

PERSPECTIVE

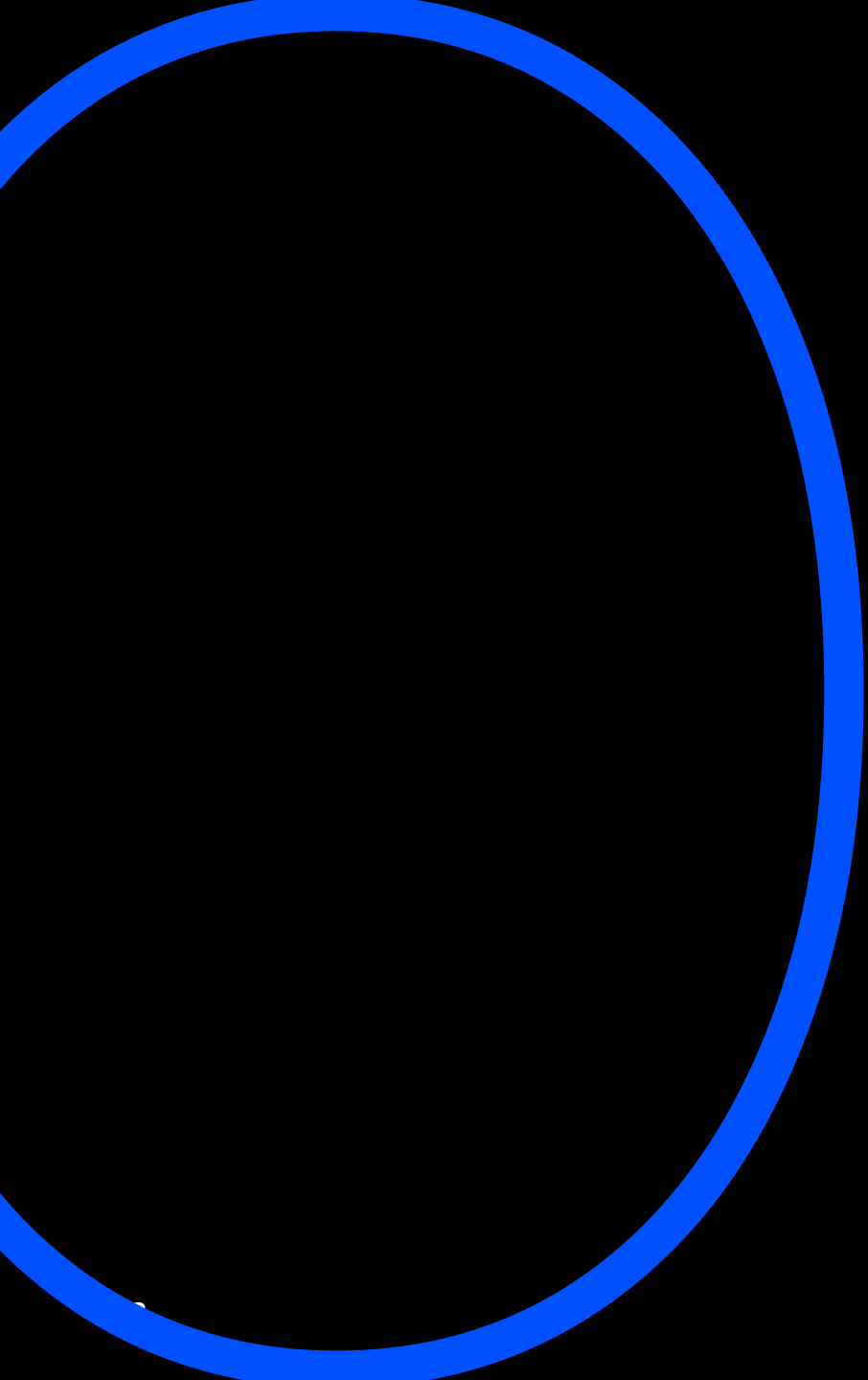
A man with a beard, wearing a dark suit and blue shirt, is seen from the chest up, leaning on a glass railing of a high-rise building. He is looking out towards the right. The background shows a vast blue sky with white clouds and the horizon of the Earth, suggesting a high-altitude or space-like perspective.

CHANGES EVERYTHING.

