

Mar 29, 2018

## Personal Financial Analysis

# Allen & Betty Abbett

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Sample Financial Plan - TOTAL Goal-Based Planning



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IMPORTANT: The illustrations or other information generated by this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

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## General

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A summary of the assumptions used in this analysis, description of the purpose of the reports and a listing of assets, insurance and other details. Includes net worth statement, cash flow report, liquidity and education funding if appropriate.

## Personal Statistics

3/29/2018

### Allen Abbett and Betty Abbett

Family Member	Birth Date	Age
Allen Abbett	3/5/1965	53
Betty Abbett	6/8/1966	51
Bonnie C. Abbett	1/12/2003	15
Andy B. Abbett	2/28/2001	17

### Employment

Allen

Betty

*This presentation provides a general overview of some aspects of your personal financial position. It is designed to provide educational and/or general information and is not intended for specific legal, accounting, investment, income tax or other professional advice. For specific advice on these aspects of your overall financial plan, consult with your professional advisors. Asset or portfolio earnings and/or returns shown, or used in the presentation, are not intended to predict nor guarantee the actual results of an investment product.*

## Introduction

### Sample Financial Plan - TOTAL Goal-Based Planning

Your Personal Financial Plan has been prepared using techniques and concepts proven over years of experience from the disciplines of banking, investments, insurance, economics and finance. The analysis is based on the information you provided in your confidential questionnaire.

As you review the Personal Financial Plan, you will find that some areas of your financial goals are in better shape than others. The areas that particularly need attention will be identified in the report that follows.

The objective of this analysis is to assist you in making proper plans and quality decisions that might help you to achieve your financial objectives.

Decisions you make about your financial future can be enhanced by an understanding of your personal situation as described in this report, and through careful review and discussion.

After you have reviewed this financial plan and noted areas that need attention, we will assist you in evaluating the various options available for addressing areas of need or opportunities for use of your financial resources.

## Goal Based Planning

### Sample Financial Plan - TOTAL Goal-Based Planning

This comprehensive financial analysis has been prepared with the objective of helping you determine whether there are possible shortfalls or problems that must be addressed in order to achieve your goals.

#### Goal Based Planning

Goal based planning is designed to identify certain goals, and then determine if what you are now doing may enable you to accomplish your goals. This differs from a "cash flow" analysis which is used to measure all your cash inflows and outflows, and then integrate these items with your assets and a careful analysis of your income tax burden each year. Goal based planning uses a more conservative "worst case" scenario approach.

#### What do we mean by "Worst Case"?

##### Cash Flow

When we project your sources of income and expenses, an assumption is made that your income prior to retirement is adequate to cover your spending requirements. We do not illustrate investment of any surplus cash flows prior to retirement, or account for shortages prior to retirement. An exception to this rule applies to items you have indicated as being special income or expenses. These would include an inheritance, pension plans or social security starting prior to retirement age, or special expense items like education funding.

##### Savings

If you indicate that you are making deposits to savings, investments or retirement accounts, we use only those deposit amounts that you specify. Even if there might be additional funds available to save or invest, we do not assume that they will be added to your accounts. The objective of Goal Based Planning is to help you evaluate whether what you ARE DOING NOW may come close to allowing you to accumulate the funds necessary to reach your goals. If your savings rate is not sufficient, the report provides an estimate of additional savings or investments or estimated rates of return that might be used to satisfy the shortfall. The suggested amounts may or may not prove to be sufficient depending on various future economic and personal conditions.

##### Taxes

When managing your savings and investment portfolio, there will be taxable items such as interest, dividends, investment gains and retirement account distributions which will be subject to income tax. In a worst case analysis we make the assumption that the taxes due on these events will be paid out of the income source and the after-tax balance reinvested. In reality you may have enough earned income or other sources of funds to pay the taxes and reinvest the gross amount prior to retirement. However, if you fail to do this, then the "worst case" illustration will show the results if only the after-tax amounts are reinvested. We also make the assumption that any anticipated appreciation on invested assets is taxed each year as if you turned over your investment portfolio and paid capital gains tax on the realized appreciation. Again, this is illustrating the "worst case" approach to see if you might reach your goals under this type of scenario.

## Objectives

### Sample Financial Plan - TOTAL Goal-Based Planning

Your personal financial plan was prepared with concern for your specific goals and objectives. As you review this report, determine if your goals are obtainable or whether adjustments should be considered.

RETIREMENT OBJECTIVES:	Age	* Monthly Expenses in Today's Dollars	* Inflation Adjusted Expenses	
Your financial plan is based on the following income requirements.	65	\$8,677	\$11,811	G4, G18
	75	8,825	15,241	
	86	6,017	18,442	

\* Includes basic personal expenses, itemized deductions, insurance, mortgage and debts, savings and investment deposits.

### SURVIVOR OBJECTIVES:

In the event of your premature death, you indicated that your heirs would need the following amounts of monthly income:\*

	<u>Allen</u>	<u>Betty</u>	
Initial income amount needed:	\$6,951	\$6,752	F6, F4

\*Amount of expenses will vary. Refer to Survivor report for details. Includes basic personal expenses, insurance premiums, itemized deductions and loan payments.

### EDUCATION FUNDING:

Your financial analysis includes consideration of the cost of educating your children. Education costs now represent one of the most substantial expenses for a family. Unless careful planning and preparation is performed, these costs could seriously affect your ability to accumulate funds for your retirement.

<u>Name</u>	<u>Cost / year</u>	<u>Inflated cost at 5.00%</u>	
Bonnie	\$25,000	\$124,738	A20
Andy	25,000	113,141	
<b>Total</b>		<b>\$237,878</b>	

### OTHER:

Estimates used in the reports are based on a life expectancy age for Allen of 90.  
The life expectancy age for Betty is assumed to be 95.

You have indicated additional financial goals including:

	<u>Age</u>	<u>Amount</u>	<u>Inflation Rate %</u>	
Sail boat	65	\$20,000	3.20	A17



## Personal Financial Summary

### Sample Financial Plan - TOTAL Goal-Based Planning

There are several areas of your financial affairs that can be compared to the goals you have set and to their probable achievement. The following areas will give you a brief overview of the progress you have made toward your goals or alert you to areas that may need attention.

#### RETIREMENT:

	Income needed and available	
Annual basic living expenses needed adjusted for inflation *	\$141,733	
Total amount of spendable income needed through life expectancy	\$6,934,210	
Total income expected from Social Security, pensions, etc.	(\$2,022,305)	
Additional income requirements to be satisfied by savings, investments	\$4,911,905	C3
Estimated value of working assets at retirement age 65	\$2,012,172	C4
<b>Your working assets may last only until you reach age 96.</b>		
<i>*Includes basic living expenses, debt payments, insurance premiums and itemized deductions.</i>		

#### SURVIVOR (Insurance):

	<u>Allen</u>	<u>Betty</u>	
Person to be insured			
Insurance needed if death occurs now	\$760,270	\$712,775	F4, F6
Maximum insurance needed if death occurs in the future	764,730	712,775	
<b>Present Insurance Coverage</b>	<b>\$347,500</b>	<b>\$310,000</b>	

#### DISABILITY:

In the event of long term disability, funds will be required to pay for living expenses, debts and insurance premiums.

	<u>Allen</u>	<u>Betty</u>	
Person disabled			
Monthly income needed	\$6,780	\$6,830	F8
Monthly income available (long term)	6,566	6,461	
<b>Percent available - vs - needed</b>	<b>97%</b>	<b>95%</b>	

#### INCOME TAXES:

Your estimated gross income this year	\$176,578	D3
Your estimated taxable income this year	142,532	
Total income and social security taxes	48,363	
<b>Marginal tax rate (highest Federal &amp; State tax rate)</b>	<b>31%</b>	

#### ESTATE COSTS:

First death estimated estate expenses and debts now	\$373,447	E4
Second death taxes & expenses after 10 years (adjusted for estate growth)	\$420,808	E7
<b>Estate settlement costs as percent of future estate values</b> (assuming second death in 10 years)	<b>26%</b>	

## Retirement Summary

A2a

Sample Financial Plan - TOTAL Goal-Based Planning

The following table summarizes the goals, assumptions and variables used in the Retirement Planning analysis.

### RETIREMENT GOALS:

		<u>Allen</u>	<u>Betty</u>	
Retirement Age		65	64	
Life Expectancy		90	95	
Retirement Expenses (today's dollars)	\$97,121			G4
Inflation Rate	3.20%			G4
Retirement Tax Rate (Federal and State)	20.00%			

### RETIREMENT CAPITAL:

Current Rate of Return	6.52%			C4
Total Assets Available for Retirement	\$761,850			C4
Annual Additions to Retirement Accounts	28,040			H5...H8
Annual Additions to Other Accounts	9,000			H1...H4

### RETIREMENT INCOME (pre-tax):

		<u>Allen</u>	<u>Betty</u>	
Social Security Start Age		67	67	
Social Security Benefit		\$34,803	\$30,838	
Social Security COLA	2.00%			
Pension Start Age			65	
Pension Benefit			2,400	
Pension Benefit COLA			2.00%	

### OTHER INCOME/EXPENSE ITEMS (after-tax):

Other Income	\$200,000			G8
Other Expense	(291,811)			G8
Stock option proceeds	4,764			G8
Post-Retirement Earnings	82,264			G8
Residence Sale Proceeds	(88,777)			G8
Rental Real Estate Income	299,118			B15
Education Expenses	(191,346)			G8
Other Goals	(29,187)			G8

### RETIREMENT ANALYSIS:

Amount Needed for Retirement	\$2,090,000			C4
Amount Available at Retirement	2,012,172			C4
Age When Your Retirement Assets are Depleted	96			
Additional Lump Sum Needed at Retirement	77,828			C4
Increase Rate of Return to	7.00 %			C4
Increase Monthly Savings (at 5.00 % after-tax) by	250			C4
Increase Monthly Savings (at 7.00 % after-tax) by	120			C4
Increase Monthly Savings (at 9.00 % after-tax) by	60			C4
Reduce Retirement Spending by (today's \$)	2,000			C4
Delay Retirement until Ages		66	65	C4

## Financial Life Cycle

### Sample Financial Plan - TOTAL Goal-Based Planning

Every person during his or her life goes through a similar economic life cycle. Your success in the final phase of the cycle is determined by your preparation and planning in the earlier phases.

The phases can be described as:



During the early years when you are a "consumer", depending on your parents for support and learning skills needed for the future, you have the opportunity to prepare yourself for the earning years. Successful preparation in the form of education and development of social skills and earning capability can be greatly responsible for the level of success in the "Earning" phase.

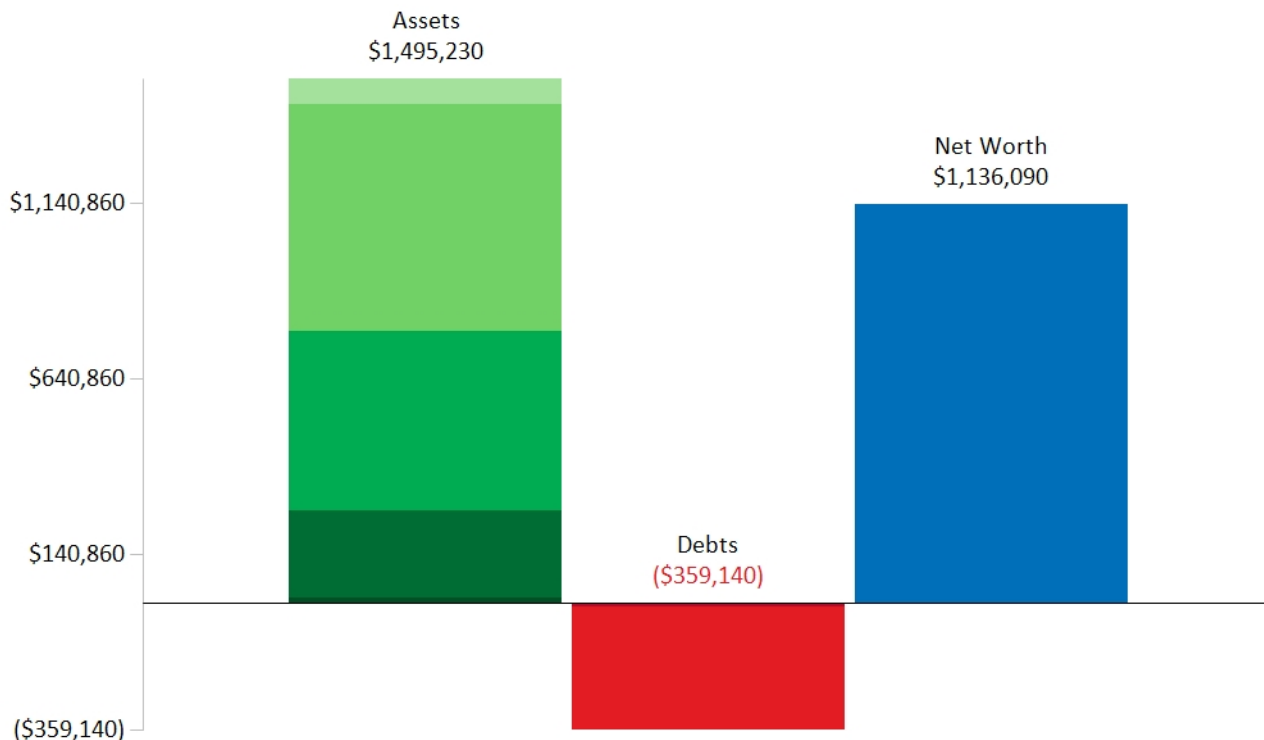
Interestingly enough, the amount of wages or income received in the second or "Earning" phase is not the factor that determines the results of the last phase - "Spending" or "Yearning". The key in this phase is how well a person has managed his/her income.

A person with low to medium income who regularly saves and prudently invests part of each paycheck can easily achieve a more successful financial result than high income earners who fail to set aside part of their wealth for the time when they can no longer work for a living.

## Net Worth








A4

Sample Financial Plan - TOTAL Goal-Based Planning



Net Worth is the amount of assets remaining if all debts were paid off immediately. Typically over time an individual's net worth starts negative and grows until retirement or a little after then starts to decline as assets are spent.

A5

<b>Assets</b>		<b>\$1,495,230</b>
	Personal Assets	71,080
	Real Estate	647,000
	Retirement Accounts	513,050
	Investment Accounts	248,800
	Savings Accounts	15,300
<b>Debts</b>		<b>(\$359,140)</b>
	Real Estate	(350,000)
	Other Liabilities	(9,140)
<b>Net Worth</b>		<b>\$1,136,090</b>

## Net Worth Statement

Sample Financial Plan - TOTAL Goal-Based Planning

### ASSETS

Ordinary Income Accounts:	Allen	Betty	Joint / CP	Trust/Other	Total
Insurance Cash Value and Dividends	\$12,450	\$2,850			\$15,300
<b>Total</b>	<b>12,450</b>	<b>2,850</b>			<b>15,300</b>
<b>Equity (Investment) Accounts:</b>					
Mutual Funds			248,800		248,800
<b>Total</b>			<b>248,800</b>		<b>248,800</b>
<b>Retirement Accounts:</b>					
401(k) accounts	213,500				213,500
IRA accounts	54,000				54,000
403(b), SEP, Simple		110,250			110,250
Roth accounts	62,500	72,800			135,300
<b>Total</b>	<b>330,000</b>	<b>183,050</b>			<b>513,050</b>
<b>Personal Use Assets:</b>					
Personal Property	50,000		19,600		69,600
Stock Options (Bargain Element)	1,480				1,480
<b>Total</b>	<b>51,480</b>		<b>19,600</b>		<b>71,080</b>
<b>Real Estate Assets:</b>					
Residence	447,000				447,000
Rental real estate			200,000		200,000
<b>Total</b>	<b>447,000</b>		<b>200,000</b>		<b>647,000</b>
<b>Total Assets</b>	<b>\$840,930</b>	<b>\$185,900</b>	<b>\$468,400</b>		<b>\$1,495,230</b>
<b>LIABILITIES</b>	<b>Allen</b>	<b>Betty</b>	<b>Joint / CP</b>	<b>Trust/Other</b>	<b>Total</b>
Residence mortgage			(\$232,000)		(\$232,000)
Credit Cards	(6,640)				(6,640)
Life insurance loans	(2,500)				(2,500)
Rental real estate			(118,000)		(118,000)
<b>Total Liabilities</b>	<b>(\$9,140)</b>		<b>(\$350,000)</b>		<b>(\$359,140)</b>
<b>NET WORTH</b>	<b>\$831,790</b>	<b>\$185,900</b>	<b>\$118,400</b>		<b>\$1,136,090</b>

Note: Assets held in a Revocable Trust are included in the grantors assets.

## Asset Detail

A6

### Sample Financial Plan - TOTAL Goal-Based Planning

Name	Account Value	Monthly Additions	Rate of Return				Owner	Liquid	Group	Class	Type	Ret
			Inter.	Div.	CapG.	Appr.						
Allen's 401k	\$213,500	430 / 287	7.00				Allen	Liquid	MF-Balance	Gr	Retire	Yes
Allen's IRA Rollover	54,000	0 / 0	7.00				Allen	Non-Liquid	MF-Balance	Gr	Retire	Yes
Allen's Roth	62,500	450 / 0	7.00				Allen	Cash/Reserv	MF-Balance	Inc	Retire	Yes
Betty's 403b	110,250	360 / 360	7.00				Betty	Liquid	MF-Balance	Gr	Retire	Yes
Betty's Roth	72,800	450 / 0	7.00				Betty	Non-Liquid	MF-Balance	Gr	Retire	Yes
Checking/Savings	32,200	250 / 0	6.00				Joint	Cash/Reserv	MF-Balance	Res	Taxable	Yes
Credit Union CD	20,000	0 / 0	2.00				Joint	Liquid	MF-Balance	Inc	Taxable	Yes
Joint Money Market Accou	31,600	0 / 0	3.10				Joint	Cash/Reserv	MF-Balance	Inc	Taxable	Yes
JTWROS Investment Accou	165,000	500 / 0			3.50	4.00	Joint	Liquid	MF-Balance	AgGr	EqOther	Yes

## Personal Property

Sample Financial Plan - TOTAL Goal-Based Planning

<u>Description</u>	<u>Value</u>	<u>Owner</u>	<b>Appreciation</b> <u>Rate</u>
Corvallis Home	\$447,000	Allen	2.00
Ford F150	\$22,000	Allen	(8.00)
Household Property	\$28,000	Allen	
Subaru Outback	\$19,600	Joint	(5.00)
Vacation Home - purchase @ 65		Allen	2.00

<b>Total</b>	<b>\$516,600</b>
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## Liabilities

A8

### Sample Financial Plan - TOTAL Goal-Based Planning

<u>Description</u>	<u>Owed to</u>	<u>Owed by</u>	<u>Balance</u>	<u>Monthly Payment</u>	<u>Interest Rate</u>	<u>Balloon Age</u>
Corvallis home	BofA	Community Property	\$232,000	\$1,600	4.37%	
Wells Fargo	Wells Fargo	Allen	6,640	100	13.75%	
<b>Totals</b>			<b>\$238,640</b>	<b>\$1,700</b>		



## Life Insurance

Sample Financial Plan - TOTAL Goal-Based Planning

<u>Insured</u>	<u>Description</u>	<u>Company</u>	<u>Owner</u>	<u>Beneficiary</u>	<u>Face Amount</u>	<u>Annual Premium</u>	<u>Cash Value</u>	<u>Loan Amount</u>
Betty	10 Year Term	ANLIC	Betty	Allen	\$250,000	\$375		
Allen	Group Life	Aetna	Allen	Betty	250,000			
Allen	Whole Life	Met Life	Allen	Betty	100,000	1,900	12,450	2,500
Betty	Whole Life	NWML	Betty	Allen	60,000	650	2,850	
<u>Totals</u>					<u>Face Amount</u>	<u>Annual Premium</u>	<u>Cash Value</u>	<u>Loan Amount</u>
Allen					\$350,000	\$1,900	\$12,450	\$2,500
Betty					\$310,000	\$1,025	\$2,850	

## Other Insurance

### Sample Financial Plan - TOTAL Goal-Based Planning

<u>Company</u>	<u>Type</u>	<u>Insured</u>	<u>Description</u>	<u>Annual Premium</u>
	Auto	Allen	Indiv1 Auto Premium	\$350
	Disability	Allen	Indiv1 Disability Premium	600
	Homeowners, P&C, Other	Allen	Indiv1 Other Premium	900
	Auto	Betty	Indiv2 Auto Premium	275
Total Premiums:				<u>\$2,125</u>

## Asset Summary

### Sample Financial Plan - TOTAL Goal-Based Planning

This view looks at your retirement assets by the way they are treated for income taxes (the retirement estimate report uses this grouping for illustrating future values).

