



Do I Stay or Do I Go?

Tax, Legal & Financial Considerations For US Taxpayers

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AmCham

Ann Marie Regal, CFP®
Wealth Manager
+65 9146 1862
amregal@globaleye.sg



GLOBALEYE
International Wealth Solutions



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- The information presented herein is for general purposes and has not taken into consideration any specific needs, objectives or risk appetites of the reader. You should consult your financial adviser for further information.
- This document is not intended and should not be construed as an offer, solicitation or recommendation for the purchase or sale of any financial instrument.
- You are recommended to seek advice concerning the suitability of any investment from your investment or other professional adviser.
- Investors should remember that the value of investments can go down as well as up.



Globaleye Pte Ltd

Firm Overview

- Independently-owned firm of private wealth managers who provide unbiased solutions to corporations, individuals and families
- Established in Dubai in 1999
- Over 250 Employees throughout 10 offices in Asia, Middle East & Europe
- Over US\$750MM in AUM



Globaleye Pte Ltd

Ann Marie Regal, CFP®

Wealth Manager

- American Citizen
- Certified Financial Planner designation, USA
- More than 18 years in the financial services industry
- Foreign Exchange & Private Wealth Management background
- Singapore PR and resident for over 8 years
- Licensed MAS Financial Advisor Representative
- US SEC Registered Investment Advisor Representative
- US Licensed Life Insurance Producer

Globaleye Pte Ltd

Ann Marie Regal, CFP®

Wealth Manager



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Agenda

1. Do I Stay or Do I Go?
2. Financial Planning
 1. Estate planning
 2. Insurance planning
 3. Wealth Management



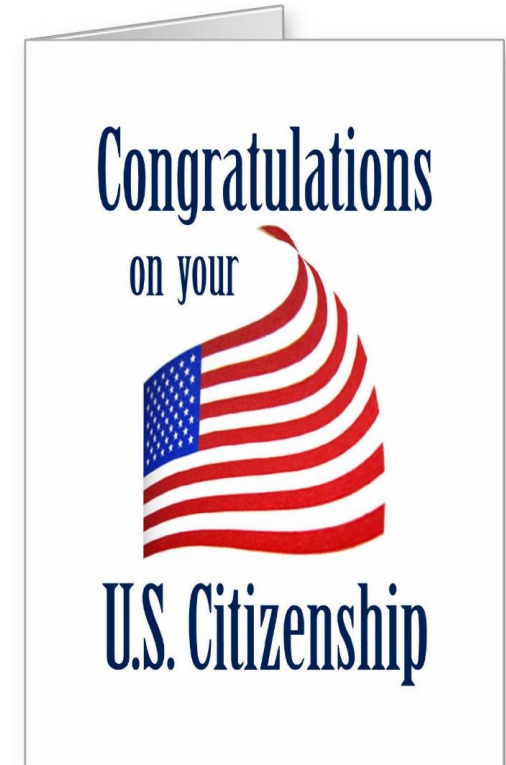
Do I Stay or Do I Go?

Do I Stay or Do I Go?

More Immigrate than Expatriate

“During the last decade, US Citizenship and Immigration Services (USCIS) welcomed more than 6.6 million naturalized citizens into the fabric of our nation.

In fiscal year 2013, 777,416 individuals were naturalized, and in fiscal year 2014, 654,949 people were naturalized. “



Congratulations US Citizenship US Fl... by PamJArts

Zazzle

Do I Stay or Do I Go?

