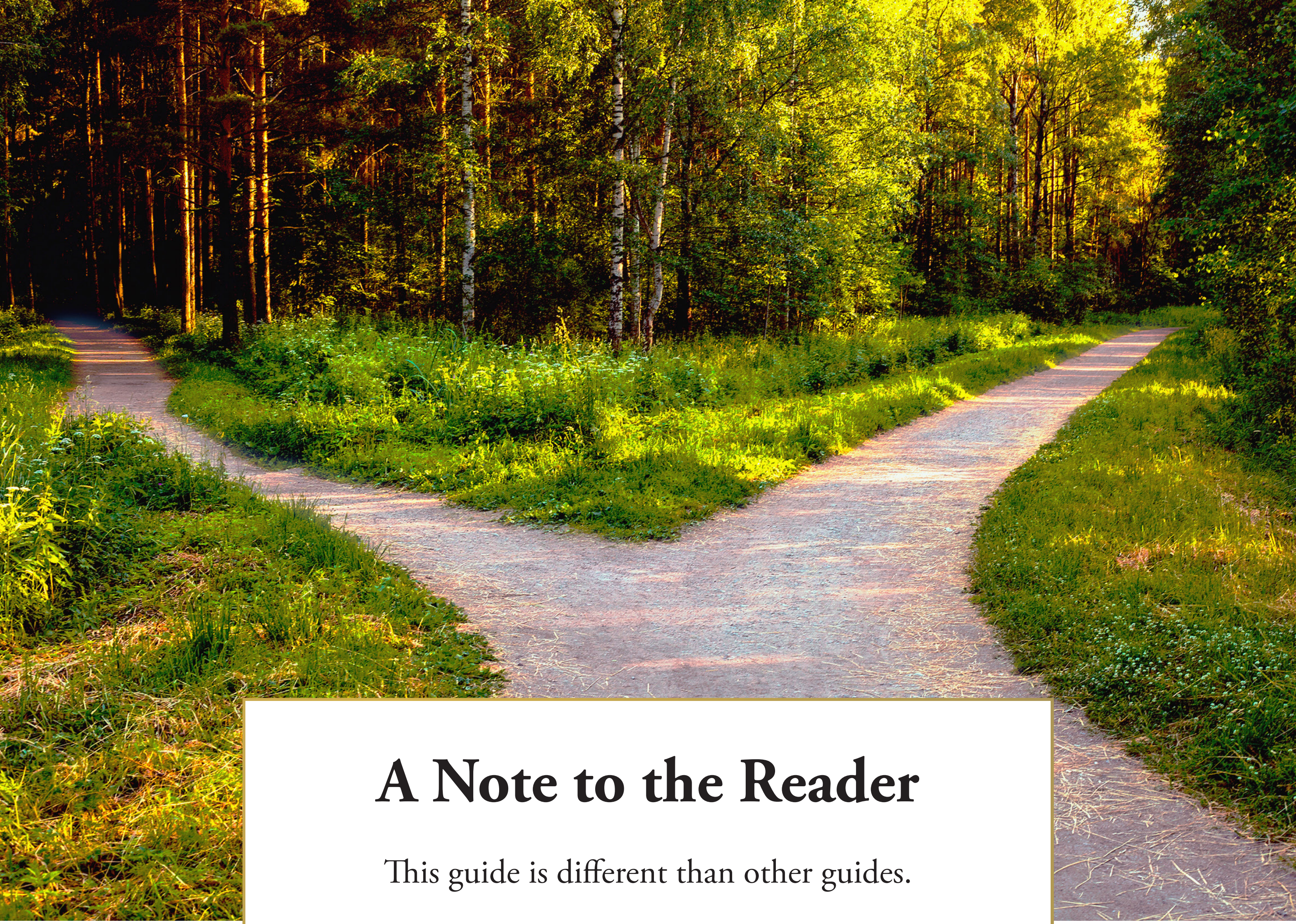
DESIGN YOUR OWN ADVENTURE

YOU'RE THE HERO IN THIS STORY.