<b>Assets by TYPE:</b>	<b>Account Value</b>	<b>Percent of Total</b>	<b>Weighted Average* Rate of Return</b>	
Taxable	\$83,800	11.00%	1.65%	C8
Equity/Other	165,000	21.66%	7.50%	
Tax-Deferred				
Tax-Free				
Retirement accounts	377,750	49.58%	7.00%	
Roth accounts	135,300	17.76%	7.00%	
	<b>\$761,850</b>	<b>100%</b>	<b>6.52%</b>	

\* Weighted average rate excludes assets which were not intended to be used for retirement.

*Note: The Weighted Average Rate of Return is derived from the asset rates provided by you as shown on the Asset Detail report page. The effective return from each asset is computed and summed by type, and that sum is divided by the total value of that type asset. The resulting weighted average reflects an estimated portfolio rate of return for that asset type. The rates used are assumed to be net of all fees and expenses.*

This view is focused on the asset classes. It should be used to help you determine if your assets are positioned in concert with your own goals.

<b>Assets by CLASS:</b>	<b>Savings &amp; Investments</b>	<b>Retirement Accounts</b>	<b>Percent of Total</b>	
Reserves	\$32,200		4.23%	B8
Income	51,600	62,500	14.98%	
Growth		450,550	59.14%	
Aggressive Growth	165,000		21.66%	
	<b>\$248,800</b>	<b>\$513,050</b>	<b>100%</b>	

This view is concerned with the amount of liquid funds available. Refer to the Liquidity report for a more graphic illustration.

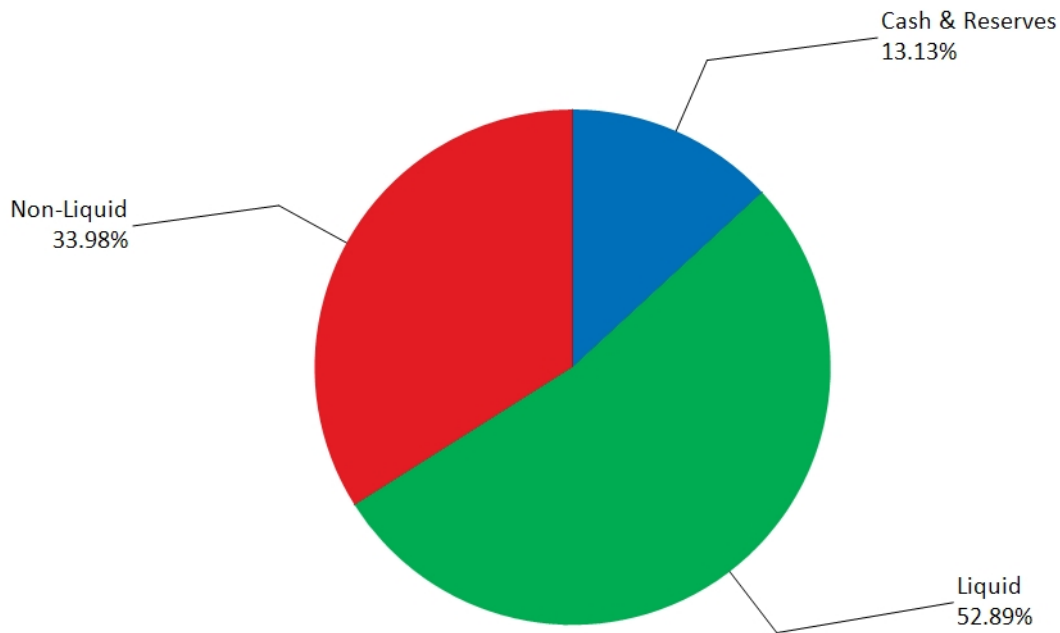
<b>Assets by LIQUIDITY:</b>	<b>Savings &amp; Investments</b>	<b>Retirement Accounts</b>	<b>Percent of Total</b>
Cash and Reserves	\$63,800	\$62,500	16.58%
Liquid	185,000	323,750	66.78%
Non-Liquid		126,800	16.64%
Other			
	<b>\$248,800</b>	<b>\$513,050</b>	<b>100%</b>

*Note: Some of the assets listed here may have been excluded from the retirement projection. Refer to the Asset Detail report for specifics.*

*Assets listed include only "working" assets, not residence and personal property assets or insurance cash values.*

## Liquidity

### Sample Financial Plan - TOTAL Goal-Based Planning



The above graph illustrates the liquidity level of your working assets, measuring the ability to convert working assets to cash if needed.

If you have too much of your money in "non-liquid" investments you may someday find yourself in a position where you need to have quick cash, but are unable to convert enough of your assets quickly.

	<u>Total Assets**</u>	<u>Working Assets*</u>
<span style="color: blue;">■</span> <b>Cash &amp; Reserves</b>	\$126,300	\$126,300
<span style="color: green;">■</span> <b>Liquid</b>	508,750	508,750
<span style="color: red;">■</span> <b>Non-Liquid</b>	857,680	326,800
<span style="color: yellow;">■</span> <b>Other</b>	0	0

A13

Your total liquidity level including your residence and personal property is 43%.

Your working asset liquidity ratio (cash and liquid assets divided by all working\* assets) is 66%

This level of working asset liquidity should be adequate except in severe cases.

\* Excluding residence and personal assets. Includes retirement accounts and rental real estate.

\*\* Includes residence and personal assets in non-liquid category.

## Liquidity Analysis

### Sample Financial Plan - TOTAL Goal-Based Planning

Liquidity is a measure of the ability to convert assets to cash. This can be important in two major instances...

**FIRST** - In times of economic disruption, cash is king. If a substantial portion of your net worth is held in assets that are not readily convertible to cash, you may find their value rapidly fluctuating. This could severely hamper your ability to move them to a "safe haven" if needed.

**SECOND** - In the event of loss of income due to death or disability, there may be a need to reposition some of the assets to change from a growth oriented to a more income oriented asset position. If too much of your assets are positioned in non-liquid accounts, you may find it impossible to make the changes required without paying substantial penalties or taxes, or you may find it difficult or impossible to make the changes at all.

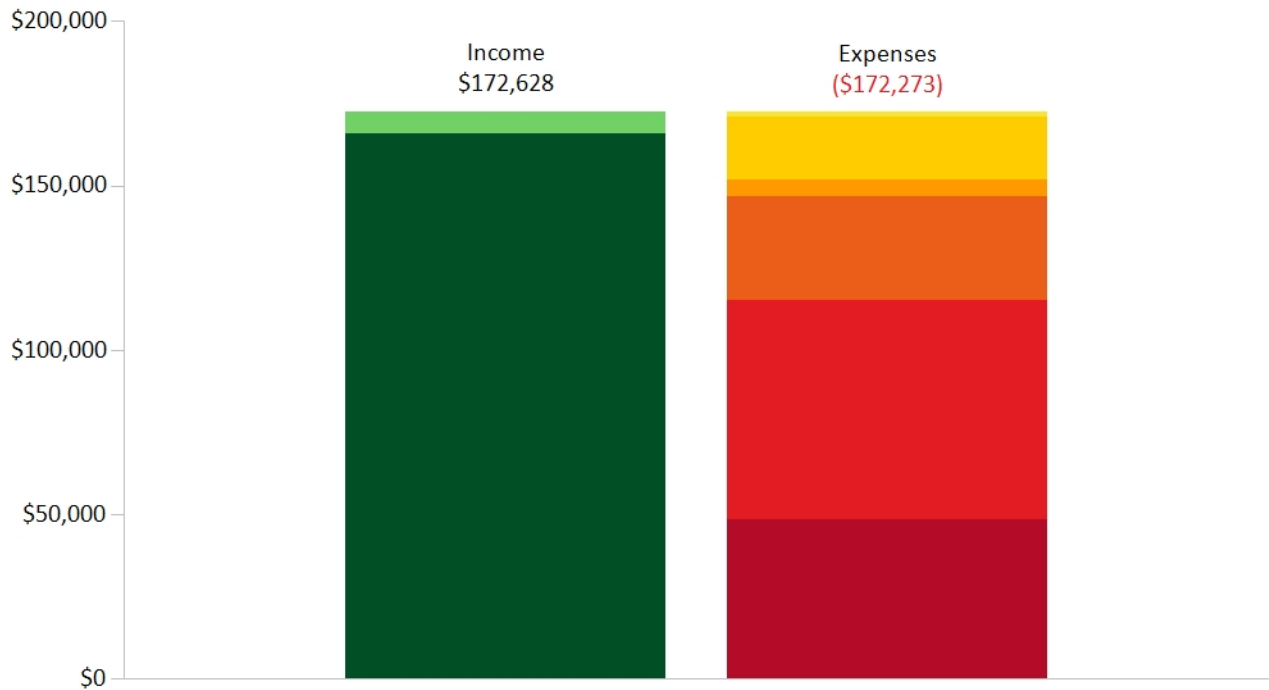
	All Assets*	Working Assets**
<b>CASH and RESERVES</b>	<b>\$126,300</b>	<b>\$126,300</b>
These are generally assets that can quickly be taken in cash without significant delay and without substantial loss of value. Included in this group are your checking, savings, US savings bond accounts, and money market funds.		
<b>LIQUID INVESTMENTS</b>	<b>\$508,750</b>	<b>\$508,750</b>
These accounts can be converted to cash in a reasonable length of time, but they may suffer an unpredictable loss due to market fluctuations, liquidation penalties or other complications. Some assets like annuities, CDs and retirement accounts may be subject to liquidation penalties and/or taxes which may make liquidation less attractive. Included in this category are Gov't T-Bills and bonds, corporate bonds, tax-advantaged municipal bonds, fixed or variable annuities, variable life insurance, certificates of deposit, mutual funds, stocks and other securities.		
<b>NON-LIQUID ASSETS</b>	<b>\$857,680</b>	<b>\$326,800</b>
These accounts are considered non-liquid, meaning that even if you want to sell or dispose of them, there may not be a ready buyer for the asset. This includes real estate, partnerships, mortgages and notes. Residence, personal property and cash values are included in "All Assets" category.		
<b>OTHER ASSETS</b>	<b>\$0</b>	<b>\$0</b>
Items in this category are most likely to be non-liquid or may suffer substantial loss if they must be sold quickly. They include business interests, o		
<b>Total of all assets</b>	<b>\$1,492,730</b>	<b>\$961,850</b>
<b>Liquid assets (Cash, Reserves and Liquid investments)</b>	<b>\$635,050</b>	<b>\$635,050</b>
<b>Liquidity ratio (Liquid assets divided by Total Assets)</b>	<b>43%</b>	<b>66%</b>

\*Includes residence, all types of personal property, insurance cash values, savings, investments and retirement assets.

\*\*Includes only savings, investment, rental real estate and retirement account assets.

## Cash Flow

### Sample Financial Plan - TOTAL Goal-Based Planning



	Monthly	Annual
<b>Income</b>	<b>\$14,386</b>	<b>\$172,628</b>
Account Distributions		
Other Income	552	6,628
Retirement Income		
Investment Income		
Employment Income	13,834	166,000
<b>Expenses</b>	<b>(\$14,356)</b>	<b>(\$172,273)</b>
Loan Payments	(100)	(1,200)
Mortgage Payments	(1,600)	(19,200)
Insurance Premiums	(421)	(5,050)
Savings and Investments	(2,640)	(31,680)
Living Expenses	(5,565)	(66,780)
Taxes	(4,030)	(48,363)
<b>Income Surplus</b>	<b>\$30</b>	<b>\$355</b>

A15

## Cash Flow

### Sample Financial Plan - TOTAL Goal-Based Planning

INCOME	Monthly	Annual	Percent of	
	Amount	Amount	Income	
Salaries & Wages	\$13,167	\$158,000	91.53%	D3
Self Employment Income (Sch C)	667	8,000	4.64%	H8
Rental Real Estate	552	6,628	3.84%	B15
<b>Total income available</b>	<b>\$14,386</b>	<b>\$172,628</b>	<b>100.00%</b>	
EXPENSES	Monthly	Annual	Percent of	
	Amount	Amount	Income	
Federal and State Income Tax	\$2,929	\$35,146	20.36%	D3
FICA Taxes	1,101	13,217	7.65%	D3
Residence Mortgage	1,600	19,200	11.12%	K1
Credit Cards	100	1,200	0.70%	K1
Life Insurance	244	2,925	1.70%	J1
Homeowners & Other Insurance	75	900	0.52%	G21
Auto Insurance	52	625	0.36%	G21
Disability Insurance	50	600	0.35%	G21
Saving and Investment Additions	750	9,000	5.21%	G18
Retirement Account Additions (IRA, 401(k), TSA, etc.)	1,690	20,280	11.75%	G18
Education Fund Deposits	200	2,400	1.39%	A24
Charitable Contributions	333	4,000	2.31%	D3
Property Tax	617	7,400	4.29%	D3
Medical Expenses	333	4,000	2.31%	D3
Discretionary Spending	1,000	12,000	6.95%	
Food and Household Expenses	500	6,000	3.48%	
Utilities and Bills	445	5,340	3.09%	
Auto Operating and Maintenance	367	4,400	2.55%	
Child Related Expenses	500	6,000	3.48%	
Holidays	167	2,000	1.16%	
Household Help	220	2,640	1.53%	
Clothing	250	3,000	1.74%	
Property Improvements/Upkeep	500	6,000	3.48%	
Vacations	333	4,000	2.31%	
<b>Total spending and savings</b>	<b>\$14,356</b>	<b>\$172,273</b>	<b>99.79%</b>	
<b>Cash flow surplus (Income less Spending)</b>	<b>\$30</b>	<b>\$355</b>		

## Future Cash Flow at Allen's Age 65

Sample Financial Plan - TOTAL Goal-Based Planning

<b>INCOME</b>				
	<b>Monthly Amount</b>	<b>Annual Amount</b>	<b>Percent of Income</b>	
Salaries & Wages	\$7,609	\$91,313	80.26%	G5
Self Employment Income (Sch C)	846	10,146	8.92%	G5
Rental Real Estate	1,026	12,306	10.82%	B15
<b>Total income available</b>	<b>\$9,481</b>	<b>\$113,765</b>	<b>100.00%</b>	
<b>EXPENSES</b>				
	<b>Monthly Amount</b>	<b>Annual Amount</b>	<b>Percent of Income</b>	
Total Income Taxes	\$1,888	\$22,651	19.91%	D4
Residence Mortgage	1,600	19,200	16.88%	K1
Life Insurance	213	2,550	2.25%	J1
Homeowners & Other Insurance	109	1,313	1.15%	G21
Auto Insurance	76	912	0.80%	G21
Retirement Account Additions (IRA, 401(k), TSA, etc.)	1,027	12,327	10.83%	G18
Charitable Contributions	423	5,073	4.46%	G6
Property Tax	1,657	19,889	17.48%	G6
Medical Expenses	1,272	15,265	13.42%	G6
Other Net Expense	11,046	132,557	116.51%	G8
Discretionary Spending	1,459	17,512	15.39%	
Food and Household Expenses	426	5,108	4.49%	
Utilities and Bills	649	7,793	6.85%	
Auto Operating and Maintenance	462	5,545	4.87%	
Holidays	243	2,919	2.56%	
Household Help	321	3,853	3.39%	
Clothing	292	3,502	3.08%	
Property Improvements/Upkeep	973	11,675	10.26%	
Vacations	608	7,297	6.41%	
<b>Total spending and savings</b>	<b>\$24,744</b>	<b>\$296,941</b>	<b>260.99%</b>	
<b>Cash flow surplus (Income less Spending)</b>	<b>(\$15,263)</b>	<b>(\$183,176)</b>		



## Five Year Cash Flow at Allen's Age 65

A15b

Sample Financial Plan - TOTAL Goal-Based Planning

	Allen's Age	65	66	67	68	69	
	Betty's Age	63	64	65	66	67	
<b>INCOME</b>							
Salaries & Wages		\$91,313					G5
Self Employment Income		10,146					G5
Rental Real Estate		12,306	12,843	13,391	13,949	14,519	B15
Other Net Income							G8
Pension Income				2,400	2,448	2,497	
Required Minimum Dist.							
Social Security				34,803	35,499	67,047	
<b>Total income available</b>		<b>\$113,765</b>	<b>\$12,843</b>	<b>\$50,594</b>	<b>\$51,896</b>	<b>\$84,063</b>	
<b>EXPENDITURES</b>							
Total Income Taxes		\$22,651	\$23,674	\$58,623	\$47,691	\$47,781	D4
Residence Mortgage		19,200	52,898	52,898	52,898	52,898	K1
Life Insurance		2,550	2,550	2,550	2,550	2,550	J1
Homeowners & Other Ins.		1,313	1,355	1,399	1,444	1,490	G21
Auto Insurance		912	941	971	1,002	1,035	G21
Retirement Additions		12,327					G18
Charitable Contributions		5,073	5,174	5,278	5,383	5,491	G6
Property Tax		19,889	20,486	21,101	21,734	22,386	G6
Medical Expenses		15,265	16,181	17,151	18,181	19,271	G6
Other Net Expense		132,557	15,060	69,940	16,040	16,553	G8
Discretionary Spending		17,512	18,072	18,651	19,248	19,864	
Food and Household Expenses		5,108	5,271	5,440	5,614	5,794	
Utilities and Bills		7,793	8,042	8,300	8,565	8,839	
Auto Operating and Maintenance		5,545	5,723	5,906	6,095	6,290	
Holidays		2,919	3,012	3,108	3,208	3,311	
Household Help		3,853	3,976	4,103	4,234	4,370	
Clothing		3,502	3,614	3,730	3,850	3,973	
Property Improvements/Upkeep		11,675	12,048	12,434	12,832	13,242	
Vacations		7,297	7,530	7,771	8,020	8,276	
<b>Total spending and savings</b>		<b>\$296,941</b>	<b>\$205,607</b>	<b>\$299,354</b>	<b>\$238,589</b>	<b>\$243,414</b>	
<b>Cash flow surplus</b>		<b>(\$183,176)</b>	<b>(\$192,764)</b>	<b>(\$248,760)</b>	<b>(\$186,693)</b>	<b>(\$159,351)</b>	

