



DECODING TAX REFORM

Advising the Advisor

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STRATEGIES FOR SUCCESS

Decoding Tax Reform

Improving Risk-Adjusted Portfolio Returns Using Life Insurance: A Framework for Life Insurance Professionals

Join us **Tuesday, July 10 at 2pm ET** as Chris Kaplan, Vice President of Specialty Markets & EPG Sales at AXA US, builds upon his Annual Meeting presentation. Chris will discuss using a quantitative framework to better position life insurance as an asset class, with practical applications for life insurance professionals. Chris will walk through how this quantitative framework is applicable in a direct client setting—helping clients understand the long-term value of life insurance as a non-correlated asset class, and its ability to lower the long-term risk of a multi-generational portfolio.

[Register Here](#)

Bottom Line, Up Front



We hope you all had a wonderful celebration of the U.S.A.'s 242nd birthday!

Additional guidance from Treasury and the IRS on implementation of TCJA is expected this month. In particular, those watching closely expect announcements on application of the passthrough (199A) deduction, the SALT limitations, and on several international provisions.

While Congress is working at home this week, President Trump continued to make news while traveling between D.C., NJ, and MT. The trade war entered a new phase at midnight last night with substantial tariffs going into effect on trade with China. The President defended his tariff strategy while traditional allies like Canada, Mexico, and the EU imposed retaliatory tariffs on entering U.S. goods. Unlike tax reform, on trade policy President Trump does not enjoy much, if any, Congressional support even within his own party. Senate Finance Chairman Orrin Hatch (R-UT), responding to questions about the

administration's expanding list of tariffs, said he would "like to kill 'em." Agriculture Committee Chairman Sen. Pat Roberts (R-KS) said that individual Senators, including members of the Agriculture and Finance Committees have met with Trump and that "there's nobody for this." Many in Congress are beginning to evaluate how they might curtail the President's authority in this arena.

President Trump was on Fox News Sunday discussing the efforts to re-work the North American Free Trade Agreement (NAFTA). He expressed his displeasure with a lack of progress in the renegotiation and said he wanted to wait until after the election to sign the agreement. Meanwhile, in Mexico, newly elected president Andres Manuel López Obrador believes, like President Trump, that NAFTA needs to be rewritten. That agreement could offer a new avenue for progress, but it is not yet clear what the new Mexican administration's priorities will be for NAFTA.

Tax Cut Effects

- [**Tax Wrinkle Spurs Pension Funds to Buy More Treasuries \(WSJ\)**](#)

Businesses attempting to take advantage of the drop in corporate tax rate continue to funnel extra money into pension funds. 2017 saw the highest level of contributions to pension plans from S&P 500 companies since 2003, and this year is set to be on the same course. These efforts have created a high demand from pension funds for Treasury bonds which has helped suppress yields on long-term Treasury bonds.

- [**Investors beware: Alternative minimum tax can still hit some taxpayers despite reform \(CNBC\)**](#)

The TCJA reformed the individual AMT, but it was not repealed as initially intended. Changes from last year's tax act took much of the bite out of the individual alternative minimum tax (AMT) by dropping the maximum rate from 39.6% to 28% and increasing the level of income not subject to AMT. However, tax advisors warn that those with mid-six-figure salaries, high numbers of children, itemized deductions, long-term capital gains, and holdings like incentive stock options and private-placement bonds are still at risk.

Upcoming Events

- **Improving Risk-Adjusted portfolio Returns Using Life Insurance: A Framework for Life Insurance Professionals** | Feat. Chris Kaplan | Tuesday, July 10 at 2pm Eastern | [Register Here](#)



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