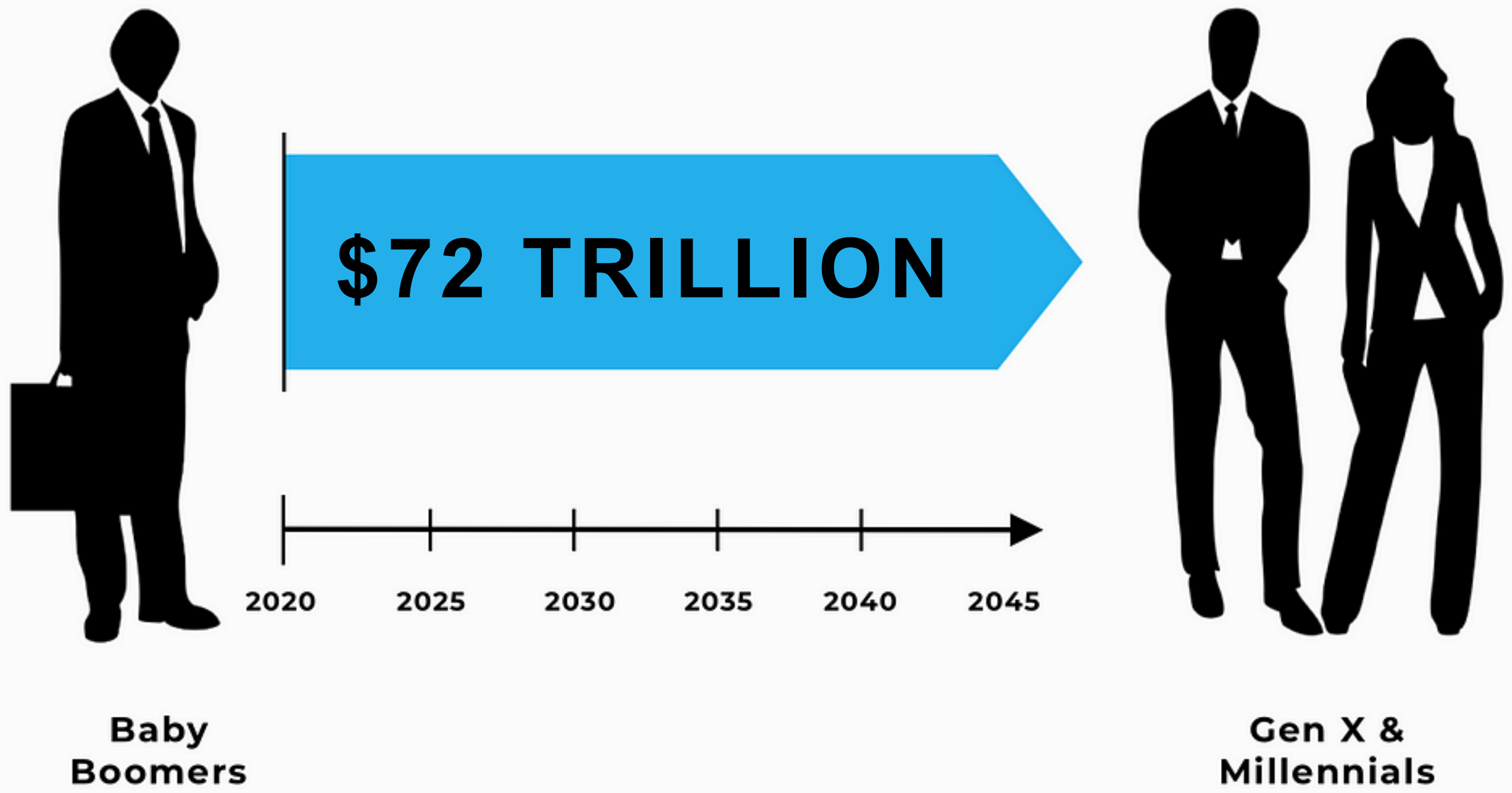
- Understanding the scope and impact of the Great Wealth Transfer.
- Strategies for accumulating and investing wealth effectively.
- Tips for communicating, distributing, and receiving wealth.
- Resources to help you take actionable steps toward financial security.