## Five Year Cash Flow at Allen's Age 70

A15c

### Sample Financial Plan - TOTAL Goal-Based Planning

Allen's Age	70	71	72	73	74
Betty's Age	68	69	70	71	72

#### INCOME

Salaries & Wages						G5
Self Employment Income						G5
Rental Real Estate	238,234					B15
Other Net Income	190,000					G8
Pension Income	2,547	2,598	2,650	2,703	2,757	
Required Minimum Dist.	2,216	12,001	38,286	40,658	40,829	
Social Security	68,388	69,756	71,151	72,574	74,025	
<b>Total income available</b>	<b>\$501,385</b>	<b>\$84,355</b>	<b>\$112,087</b>	<b>\$115,935</b>	<b>\$117,611</b>	

#### EXPENDITURES

Total Income Taxes	\$67,216	\$16,079	\$21,134	\$31,771	\$47,963	D4
Residence Mortgage	37,799	33,698	33,698	33,698	33,698	K1
Life Insurance	2,550	2,550	2,550	2,550	2,550	J1
Homeowners & Other Ins.	1,537	1,587	1,637	1,690	1,744	G21
Auto Insurance	1,068	1,102	1,137	1,173	1,211	G21
Retirement Additions						G18
Charitable Contributions	5,601	5,713	5,827	5,944	6,063	G6
Property Tax	23,057	23,749	24,461	25,195	25,951	G6
Medical Expenses	20,428	21,653	22,953	24,330	25,790	G6
Other Net Expense		17,629	18,193	18,776	19,376	G8
Discretionary Spending	20,499	21,155	21,832	22,531	23,252	
Food and Household Expenses	5,979	6,170	6,368	6,571	6,782	
Utilities and Bills	9,122	9,414	9,715	10,026	10,347	
Auto Operating and Maintenance	6,491	6,699	6,913	7,135	7,363	
Holidays	3,417	3,526	3,639	3,755	3,875	
Household Help	4,510	4,654	4,803	4,957	5,115	
Clothing	4,100	4,231	4,366	4,506	4,650	
Property Improvements/Upkeep	13,666	14,103	14,555	15,020	15,501	
Vacations	8,541	8,815	9,097	9,388	9,688	
<b>Total spending and savings</b>	<b>\$235,581</b>	<b>\$202,527</b>	<b>\$212,878</b>	<b>\$229,016</b>	<b>\$250,919</b>	
<b>Cash flow surplus</b>	<b>\$265,804</b>	<b>(\$118,172)</b>	<b>(\$100,791)</b>	<b>(\$113,081)</b>	<b>(\$133,308)</b>	

## Income Management

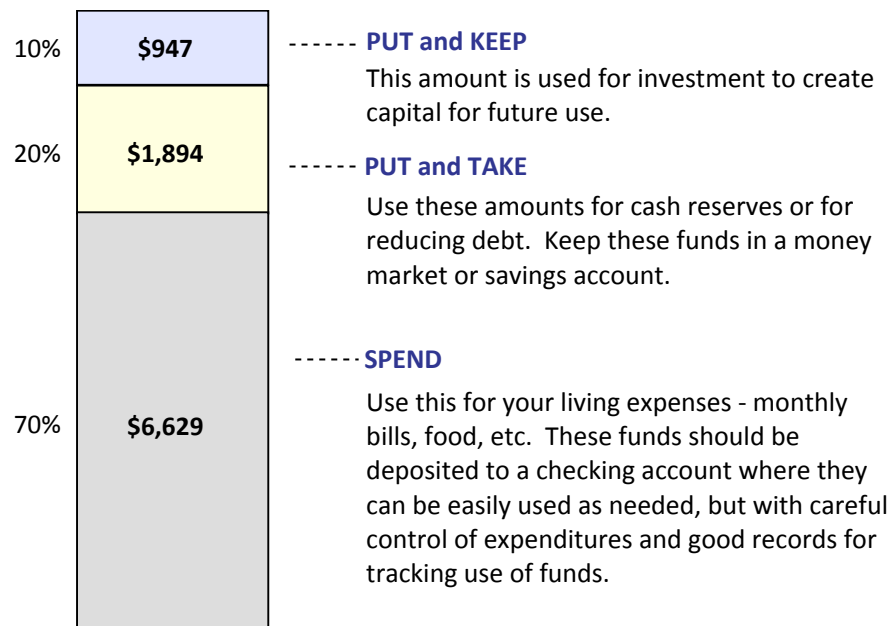
### Sample Financial Plan - TOTAL Goal-Based Planning

The 10/20/70 Income Management Plan explained below will help you establish a system for current income management and for accumulation of capital for future financial independence.

\$13,833	Gross income available per month.
(4,030)	Less Income Tax and FICA.
(333)	Less charitable contributions.
<b>\$9,470</b>	Amount left for the 10/20/70 plan.

D3

### DISTRIBUTION OF FUNDS FOR 10/20/70 PROGRAM



The effectiveness of this plan can be enhanced by using automatic checking deposit and withdrawal programs where possible.

Check at your place of employment to see if you can have your paycheck automatically deposited to your checking account.

See if your bank will automatically transfer the 20% PUT and TAKE amount into a savings or money market account.

Consider investment programs like mutual funds or annuities which have automatic bank-draft plans for the 10% investment program each month.

This plan and the percents indicated above are general guidelines and may need to be adjusted to fit your particular situation.

## Financial Goals

### Sample Financial Plan - TOTAL Goal-Based Planning

It is important to plan ahead for financial goals like purchasing a home, a business opportunity or other special needs. If you indicated any special goals, the following table shows the amount of money needed for those items.

Description:	Age Needed	Inflation Rate %	Amount Needed	Inflated Amount Needed	Funding Methods at 6.00% after tax	
					Lump Sum Deposit	Monthly Deposit
Sail boat	65	3.20%	\$20,000	\$29,187	\$14,505	\$138

In order to achieve a future financial goal, such as a major purchase or investment, you should plan to have funds available at the right time. Two methods are illustrated: pre-funding with a lump sum of money dedicated to the future goal, or pre-funded with an accumulation account where funds are deposited each month.

#### Lump Sum:

Using this method, a calculation is done to determine what amount of money would need to be set aside now at an after-tax rate of return that would grow to the required amount at the time the funds are needed. The initial lump sum deposit would be held in a separate account and then used to pay for the expense.

#### Monthly Deposits:

If a lump sum amount is not available to set aside for the future expense, you might consider using a separate account where monthly deposits are contributed to accumulate the funds required. The amount shown above as "Monthly Deposit" would be anticipated to grow at the after-tax rate shown, and when needed would be used to pay for the goal specified.

The above funding amounts and rates are used for illustration only and do not represent any particular investment program. Results are not guaranteed.

The expenditures for these items have been included in your retirement capital estimate.

## Saving For College

### Sample Financial Plan - TOTAL Goal-Based Planning

Recent changes in income tax regulations have provided a variety of opportunities that should make saving for your child's education expenses more palatable. In some cases current education expenses can result in current tax savings, and putting aside money for future costs can be much more tax-friendly than in the past.

#### 529 Plans:

Section 529 of the Revenue code has enabled states to establish special college savings funds where parents or grandparents can make deposits to an account to accumulate money for tuition and in some cases other expenses. The terms and benefits of each state vary, but generally include the following features:

- **Tax savings** - earnings on the accounts not only accumulate without federal income tax, but withdrawals are also tax free so long as they are used for qualified educational expenses. Some states also allow withdrawals free of state taxation, and many states permit a deduction for a portion of plan deposits, but the rules of each state vary. Also, withdrawals from 529 plans that are not used for qualified educational expenses are generally subject to both federal and state taxation plus a 10% penalty.
- **Control** - unlike other accounts sometimes used to accumulate money for the child, you, the donor, stay in control of the assets. You decide when withdrawals are taken and for what purpose. And in most cases you can even reclaim the funds, particularly if the child elects not to attend college. (There may be a penalty for "non-qualified" withdrawals.)
- **Simple** - once you select which state plan to use, a simple enrollment form is completed, and deposits may even be made by automatic checking account withdrawals. The account is managed by the state or an investment manager hired by the state.
- **Everyone eligible** - generally there are no special eligibility requirements, and the amounts you can contribute in many states are substantial (in some cases as much as \$250,000 or more.)

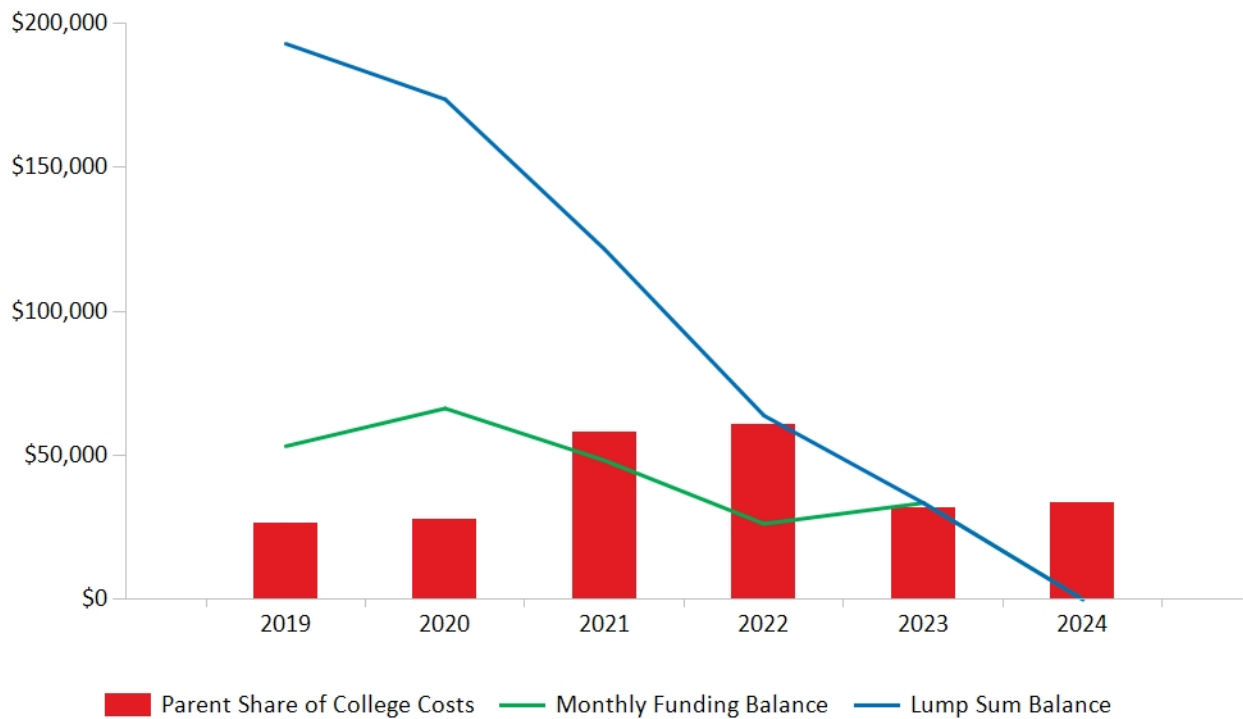
#### Other education plans:

- **Coverdell Education Savings Accounts** - the nondeductible contribution may be used for "qualified higher education" or "qualified elementary and secondary education expenses", including private institutions. The maximum allowable contribution is \$2,000 subject to certain income limitations. The plan is integrated with the HOPE and Lifetime Learning Credit programs.
- **Employer provided assistance** - the \$5,250 contribution level now extends the exclusion to graduate courses and makes the exclusion for undergraduate and graduate courses permanent.
- **Student Loan Interest Deduction** - the availability for this benefit has been broadened and the earnings limits raised.

For more information about these plans or to compare your state 529 plan with other states, go on the internet to... [www.savingforcollege.com](http://www.savingforcollege.com)

## Education Funding

### Sample Financial Plan - TOTAL Goal-Based Planning



The "Parents Share" bars indicate the parents share of the needed annual expenditures for the years when each child is in school. The "Balance" line indicates the cumulative account value of monthly deposits to the education fund. The "Lump Sum" line represents the initial deposit of a single lump sum to an education fund and the projected growth or consumption of the account.

#### Funding education costs with a lump sum investment now:

Lump sum needed today to fund future costs	\$200,000
Funds now available for college expenses.	\$32,300
<b>Additional lump sum needed now</b>	<b>\$167,700</b>

A21

#### Monthly funding with level payments through the last year of college:

Total level monthly payments to fund costs	\$2,693
Current deposits	\$200
<b>Additional deposits needed</b>	<b>\$2,493</b>

A21

## Education Costs

### Sample Financial Plan - TOTAL Goal-Based Planning

Providing educational funds can be one of life's greatest financial burdens. Fortunately, it is an expense that can be planned. The following illustration uses a rate of return of 5.00% for computing both a lump-sum and a monthly deposit funding method.

Student's Name	Age	Number of Years	Starting Year	Annual Costs	Parent's Total Costs			
					Today's Dollars	Inflated at 5.00%	Funding Amount Required	
							Lump Sum	Per Month
Bonnie	15	4	2021	\$25,000	\$100,000	\$124,738	\$100,000	\$1,605
Andy	17	4	2019	25,000	100,000	113,141	100,000	2,298
<b>Totals</b>				<b>\$50,000</b>	<b>\$200,000</b>	<b>\$237,878</b>		

#### Lump Sum:

This is the amount of money that would need to be set aside immediately to cover all costs assuming that the funds are spent at the beginning of each year. It is assumed that interest is added each year on the unused balance.

#### Monthly Deposits:

Instead of pre-funding the education costs with a lump sum deposit, you could elect to accumulate funds by making monthly additions to a savings or investment account. In this case a required monthly deposit is computed that would provide enough funds to cover costs through the last year of education expenses.

#### Method #1 - Separate accounts for each child:

The benefit of separate account funding method is that the funds may be segregated and identified for each child. The disadvantage is that this method generally will require a much larger monthly deposit in the early years and smaller deposits in the later years. For example, if there are three children starting school at different years, the deposits might look like this:

*Period 1 (The chart below is an example only and does not relate to your plan.)*

Child 1 = \$400 per month	Period 2	Period 3
Child 1 = \$350 per month		
Child 1 = \$300 per month		
Total deposits per month \$1,050	\$650	\$300

#### Method #2 - A single level payment amount used for all children:

If you use a single monthly amount, then the payments would be level throughout the education years. This method is generally easier for most families to afford.

*(The chart below is an example only and does not relate to your plan.)*

Funding for all children using level payments = \$625 per month

## Education Funding

### Sample Financial Plan - TOTAL Goal-Based Planning

The following schedules illustrate the education funds needed, using an after tax rate of return or a 529 education funding account. The options include separate accounts for each child, pre-funding with level monthly deposits through the last year, or a lump sum deposit. The results shown are not guarantees or estimates of future results but are for illustration purposes only.

Annual Costs		Monthly Deposit*				Lump Sum*
Year	Parents pay 100.00% inflated at 5.00	Separate Accounts		Single Account		Needed Today
		Monthly Deposit	End of Year Balance	Monthly Deposit	End of Year Balance	Growing at 5.00%
2018			\$32,300		\$32,300	\$200,000
2019	26,250	3,264	73,967	2,692	66,955	210,000
2020	27,563	3,264	90,155	2,692	75,780	192,938
2021	57,881	3,264	105,774	2,692	83,668	173,644
2022	60,775	3,264	90,339	2,692	60,116	121,551
2023	60,775	1,368	47,828	2,692	32,348	63,814
2024	31,907	1,368	33,502	2,692	33,502	33,502
Totals	237,878					

#### Funding education costs with a lump sum investment now:

Lump sum needed today to fund future costs	\$200,000
Funds now available for college expenses.	\$32,300
<b>Additional lump sum needed now</b>	<b>\$167,700</b>

#### Monthly funding with level payments through the last year of college:

Deposits needed considering \$32,300 available now	\$2,693
Current deposits	\$200
<b>Additional deposits needed</b>	<b>\$2,493</b>

*\* If the education funds do not earn at the rate illustrated, it would require either a larger amount of initial lump sum investment, larger monthly deposits to the education fund, or education loans to finance the costs.*



## Education - Separate Accounts

### Sample Financial Plan - TOTAL Goal-Based Planning

If separate accounts are maintained for each child's education funding, then the following report will illustrate the amount of expenses in each year, and both the immediate lump sum required and the amount of monthly deposits required to create an education fund for each child.

The projection assumes use of a 529 college fund or an after tax rate of return on required funds at 5.00%.

Child	Bonnie	Andy	Totals	Monthly
Per Year	\$25,000	\$25,000	\$50,000	Deposits
Lump Sum*	\$100,000	\$100,000	\$200,000	by Year
Monthly**	\$1,368	\$1,896		\$3,264
2018				\$3,264
2019		26,250	26,250	3,264
2020		27,563	27,563	3,264
2021	28,941	28,941	57,881	3,264
2022	30,388	30,388	60,775	1,368
2023	31,907		31,907	1,368
2024	33,502		33,502	
Totals	\$124,738	\$113,141	\$237,878	

Note: If existing education fund balances or monthly additions exist then the amounts shown above would be reduced accordingly.

\*Lump sum is the dollar amount needed today to fund the expenses assuming a 5.00% after-tax or tax-free return on education funds.

\*\*Monthly deposit needed from now through the last year of school to fund the expenses.

## Education Funding Sources

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Year	Education Fund Balance (begin year)	Annual Additions	Annual Costs	Annual Growth at 5.00% Year	Sources of Funds	
						From Education Funds	From Assets
		<sup>1</sup>	<sup>2</sup>	<sup>3</sup>	<sup>4</sup>	<sup>6</sup>	<sup>7</sup>
53 51	2018	\$32,300	\$2,400		\$1,671		
54 52	2019	36,371	2,400	(26,250)	562	26,250	
55 53	2020	13,083	2,400	(27,563)		15,483	12,080
56 54	2021		2,400	(57,881)		2,400	55,481
57 55	2022		1,200	(60,775)		1,200	59,575
58 56	2023		1,200	(31,907)		1,200	30,707
59 57	2024			(33,502)			33,502
60 58	2025						
61 59	2026						
62 60	2027						
63 61	2028						
64 62	2029						
65 63	2030						
66 64	2031						
67 65	2032						
68 66	2033						
69 67	2034						
70 68	2035						
71 69	2036						
72 70	2037						
73 71	2038						
74 72	2039						
75 73	2040						
76 74	2041						
77 75	2042						
78 76	2043						
79 77	2044						
80 78	2045						
81 79	2046						

Note: The parents share of education costs are included in personal expenses.

Note: Education expenses are increased at 5.00% per year

## Investment

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A discussion of various considerations of your savings and investment status, potential risks, liquidity, financial attitudes and asset allocation.

## Asset Management

B1

Sample Financial Plan - TOTAL Goal-Based Planning

**Asset Management has sometimes been defined as:**

**Managing assets and resources in relationship to your  
personal and financial goals, in order to most efficiently  
accomplish desired results.**

Achieving financial goals involves the use of many techniques, financial concepts and tools. Perhaps one of the most important is the proper use of savings, investments and retirement accounts. During your financial life you will accumulate funds from various sources including savings, surplus income, inheritances, gifts, company contributions to retirement accounts, and other financial resources.

