Table 4: Two-Beneficiary Example, Continued—Effect of Reduction in Taxable Account Value

	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)			**$250,000**
"Adjusted estate" total and split (E = C + D for total; E = 50% of total for beneficiaries)	$291,250	$291,250	$582,500
Assigned after-tax value of TD account (F = B × (1 – 0.335))	$0	$332,500	
Taxable account split (G = E – F, but not negative)	$250,000	$0	$250,000
Tax on TD account using actual rates (H = B × A)	$0	$120,000	
Total after-tax value using actual rates (B + G – H)	$250,000	$380,000	$630,000
Total after-tax value under original (equal gross division) method ($750,000 / 2 – A × $500,000 / 2)	$267,500	$315,000	$582,500
Dollar change from original method	–$17,500	$65,000	$47,500
Percent change	–6.5%	20.6%	8.2%