TO BE, OR NOT TO BE (1099), THAT'S THE QUESTION

A GUIDE FOR PHYSICIANS

PREPARED BY THE TEAM AT GENERATIONAL FINANCIAL PARTNERS LLC



A Note to the Reader

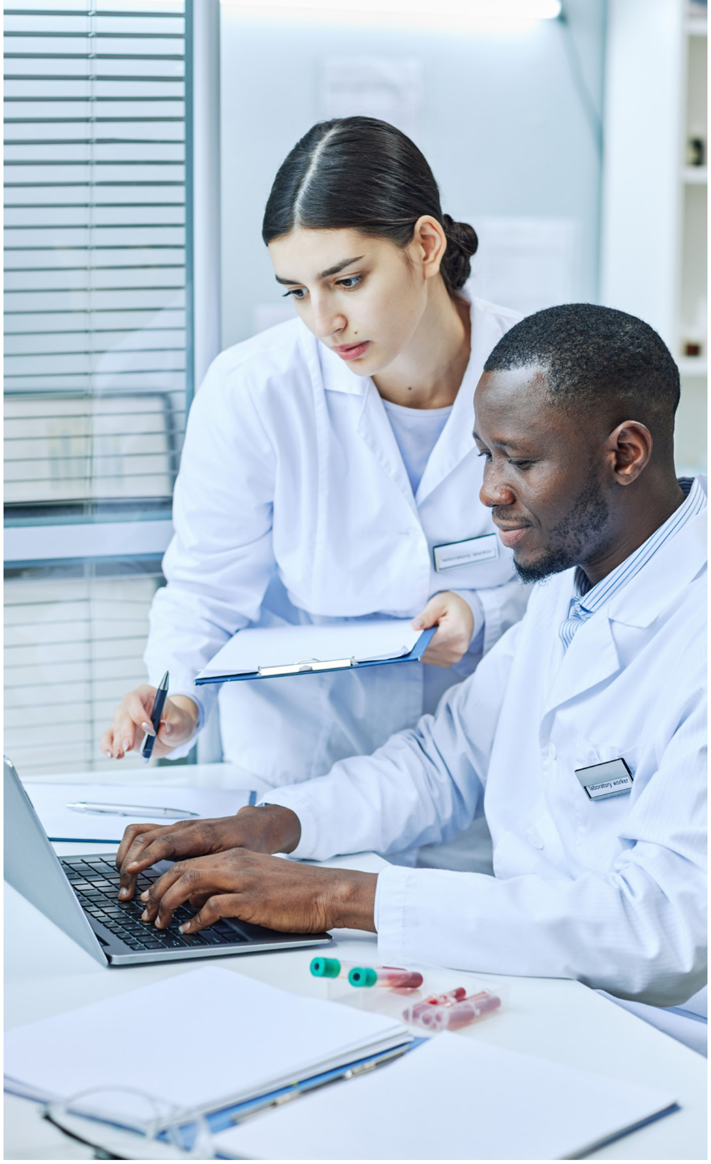
This guide is different than other guides.

You, and YOU ALONE, are in charge of your future.

There are numerous choices and adventures for you to pursue. You must use your abundant talent and knowledge to find the path that's right for you (but we're here as a resource). The wrong decision could end in despair, a lack of abundance, and the loss of your hard-earned money.

But, at any time, YOU can go back and make another choice, alter the path you're on, and change its result.

Good luck.



Welcome to your next big adventure!

We wrote this guide for you - the physician - as a "design your own adventure" that will help you determine the best path toward a brighter, and potentially more lucrative, financial future.

Everything in this guide is based on a particular doctor profile:

- Annual income of $350,000
- Married, filing jointly
- Using federally-mandated deductions (some states may have different rules and req's.)

Choose the Path You Want to Explore

W2 Employee

Simplicity

Half of social security & medicare paid by employeer

Ability to take advantage of employer benefits

Not responsible for keeping on top of changing regulations or as many tax-related matters

GO TO PAGE 10 →

1099 Contractor

Responsible for securing your own insurance coverage (with oftentimes higher rates) and managing other benefits, requirements, and setups

Ability to deduct job-related expenses

No employee perks (like 401(k) match)

We believe: **The best way to get paid if done the right way, but not right for everyone**

GO TO PAGE 4 →

Why become an IC Physician?