Since savings and investment accounts are acquired over a broad time frame, it is not unusual to find that the funds have been put into savings or investment accounts with inadequate thought as to how the accounts relate to each other, or how they fit with your goals for financial success.

One objective of any financial plan is to determine the proper mix of asset types and classes. To achieve the desired results for your financial future, it may be wise to consider repositioning assets from an existing account to another that more appropriately match your goals and comfort level.

As a result of our analysis of your financial goals and the resources available to achieve those goals, it may be determined that some changes to your assets or their management would enhance your potential for future success. Any recommendations relating to changes will take into consideration:

- Your investment time horizon (time left to accumulate or use investments.)
- Your risk tolerance level.
- Your experience and training in investment management.
- The amount of time or interest you have for investment analysis or research.
- The amount of funds available relative to the amount required to achieve your goals.

Once a portfolio mix has been designed and assets positioned to accomplish your goals, you should plan for regular reviews of your accounts. At that time we will reevaluate your circumstances, economic and financial conditions, and determine whether any changes are in order to bring your asset mix or management back into proper balance.

## Risk

### Sample Financial Plan - TOTAL Goal-Based Planning

In every aspect of life, we are faced with varying degrees of unknown outcomes. These uncertainties in life are sometimes referred to as areas of "Risk". In particular, financial matters are commonly described as either "Safe"

It is important to recognize that the term "Risk" can refer to more than simply the loss of your money. Some of the different types of risk are described below.

#### Loss of Principal:

If you have \$10,000 invested in a stock, the stock declines in value to \$5,000, and you sell the stock, then you have suffered a loss of principal. On the other hand, if you do NOT sell the stock while the value is down, and the stock recovers to \$10,000 then you have not suffered a loss. Time and diversification are keys to mitigating this type of loss.

#### Loss of Purchasing Power:

If you own a \$10,000 certificate of deposit earning 5% interest, you will receive \$500 per year interest. Since the account is insured by the FDIC and the interest is guaranteed for a set time frame, this may seem like a "safe" investment. If we experience inflation at the rate of 3% per year, the purchasing power of the \$500 income will be reduced after the first year to \$485, and after 10 years to \$372. The purchasing power of the \$10,000 after 10 years will be reduced to \$7,441. This loss is a permanent one with no chance for recovery unless our economy goes into a protracted deflationary cycle.

#### Tax Loss:

Using the same \$10,000 as above, and assuming you are in the 25% tax bracket, the \$500 interest would be reduced to \$375 after taxes. After 10 years, the \$500 interest after taxes and inflation would provide purchasing power of only \$277.

#### Illiquidity:

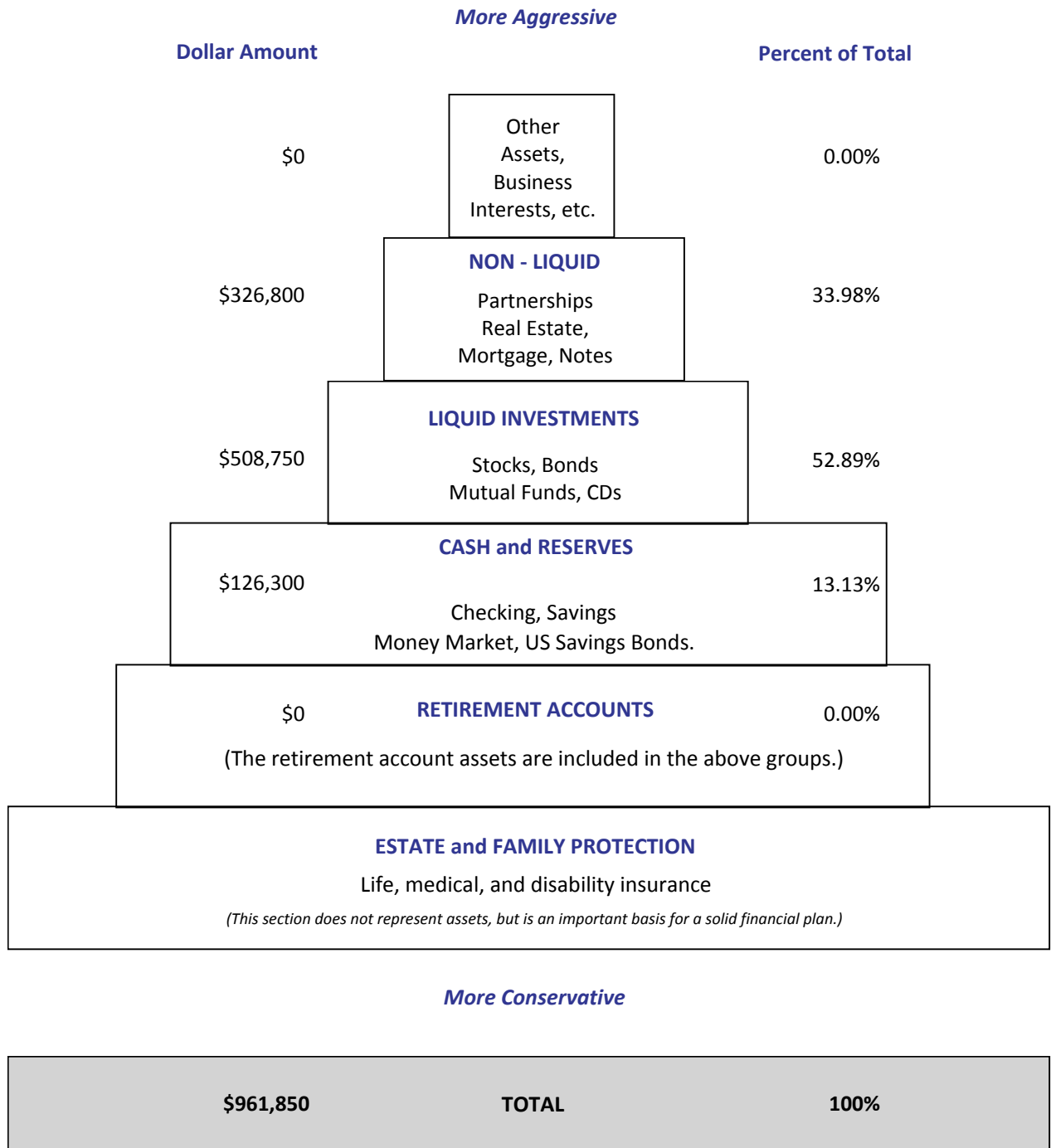
If you place all or most of your financial assets into illiquid assets like real estate, mortgages or notes, small business interests or even tax deferred retirement accounts with severe early withdrawal penalties, then you may find that you no longer have control of your financial future. If your personal financial affairs take a turn for the worse due to a disability, loss of employment, death in the family or other unforeseen event, and you cannot readily reposition your assets to meet your new needs, then you are exposed to the risk of not being in control of your financial well being.

Although there are other types of risk that could be considered, the above examples will illustrate that it is important to properly plan and balance your financial assets so that all possibilities are considered. As your financial plan is created, we take into consideration your levels of comfort with different type of assets and with attention to your personal situation and goals.

## Asset Pyramid Chart

### Sample Financial Plan - TOTAL Goal-Based Planning

Proper management of your assets requires an understanding of the relationship between RISK and REWARD. The pyramid below illustrates the assets by levels, with the safest at the bottom and the risk generally increasing as you near the top of the pyramid.



## Financial Attitudes

### Sample Financial Plan - TOTAL Goal-Based Planning

You provided information about your attitudes and feelings relating to asset management and investments. The scale below reflects the information provided, with a score of "5" being most important and a "1" representing the least important.

<u>Area of Concern</u>	<u>Importance</u>
Maximum Investment Growth Potential	3
Protection from Inflation	2
Reducing Income Taxes	1
Liquidity (convert assets to cash)	3
Current Spendable Income	2

#### LIQUIDITY:

This factor does not appear to be a high priority. When making investment decisions don't let the length of the investment period overshadow the other factors which might be of more concern.

#### GROWTH:

A balance between growth, stability and income is appropriate. Your portfolio should reflect a well diversified selection of assets and should be flexible for easy revision as your goals change.

#### INCOME:

Current income should not be a significant factor in your selection of assets. Concentrate on the quality and potential of the asset regardless of whether the return is from growth or income.

#### TAXES:

Since the tax treatment of your investments is not a high priority, you should be more concerned about the real rate of return on an investment than whether it has current tax benefits.

#### INFLATION:

Since you did not indicate a high concern about inflation, you will probably be comfortable selecting assets with a high degree of predictability and stability.

## Asset Classes

### Sample Financial Plan - TOTAL Goal-Based Planning

The task of managing your assets is a lifetime undertaking, and should be managed with careful regard to your present and future financial goals. Of particular importance is maintaining an appropriate mix of assets in respect to your current objectives and the constantly changing economic and market conditions.

#### ASSET CLASSES:

There are many different types of assets available to which funds may be allocated. The characteristics of each asset will vary but will generally fit into one of the following categories.

**Reserves**  
**Income**  
**Growth and income**  
**Growth**  
**Aggressive Growth**  
**Misc**

The amount of funds you place in each of these categories will be determined by a number of factors including your need for income, growth, tax sensitivity, inflation expectations and other items.

As your goals and objectives change, and as the current economic and market outlook varies it is expected that your use of the various asset classes will also change, requiring a periodic review and repositioning of your saving and investment assets.

Asset allocation does not guarantee a profit or protect against loss in a declining market.



## Asset Allocation

### Sample Financial Plan - TOTAL Goal-Based Planning

As you manage your portfolio of savings and investment assets, it is important that you consider how the characteristics of each asset matches your overall level of risk tolerance and your current financial goals. The chart below illustrates a suggested percentage of assets for various risk tolerance levels.

**Your risk profile indicates an investor type of : Conservative**

#### Typical percentage of assets allocated for various risk levels.

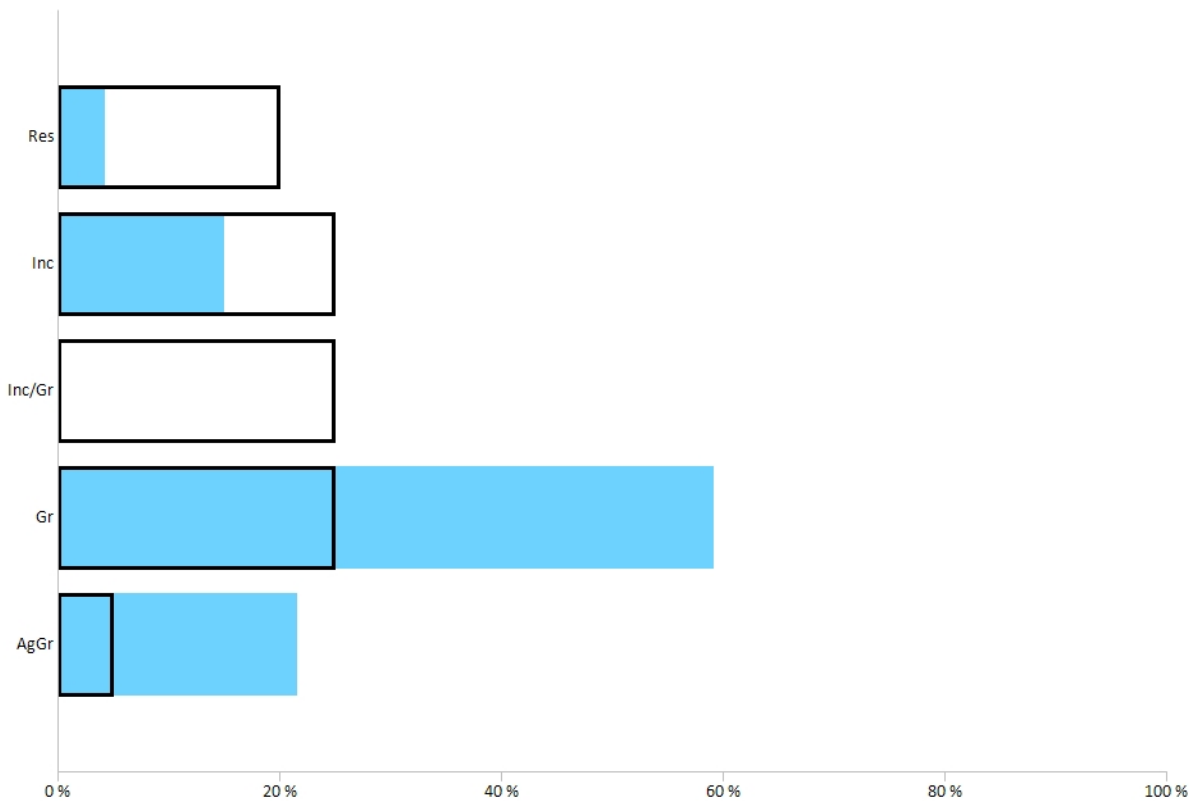
<u>Asset Class</u>	<u>Very Conservative</u>	<u>Conservative</u>	<u>Moderate</u>	<u>Aggressive</u>	<u>Very Aggressive</u>	<u>Your Custom Allocation</u>
Reserves	20	20	15	5	5	20%
Income	30	25	20	10	10	25%
Growth and income	40	25	20	20	15	25%
Growth	10	25	30	35	25	25%
Aggressive Growth		5	15	30	45	5%
Misc						
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>



The allocation percentages illustrated above are only suggestions for your consideration, and are not intended to be a permanent allocation. As time passes and your goals change, it will be important that you review your portfolio to assure that the current mix of your assets is appropriate for your goals and for current economic and

This Asset Allocation does not guarantee a profit or protect against loss in declining markets.

## Asset Allocation

Sample Financial Plan - TOTAL Goal-Based Planning



<u>Asset Class</u>	 <u>Current</u>	 <u>Recommended</u>	<u>Difference</u>
Reserves	4.23%	20.00%	15.77%
Income	14.98%	25.00%	10.02%
Growth and income	0.00%	25.00%	25.00%
Growth	59.14%	25.00%	(34.14 %)
Aggressive Growth	21.66%	5.00%	(16.66 %)

*Asset Allocation does not guarantee a profit or protect against loss in declining markets.*

## Allocation Worksheet

### Sample Financial Plan - TOTAL Goal-Based Planning

The following worksheet compares your present assets to the percentages suggested for your particular goals and risk tolerance level. If the amount in a class is too large or small, then the amount you might consider moving into or out of a category is shown in the "Amount To Move" column.

Asset Class	Present		Suggested		Amount to Move In (or out)
	Amount	Percent	Amount	Percent	
Reserves	\$32,200	4.23%	\$152,370	20.00%	\$120,170
Income	114,100	14.98%	190,463	25.00%	76,363
Growth and income			190,463	25.00%	190,463
Growth	450,550	59.14%	190,463	25.00%	(260,088)
Aggressive Growth	165,000	21.66%	38,093	5.00%	(126,908)
Misc					
<b>TOTAL*</b>	<b>\$761,850</b>		<b>\$761,850</b>		

It will be important to re-evaluate your asset mix on a regular basis and determine which assets should be further increased or decreased. As you make changes to your portfolio you should carefully review your current lifestyle needs and goals.

Please recognize that the asset mix suggested above is not intended as a guarantee or assurance of future results. The suggested asset classes and their percentages do not represent an offer to sell or a solicitation of a purchase of any particular security, but are provided only as an illustration of a possible portfolio mix based on your stated goals and risk level.

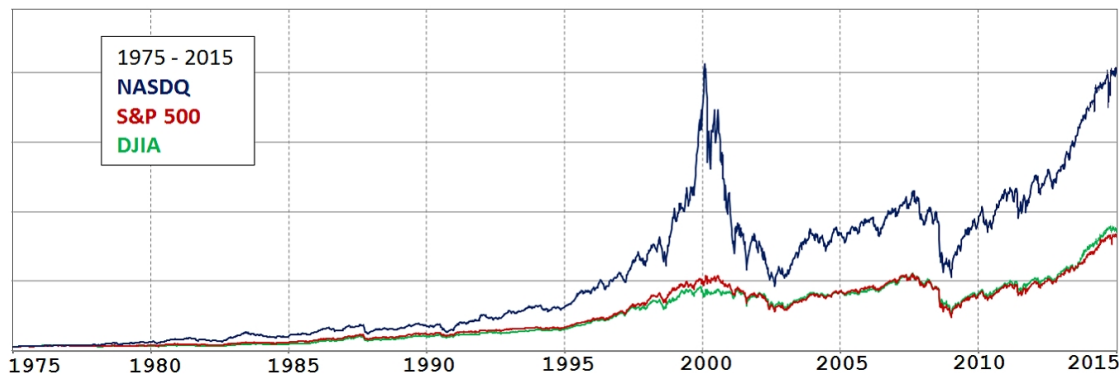
Asset allocation does not guarantee a profit or protect against loss in declining markets.

*\* The asset category amounts shown do not include your residence, rental real estate and personal property.*

## Investment Returns

Your financial analysis includes hypothetical portfolio illustrations. To help you understand the potential risks and rewards of investing, the following information shows some historical investment results. While the analysis has used annual rates to illustrate possible scenarios, it does not attempt to specify which asset classes, investment vehicles or combinations of classes you will actually use in your portfolio, as the portfolio mix will generally change several times in the future.

### Historical Stock Market Changes



This chart illustrates the variable nature of stock investing. The scale does not represent any specific value or percent change, but rather shows relative increases or decreases in the indexes. Be aware that stock prices increase or decrease at various times and there is no assurance that profits will be realized in any particular time frame. The chart does not represent any particular investment portfolio or asset class.

### Historical Asset Class Returns

This table shows the wide range of returns realized on various asset classes for different time periods.

Asset Class	Annual* Return	5 Year Return**		20 Year Return***	
		Maximum	Minimum	Maximum	Minimum
Treasury Bills	3.42%	11.12%	0.07%	7.72%	0.42%
Bonds - Intermediate Govt.	5.28%	16.98%	0.96%	9.97%	1.58%
Bonds - Long Term Govt.	5.58%	21.62%	-2.14%	12.09%	0.69%
Bonds - Long Term Corporate	6.07%	22.51%	-2.22%	12.13%	1.34%
Stocks - Small Companies	12.48%	45.90%	-27.54%	21.13%	5.74%
Stocks - Large Companies	10.12%	28.60%	-12.47%	17.88%	3.11%
Inflation	2.91%	10.06%	-5.42%	6.36%	0.07%

\* Annual return is the average annual compounded rate of return from 1926 through 2015.

\*\* 5 year return is the highest and lowest average rolling return for all the 5 year periods from 1926 through 2015.

\*\*\* 20 year return is the highest and lowest average rolling return for all the 20 year periods from 1926 through 2015.

These rates of return do not include adjustment for annual fees, commissions, taxes or other expenses that might be incurred in any investment plan. These costs could range from 0% to as much as 2% per year or more depending on the type of investment activity and method of managing the accounts. In addition to annual fees and expenses, some investments may include an initial commission, sales charge or set up expense. If fees and expenses are taken into account, the above rates of return would be lower. The rates used in the analysis are assumed to be net of any potential fees and expenses. If we assist you in selecting assets for your investment portfolio, a complete description of any fees, expenses, commissions or other costs will be provided for each investment selected.

In any report that illustrates an annuity product, it is assumed that the product is a fixed annuity earning interest as paid by the issuing company. A fixed annuity is generally protected against loss of principal. If a variable annuity should be selected by you for any portion of your portfolio, please be aware that the annual return and corresponding asset value, death benefit and cash values will be based on the underlying investment choice, and could result in a zero or negative rate unless the product has specific terms limiting the loss of principal. The terms for annuity products will be spelled out in the annuity contract. The fees and charges on any annuity contract will vary based on the company and features provided in the contract. They could range from a minimal amount to as much as 2.5% or more.

