TriQuestUSA

ACCOUNT ABILITY

AGENT QUICK START GUIDE | Tax Treatment • Spendable Income • Account Efficiency

Purpose

Account Ability compares three hypothetical tax treatments on a common economic basis. The application now supports an existing beginning balance, ongoing annual funding, contribution growth, and adjustable accumulation and distribution periods while preserving the equal-spendable-income comparison.

Strategy	How the model treats it
Taxed Annually	Interest is taxed as credited, reducing the amount left to compound.
Tax Postponed	Funding is represented on a pre-tax equivalent basis; potential tax is recognized when economic value and distributions are measured.
Tax Advantaged	No modeled accumulation or distribution tax. This path establishes the annual spendable-income target.

1. Build the Case

Input	Agent use
Beginning Balance	Existing after-tax economic value at Year 0. Use $0 when the client is starting from scratch. The Tax Postponed path is grossed up to a pre-tax equivalent so starting economic value remains comparable.
Annual Contribution	Initial annual after-tax funding amount. Use $0 for a beginning-balance-only case.
Contribution Growth	Annual percentage increase in the contribution. Example: 3% turns $10,000 into $10,300 in Year 2.
Crediting Rate	Same annual crediting assumption applied to all three strategies.
Tax on Accumulation	Models annual tax drag for Taxed Annually and participates in the Tax Postponed gross-up methodology.
Tax on Distribution	Models the tax applied to Tax Postponed distributions.
Accumulation Years	Number of years money accumulates before distributions begin.
Distribution Years	Number of years used to solve the Tax Advantaged spendable-income target.

Keep the comparison clean

Use the same crediting rate across the strategies. Account Ability is designed to isolate tax treatment, not to compare different investment returns.

2. Read the Main Comparison

Result	What it means
Account Balance - Year X	Statement-style balance at the end of the selected accumulation period.
Potential Tax Liability	Modeled deferred tax associated with the Tax Postponed balance.
Year-X Economic Value	Account value after recognizing the modeled tax treatment, creating a more comparable economic basis.
Annual Spendable Income	Common after-tax annual income target solved from Tax Advantaged.
Years of Spendable Income	How long each strategy sustains the target. A + indicates a final partial year is available.
Total Net Spendable	Total modeled after-tax spendable income delivered.
Net Account Balance - Ending Year	Remaining balance at the end of accumulation years plus distribution years.

3. Use the Chart

Raw Account Balance shows the actual modeled balances before recognizing deferred tax. **After-Tax Economic Value** adjusts for the modeled tax treatment. A useful presentation sequence is to show Raw Account Balance first, then switch to After-Tax Economic Value to explain why a larger statement balance is not automatically a larger spendable economic value.

4. Use the Detail Tabs

Open Taxed Annually, Tax Postponed, and Tax Advantaged to audit year-by-year funding, interest, taxes, spendable income, potential tax liability, and ending balances. The ledgers automatically follow the selected accumulation and distribution periods.

5. Suggested Presentation Flow

Step	Conversation
1	Enter the client’s current beginning balance and planned annual contribution.
2	Set contribution growth only if the client expects funding to increase over time.
3	Choose realistic accumulation and distribution periods.
4	Review the three Year-X balances.
5	Point out potential tax liability and Year-X Economic Value.
6	Compare the common Annual Spendable Income target and Years of Spendable Income.
7	Toggle Raw Account Balance to After-Tax Economic Value.
8	Use the detail ledgers when the client asks how a number was produced.

Case Management: Save stores the current case; Save As creates another named case; Load restores it; New Case clears the working case; Export and Import move case data between files. All expanded assumptions are preserved.

Educational use: Account Ability is a hypothetical tax-treatment comparison. It is not a product illustration, tax opinion, or guarantee of future results. Actual taxation and product outcomes depend on individual circumstances and applicable rules.