

## FINANCIAL AND INSURANCE PRODUCTS REFERENCE CHART

Type of Asset	Earnings Taxable Yearly?	Income Taxed at Death?	Estate Taxable?	Liquid at Death?	Probate at Death?	Is Principle Guaranteed At Death?	Convertible to Lifetime Income Stream?	Countable for Medicaid Spenddown?	Counted for SSI Provisional Income Calculation?
CD's	YES	NO	YES	YES	YES	YES	NO	YES	YES
STOCK	YES (Dividends are Taxable)	NO	YES	NO, MUST BE SOLD!	YES	NO	NO	YES	YES, DIVIDENDS YEARLY, CAPITAL GAINS WHEN SOLD
MUTUAL FUNDS	YES	NO	YES	NO, MUST BE SOLD!	YES	NO	NO	YES	YES, DIVIDENDS YEARLY, CAPITAL GAINS WHEN SOLD
CORPORATE BONDS	YES	NO	YES	NO, MUST BE LIQUIDATED & TAXABLE GAINS EXPOSED	YES	NO	NO	YES	YES, DIVIDENDS YEARLY, CAPITAL GAINS WHEN SOLD
MUNI BONDS	NO, BUT MAY EFFECT SSI TAXATION	NO	YES	NO, MUST BE SOLD!	YES	NO, ONLY AT MATURITY	NO	YES	YES, DIVIDENDS YEARLY, CAPITAL GAINS WHEN SOLD
SAVINGS BONDS	NO	YES, DEFERRED GAINS ONLY	YES	YES	YES	YES	NO	YES	YES, AT TIME OF LIQUIDATION
REAL ESTATE	NO	NO	YES	NO	YES	NO	NO	YES	YES, RENTAL INCOME OR LEASES + CAPITAL GAINS IF SOLD
ANNUITIES	NO, ONLY IF WITHDRAWALS OCCUR	YES, DEFERRED GAINS TAXED TO BENEFICIARY	YES	YES, GAINS TAXED AS ORDINARY INCOME (B)	NO, WHEN PERSON IS NAMED AS BENEFICIARY	YES, FOR FIXED ANNUITIES AND MOST VARIABLE ANNUITIES	YES	YES, HOWEVER MEDICAID ANNUITIES DO EXIST (C)	NO, UNLESS WITHDRAWALS ARE MADE
LIFE INSURANCE	NO, TAXED ONLY IF CASH WITHDRAWN (A)	NO	NO, WITH PROPER PLANNING	YES	NO, WHEN PERSON IS NAMED AS BENEFICIARY	MAYBE, DEPENDS ON TYPE OF POLICY	YES, BASED ON CASH VALUE	YES	NO, UNLESS WITHDRAWALS ARE MADE

\*These represent the most common application of the rules. Other factors may change the rules. Check with your tax advisor or consultant regarding your personal situation.

- A. Subject to MEC rules.
- B. Surviving spouse may continue deferral.
- C. Medicaid rules and eligibility vary by state.

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