## Stock Options Summary

Sample Financial Plan - TOTAL Goal-Based Planning

Year	Options Exercised		Cash From Sale of Shares	Reportable for Taxes			Income Tax Due			Net Cash Realized After Tax
	ISO	NQSO		Ordinary Income *	Capital	AMT	Ordinary 28.0% / 20.0%	CapGain 15.0%	AMT** 22.0%	
2018										
2019										
2020										
2021										
2022	5,620		41	1,336		784	374		173	(506)
2023										
2024			2,332		997	(784)		149	(173)	2,355
2025										
2026										
2027										
2028	8,048		4,048	4,048			1,133			2,915
2029										
2030										
2031										
2032										
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2035										
2036										
2037										
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\* Includes ISO prematurely exercised or sold, or disqualified portion of ISO not eligible for CG treatment (vested in excess of \$100,000 in a given year).

\*\* Actual AMT tax amount may be substantially different based on the relationship with other income and deductions items for each year.

\*\* Estimated ordinary tax rate before retirement is 28.0%, after retirement is 20.0%. Estimated capital gain rate is 15.0%. AMT rate used is 22.0%.

# Stock Options Worksheet

As of 3/29/2018

Sample Financial Plan - TOTAL Goal-Based Planning

Allen &amp; Betty Abbett

## Incentive Stock Options

### Grant information:

	Company Stock	Company Stock
Current price / appreciation rate	\$44.90 / 6.00%	\$44.90 / 6.00%
Grant date	1/1/2012	1/1/2014
Vest date	1/1/2022	1/1/2028
Number of shares	100	100
Grant (strike) price	\$35.00	\$40.00
<b>Exercise cost</b>	<b>\$3,500</b>	<b>\$4,000</b>

### Exercise information:

Anticipated Exercise date	1/1/2022	1/1/2028
\$ per share	\$56.20	\$80.48
<b>Exercise value</b>	<b>\$5,620</b>	<b>\$8,048</b>
Bargain element	\$2,120	\$4,048
Exercise method *	Sell part.	Sell all.
# shares sold	63	100
Amount realized from sale	\$3,541	\$8,048
Less payment for grant	\$3,500	\$4,000
<b>Net cash results at exercise</b>	<b>\$41</b>	<b>\$4,048</b>

Alternative Minimum Tax Income

\$784

Ordinary income \*\*

\$1,336

\$4,048

\*\* Ordinary income from premature exercise or disqualified ISO from vested amounts exceeding \$100,000 in a given year

### Future Sale of Stock (shares that were held)

Date of sale	1/1/2024
# Shares sold	37
\$ per share	\$63.03

**Net cash results at future sale** **\$2,332**

AMTI recapture

(\$784)

Ordinary income \*(STCG)

Long term capital gain

\$997

## Non Qualified Stock Options \*

### Grant information:

Current price / appreciation rate
Grant date
Vest date
Number of shares
Grant (strike) price

### Exercise cost

### Exercise information:

Anticipated Exercise date
\$ per share

### Exercise value

Bargain element
Exercise method *
# shares sold
Amount realized from sale
Payment for grant

### Net cash results at exercise

Ordinary income at exercise

### Future Sale of Stock:

Date of sale
# Shares sold
\$ per share

### Net cash results at future sale

Ordinary income (STCG)

Long term capital gain

\*Sell all = sell all shares immediately. \* Sell part = sell enough shares to pay cost of exercise. \*Hold all = pay exercise cost out of pocket.

\* Interim guidance provided by the I.R.S. in notice 2005-1 indicates that certain limited types of nonqualified stock options may be subject to the new deferred compensation rules un IRC409A. Consult your professional tax advisor for guidance.

## Stock Options

### Sample Financial Plan - TOTAL Goal-Based Planning

A stock option is a right to buy or sell a particular stock, at a specified price, until that option expires at a certain date. Many companies with publicly traded shares award or grant stock purchase options to some employees as an employment benefit, or as a part of the employee's compensation package. Stock options of this kind can allow the employee to significantly benefit from increases in the value of the underlying stock.

While there exists significant potential gains from employee stock option programs, it is important to consider various tax implications connected to the exercise of these options. Knowing in advance the tax rules and consequences connected to employee stock option plans may allow participants to actively maximize the results of exercising an option.

#### Terms:

Grant Date	The date on which the employee received an option.
Vest Date	The date when the option is first exercisable (unless an early exercise is allowed.)
Exercise Date	The date when the employee elects to purchase the stock.
Grant (Strike) Price	The price the employee will pay to purchase the stock (usually paid in cash.)
Exercise Cost	Total cost of the shares purchased (Grant Price times number of shares.)
Bargain Element	Difference between the market price of the stock and the grant price.
Exercise Value	Value of the shares when the employee makes the purchase.
Cashless Sale	Upon exercise, immediate sale of enough shares to pay the exercise cost.
Total Sale	Value of shares when sold (number of shares times current market price.)
AMTI	Alternate Minimum Taxable Income.

#### Incentive Stock Options:

An option which complies with certain IRS regulations. When the shares are sold, all or a portion of the values in excess of the Exercise Cost may be treated as a Capital Gain, which may allow the gain to be taxed at a rate lower than the ordinary tax rates. The sale must take place more than 24 months after the grant date and 12 months after the exercise date. Grants that vest or become exercisable in a single year in excess of \$100,000 will be "disqualified" or treated as ordinary income.

When the shares are purchased, the employee will report the bargain element as AMT Income. When the shares are sold, the difference between the Total Sale and the Exercise Cost (depending on the timing of the sale) will be taxed as long term capital gain if held more than 12 months, or, if held less than 12 months or disqualified, then taxed as short term capital gain or ordinary income.

#### Non-Qualified Stock Options:\*

These options are generally more flexible than the Incentive Stock Options\*. One advantage is that the "Grant" price may be set by the company at a price lower than the current market price.

When the option is exercised, the employee will report ordinary income equal to the difference between the exercise cost and the exercise value. The exercise value then becomes the cost basis.

When the shares are sold, the difference between the exercise value and the total sale will be reported as capital gain or loss (long or short term.)

\*Interim guidance provided by the I.R.S. in notice 2005-1 indicates that certain limited types of nonqualified stock options may be subject to the new deferred compensation rules under I.R.C 409A. Consult your professional tax advisor for guidance.

## Stock Option Report Notes

Sample Financial Plan - TOTAL Goal-Based Planning

### The stock options are presented in two formats:

- The Stock Option Worksheet reports deal with each option in a single column on each page. The Grant, Exercise, Sale, Tax and Net Cash Results may occur in several different years for a particular option.
- The Stock Option Summary report combines the various events in the year that the event takes place. By combining the various events into a yearly projection you may see more clearly the effect on your cash flow and taxable events for each year.

### Tax Rates

In some cases, a different ordinary income tax rate will be used before and after retirement age. In addition, long term capital gains may be taxed at a lower rate. The report will use the rates to apply to the different types of income to be reported.

### Cashless Exercise

An election to use a cashless exercise is common when the participant does not have cash available to use to purchase the shares. In this case an arrangement will be made (usually with a stockbroker) to immediately sell enough shares upon exercise to pay for the cost of the shares.

### Tax Treatment

When an ISO is exercised, no ordinary income tax is due. When the shares are ultimately sold, then the participant will owe taxes on the amount of funds realized in excess of the cost of the shares (the exercise cost.) If the shares have been held for more than 12 months, the gain will be treated as long term and qualify for the lower LTCG rate. If the shares were held for less than 12 months, taxes will be paid at the short term gain, or ordinary tax rate.

When a NQSO is exercised\*, the value of the shares acquired (exercise value) in excess of the cost (the bargain element) will be taxed at the ordinary tax rates. If the stock is held for later resale, then the appreciation of the shares from the time of purchase until the time of sale will be treated either as a long term or short term capital gain, depending on whether the holding period was more or less than 12 months.

\*Interim guidance provided by the I.R.S. in notice 2005-1 indicates that certain limited types of nonqualified stock options may be subject to the new deferred compensation rules under IRC 409A. Consult your professional tax advisor for guidance.

### Timing of Cash and Tax Events

The exercise and the sale in many cases will take place in different years. As a result you need to recognize that the net cash results of a particular grant will appear different in the Worksheet than in the Summary report.

For example, an ISO option exercised in 2021 with the stock then sold in 2023 will show taxes due in 2023, and cash realized in the same year. On the other hand, a NQSO exercised in 2021 will show ordinary tax paid on the bargain element in 2021, then if the shares are later sold in 2023, a capital gain tax will be paid at that time, and cash from the sale will be realized in 2023.

### Alternate Minimum Tax

When exercising an ISO, the amount of the bargain element will be reported as AMT Income, and may require payment of alternate minimum tax. When the stock shares are sold an AMTI adjustment will be available, potentially offsetting the original AMTI. Due to the complicated nature of the AMT tax calculations, the actual AMT tax due may be dramatically different than the amount illustrated.

### Exercise Value

The exercise value shown on the Stock Options report is determined by using the hypothetical appreciation rate that you provided for the company shares. The price is increased for the number of months between current date and the assumed exercise date, compounded monthly. This current price and the assumed appreciation rate is shown on the first line for each option. IMPORTANT: If the price used to compute future values is in excess of a conservative growth rate, then the amounts shown in the report may not be realistic and could dramatically overstate the potential results of this analysis.



## Details - All Properties

Sample Financial Plan - TOTAL Goal-Based Planning

### REAL ESTATE ASSETS

<u>Description</u>	<u>Owner</u>	<u>Current Value</u>	<u>Total Income</u>	<u>Expenses</u>
Fourth Street Rental	Joint	\$200,000	\$21,600	(\$4,940)

### REAL ESTATE LIABILITIES

<u>Description</u>		<u>Balance</u>	<u>Monthly Payment</u>	<u>Interest Rate</u>
Fourth Street Rental	Primary	\$118,000	\$800	6.00%

## Annual Summary - All Properties

### Sample Financial Plan - TOTAL Goal-Based Planning

		Market Value	Total	Total	Mortgage Information				
		\$200,000	Income	Expenses	Balance #1	Interest	Principal	Balance #2	Interest
Ages		2.00%			\$118,000	6.00%	\$9,600		Principal
53	51	\$200,000	\$21,168	(\$4,940)	\$118,000	\$7,080	\$2,520		
54	52	204,000	21,591	(4,940)	115,480	6,928	2,672		
55	53	208,080	22,023	(4,940)	112,808	6,768	2,832		
56	54	212,241	22,464	(4,940)	109,976	6,598	3,002		
57	55	216,485	22,913	(4,940)	106,974	6,418	3,182		
58	56	220,814	23,371	(4,940)	103,792	6,227	3,373		
59	57	225,230	23,839	(4,940)	100,419	6,025	3,575		
60	58	229,734	24,315	(27,914)	96,844	5,810	3,790		
61	59	234,328	24,802	(4,940)	93,054	5,583	4,017		
62	60	239,014	25,298	(4,940)	89,037	5,342	4,258		
63	61	243,794	25,804	(4,940)	84,779	5,086	4,514		
64	62	248,669	26,320	(4,940)	80,265	4,815	4,785		
65	63	253,642	26,846	(4,940)	75,480	4,528	5,072		
66	64	258,714	27,383	(4,940)	70,408	4,224	5,376		
67	65	263,888	27,931	(4,940)	65,032	3,901	5,699		
68	66	269,165	28,489	(4,940)	59,333	3,559	6,041		
69	67	274,548	29,059	(4,940)	53,292	3,197	6,403		
70	68	280,038	29,640	(4,940)	46,889	2,813	46,889		
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Note: This report is a summary of all the real estate properties (L1a through L12a)

# Income & Tax Analysis - All Properties

B15

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Deprec. \$5,867	Taxable Income/ (loss)	Net Cash Flow (before tax)	Tax saved/ (due) at 31.00%	Annual ROR on Market Value      Equity		Capital Improve- ments	Cost Basis \$113,000	Sale of properties Capital Gain on Sale	Unrecaptured \$ 1250 Gain
53	51	\$5,867	\$3,281	\$6,628	(\$1,017)	2.81	6.84		\$107,133		
54	52	5,867	3,857	7,051	(1,196)	2.87	6.61		101,267		
55	53	5,867	4,449	7,483	(1,379)	2.93	6.41		95,400		
56	54	5,867	5,059	7,924	(1,568)	2.99	6.21		89,533		
57	55	5,867	5,688	8,373	(1,763)	3.05	6.04		83,667		
58	56	5,867	6,338	8,831	(1,965)	3.11	5.87		77,800		
59	57	5,867	7,007	9,299	(2,172)	3.16	5.71		71,933		
60	58	6,292	7,273	(13,198)	(2,255)	(6.73)	(11.63)	22,974	88,615		
61	59	6,718	7,561	10,262	(2,344)	3.38	5.60		81,897		
62	60	6,718	8,298	10,758	(2,572)	3.42	5.46		75,180		
63	61	6,718	9,060	11,264	(2,809)	3.47	5.32		68,462		
64	62	6,718	9,847	11,780	(3,053)	3.51	5.18		61,745		
65	63	6,718	10,661	12,306	(2,132)	4.01	5.71		55,027		
66	64	6,718	11,502	12,843	(2,300)	4.08	5.60		48,310		
67	65	6,718	12,372	13,391	(2,474)	4.14	5.49		41,592		
68	66	851	19,139	13,949	(3,828)	3.76	4.82		40,741		
69	67	851	20,071	14,519	(4,014)	3.83	4.75		39,890		
70	68	851	21,036	238,234	(53,730)	65.89	79.14		39,039	263,236	65,262
71	69										158,934
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\*Note: This report is a summary of all the real estate properties (L1b through L12b)

# Income & Expense Summary - All Properties

B16

## Sample Financial Plan - TOTAL Goal-Based Planning

		Income Summary					Expense Summary						
		Rents	Vacancy	Net Rents	Other	Total	Management	Rep./Maint.	Insur.	Prop. Tax	Other	Capital	Total
		\$21,600	2.00%			Income	(\$1,440)	(\$500)	(\$500)	(\$2,500)		Improve-ments	Expense
Ages		2.00%											
53	51	\$21,600	(\$432)	\$21,168		\$21,168	(\$1,440)	(\$500)	(\$500)	(\$2,500)			(\$4,940)
54	52	22,032	(441)	21,591		21,591	(1,440)	(500)	(500)	(2,500)			(4,940)
55	53	22,473	(449)	22,023		22,023	(1,440)	(500)	(500)	(2,500)			(4,940)
56	54	22,922	(458)	22,464		22,464	(1,440)	(500)	(500)	(2,500)			(4,940)
57	55	23,381	(468)	22,913		22,913	(1,440)	(500)	(500)	(2,500)			(4,940)
58	56	23,848	(477)	23,371		23,371	(1,440)	(500)	(500)	(2,500)			(4,940)
59	57	24,325	(487)	23,839		23,839	(1,440)	(500)	(500)	(2,500)			(4,940)
60	58	24,812	(496)	24,315		24,315	(1,440)	(500)	(500)	(2,500)		(22,974)	(27,914)
61	59	25,308	(506)	24,802		24,802	(1,440)	(500)	(500)	(2,500)			(4,940)
62	60	25,814	(516)	25,298		25,298	(1,440)	(500)	(500)	(2,500)			(4,940)
63	61	26,330	(527)	25,804		25,804	(1,440)	(500)	(500)	(2,500)			(4,940)
64	62	26,857	(537)	26,320		26,320	(1,440)	(500)	(500)	(2,500)			(4,940)
65	63	27,394	(548)	26,846		26,846	(1,440)	(500)	(500)	(2,500)			(4,940)
66	64	27,942	(559)	27,383		27,383	(1,440)	(500)	(500)	(2,500)			(4,940)
67	65	28,501	(570)	27,931		27,931	(1,440)	(500)	(500)	(2,500)			(4,940)
68	66	29,071	(581)	28,489		28,489	(1,440)	(500)	(500)	(2,500)			(4,940)
69	67	29,652	(593)	29,059		29,059	(1,440)	(500)	(500)	(2,500)			(4,940)
70	68	30,245	(605)	29,640		29,640	(1,440)	(500)	(500)	(2,500)			(4,940)
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Note: This report is a summary of all the real estate properties (L1c through L12c)

## Retirement

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Reviewing your retirement goals and objectives, assets available to use for retirement and an estimate of how long your funds might last based on various assumptions.

A Monte Carlo Simulation report may be included to illustrate the fact that the results of any retirement projection will vary based on market conditions and other factors that are not possible to accurately predict.

Please be aware that this retirement illustration is not guaranteed, does not represent use of any particular investment securities, asset classes or investment style. The rates of return used are hypothetical and are used for educational and illustration purposes.

## Retirement Planning

### Sample Financial Plan - TOTAL Goal-Based Planning

At some time we all reach a point where we are ready to "slow down" from the pressures of earning a living and would prefer to enjoy taking life as we want it instead of continuing with the daily work routine.

In recent years we have seen several trends that will affect your plans and how they are achieved.

In many cases an "early" retirement is desired - resulting in a difficult challenge to assure that adequate funds are available to last for a significant number of years.

In other cases, the thought of exiting the work place is difficult, resulting in what could be described as a "slow down" mode where instead of leaving the work force, the decision is made to work on a reduced schedule. This allows for a gradual change, as well as providing some continued income while the adjustment is made.

The "new retirement" mode also requires a different approach to income and expense planning. Where in the past, a retirement plan estimated that a specific dollar amount of income would be required from retirement age through life expectancy, we now recognize that the "retirement"

### Typical "New Retirement" phases:

First 5 years - you may actually have an increased need for income as you now have time to travel to all the places you wanted to see but just couldn't get away from the daily grind in order to really enjoy yourself.

Next 5 to 10 years - a moderated level of expenses as you now have the extra play time out of your system. Perhaps you still enjoy various activities, but find them less expensive than in the earlier retirement years.

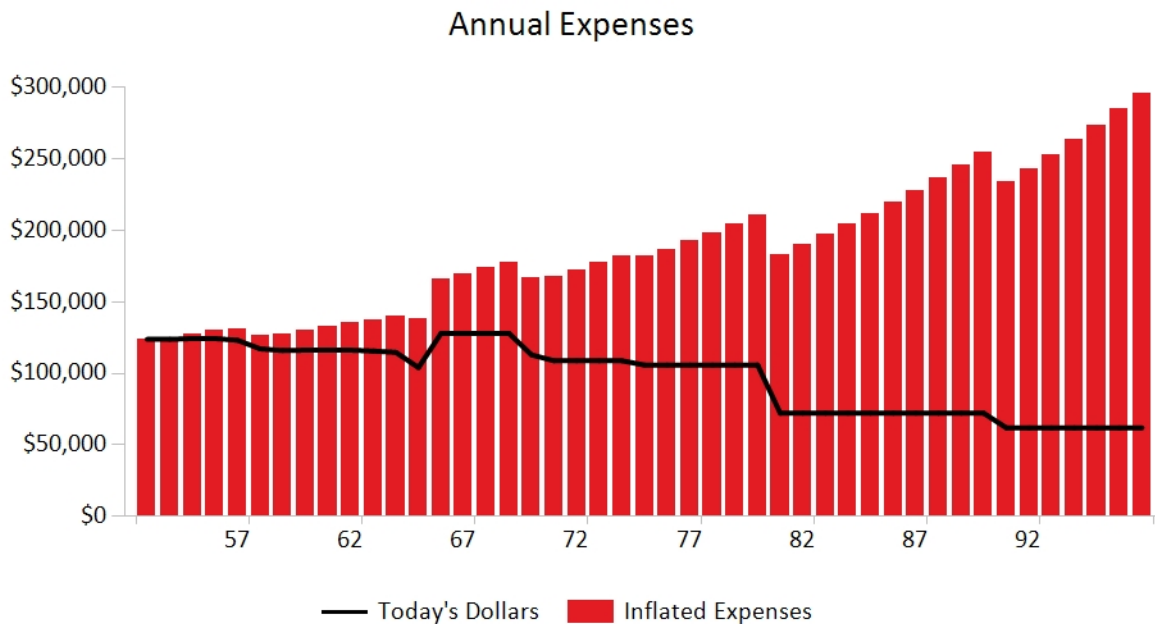
Additional years when your expenses actually decline as you reach an age where your energy level is now lower, and you spend less money on items subject to higher levels of inflation, like clothing, eating out, etc.

