



LifeYield Tax-Smart Withdrawals

“ We really need to have a decumulation strategy that is simple, direct, consumable, and that people can execute in a relatively easy way. And it has to be transparent, so people understand this isn’t some black box. ”

- John Thiel
Executive Advisor

The Massive Withdrawal Opportunity



Taxes can wreak havoc on a client’s income distribution strategy. Until now, drawing income from multiple accounts has been a long, manual and complex process that includes determining what to sell and from which accounts. If money is withdrawn from the wrong accounts or in the wrong sequence, unnecessary taxes will be paid and the target asset allocation will not be maintained, potentially leading to costly adjustments later.



The Challenge

It has not been easy for advisors to organize and optimize a withdrawal from multiple accounts. Best practices for executing withdrawals are highly complex and require coordination where both the asset *allocation* is maintained and asset *location* is optimized to minimize taxes. Those who attempt to do this by spreadsheets know how time consuming and error-prone this process can be.

When thoughtfully approached, an advisor can save countless hours for themselves and thousands of dollars for clients. But in order to accurately take both asset *location* and asset *allocation* into account when organizing a tax-smart sequence of withdrawals, software is needed.



The Solution

The LifeYield Tax-Smart Withdrawal engine (accessible via API) looks across a household's entire array of investment accounts and provides guidance on the optimal sequence of withdrawals in seconds. Whether it's an ad hoc income request or scheduled over time, LifeYield uses a proprietary algorithm that takes asset *location* and asset *allocation* into account to minimize taxes when raising cash.

The LifeYield Tax-Smart Withdrawal engine facilitates withdrawals from a single account or from multiple accounts. And it doesn't matter if the withdrawal includes multiple unique account types (taxable, tax-deferred or tax-free). LifeYield's engine can support hybrid scenarios at multiple levels, making it the most comprehensive withdrawal solution on the market.

Advisors can now differentiate their practice with a unique, easy-to-use approach to making tax-smart withdrawals that keeps them ahead of their competition. Now, both the advisor and their clients can keep more assets working in their portfolio.

Key Benefits

- Implement a standardized, cost-effective way to make withdrawals across multiple accounts.

- Automate complex and time-consuming processes to create tax-smart withdrawals in seconds.

- Increase AUM by helping clients pay fewer taxes and keep more money working in their portfolio.

- Simplify and control tax-smart withdrawals with a solution that adapts to each unique situation.

- Ensure optimal asset *location* is maintained after every withdrawal.

The LifeYield engine has been battle tested by the largest financial institutions in the world to coordinate all accounts within a household and offer tax-smart withdrawals at scale.

Helping investors, advisors and firms improve household tax efficiency.

www.lifeyield.com