Tax Department in the Digital Age

September 1, 2023

WIPFLI



Tax Department in the Digital Age

Tax Department in the Digital Age

- Tax Department Assessment
 - People
 - Process
 - Technology
- Data constraints
- Best Practices



Tax Department Assessment

Tax Department Assessment - People

- What are the FTE requirements of your department?
 - What Skillsets are needed?
 - Build v. Buy
 - Hire v. develop
- What are short-term and long-term priorities
- Analysis of key stakeholders inside and outside of tax

Tax Department Assessment - Process

- What are your current state processes?
 - Provision
 - Return
 - FP&A
 - Planning and Modelling
- What are processes that are core to your department?
 - Improve
 - **Automation**
 - **Link like processes**
- What processes are not core?
 - Outsource?

Tax Department Assessment - Technology

- Current Technology
 - Current state effectiveness
- Upcoming projects planned?
- Low hanging fruit
- Data
 - Repository/Lake
- Workflows
- Dashboards
 - Analytics
- Modelling

Best practices

Automation

- RPA, tax software, investment systems, actuarial systems

Flexibility

- Type of scenario modeling
- Time to update
- Toggle functionality

Scalability

- C-suite discussions to complex tax calculations

OS

Data constraints

Data constraints

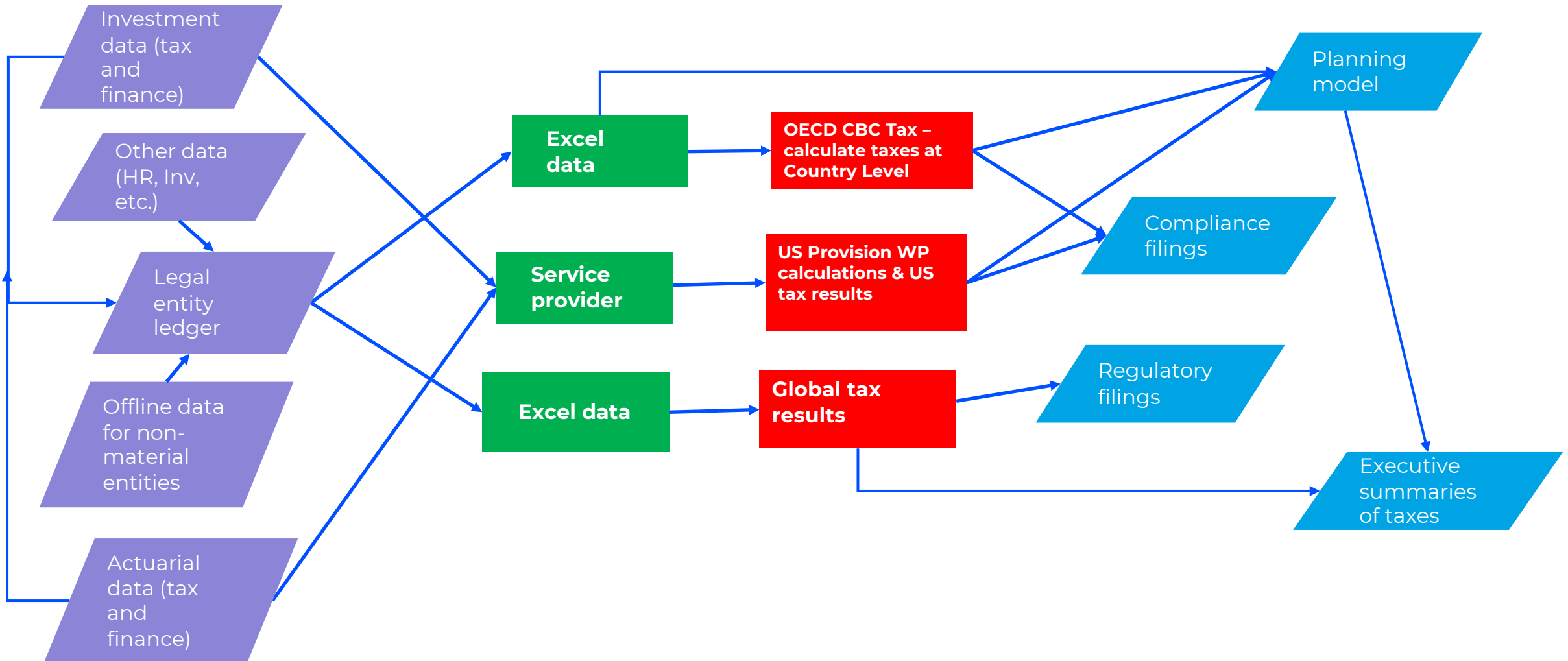
Book

- GAAP, STAT, IRFS or a Hybrid

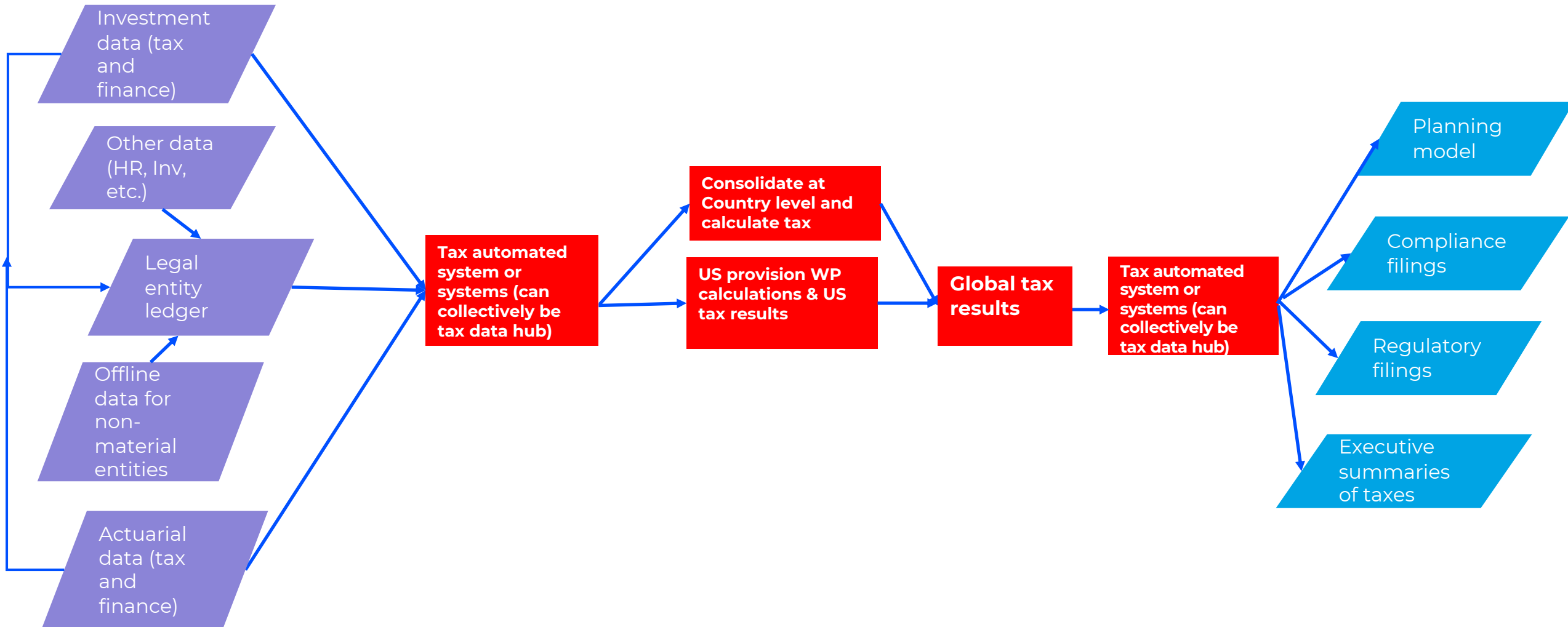
Adjustments

- Many adjustments, additions, and exclusions – including data that may not typically be collected, low materiality thresholds and available elections at several stages