The later years when health conditions start to take an additional toll and your expenses again increase as medical costs become a more significant part of your living expenses.

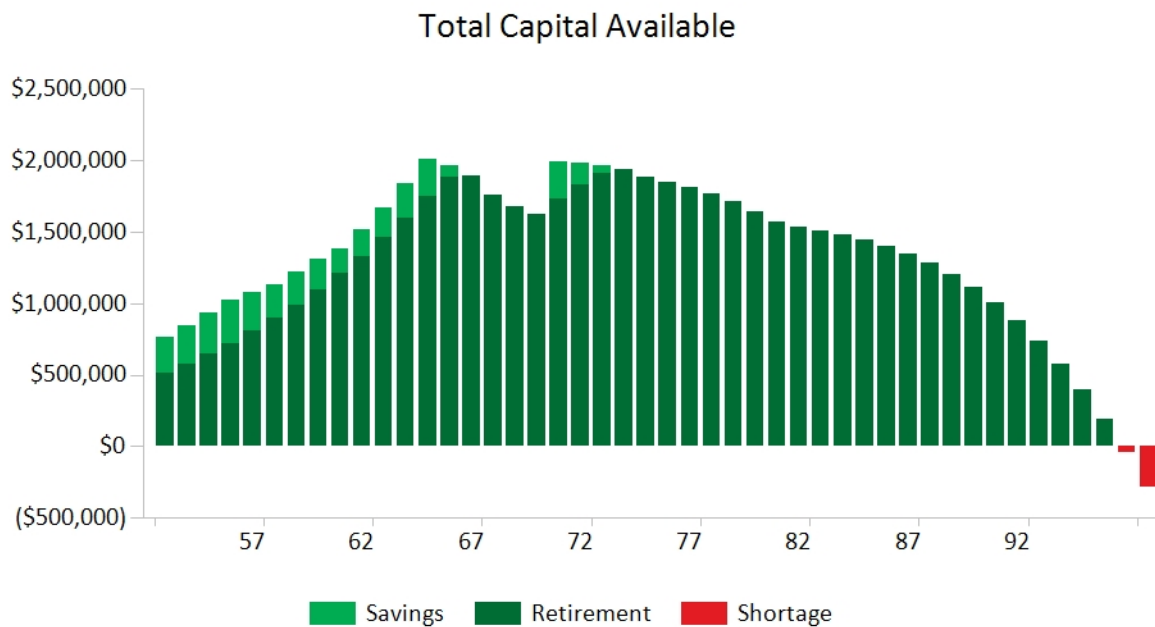
As we have prepared your financial analysis we have tried to anticipate your needs and take into consideration how you might most effectively prepare for the golden years of your life.

## Retirement

### Sample Financial Plan - TOTAL Goal-Based Planning



The amount of monthly income needed for retirement can increase dramatically when inflation is considered. The above graph illustrates the impact of inflation on your desired income by showing annual expenses in today's dollars as well as the same items adjusted for inflation.\*



If you have not accumulated enough capital to last through your lifetime, you could then find yourself dependent on others during the years when you most desire your financial independence. The graph above illustrates the amount of your capital available each year, or the amount of cumulative income shortage wh

*\*Annual expenses include basic living expenses, mortgage and debt payments, insurance premiums, itemized deductions, savings and investment deposits.*

## Retirement Needs Analysis

### Sample Financial Plan - TOTAL Goal-Based Planning

In order to determine whether you will have adequate income and capital to fund your retirement, a number of factors must be evaluated:

- Income needed for basic living expense and number of years required.
- Income available from Social Security, pensions or other sources.
- Extraordinary income or expense items that will affect your retirement capital.
- Existing savings, investment and retirement funds and annual additions to the accounts.
- The effect of inflation on income and expenses.
- The rate of return you are able to earn on your accounts.

**You are now ages 53 and 51 and plan to retire at ages 65 and 64. That leaves you 12 years to prepare for your financial independence.**

The anticipated expenses and various income streams available are illustrated below. In order to help you visualize the relative value of the income streams, we have shown the total amount of payments needed or received over your retirement years through life expectancy, as well as the value of the streams of income at retirement.

	Total Monthly Amounts in Today's \$ (a)	Inflation Rate	Inflation Adjusted Amounts (b)	Cumulative Income/Expense	In Today's Dollars at 4.50% NPV Discount	
<b>Income needed:</b>						
Current living expenses	\$10,326	3.20%	\$10,326			
Living expenses at age 65	8,677	3.20%	11,811	\$6,934,210 (c)	\$2,053,845	
Expenses at age 75	8,825	3.20%	15,241			
Expenses at age 86	6,017	3.20%	18,442			
<b>Sources of income:</b>						
				<b>Total Income (d)</b>		
Social Security - Allen at age 67	1,824	2.00%	2,407	878,770	287,356	G11
Social Security - Betty at age 67	1,554	2.00%	2,133	1,044,146	275,336	G11
Spouse Pension 1	160	2.00%	160	81,369	22,879	G9
Rental real estate income				76,961	39,955	
Other income items & insurance				193,488	90,795	G8
<b>Miscellaneous expenses:</b>						
				<b>Misc Inc./Exp. (e)</b>		
Education funding and other goals				(29,186)	(17,210)	G8
Other expense items				(223,243)	(110,764)	G8
<b>Total income or expenses</b>				<b>\$2,022,305</b>		
<b>Income shortfall - amount needed compared to amount available</b>				<b>\$4,911,905</b>		
<b>Estimated capital required at retirement to satisfy this shortfall</b>				<b>\$2,090,000 (f)</b>		
<i>Including an assumed 4.50% after-tax rate of return on capital.</i>						

(a) Total expense = personal expense, itemized deductions, insurance premiums, debts and mortgages, saving and investments. (G4)

(b) Inflation adjustments apply only to those items exposed to inflation (not debts, life insurance, etc.)

(c) Cumulative living expense is the total of all expense payments needed during retirement through life expectancy.

(d) The "Sources of income" represents the sum of all monthly or annual income expected from Social Security, pensions (after tax) or other anticipated post-retirement income sources. Any life insurance benefit shown is received at life expectancy.

(e) Total of all post-retirement expense items from education, goals and other income and expense report.

(f) This number is calculated using the most conservative of two separate calculations.

Note: Income taxes are not included as part of expenses as the taxes are paid out of the sources of taxable income.



# Retirement Capital Analysis

C4

## Sample Financial Plan - TOTAL Goal-Based Planning

The remaining expense anticipated as described on the Retirement Needs Analysis is . . . . .

**\$4,911,905**

C3

(This amount was carried forward from the Retirement Needs analysis page.)

At age 65 the remaining expense could require capital of approximately . . . . .

**\$2,090,000**

(This assumes an after tax rate of return of 4.50% on assets used to fund shortage. The actual amount of capital needed will vary depending on the type of savings and investments used and their tax treatment.)

Estimate of future asset account values	Current year annual additions	Current value used for retirement estimate	Current weighted average rate	Current average after tax rate *	Future** Value at age 65
Taxable Accounts	\$3,000	\$83,800	1.65%	1.14%	\$12,873
Equity & other accounts	6,000	165,000	7.50%	6.38%	247,640
Tax-Free accounts					
Tax-Deferred annuity or govt bonds.					
Deductible retirement - Allen	8,600	267,500	7.00%	7.00%	801,290
Deductible retirement - Betty	8,640	110,250	7.00%	7.00%	424,901
Roth accounts - Allen	5,400	62,500	7.00%	7.00%	251,132
Roth accounts - Betty	5,400	72,800	7.00%	7.00%	274,335
<b>Total Asset values</b>		<b>\$761,850</b>	<b>6.52%</b>	<b>6.22%</b>	<b>\$2,012,172</b>

H1

H2

H3

H4

H5...H9

H5...H10

H7

H8

\* The after-retirement rate may differ substantially from the pre-retirement rate, particularly on deductible retirement accounts.

Tax rate on interest is 31.00% before retirement, 20.00% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.

\*\*Future values that are less than current values indicate that some of the assets have been consumed prior to retirement.

**You might have as much as \$2,012,172 capital available at retirement. You may need additional capital of \$77,828.**

**Your current funds could last until your age 96 at which time your funds will be depleted.**

The above results are hypothetical, based on the assumptions used, and are not guaranteed. The illustration is provided for educational purposes and does not represent any specific investment, class of investments or investment style.

### In order to make up this shortage of capital required for your retirement, you could:

1. Increase the before-tax "weighted average" rate of return on all your existing asset accounts to . . .

**Average rate**

**7.00%**

C5

2. Increase the amount of money being added to your savings and investments.

You would have to make the following additional monthly deposits at a return of . . .

5.00%	after tax =	\$250	(Assuming deposits
7.00%	after tax =	\$120	are increased by
9.00%	after tax =	\$60	3.00% per year.)

C5

Note: The monthly additions are made into a side fund and computed to assure that asset account balances are never less than \$0.

3. Delay your retirement by 1 years until ages 66 and 65.
4. Reduce your retirement spending by \$2,000 annually.
5. Use a combination of the methods shown above.

## Retirement Capital Notes

### Sample Financial Plan - TOTAL Goal-Based Planning

The Retirement Capital Analysis report lists existing savings and investment accounts and shows hypothetical values at retirement age. The analysis is based on assumed rates of return information supplied by you and is not an estimate or guarantee of future performance. The assumptions used are detailed below.

#### Income taxes

The tax rate used for ordinary income items prior to retirement is 31.00% and after retirement is 20.00%. The taxable income includes interest, non-qualified dividends, tax deferred and retirement accounts distributions.

Tax on qualified dividends, capital gains and appreciation is computed at the rate of 15.00% before retirement and 15.00% after retirement.

The rates used are estimates based on your current tax bracket and may or may not reflect the rates that might be in effect at any time in the future. These rates are used for illustration purposes only and future changes in the tax laws or in your taxable income level may significantly affect the tax results of this analysis.

#### Future Values at Retirement Age

Each type of asset illustrated in the previous page uses a different assumed rate of return and tax treatment for estimating the future result. The assumed rates of return are derived from the asset and rate information you provided and may not actually reflect future results and are used for illustration purposes. The Current Weighted Average Rates come from the Asset Summary report. The Current After Tax Rates reflect the effective tax treatment of each asset type as described below.

#### Taxable Accounts

Interest earned on this asset type is taxed at the ordinary tax rate each year, both before and after retirement. As interest is earned, the estimated tax is deducted and the remaining interest is reinvested.

#### Equity and Other Accounts

The appropriate income tax effect is applied to the portfolio return based on the sources of income (interest, dividend, capital gain and appreciation). The after-tax return is reinvested.

#### Tax-Free Accounts

The income on this asset type is assumed to be fully exempt from tax and the entire return is reinvested each year.

#### Tax-Deferred Accounts

In years when there are no distributions from the accounts, the entire return is reinvested with no tax effect. In any year when a distribution is made, the distribution is assumed to come first from the accumulated tax-deferred returns. When all the accumulated tax-deferred returns have been distributed, the annual earnings are then taxed when distributed. The balance of distributions are treated as non-taxable distribution of the original capital. All taxable distributions are taxed at the ordinary income tax rate.

#### Deductible Retirement Accounts

Annual returns on these accounts are reinvested each year with no income tax. When distributions are made, the entire amount is taxed at the ordinary income tax rate. If distributions are made prior to age 59 1/2 they may be subject to an additional 10% excise tax penalty. Distributions must begin by age 70 1/2 unless special conditions apply.

#### Roth IRA Accounts

The earnings and withdrawals in these accounts are exempt from tax, both during the accumulation and distribution years.

# Retirement Estimate Solution

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Original Capital Estimate	Revised Estimate With All Assets at 7.00%	Original estimate plus monthly additions into side fund. (Monthly deposits increase at 3% per year. Annual deposit amounts shown.)					
			250 5.00%	Total Value	120 7.00%	Total Value	60 9.00%	Total Value
53 51	\$847,587	\$850,033	\$3,000	\$850,658	\$1,440	\$849,076	\$720	\$848,339
54 52	939,614	944,692	3,090	946,007	1,483	942,745	742	941,212
55 53	1,027,205	1,034,858	3,183	1,037,185	1,528	1,032,143	764	1,029,752
56 54	1,078,292	1,087,364	3,278	1,092,141	1,574	1,085,215	787	1,081,902
57 55	1,131,048	1,139,350	3,377	1,149,062	1,621	1,140,147	810	1,135,842
58 56	1,219,752	1,227,599	3,478	1,242,248	1,669	1,231,234	835	1,225,867
59 57	1,314,981	1,322,381	3,582	1,342,297	1,719	1,329,072	860	1,322,568
60 58	1,379,558	1,386,596	3,690	1,412,051	1,771	1,396,501	886	1,388,784
61 59	1,520,604	1,527,392	3,800	1,558,653	1,824	1,540,659	912	1,531,649
62 60	1,672,029	1,678,590	3,914	1,716,034	1,879	1,695,478	939	1,685,093
63 61	1,837,569	1,843,930	4,032	1,887,954	1,935	1,864,715	968	1,852,869
64 62	2,012,172	2,018,352	4,153	2,069,387	1,993	2,043,340	997	2,029,946
65 63	1,969,856	1,987,123		2,030,001		2,003,279		1,989,299
66 64	1,895,707	1,925,224		1,958,934		1,931,550		1,916,975
67 65	1,761,231	1,801,592		1,827,694		1,799,665		1,784,494
68 66	1,682,312	1,733,780		1,752,179		1,723,527		1,707,758
69 67	1,626,587	1,689,621		1,700,031		1,670,782		1,654,419
70 68	1,994,335	2,073,513		2,071,534		2,041,721		2,024,772
71 69	1,984,597	2,079,528		2,065,747		2,035,408		2,017,887
72 70	1,968,601	2,079,902		2,053,905		2,023,086		2,005,012
73 71	1,935,574	2,066,385		2,025,244		1,993,997		1,975,398
74 72	1,880,994	2,030,149		1,975,253		1,943,640		1,924,551
75 73	1,850,494	2,019,079		1,949,578		1,917,668		1,898,135
76 74	1,811,532	1,998,373		1,915,687		1,883,562		1,863,639
77 75	1,765,830	1,974,364		1,875,318		1,843,069		1,822,824
78 76	1,711,440	1,942,942		1,826,534		1,794,263		1,773,779
79 77	1,647,530	1,903,319		1,768,516		1,736,341		1,715,715
80 78	1,573,202	1,854,641		1,700,381		1,668,434		1,647,780
81 79	1,532,648	1,839,735		1,666,318		1,634,744		1,614,198
82 80	1,511,309	1,816,903		1,651,819		1,620,784		1,600,504
83 81	1,482,833	1,812,652		1,630,535		1,600,221		1,580,391
84 82	1,446,487	1,806,446		1,601,748		1,572,360		1,553,192
85 83	1,401,475	1,793,486		1,564,684		1,536,447		1,518,185
86 84	1,346,938	1,773,000		1,518,499		1,491,666		1,474,590
87 85	1,281,944	1,744,150		1,462,286		1,437,133		1,421,565
88 86	1,202,986	1,706,020		1,392,553		1,369,387		1,355,693
89 87	1,113,813	1,657,618		1,313,082		1,292,241		1,280,838
90 88	1,010,900	1,593,719		1,220,367		1,202,225		1,193,585
91 89	883,736	1,511,881		1,103,923		1,088,889		1,083,549
92 90	739,719	1,415,704		971,176		959,701		958,268
93 91	577,352	1,303,781		820,654		813,234		816,393
94 92	395,018	1,174,585		650,773		647,949		656,474
95 93	190,975	1,026,460		459,819		462,188		476,946
96 94		857,614		241,833		250,045		272,016
97 95		666,103		12,043		25,958		55,370
98 96								

C6

Monthly deposits are computed to assure that assets never fall below \$0 prior to last life expectancy.

\* An asterisk (\*) indicates that the monthly deposits would exceed 1/3 of your income and this option is not practical.

N/A - The "N/A" sign indicates that this solution is not available.