WHAT IS THE GREAT TRANSFER OF WEALTH?

We are currently experiencing the largest wealth transfer in history, primarily from Baby Boomers to Gen X and Millennials.

Understanding how to effectively pass and receive this wealth is essential.





The Great Wealth Transfer



ACCUMULATING WEALTH

Common Saving Strategies:

- Match and max employer offers, IRA, HSA, and 401(k).
- Bucket strategy for emergencies, mid-term, and long-term goals.
- Focus on paying off debt before saving.

CONTRIBUTING TO WEALTH

Savings, Money Market, and CDs

- Typically, no limits.

IRA Limits

- \$7,000 (\$1,000 catch-up at 50+).

401(k) Limits

- \$23,500 (employee contributions).
- \$70,000 (employee + employer).
- \$7,500 catch-up contributions (age 50+).

HSA Limits

- \$4,300 (individual); \$8,550 (family).
- \$1,000 catch-up (age 55+).



INVESTING WEALTH

Benefits:

- Combat inflation, compound interest, passive income.
- Reach financial goals.

Options:

- CDs, savings accounts, real estate, and alternative investments.

USING YOUR WEALTH – IRA DISTRIBUTIONS

Normal Distributions:

- Traditional funds are typically penalty free after age 59½ or if exceptions apply.
- Roth contributions generally tax-free and penalty after age 59½ and 5 years.

Required Minimum Distributions (RMDs):

- Start at age 73 (Traditional IRAs only).

HSA:

- Can be used anytime for medical and medically related expenses

Consult a tax advisor | [irs.gov/retirement-plans](https://www.irs.gov/retirement-plans)

USING YOUR WEALTH – CHARITABLE GIVING AND HSAS

Charitable Distributions:

- Direct donations to charities.
- Must obtain receipts or forms.

Financial gifts:

- Gift tax limit is \$19,000

Consult a tax advisor.





COMMUNICATING YOUR PLANS

Keep It Simple:

- Share key information (accounts, passwords, wills, advisors).

Stay Organized:

- Use a family or “In Case I Die” binder.
- Maintain digital and physical records.

DISPERSING WEALTH – BENEFICIARIES

Use beneficiary designations on:

- Checking/savings accounts, CDs, retirement accounts, HSAs, life insurance.

Beneficiary rules:

- Designations override wills.
- Trusts provide added control and privacy.



DISPERSING WEALTH – WILLS VS. TRUSTS

Trusts:

- Ideal for larger estates, privacy, control, and tax benefits.

Wills:

- Simpler and cost-effective for smaller estates or minor children.



RECEIVING WEALTH

Inherited IRA Options:

- Vary by relationship (spouse, eligible beneficiaries, others).

Key Considerations:

- Debt isn't inherited.
- Wealth is taxable as income.
- Consult a lawyer or tax advisor.



TURNING INHERITANCE INTO INCOME



Pay off debt first.



Build an emergency fund (3-6 months of expenses).



Invest in Roth IRAs, real estate, and other options.

SUMMARY

Giver Checklist:

- Create an accumulation plan.
- Live well in retirement.
- Dedicate time to estate planning.
- Work with a lawyer and/or tax advisor.



SUMMARY

Receiver Checklist:

- Initiate conversations about financial plans.
- Seek professional advice for receiving wealth.
- Develop a thoughtful plan for using inherited assets.