Expatriation is Headline News

BloombergBusiness



News

Markets

Insights

Video

Americans Living Abroad Set Record for Giving Up Citizenship

by Richard Rubin

May 8, 2015 — 1:15 AM HKT Updated on May 8, 2015 — 3:40 AM HKT



Forbes / Taxes

OCT 26, 2015 @ 05:31 PM

37,154 VIEWS

Reverse Immigration: Americans Renounce Citizenship In Record Numbers

WHY 3,000 AMERICANS
 QUIT

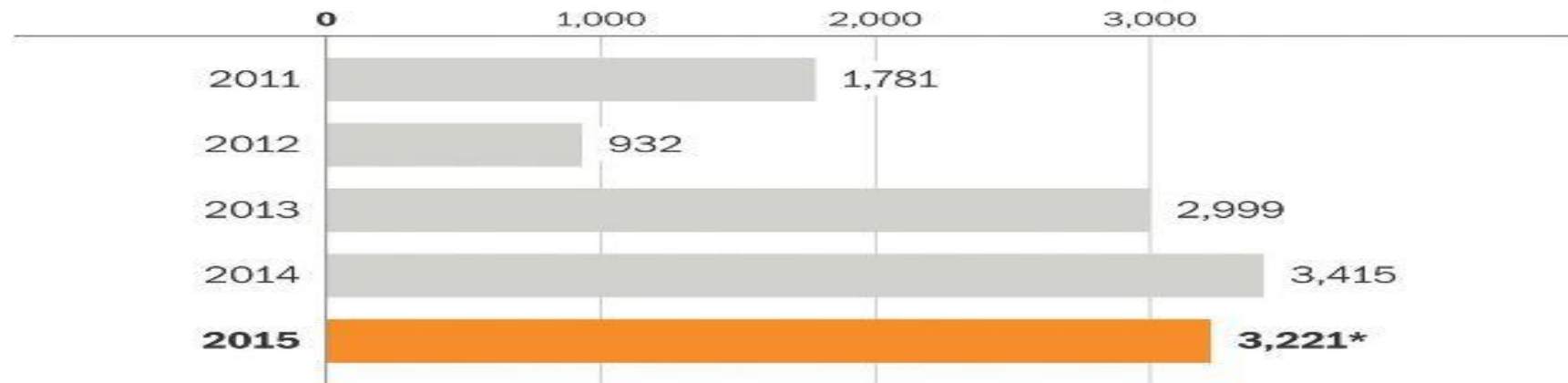
The Little Black Book of

Do I Stay or Do I Go?

Expatriation is Headline News

Annual Number of Expatriates

The U.S. government publishes the names of U.S. citizens who surrender their citizenship and long-term U.S. residents who do something similar. Most do so for tax purposes. These figures have grown in a marked way in recent years. When the federal government published figures for the third quarter of 2015 last week, this year's still incomplete tally came close to topping the figure reached over the course of 2014.



* Includes first, second and third quarter data. Fourth quarter not yet complete.

Source: U.S. Department of Treasury

THE WASHINGTON POST

The most recent list of those who have opted to become official expatriates was published last week. You can view the complete list of names -- if that's of interest -- [here](#). And names for previous quarters [can be found here](#).



Do I Stay or Do I Go?

There are Many Factors to Consider

Reasons to give up US status:

- Family
- No ties to the US
- Work
- Tax Compliance
- Prefer living in a different country



Do I Stay or Do I Go?

There are Many Factors to Consider

Reasons to keep US status:

- Family & friends
- Work
- Want to retire in the US
- Lifestyle
- Government Benefits (Social Security, Medicare)
- Benefits of an American passport (ease of travel)
- Freedom of Speech



Do I Stay or Do I Go?

Challenges facing US nationals abroad

- FATCA
- Dual Reporting
- Cross Border Taxation
- Investments- choices, costs & fees, 529s, 401Ks, IRAs, etc.
- Insurance – life, health, disability etc.
- Estate Planning - trusts, wills



Financial Planning

Necessary Whether You Stay or Go



Financial Planning

Necessary Whether You Stay or Go

Whether you maintain or relinquish your citizenship, proper financial planning is important.

- Road map to help you achieve your life goals
- Organizes global assets & liabilities into one plan

Encompasses:

- Investment Planning
- Retirement Planning
- Education Planning
- Insurance Planning
- Estate Planning
- Tax Planning

Financial Planning

Cross-Border Financial Planning is Very Complex



"Don't be silly, darling...I married you
for your money, it makes no difference,
pounds or euros."



Estate Planning

Estate Planning

Overview

Estate Planning

- Will
 - One or More?
 - Trusts
 - Civil Law vs. Common Law
- Choice of Fiduciaries
 - Executor
 - Guardian
 - Trustee
- Durable Power of Attorney
- Medical Durable Power of Attorney (health care proxy)
- Temporary guardianship instructions if you have minor children



A decorative graphic on the left side of the slide, featuring a stylized American flag with red and white stripes and white stars on a blue background.

Estate Planning

US Assets – Know What You Have

US has a 60K USD estate tax exemption for foreigners and 5.43MM USD for US taxpayers.

- US situs real property, including houses and condominiums
- US situs tangible personal property, such as jewelry, antiques, artworks and cars, unless the items are in transit or on loan for an exhibition
- Shares of stock of US corporations, including shares of a US co-operative corporation representing a co-op apartment. The location of the certificate is immaterial
- Mutual funds (including money market funds) organized in corporate form are US situs property if incorporated in the United States. If the fund is structured as a partnership or grantor trust, the situs of the fund depends on the situs of the underlying assets of the fund
- REITS

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Estate Planning

US Assets – Know What You Have

- Cash deposits with US brokers, money market accounts and cash in US safe deposit boxes are US situs property
- Debts of US obligors
- Interests in limited or general partnerships that either do business in the US or own assets in the US will probably be considered US situs assets
- Life insurance proceeds paid by a US insurer on the life of someone else
- Cash surrender value of life insurance owned by a non-US person on the life of another person is US situs property if issued by a US insurer
- Annuities



Estate Planning

US Assets – Know What You Have

It is important to know what you have if you expatriate.

