Table 3: Two-Beneficiary Example, Continued—Using the Conceptual Framework

	Wally	Beaver	Total
Expected marginal tax rate (A)	43%	24%	
Tax-deferred (TD) account, per beneficiary designation (B)	$0	$500,000	$500,000
Total TD after-tax value using 33.5% "assigned tax rate" (C = B × (1 – 0.335))			$332,500
Taxable account total value (D)			$500,000
"Adjusted estate" total and split (E = C + D for total; E = 50% of total for beneficiaries)	$416,250	$416,250	$832,500
Assigned after-tax value of TD account (F = B × (1 – 0.335))	$0	$332,500	$332,500
Taxable account split (G = E – F)	$416,250	$83,750	$500,000
Tax on TD account using actual rates (H = B × A)	$0	$120,000	$120,000
Total after-tax value using actual rates (B + G – H)	$416,250	$463,750	$880,000
Dollar change from original method	$23,750	$23,750	$47,500
Percent change	6.1%	5.4%	5.7%