For most physicians, leaving the comforts of an employed position (W-2) to pursue an independent contractor position (1099) is daunting. Or perhaps you weren't given much choice and you're unsure if this endeavor is the right fit. Rest assured, we understand your concerns. 95% of our clients are physicians and this isn't a part of your training. You have lots of questions and we are happy to answer each one of them.

There are some great resources on our website, including videos that break down the concepts mentioned below. If you have questions/concerns, contact us to schedule a "Zero Call. " Zero: judgments, pressure, expectations, commitment, or cost.

The IC model isn't for everyone, but if done the right way, it can positively impact your bottom line year in and year out. After all, it's not about how much money you earn, it's about how much money you keep. As a bonafide business owner, you can implement many strategies that will allow you to do just that...we call these strategies the 5 MIZES.

Optimize

In 2025, ICs can contribute $70,000 per year into a Solo 401k or a SEP IRA ($77,500 if 50 or older/$81,250 if 60-63). If that's not enough, you can contribute to a Defined Benefit* Plan or add your spouse on the payroll and contribute on their behalf. This is a big deal because every dollar you contribute could potentially reduce your taxable income.

Customize & Fleximize

As an IC, you can customize your health/disability/life insurance, retirement contributions and other investments. Do what's best for your family...no cookie cutter plans here. Once you taste the freedom & flexibility of being an IC, you won't want to go back. Avoid non-competes and related restrictions, get more flexibility.

Maximize

Deduct business expenses such as your cell phone, computer, tablets, health insurance, home office, pro-rata utilities, CPA fees, CME trips, meals, and even your car. Some of our IC docs even add their children to the payroll for additional savings. Our favorite deduction? The annual business retreat... Hawaii anyone?#

Minimize

As an IC, you can minimize your taxable income (in addition to retirement contributions and business expenses).

- Qualified Business Income deduction (QBI, i.e. Section 199a): allows eligible self-employed and small-business owners to deduct up to 20% of their qualified business income on their taxes.** Potential savings: $12-$15k/ year.
- PTE Level Tax: some states will allow you to pay your state income tax via your LLC^ and get a federal deduction. Potential savings: $4-$5k/year.
- Self-employment tax (SET): as in IC, you're the employer and the employee which means you have to pay 12.4% on social security tax (up to $176,100 in 2025) and about 2.9% on medicare. By creating an LLC^ and paying yourself a lower wage via a W-2, you may be able to reduce your SET.

*55+ year old docs can potentially contribute $200k+ pre-tax.
**If your joint income is under $394,600 (2025). There are many ways to reduce your income to get under this threshold (for example, utilizing a Defined Benefit Plan; contributions are actuarially calculated. Physicians ages 55+ can potentially contribute $200,000+ on a pre-tax basis.)
^Taxed as an S-corporation. Some states utilize a PLLC or a PC. In some situations, you may be better off without an LLC and file via Schedule C. Please consult your tax advisor.
To be deductible, business retreats must be necessary for a valid business reason.

Take the 1099 Bootcamp **Page 6**
I Want to Buy a G-Wagon **Page 8**
Schedule a Zero Meeting **Page 11**
The Four Myths **Page 5**

The Four Myths

We truly believe that becoming a 1099 independent contractor as a physician is the best way to get paid for the work you do. But, one of the most frequent questions we receive is, "What type of entity should I form to do this? An LLC, a PC, or a PLLC?"

While every state varies*, in most instances, an LLC is taxed as an S-corporation. The four most common myths that you may have heard of include:

MYTH #1

"I Need an LLC for Asset Protection Purposes."

Not in this case - if you were setting up an LLC to buy rental property, maybe. You are the LLC, the LLC is you. There's no clear delineation that a judge would like to see.

MYTH #2

"I Need an LLC to save money for retirement."

This is where a retirement plan comes into play - something like a 401(k), Defined Benefit plan, or a SEP. An LLC is not required to put money aside for retirement.