# Retirement Capital Estimate

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Annual Expenses (\$6,934,210)	Income available/Other expenses				Annual Surplus (shortage)	Annual Deposits	Return on Assets	Tax Due Each Year 31.00% 20.00%	Total Acct Values (end of year)
		Pension & Min. Dist.	Scheduled Dist.	Social Security	Other Inc/Exp					
		\$324,944		\$1,922,916	(\$77,330)		\$518,892			\$761,850
53 51							\$37,040	\$51,027	(\$2,329)	\$847,587
54 52							37,643	56,922	(2,537)	939,614
55 53					(12,080)	(12,080)	39,206	63,190	(2,725)	1,027,205
56 54					(55,481)	(55,481)	39,860	69,486	(2,776)	1,078,292
57 55					(60,081)	(60,081)	40,528	74,874	(2,565)	1,131,048
58 56					(30,707)	(30,707)	41,211	80,697	(2,497)	1,219,752
59 57					(31,147)	(31,147)	41,909	86,877	(2,410)	1,314,981
60 58					(68,568)	(68,568)	43,217	92,013	(2,083)	1,379,558
61 59							43,961	99,045	(1,958)	1,520,604
62 60							44,721	108,871	(2,166)	1,672,029
63 61					2,915	2,915	45,498	119,529	(2,401)	1,837,569
64 62							46,292	130,960	(2,648)	2,012,172
65 R 63	(141,733)				(40,119)	(181,852)	17,806	123,054	(1,323)	1,969,856
66 64 R	(166,876)				(4,517)	(171,393)		118,616	(21,374)	1,895,707
67 65	(170,791)	1,920		28,886	(59,024)	(199,009)		114,284	(49,752)	1,761,231
68 66	(174,857)	1,958		29,464	(5,919)	(149,354)		107,772	(37,338)	1,682,312
69 67	(179,079)	1,998		55,649	(6,048)	(127,481)		103,625	(31,870)	1,626,587
70 68	(168,365)	3,810		56,762	367,421	259,628		111,244	(907)	1,994,335
71 69	(168,819)	11,679		57,897	(17,629)	(116,872)		120,436	(1,301)	1,984,597
72 70	(173,552)	32,749		59,055	(18,193)	(99,941)		123,082	(851)	1,968,601
73 71	(178,469)	34,689		60,236	(18,776)	(102,321)		120,711	(10,761)	1,935,574
74 72	(183,580)	34,869		61,441	(19,376)	(106,647)		119,556	(26,662)	1,880,994
75 73	(182,893)	32,105		62,670	(88,119)	(88,119)		116,966	(22,030)	1,850,494
76 74	(188,224)	29,839		63,923		(94,461)		113,545	(23,615)	1,811,532
77 75	(193,767)	27,016		65,202		(101,549)		112,080	(25,387)	1,765,830
78 76	(199,534)	23,491		66,506		(109,537)		108,912	(27,384)	1,711,440
79 77	(205,534)	19,241		67,836		(118,458)		105,169	(29,614)	1,647,530
80 78	(211,777)	13,930		69,192		(128,654)		100,798	(32,164)	1,573,202
81 79	(184,576)	7,485		70,576		(106,515)		94,057	(21,907)	1,532,648
82 80	(191,339)	2,584		71,988		(116,767)		95,428		1,511,309
83 81	(198,381)	2,636		73,428		(122,317)		93,841		1,482,833
84 82	(205,712)	2,688		74,896		(128,128)		91,781		1,446,487
85 83	(213,348)	2,742		76,394		(134,212)		89,200		1,401,475
86 84	(221,302)	2,797		77,922		(140,583)		86,046		1,346,938
87 85	(229,589)	2,853		79,480		(147,256)		82,261		1,281,944
88 86	(238,224)	2,910		81,070		(154,244)		75,286		1,202,986
89 87	(247,224)	2,968		82,691		(161,564)		72,391		1,113,813
90 L 88	(256,605)	3,028		84,345		(169,233)		66,319		1,010,900
91 89	(235,736)	3,088		46,462		(186,186)		59,021		883,736
92 90	(245,015)	3,150		47,391		(194,475)		50,457		739,719
93 91	(254,704)	3,213		48,339		(203,152)		40,785		577,352
94 92	(264,821)	3,277		49,305		(212,239)		29,904		395,018
95 93	(275,389)	3,343		50,291		(221,755)		17,711		190,975
96 94	(286,429)	3,410		51,297		(231,722)				
97 95 L	(297,964)	3,478		52,323		(242,163)				
98 96										
G4		G9,G11	H1...H8	G11	B15, G8		H1...H8	H1...H8	D4	

Note: All incomes/expenses are represented in after-tax values with 85% of Social Security taxable. Tax rate on income and interest is 31.00% before retirement, 20.00% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.

R = Retirement Age, L = Life Expectancy

## Asset Illustration

### Sample Financial Plan - TOTAL Goal-Based Planning

Your assets are illustrated in this plan based on two major groups, Personal Accounts and Tax Deductible Retirement accounts. Within these groups, the assets are further divided as described below.

#### Personal Accounts:

##### Fully Taxable:

These are savings and investments that earn interest or dividends which are fully taxable at ordinary income rates. Included in this category are savings accounts, certificates of deposit, money market funds and accounts, bonds, notes and mortgages, etc.

##### Tax-Deferred:

Some assets allow you to accumulate money without current taxation on interest or other returns. The most common are fixed or variable annuities issued by insurance companies. Any illustration of an annuity account is hypothetical, and does not represent any specific product or underlying investment accounts and is not intended to project or predict investment results. The variable nature of a variable annuity will affect not only the investment returns, but will also affect the cash value and death benefits of the annuity. The annuity could result in zero or negative return, depending on the performance of the underlying investments and the terms of the annuity contract.

##### Tax-Free:

Interest earned on certain bonds issued by federal, state or local municipalities are exempt from federal and in some cases state income tax. These are referred to as "tax exempt" securities and may be purchased individually or as muni bond investment trusts or mutual funds.

##### Equity and Other:

Assets which receive part or all of their return in the form of appreciation and qualify for special capital gains treatment on the profits would be included in this category. Such assets include: stocks, equity mutual funds, real estate, business interest, etc.

#### Retirement Accounts:

This includes any account treated by the IRS as tax-advantaged, qualifying for special tax treatment, deferral or deduction.

IRA - Individual Retirement Accounts.

401(k) - corporate thrift or savings plans.

Keogh or SEP - retirement plans for self employed individuals.

TSA - tax sheltered annuity plans for employees of 403(b) tax exempt organizations.

SIMPLE 401(k) and SIMPLE IRA - employer sponsored plans.

Profit Sharing - corporate plans for employee profit sharing.

Roth IRA accounts (tax free growth).

Roth 401(k) - tax-free after-tax personal contributions, pre-tax company additions.

These accounts generally allow for pre-tax contributions and tax-deferred earnings. When funds are withdrawn from these accounts the entire amount is taxable at the ordinary tax rate. (Roth accounts use after tax contributions and tax-free accumulation and withdrawal.)

#### Not an Investment Offer:

This is not an offer to sell or a solicitation of an offer to buy any security. Such offer would be accompanied by a prospectus or other offering materials.

#### IMPORTANT:

The projections or other information generated by Money Tree regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

# Asset Accounts

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Taxable		Equity		Tax-Free		Tax-Deferred		Retirement Accts		Roth Accounts		Total Working Assets (eoy)
	Deposits or draws	Balance \$83,800 1.65%	Deposits or draws	Balance \$165,000 7.50%	Deposits or draws	Balance 5.75%	Deposits or draws	Balance 6.00%	Deposits or draws	Balance \$377,750 7.00%	Deposits or draws	Balance \$135,300 7.00%	
53 51		\$3,000	\$87,770	\$6,000	\$181,728				\$17,240	\$422,100	\$10,800	\$155,989	\$847,587
54 52		3,000	91,785	6,000	199,522				17,627	469,957	11,016	178,350	939,614
55 53		(9,080)	83,691	6,000	218,451				18,969	522,558	11,236	202,505	1,027,205
56 54		(52,481)	31,836	6,000	238,586				19,399	579,286	11,461	228,585	1,078,292
57 55		(31,836)		(19,245)	233,878				19,838	640,442	11,690	256,728	1,131,048
58 56				(21,707)	226,322				20,287	706,346	11,924	287,084	1,219,752
59 57				(22,147)	217,829				20,747	777,340	12,162	319,812	1,314,981
60 58				(59,568)	170,066				21,811	854,409	12,405	355,083	1,379,558
61 59	3,000	3,018	6,000	187,117					22,307	937,388	12,653	393,081	1,520,604
62 60	3,000	6,070	6,000	205,255					22,814	1,026,703	12,907	434,001	1,672,029
63 61	3,583	9,744	8,331	226,962					23,332	1,122,808	13,165	478,055	1,837,569
64 62	3,000	12,873	6,000	247,640					23,863	1,226,191	13,428	525,467	2,012,172
65 63	(12,873)		(168,979)	85,896					10,957	1,317,244	6,848	566,716	1,969,856
66 64			(85,896)						(106,870)	1,292,156		603,551	1,895,707
67 65									(248,761)	1,118,450		642,781	1,761,231
68 66									(186,691)	997,752		684,560	1,682,312
69 67									(159,350)	897,532		729,055	1,626,587
70 68	103,851	104,595	155,777	159,722					(2,216)	953,575		776,443	1,994,335
71 69	(104,595)		(12,277)	154,561					(12,001)	1,003,125		826,911	1,984,597
72 70			(99,941)	59,276					(38,286)	1,028,666		880,659	1,968,601
73 71			(59,276)						(94,463)	997,673		937,901	1,935,574
74 72									(174,136)	882,130		998,864	1,880,994
75 73									(147,466)	786,705		1,063,789	1,850,494
76 74									(152,507)	678,598		1,132,934	1,811,532
77 75									(157,781)	559,257		1,206,573	1,765,830
78 76									(163,301)	426,441		1,284,999	1,711,440
79 77									(169,078)	279,007		1,368,523	1,647,530
80 78									(175,125)	115,726		1,457,476	1,573,202
81 79									(115,726)		(18,885)	1,532,648	1,532,648
82 80											(116,767)	1,511,309	1,511,309
83 81											(122,317)	1,482,833	1,482,833
84 82											(128,127)	1,446,487	1,446,487
85 83											(134,212)	1,401,475	1,401,475
86 84											(140,583)	1,346,938	1,346,938
87 85											(147,255)	1,281,944	1,281,944
88 86											(154,244)	1,202,986	1,202,986
89 87											(161,564)	1,113,813	1,113,813
90 88											(169,232)	1,010,900	1,010,900
91 89											(186,185)	883,736	883,736
92 90											(194,474)	739,719	739,719
93 91											(203,152)	577,352	577,352
94 92											(212,238)	395,018	395,018
95 93											(221,754)	190,975	190,975
96 94											(190,975)		
97 95													
98 96													
		H1		H2		H3		H4		H5...H6d		H7,H8	

Note: Rate of return shown for the asset groups are for the first year only. Refer to asset reports for future rates.

# Total Asset Accounts

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Personal Deposits	Company Deposits	Personal Withdrawals	Cash Flow (shortage)	Tax Due Each Year 31.00% 20.00%	Minimum Distribution **	Return on Assets	Savings and Investment	Retirement & Roth Accounts	Account Balance
									\$248,800	\$513,050	
53	51	\$29,280	\$7,760			(\$2,329)		\$51,027	\$269,498	\$578,089	\$847,587
54	52	29,711	7,932			(2,537)		56,923	291,307	648,307	939,614
55	53	30,719	8,487		(12,080)	(2,725)		63,190	302,142	725,063	1,027,205
56	54	31,184	8,677		(55,481)	(2,776)		69,487	270,422	807,870	1,078,292
57	55	31,658	8,871		(60,081)	(2,565)		74,874	233,878	897,170	1,131,048
58	56	32,143	9,069		(30,707)	(2,497)		80,697	226,322	993,430	1,219,752
59	57	32,638	9,272		(31,147)	(2,410)		86,877	217,829	1,097,152	1,314,981
60	58	33,500	9,717		(68,568)	(2,083)		92,013	170,066	1,209,492	1,379,558
61	59	34,026	9,935			(1,958)		99,046	190,135	1,330,469	1,520,604
62	60	34,563	10,158			(2,166)		108,872	211,325	1,460,704	1,672,029
63	61	35,112	10,386		2,915	(2,401)		119,530	236,706	1,600,863	1,837,569
64	62	35,672	10,620			(2,648)		130,961	260,513	1,751,659	2,012,172
65	63	12,327	5,479		(181,852)	(1,323)		123,055	85,896	1,883,960	1,969,856
66	64				(171,392)	(21,374)		118,617		1,895,707	1,895,707
67	65				(199,009)	(49,752)		114,285		1,761,231	1,761,231
68	66				(149,353)	(37,338)		107,772		1,682,312	1,682,312
69	67				(127,480)	(31,870)		103,625		1,626,587	1,626,587
70	68				259,628	(907)	(2,216)	111,244	264,317	1,730,018	1,994,335
71	69				(116,872)	(1,301)	(12,001)	120,436	154,561	1,830,036	1,984,597
72	70				(99,941)	(851)	(38,286)	123,082	59,276	1,909,325	1,968,601
73	71				(102,320)	(10,761)	(40,658)	120,712		1,935,574	1,935,574
74	72				(106,646)	(26,662)	(40,829)	119,556		1,880,994	1,880,994
75	73				(88,118)	(22,030)	(37,319)	116,967		1,850,494	1,850,494
76	74				(94,461)	(23,615)	(34,431)	113,545		1,811,532	1,811,532
77	75				(101,549)	(25,387)	(30,845)	112,080		1,765,830	1,765,830
78	76				(109,537)	(27,384)	(26,380)	108,912		1,711,440	1,711,440
79	77				(118,457)	(29,614)	(21,007)	105,169		1,647,530	1,647,530
80	78				(128,654)	(32,164)	(14,308)	100,798		1,573,202	1,573,202
81	79				(106,515)	(21,907)	(6,189)	94,057		1,532,648	1,532,648
82	80				(116,767)			95,428		1,511,309	1,511,309
83	81				(122,317)			93,841		1,482,833	1,482,833
84	82				(128,127)			91,781		1,446,487	1,446,487
85	83				(134,212)			89,200		1,401,475	1,401,475
86	84				(140,583)			86,046		1,346,938	1,346,938
87	85				(147,255)			82,261		1,281,944	1,281,944
88	86				(154,244)			75,286		1,202,986	1,202,986
89	87				(161,564)			72,391		1,113,813	1,113,813
90	88				(169,232)			66,319		1,010,900	1,010,900
91	89				(186,185)			59,021		883,736	883,736
92	90				(194,474)			50,457		739,719	739,719
93	91				(203,152)			40,785		577,352	577,352
94	92				(212,238)			29,904		395,018	395,018
95	93				(221,754)			17,711		190,975	190,975
96	94				(231,721)						
97	95				(242,162)						
98	96										

Note: This report is a summary of all the asset illustration pages (H1 - H8).



## Monte Carlo Retirement Simulation

### Sample Financial Plan - TOTAL Goal-Based Planning

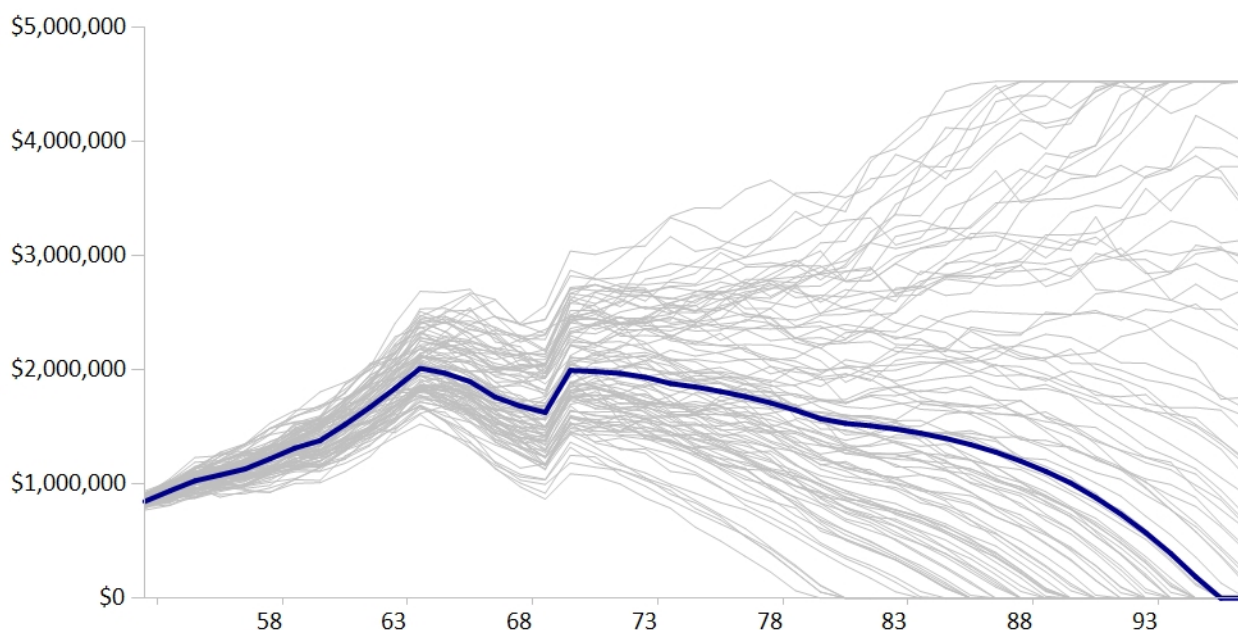
Monte Carlo Simulations illustrate possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. Simulation introduces uncertainty by fluctuating annual rates of return on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of market volatility and possible effects on your financial future. This is not a projection, but an illustration of uncertainty.

The simulations begin in the current year and model potential asset level changes over time. Included are all capital assets, both tax advantaged and taxable, all expenses, including education funding if applicable, pension benefits and Social Security benefits. Observing results from these large number of simulations may offer insight into the shape, trends and potential range of future retirement plan outcomes under volatile market conditions.

#### Results from 10,000 Monte Carlo Simulations:

Original Retirement Capital estimate	\$0	Percentage of results above zero*	41%
Minimum (worst case) result	\$0	Percentage with \$ remaining at Allen's age 92	64%
Average Monte Carlo result	\$1,013,685	Percentage with \$ remaining at Allen's age 87	85%
Maximum Monte Carlo result	\$22,769,767	Percentage with \$ remaining at Allen's age 82	97%

\*Percent of times money is remaining at last life expectancy.



*The bold line is the estimated retirement capital value over time using fixed rates.*

*Current after tax rate of return is 6.46% in the original estimate and varies from 5.91% to 10.21%, with portfolio changes.*

*This simulation used a 4.25% standard deviation to create ten thousand sets of normally distributed random rates of return based on the annual rates of return in the original estimate (95% of the rates fall between -2.59% and 18.71%).*

*A standard deviation rate of 2.00% was applied to the inflation rate used on personal expenses.*

The original capital estimate indicated a possibility of having \$0 in assets remaining at last life expectancy. Monte Carlo simulation, using 10,000 trials of the same assets, income and expenses, resulted in a 41% probability of having funds remaining at last life expectancy, and an average amount of \$1,013,685 remaining.

**The Monte Carlo illustration above points out the uncertainty of future retirement capital outcomes.**

**It is important that you return regularly for a review of your goals and financial condition, in order to assure that appropriate periodic adjustments are made to your financial affairs.**

**IMPORTANT:** The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment products or results and are not guarantees of future results. Results may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future results. Information is for illustrative purposes only. Do not rely on this report to predict actual performance of any investment or investment strategy.



## Monte Carlo Details

### Sample Financial Plan - TOTAL Goal-Based Planning

Financial analysis can help you evaluate your status in relationship to your financial goals and objectives. In preparing your financial analysis various assumptions were used, including income available, annual expenses, amount of money currently invested and rates of return on retirement assets. The analysis of potential funds available for use in retirement included an assumed "fixed" or "static" rate of return on each asset type - taxable, tax-free, tax-deferred, equity and retirement accounts.

#### Fixed or Static rates:

Use of a fixed or static rate (where the initial rate used remains static throughout the analysis) can be helpful for visualizing potential future values to see how long your money might last, but may not reflect what happens in the real world of finance.

#### Variable Rates:

The Monte Carlo illustration applies a concept of variable rates of return on assets over time, in an attempt to illustrate what might happen in a situation where the returns on assets may be positive in some years and negative in other years. Since there is no way to predict either the positive or negative years or the amount of gain or loss that the assets might be exposed to, a Monte Carlo Simulation is used. This involves preparation of 10,000 separate projections of your financial future, where a rate of return is randomly selected every year in each of the 10,000 simulations.

#### Standard Deviation:

The term "standard deviation" refers to the extent of variability, or deviation, above or below the normal average that was used in the original illustration. This illustration uses a blended standard deviation rate based on the assumption that our portfolio will consist of various asset components. Assets like CD's, bonds and savings will be conservative and have a low variation in rate. Other assets like stocks, mutual funds, real estate, etc. will likely show a greater degree of variability in rate of return. It is also assumed that the mix of assets will change as your goals and time horizon changes.

#### Original Result -vs.- Monte Carlo:

The bold blue line in the Monte Carlo graph represents the amount of funds available using the fixed or static rates of return. This outcome is unlikely to be realized, because in reality the rates of return will vary each year. The Monte Carlo illustration shows additional lines representing the range of results using variable rates of return each year for each of the 10,000 Monte Carlo simulations. The Monte Carlo "tornado" chart makes it clear that there is a great range of potential outcomes that could be realized in the future.