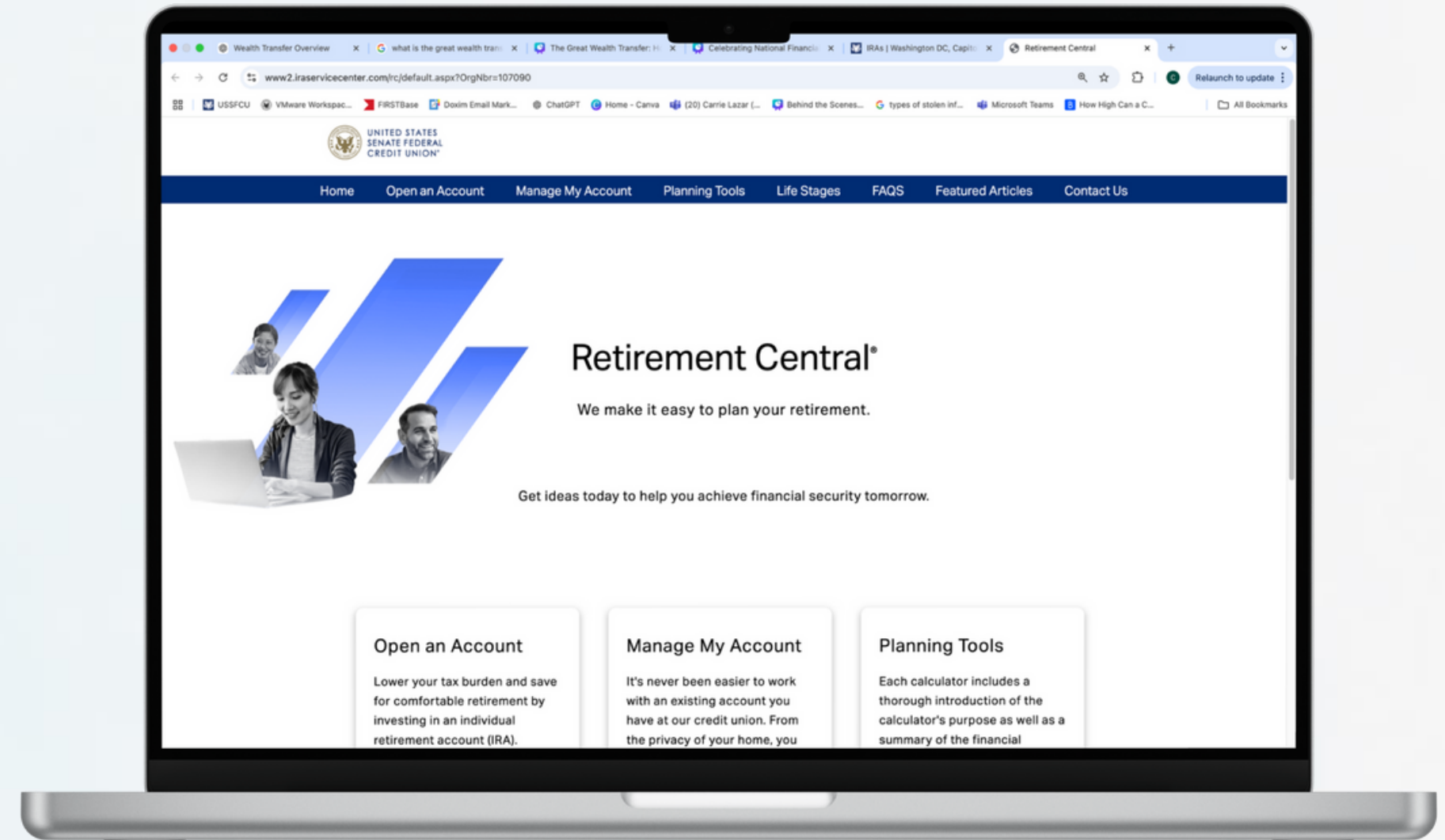
FELLOWS FINANCIAL GROUP

- Trusted financial advisors offering **personalized wealth management solutions.**
- Visit: ussfcu.org/fas to schedule a consultation with Michael Schimmel.



RETIREMENT CENTRAL

- Learn about IRA options, contribution limits, and distribution strategies.
- Visit: ussfcu.org/iras for more information and resources.



THANK YOU!

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