- Assets are used in determining your potential exit tax liability
- Assets in the US maybe be subject to US estate tax
- Assets left to US heirs may incur up to 40% estate tax upon the death of the expatriate

Estate Planning

US Assets – Know What You Have

Tax Implications

Non-citizens may be entitled to annual and lifetime gift tax exclusions and a credit on the applicable estate tax exclusion amount. The following tables summarize the amounts in 2014 that can be transferred gift and estate tax-free. It is important to consider not only the status of the transferor, but that of the transferee.

Gift Tax Considerations	To Citizen	To Resident or Non-Resident Alien
From Citizen or Resident Alien	<ul style="list-style-type: none">♦ <u>Spouse</u>: Unlimited marital deduction♦ <u>Non-Spouse</u>: Annual exclusion – \$14,000 Lifetime exclusion – \$5,340,000	<ul style="list-style-type: none">♦ <u>Spouse</u>: Annual exclusion – \$145,000 Lifetime exclusion – \$5,340,000♦ <u>Non-Spouse</u>: Annual exclusion – \$14,000 Lifetime exclusion – \$5,340,000
From Non-Resident Alien (U.S. situs property)	<ul style="list-style-type: none">♦ <u>Spouse</u>: Unlimited marital deduction♦ <u>Non-Spouse</u>: Annual exclusion – \$14,000 Lifetime exclusion – N/A	<ul style="list-style-type: none">♦ <u>Spouse</u>: Annual exclusion – \$145,000 Lifetime exclusion – N/A♦ <u>Non-Spouse</u>: Annual exclusion – \$14,000 Lifetime exclusion – N/A
Estate Tax Considerations	To Citizen	To Resident or Non-Resident Alien
From Citizen or Resident Alien	<ul style="list-style-type: none">♦ <u>Spouse</u>: Unlimited marital deduction♦ <u>Non-Spouse</u>: Applicable exclusion – \$5,340,000	<ul style="list-style-type: none">♦ <u>Spouse</u>: Applicable exclusion – \$5,340,000*♦ <u>Non-Spouse</u>: Applicable exclusion – \$5,340,000
From Non-Resident Alien (U.S. situs property)	<ul style="list-style-type: none">♦ <u>Spouse</u>: Unlimited marital deduction♦ <u>Non-Spouse</u>: Applicable exclusion – \$60,000	<ul style="list-style-type: none">♦ <u>Spouse</u>: Applicable exclusion – \$60,000*♦ <u>Non-Spouse</u>: Applicable exclusion – \$60,000

*Assets passing to a Qualified Domestic Trust are generally eligible for the unlimited marital deduction.

*Note – 2014 figures

Estate Planning





Insurance Planning

Insurance Planning

- Health Insurance
- Long Term Care Insurance
- Life Insurance
- Disability or Income Replacement Insurance
- Content Insurance



Insurance Planning

Health Insurance - Costs Keep Rising Everywhere

Average medical trend rates by region

	2014		2015	
	Medical trend rate	Annual general inflation rate	Medical trend rate	Annual general inflation rate
Asia Pacific	10.12%	4.66%	10.87%	4.28%
Europe	5.94%	1.78%	6.01%	1.99%
Latin America and Caribbean	14.35%	5.81%	14.58%	6.25%
Middle East and Africa	12.28%	5.25%	12.03%	4.90%
North America	8.5%	1.76%	6.5%	1.75%
Global	10.34%	4.23%	10.15%	4.00%

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Insurance Planning

Health Insurance – Ensure You Are Protected

Catastrophic illnesses can be financially & emotionally devastating.

- Corporate policies tend to have very low annual maximums in Asia – i.e. 100K per year, or 80K per year maximum per illness
 - Often low annual limits on catastrophic such as cancer, heart disease, kidney disease
 - Limited geographic regions for care
- Consider health insurance not tied to your employer
 - High deductible plan – limits financial risk
 - Coverage when healthy – eliminates pre-existing illness issues

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Health Care Costs

Medicare – Only Available in the US

Many expats may not have worked enough in the US to be eligible for Medicare. You need to have paid into Social Security/Medicare the equivalent of 10 years or 40 work quarters.

