Jackson and Morningstar partner on tax demonstration tool

By Editorial Staff *Thu, Feb 25, 2016*

This tool is available for wholesalers and advisors, and supported by Jackson's Advanced Strategies team, a group of senior portfolio strategists and retirement and wealth strategy consultants who study the investment and tax landscape.

Jackson National Life Insurance Co. is working with Morningstar, Inc. to launch its new Tax Deferral Illustrator, a tool enabling financial professionals to visually demonstrate the impact that taxes and tax deferral can have on clients' finances throughout the full investment cycle of accumulation and distribution.

"Through simulated data, advisors will have the ability to educate clients about the effects tax deferral can have on their individual investment strategies," said Justin Fitzpatrick, vice president of Advanced Strategies at Jackson National Life Distributors LLC (JNLD), the sales and marketing arm of Jackson, in a release.

"Taxes on investments can be much more complicated than just the long-term capital gains rate. The launch of the Tax Illustrator reinforces our commitment to providing advisors with the tools they need to create customizable outputs that can be representative of their clients' unique portfolios."

The illustrator is powered by Morningstar's Wealth Forecasting Engine. This sophisticated simulation software allows advisors to demonstrate scenarios based on a client's specific financial situation.

With the illustrator, advisors can:

- Input personalized information including current age, retirement age, state-specific tax policies and investment data to create individualized representations of clients' investments and their potential returns.
- Demonstrate to clients the differences between taxable and tax-deferred accounts over a specified period of time.
- Use returns specific to each asset class to illustrate tax drag.
- Recognize long-term capital gains tax treatment in a taxable portfolio through accumulation, distribution and legacy planning on a pre- and post-tax basis.

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