MYTH #3

"I Need an LLC for Business Deductions."

You can write off business deductions - like a car, phone, or office space - regardless of whether you have an LLC or you're a sole proprietor.

MYTH #4

"I Need an LLC to add my spouse or kids on the payroll."

The same rules apply regardless of whether you have an LLC or are getting paid directly to your personal accounts.

There are only 2 real reasons why you may need an LLC, and they are:

- Self Employment Tax (SET)
- Passthrough Entity Level Tax (PTE)

If you want to dive deeper into how these numbers work, choose one of the options below to take the 1099 Bootcamp or watch our LLC Bootcamp.

WATCH THE 4 MYTHS VIDEO

LEARN MORE ABOUT BEING AN IC PHYSICIAN

*(and you should check with your CPA or Acountant to find the rules in your state, because we do not offer legal or tax advice)...

Take the 1099 Bootcamp **Page 6**

Schedule a Zero Meeting **Page 11**

NEXT: GO TO PAGE 6

The 1099 Bootcamp

Become a Financially Fit 1099 Physician

Over 95% of our clients are physicians. In this video, discuss the intricacies of financial management for 1099 independent contractor physicians. Watch this video to better understand the benefits.

WATCH THE VIDEO

How Do We Get Paid?
Page 9

I Want to Buy a G-Wagon
Page 8

Schedule a Zero Meeting
Page 11

NEXT: GO TO PAGE 7

STOP! Before you watch this video, MAKE SURE you've watched the 1099 Bootcamp (page 6)! Otherwise you will not have the base knowledge you need to maximize your understanding of this video.

Take Every Dollar: A Case Study

The Best Financial Strategies for IC Physicians

In this case study, we're taking a mathematical deep-dive into maximizing financial strategies for independent contractor physicians. Watch this video for practical knowledge and examples.

WATCH THE VIDEO

Keep Learning: More Vids
Watch GenFi TV

How Do We Get Paid?
Page 9

Schedule a Zero Meeting
Page 11

NEXT: GO TO PAGE 11

This Might Be the Best Year to Buy a G-Wagon

Section 179 of the Tax Code Might Benefit You

If you've always wanted a 6,000lb vehicle, this might be the best year to do it! Watch this video to better how business deductions can work in your favor toward a large vehicle.

WATCH THE VIDEO

Take the 1099 Bootcamp
Page 6

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Schedule a Zero Meeting
Page 11

NEXT: GO TO PAGE 11

How do we get paid at GenFi?

How do we get paid?

We leverage a fee-based model. Watch this video to learn more about our payment structure.