- A quarter equals \$1220.00 (\$48,800 total)
- If you don't have your quarters you can pay for Medicare Part A
- From 30 to 39 work credits, \$234 per month
- Or \$426 a month if you have fewer than 30 work credits (2014)
- If not a US citizen you need to be a legal resident in the US for five years to purchase Medicare Part A
- Medicare is not available for care overseas, only in the US

http://www.aarp.org/health/medicare-insurance/info-04-2008/ask_ms_medicare_9.html

<http://www.aarp.org/health/medicare-insurance/info-04-2011/medicare-eligibility.html>

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Health Care Costs

US Health Insurance

Many companies offer health insurance to their employees. Corporate health insurance offers extensive coverage & high annual limits. Other options:

- Private health insurance
- Affordable Care Act – “ObamaCare”
 - The Health Insurance Marketplace is for people who don’t have health coverage
 - What you pay for insurance depends on income, where you live, age, plan chosen, features, etc.
 - Covers pre-existing conditions
 - Can only sign up during Open Enrollment (November 1 – December 15th for following year coverage)



Insurance Planning

Life Insurance – Protect Your Loved Ones

Life insurance to be the cornerstone of sound financial planning.

- Replaces income for dependents
- Gives liquidity to pay final expenses
- Covers estate taxes
- Pays off debts
- Covers educational expenses
- Funds business buy-sell agreements
- Creates a legacy

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Insurance Planning

Life Insurance – Protect Your Loved Ones

Work life insurance coverage is usually not sufficient. It is a low cost option but should be supplemented with personal life insurance.

- Life insurance is best when denominated in the currency it would be needed
- Obtain the highest amount of coverage you can afford while young & healthy
 - Premiums are much lower
 - A medical issue may increase your premium or make you uninsurable
- Ensure coverage continues until no longer needed by dependents
- Find a balance between too much and too little (cost vs benefits analysis)



Wealth Management



Wealth Management

Our platform offers:

- Choice of US & non-US custodians
- Global investment strategy
- Retirement & non-retirement accounts (401K, IRA, Roth IRA, etc.)
- Transparent fees – no hidden costs, lockups or surrender charges
- **Ability to change tax status without moving account**
- 1099 tax reporting - (W-9 for US taxpayers, W-8BEN for non)
- Online account access, monthly statements



Wealth Management

Exchange Traded Funds – (ETFs)

An ETF, or exchange traded fund, is a marketable security that tracks an index, a commodity, bonds, equity sectors or a basket of assets like an index fund.

- Trades like a common stock on a stock exchange
- Experiences price changes throughout the day
- Typically higher daily liquidity & lower fees than mutual funds
- More tax efficient than mutual funds
- Very low expense ratios compared to actively managed mutual funds



Wealth Management

Emotional Costs – Most Investors Underperform Markets

By working with an investment professional, you can remove Emotions related to investing such as:

- Market timing
- Using or misusing information
- Herd mentality
- Over confidence
- Familiarity, biases
- Fear of loss
- Inertia
- Lack of time

Wealth Management

Emotional costs - quantified

	Investor Returns ¹				Inflation	S&P 500	Barclays Aggregate Bond Index
	Equity Funds	Asset Allocation Funds	Fixed Income Funds	Composite Fund Investor			
30 Year	3.79	1.76	0.72	2.47	2.70	11.06	7.36
20 Year	5.19	2.47	0.80	3.34	2.28	9.85	6.20
10 Year	5.26	2.25	0.69	3.51	2.13	7.67	4.71
5 Year	10.19	5.09	1.21	6.84	1.69	15.45	4.45
3 Year	14.82	7.15	0.72	9.57	1.34	20.41	2.66
12 Months	5.50	2.24	1.16	3.98	0.75	13.69	5.97

¹. Returns are for the period ending December 31, 2014. Average equity investor, average bond investor and average asset allocation investor performance results are calculated using data supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs. After calculating investor returns in dollar terms, two percentages are calculated for the period examined: Total investor return rate and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions and exchanges for each period.



Summary

Taxes

Overdue taxes? You could lose your U.S. passport



When you owe the IRS tens of thousands of dollars in past-due taxes, you can expect to owe big penalties and interest.

And soon you could even lose your U.S. passport.

<http://money.cnn.com/2015/11/20/pf/taxes/taxes-passport/index.html>



Thank you for attending!

Questions?

Ann Marie Regal, CFP®
+65 9146 1862
amregal@globaleye.sg



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