

04/12/2025 SIPS software update

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On April 12, 2025, the following updates were released in SIPS:

SIPS was enhanced to offer three new account types – Roth 401k, DAF (Donor Advised Fund), and CRAT / CRUT (Charitable Remainder Annuity Trust / Charitable Remainder Unitrust). The Roth 401k account types will follow the same rules as a 401k account type, and DAF and CRAT / CRUT accounts will follow the same rules as an “other” account type.

SIPS was updated to more accurately display client age and RMD start year when the client’s birth month and day are the same as the initial plan start month and day and the RMD start year for any client born in the year 1959.

The automatic tax calculation in SIPS Advanced was upgraded to incorporate tax adjustments that create tax liabilities or credits larger than what was modeled as income in the SIPS plan. Previously, these instances showed a warning message.

What was updated:

- New Account types for Roth 401k, DAF, and CRAT / CRUT
- Tax calculation rules for the Approximate Income Tax on the income planning screen
- Logic to calculate client RMD starting year and age when the client’s birth month and day are the same as the initial plan start month and day

For more information:

Approximate Income Tax with Large Adjustments Update Additional Information:

Prior to this release, the Approximate Income Tax calculation display received adjustments from the cashflow and tax advisor, which could cause the amount to be incorrect when there were large adjustments entered using advanced tax as they were not properly handled in the calculation. If this scenario were to occur, the SIPS user would be presented with a warning message on the income plan. The fix is to get the adjustments from advanced tax and to add additional rules for how the adjustments should be combined with taxable income. With this fix, the approximate income tax (amount and effective tax rate) displayed on the income plan should match the for the year in cashflow and tax advisor. This update is only relevant when using the automatic tax-rate calculation in SIPS Advanced.

RMD Start Year Fix Additional Information:

The client’s starting year for RMDs was not correct when their birth month and day matched the initial plan start date. For example, clients born on January 1 and had an initial plan start date on January 1 had incorrect start years for their RMDs. This issue has been resolved.

Additionally, this fix resolved clients born in the year 1959 incorrectly showing RMD start age as 74. SIPS now correctly shows their RMD starting age as 73.

Need more help?

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