WATCH THE VIDEO

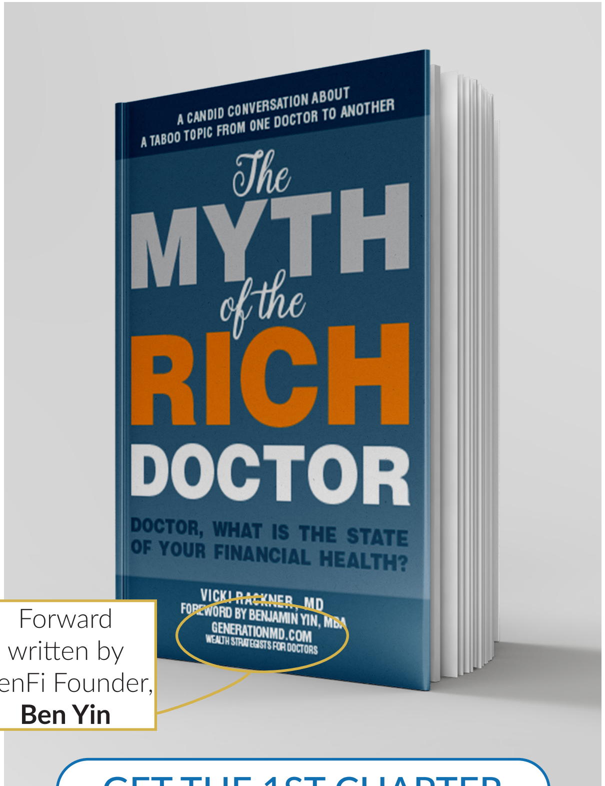
Resources for W2 Docs
Page 10

Become a 1099 Doc
Page 3

Schedule a Zero Meeting
Page 11

NEXT: GO TO PAGE 11

Resources for W2 Employee Doctors



Forward written by GenFi Founder, **Ben Yin**

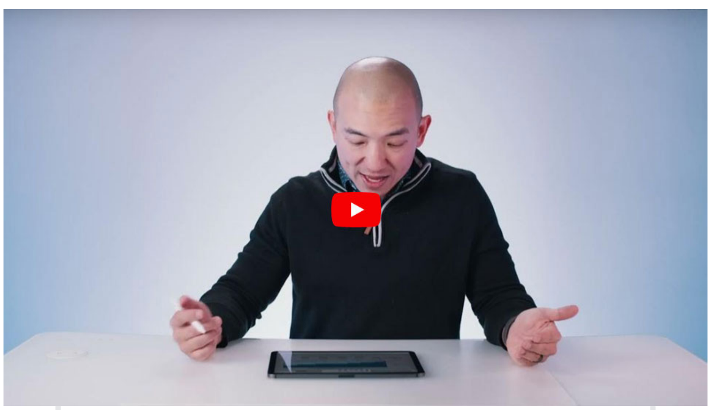
GET THE 1ST CHAPTER

The Myth of the Rich Doctor

In this book, Vicki Rackner, MD, aims to help other physicians achieve the personal, professional, and financial rewards that first attracted them to a career in medicine. Dr. Rackner is the author of several books, including The New Thriving Medical Practice, a nationally recognized keynote speaker on doctors and their money, and a coach for physicians who want to live their best life.

We give this book to all our clients, and it gives insights into:

- The outside forces that define your relationship with your income
- Common financial mistakes that many folks in your industry make
- Habits to separate you from the struggling physicians
- A clear process to help you assess your current financial health
- Defined elements of a successful wealth-building plan



How doctors THINK taxes work, vs. how they ACTUALLY work

WATCH THE VIDEO

HSA: the only triple tax-free investment

WATCH THE VIDEO

Become a 1099 Doc
Page 3

How Do We Get Paid?
Page 9

Schedule a Zero Meeting
Page 11

NEXT: GO TO PAGE 11

What's Next?

Schedule a 30-Minute "Zero Call"

Zero Expectations, Pressure, Commitment, or Cost

SCHEDULE NOW

Evaluate Your Real Numbers

Let us use our proprietary calculators to help you determine exactly where you stand.

SEND THEM IN

Learn More About GenFi

Visit our website to meet our team and learn more about what we do and why we do it.

GO TO THE SITE

ABOUT US

Empowering Physicians to be Financial Heroes

The field of medicine is changing, and there's an alarming trend of more and more doctors living from paycheck to paycheck, never getting to the point where they can truly live life in the sweet spot. While it's true that there are a lot of contributing factors that are out of your control, like insurance, government regulations, and the rising cost of medical school, there's plenty that's in your control as well.

You see, getting and staying financially healthy is a lot like getting and staying physically healthy. There are a million so-called experts out there touting magic formulas and shortcuts that sound great, but often end up doing more harm than good. If you can tune out the noise, though, and listen to the right people, there are some incredibly effective and innovative things you can do to get the results you want.

Here at GenFi, we work with physicians every day to help them understand their financial risks and opportunities so they can make wise decisions that benefit themselves, their practices, and their families. We don't sell magic pills, and we don't just look at one piece of the puzzle either. We look at the big picture, all the way from medical school to retirement, and give our clients the right tools and information they need to set and achieve their financial goals.

Much like you're held to the standards of the Hippocratic Oath, we hold ourselves to the highest standards to put your best interests ahead of our own in our investment advisory work, and we take our responsibility very seriously. No matter what your current financial situation is or what standard of living you want to achieve, maintain, and protect, we're here to arm you with everything you need to get the job done. All you have to do is take the first step.

Ben Yin

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