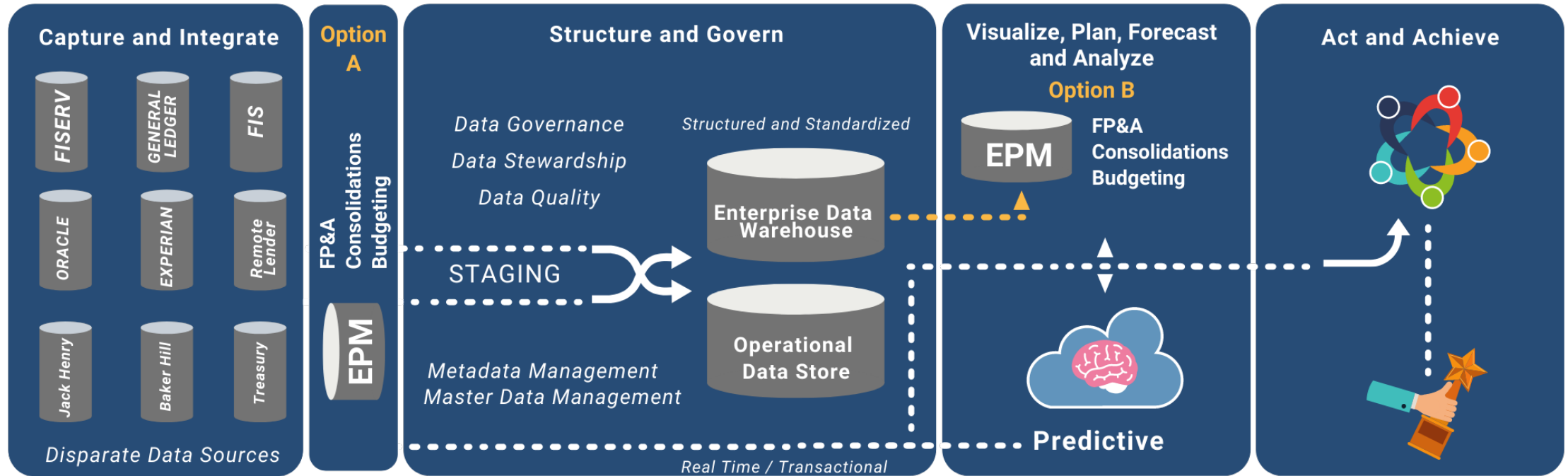
Disjointed data process



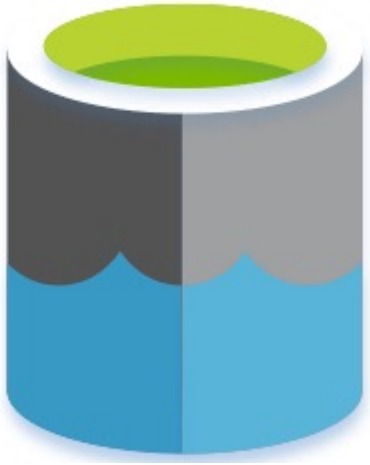
Best Practice flow via Data Hub



Best Practice flow via Data Hub



What is the right solution for me?



Data Lake

- Ingestion
- Collection
- Archiving



Data Vault

- Adapt
- Integrate
- Structure to Common Model



Data Warehouse

- Common Model
- Automate Logic
- Govern Master Data



BI Reporting

- Visualize Data
- Reporting
- Ad Hoc Analysis

Key takeaways

Streamlined data flow provides for greater flexibility and planning in uncertain global tax scenarios

Additional systems and responsible parties outside the org. can add complexity and risk to the data flow that generates tax filings, planning models and executive summaries

Tax automation and modeling for uncertainty

- Tax departments today are being asked to quickly quantify the impact of a growing number of scenarios, many of which may not even have been contemplated a short time prior
 - Impacts include tax rate changes, book alternative minimum tax, Pillar II, valuation allowance and DTA admissibility, M&A and inflation

Reporting Use Cases

- Schedule F Reporting: Automate from multiple systems, interfaces and processes to a single environment solution. Output can be customized to meet regulatory standards.
- Corporate Financial Reporting and Planning: Support Financial Planning and Analysis (FP&A) processes throughout the company and/or at the region level. Integrate with the GL and combine non GL data to provide automated reports.
- Business Intelligence reporting for all aspects of operations at the corporate and agent level.
- Actuarial Reporting - Reporting Platform, sourced from multiple GL and non-GL data sources (data warehouses), across all business units. Provide the ability to report at the Group, Company and Segment level with Intercompany Eliminations.

Forecasting Use Cases

- Scenario modelling: Provide regions and departments with results and reports throughout the budgeting cycle. Permit the use of governed data to assist with scenarios (claims, underwriting, customer acquisition, etc.).
- Policy Pricing: Data Mart to house pre-bind data with reporting models and data visualization/analysis solutions to more accurately price policies and understand where overpricing of premiums may have occurred.
- Budgeting/Forecasting: Design and development of an OLAP model. This is a complex series of models that provide the business with detailed actual results and the ability to provide budgets and forecasts at a weekly level. Data can be aggregated through multiple cubes to provide high level reports to management at various scenarios and time periods.