#### Monte Carlo Simulation Minimum, Average and Maximum Dollar Results

Values above the Monte Carlo graph indicate the best, worst and average results at the end of 10,000 Monte Carlo simulations. These show the range of results (high and low), and the average of all Monte Carlo results. All values are based on results at the life expectancy of the last to die or the ages shown.

Minimum	This represents the lowest return of 10,000 simulations. In most cases at least some of these results will be zero (0), indicating that funds ran out prior to life expectancy.
Average	This is the average of all positive Monte Carlo simulations. The average may or may not be similar to the Original Retirement Capital Estimate.
Maximum	This result represents the highest accumulation of the 10,000 simulations.

***IMPORTANT: The projections or other information generated in the reports regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each Monte Carlo Simulation is unique; results vary with each use over time.***

## Standard Deviation

### Sample Financial Plan - TOTAL Goal-Based Planning

#### Standard Deviation:

Standard deviation is a measure of the extent to which the rate of return on a financial asset varies from the average return in a given period of time. It is a measure of the volatility or risk of the asset.

#### Portfolio Return Volatility:

In broad terms, assets with low rates of return usually demonstrate lower volatility than assets and portfolios with potentially high rates. Assets with low rates and volatility would include CD's, bonds, savings, money market accounts and other fixed rate of return assets. Those with higher volatility include stocks, mutual funds and other investment assets. While future financial returns cannot be predicted, it is possible to model potential results by applying a standard deviation to the average rate of return, based on the past or expected level of volatility, and using a Monte Carlo simulation model.

Because a typical portfolio may consist of a mixture of fixed assets with a low standard deviation as well as some equity assets with higher standard deviations, and the portfolio mix is expected to change over the years, the Monte Carlo report uses a blended, and conservative standard deviation rate. If the weighted average rate on your entire portfolio is low, then the standard deviation rate used will be low. If the portfolio rate is higher, then the standard deviation rate will be higher. In order to present a more conservative look at the Monte Carlo result, the actual rate selected may be lower than a rate on any single asset class. The rate is not intended to represent any one asset type, is hypothetical and used for illustration purposes only.

#### Standard Deviations

Since the typical portfolio (as described above) will generally include many different asset classes and will change over time, we have not attempted to identify any particular historical asset class on which to base the standard deviation. Unless a specific standard deviation rate has been chosen by you, the following table is used to represent a portfolio of mixed assets. The weighted average rate of the portfolio is used to choose a standard deviation rate.

<b>Weighted Average Portfolio Rate</b>	<b>Standard Deviation Range</b>
1 - 3%	3%
4 - 7%	4 - 7%
8 - 10%	8 - 12%
11 - 15%	14 - 25.5%
16%+	28% +

In this presentation no single asset class or investment portfolio is assumed to be used. Instead the entire portfolio of savings, bonds, investments, retirement accounts, real estate and other assets used for retirement accumulation are treated as a group, and the current weighted average rate of return is calculated on the portfolio. Then a hypothetical standard deviation rate is applied based on the average rate, with a low standard deviation rate used if the portfolio rate is low and a higher standard deviation rate used for higher portfolio rates. This method may result in a standard deviation rate lower than reported on some specific asset classes, but will provide a reasonable illustration of a mixed portfolio as described above.

## Withdrawal Rates

Sample Financial Plan - TOTAL Goal-Based Planning

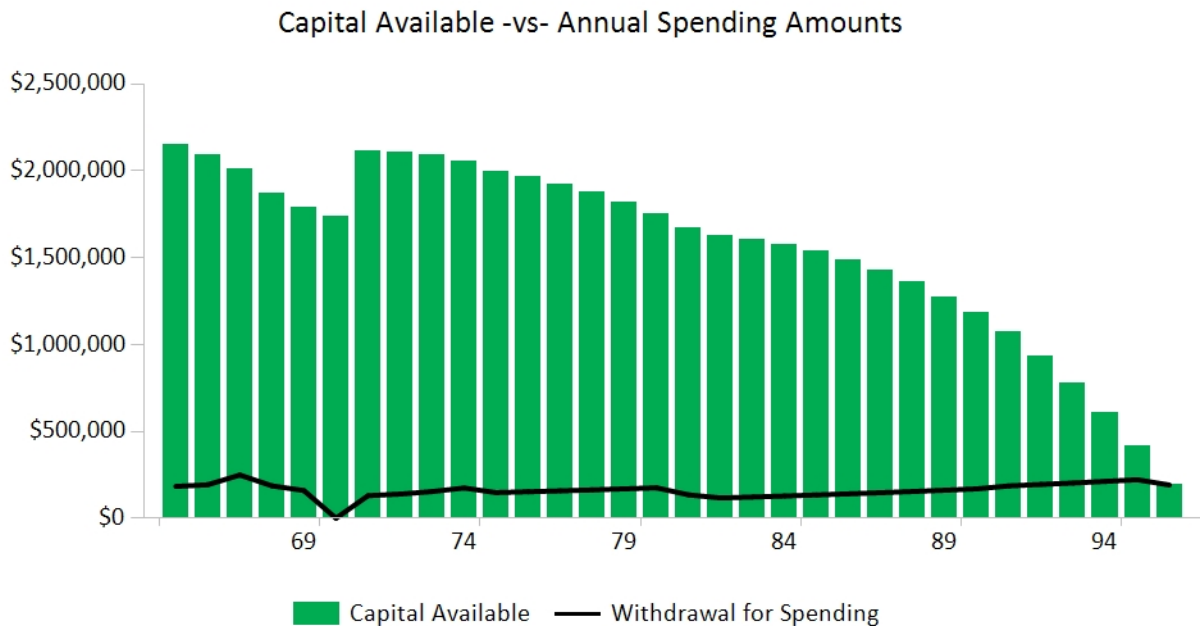
Ages in Retirement		Account Balance	Personal & Company Additions	Annual Return	Total Funds Available	Personal Withdrawals and RMDs	Surplus or (Shortage)	Total Withdrawal Amount	Net Withdrawal Rate
65	63	\$2,012,172	\$17,806	\$123,055	\$2,153,032		(\$181,852)	(\$183,175)	8.51%
66	64	1,969,856		118,617	2,088,473		(171,392)	(192,766)	9.23%
67	65	1,895,707		114,285	2,009,992		(199,009)	(248,761)	12.38%
68	66	1,761,231		107,772	1,869,003		(149,353)	(186,691)	9.99%
69	67	1,682,312		103,625	1,785,937		(127,480)	(159,350)	8.92%
70	68	1,626,587		111,244	1,737,831	(2,216)	259,628		
71	69	1,994,335		120,436	2,114,771	(12,001)	(116,872)	(130,174)	6.16%
72	70	1,984,597		123,082	2,107,679	(38,286)	(99,941)	(139,078)	6.60%
73	71	1,968,601		120,712	2,089,313	(40,658)	(102,320)	(153,739)	7.36%
74	72	1,935,574		119,556	2,055,130	(40,829)	(106,646)	(174,137)	8.47%
75	73	1,880,994		116,967	1,997,960	(37,319)	(88,118)	(147,467)	7.38%
76	74	1,850,494		113,545	1,964,039	(34,431)	(94,461)	(152,507)	7.76%
77	75	1,811,532		112,080	1,923,612	(30,845)	(101,549)	(157,781)	8.20%
78	76	1,765,830		108,912	1,874,742	(26,380)	(109,537)	(163,301)	8.71%
79	77	1,711,440		105,169	1,816,609	(21,007)	(118,457)	(169,078)	9.31%
80	78	1,647,530		100,798	1,748,328	(14,308)	(128,654)	(175,126)	10.02%
81	79	1,573,202		94,057	1,667,259	(6,189)	(106,515)	(134,611)	8.07%
82	80	1,532,648		95,428	1,628,076		(116,767)	(116,767)	7.17%
83	81	1,511,309		93,841	1,605,150		(122,317)	(122,317)	7.62%
84	82	1,482,833		91,781	1,574,614		(128,127)	(128,127)	8.14%
85	83	1,446,487		89,200	1,535,687		(134,212)	(134,212)	8.74%
86	84	1,401,475		86,046	1,487,521		(140,583)	(140,583)	9.45%
87	85	1,346,938		82,261	1,429,199		(147,255)	(147,255)	10.30%
88	86	1,281,944		75,286	1,357,230		(154,244)	(154,244)	11.36%
89	87	1,202,986		72,391	1,275,377		(161,564)	(161,564)	12.67%
90	88	1,113,813		66,319	1,180,132		(169,232)	(169,232)	14.34%
91	89	1,010,900		59,021	1,069,921		(186,185)	(186,185)	17.40%
92	90	883,736		50,457	934,193		(194,474)	(194,474)	20.82%
93	91	739,719		40,785	780,504		(203,152)	(203,152)	26.03%
94	92	577,352		29,904	607,256		(212,238)	(212,238)	34.95%
95	93	395,018		17,711	412,729		(221,754)	(221,754)	53.73%
96	94	190,975			190,975		(190,975)	(190,975)	100.00%
		C8a	C8a	C8a		H1 ...H8	C8a	C8a	

## Withdrawal Rates Analysis

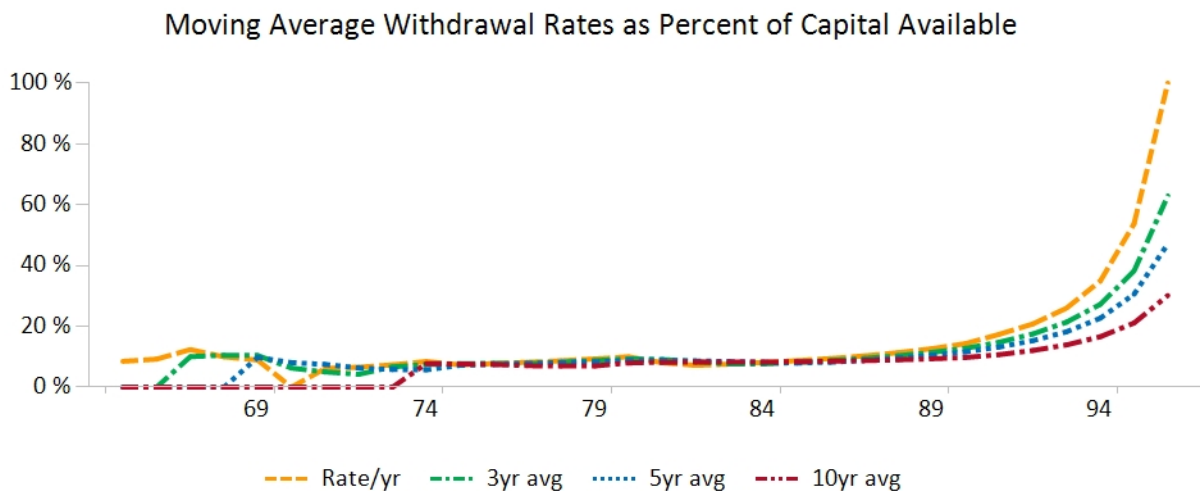
### Sample Financial Plan - TOTAL Goal-Based Planning

It is important to ensure that income is available when you need it. If some of the income requirements are to be met from the capital you have accumulated, then monitoring the rate at which you are spending capital is critical.

The bar graph, indicated on the left scale, measures your capital values available at each year. The line represents the dollar amounts withdrawn from your assets to meet spending requirements.



The following graph measures your spending as a percent of capital each year. It uses a "moving average" method to smooth the lines into an average withdrawal rate over one, three, five and ten year periods.



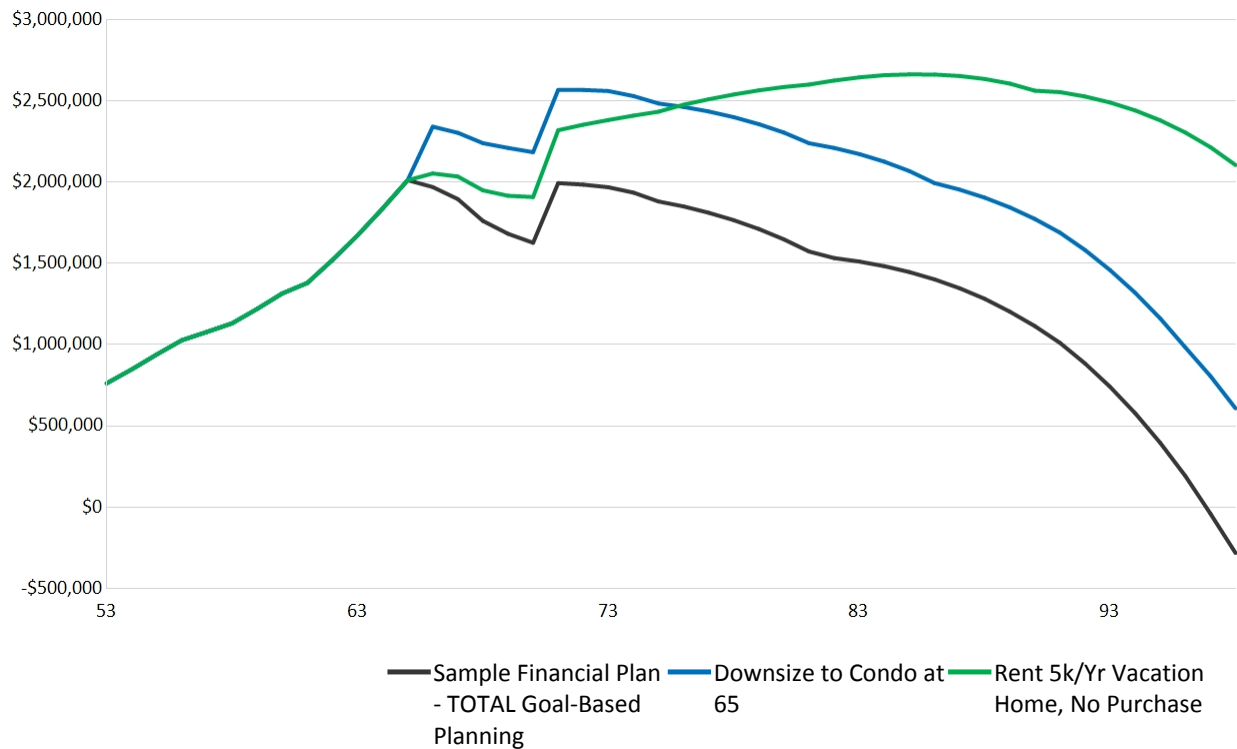
#### Withdrawal Rate Averages

	<u>High</u>	<u>Low*</u>	<u>Average</u>
Annual range (rate for each year)	100.00%	0.00%	14.99%
Three year average range	62.89%	4.25%	12.88%
Five year average range	47.10%	5.72%	11.75%
Ten year average range	30.16%	6.96%	10.58%

*\*Years when there is a positive cash flow and no withdrawals are required results in a 0% withdrawal rate.*

## What-If Graph

### Sample Financial Plan - TOTAL Goal-Based Planning



Ending Retirement Capital	(\$282,909)	\$607,983	\$2,105,309
Monte Carlo Success %	40%	52%	74%

#### Assets

##### Corvallis Home

Age at Sale		65	
Sales Cost %	0.00 %	6.00 %	0.00 %
Replacement Cost	\$0	\$375,000	\$0
% Financed	0.00 %	80.00 %	0.00 %
Mortgage Interest Rate	0.00 %	4.50 %	0.00 %
Mortgage Duration		30	

##### Vacation Home - purchase @ 65

Owner	Allen	Allen
Available for Withdrawal	No	No
Appreciation Rate	2.00 %	2.00 %
Age at Sale	65	65
Replacement Cost	\$350,000	\$350,000
% Financed	80.00 %	80.00 %
Mortgage Interest Rate	5.00 %	5.00 %
Mortgage Duration	15	15

#### Other Incomes and Expenses

Vacation Rental

Annual Amount	(\$5,000)
Increase Rate	3.20 %
Increase Prior To Start Age	Yes
Increase After Start Age	Yes
Start Age	65
Recurring	Yes
Recurring Every Years	1
Recurring Until Age	80
Age Changes	
-53-	
Annual Amount	\$0
Increase Rate	3.20 %
-65-	
Annual Amount	(\$5,000)
Increase Rate	3.20 %
-81-	
Annual Amount	\$0
Increase Rate	3.20 %

**Life Insurance**

## Whole Life

Company	Met Life	NWML	Met Life
Annual Premium	\$1,900	\$650	\$1,900
Face Amount	\$100,000	\$60,000	\$100,000
Cash Value	\$12,450	\$2,850	\$12,450
Retired Annual Premium	\$1,900	\$650	\$1,900
Retired Face Value	\$100,000	\$60,000	\$100,000
Retired Cash Value	\$55,000	\$32,500	\$55,000
Loan Amt	\$2,500	\$0	\$2,500
Owner Type	Allen	Betty	Allen
Beneficiary Type	Betty	Allen	Betty
Insured	Allen	Betty	Allen

## Whole Life

Company	NWML	Met Life	NWML
Annual Premium	\$650	\$1,900	\$650
Face Amount	\$60,000	\$100,000	\$60,000
Cash Value	\$2,850	\$12,450	\$2,850
Retired Annual Premium	\$650	\$1,900	\$650
Retired Face Value	\$60,000	\$100,000	\$60,000
Retired Cash Value	\$32,500	\$55,000	\$32,500
Loan Amt	\$0	\$2,500	\$0

Owner Type	Betty	Allen	Betty
Beneficiary Type	Allen	Betty	Allen
Insured	Betty	Allen	Betty

## Income Tax

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Analysis of your taxable income sources, deductions and Federal and State taxes due.

The analysis includes special dividend and capital gain rates, AMT and other items affecting your income tax and financial results.

These reports are estimates only and should not be relied on for preparation of your income tax return.



## Income Tax Planning

### Sample Financial Plan - TOTAL Goal-Based Planning

Taxation is an important consideration within any financial plan, both for today and in future years. Income taxation has effects on spending, saving, investment growth, and beneficiaries' inheritances. Unfortunately, uncertainty exists regarding future tax levels and rules. Tax planning is a valuable and ongoing process. Congress has made several tax changes in recent years, and tax rules are always subject to change.

**TCJA** In December 2017, Congress passed the Tax Cuts and Jobs Act (TCJA) enacting substantial changes to the US tax code. A majority of changes to individual tax laws stemming from the TCJA are not permanent. Without specific action by Congress, the tax laws will sunset after 2025, reverting to the rules in place before the TCJA. TCJA changes include:

- The top income tax rate reduced from 39.6% to 37%
- The standard deduction amount nearly double from the prior level
- Personal exemptions are suspended
- State and local tax deductions are limited to \$10,000
- Itemized deduction phase-out for high-income taxpayers is suspended
- New limits are placed on the deductibility of home mortgage and home equity loan interest
- Child tax credit increased to \$2,000
- The AMT exemption amount doubled, reducing the number of taxpayers subject to AMT
- Marriage tax penalty eliminated for all but the top tax bracket
- 529 college savings plan use has been extended to allow for qualified K-12 education expenses
- Estate tax exemption amount doubled, significantly reducing the number of estates subject to estate tax

The American Taxpayer Relief Act of 2012 (ATRA) attempted to create greater predictability and stability in the tax code by making what were deemed permanent changes. The passage of the TCJA highlights the critical point that nothing is certain regarding future taxation.

The recent rule changes may introduce the new tax planning strategies and techniques. Making the most of potential tax planning opportunities requires understanding the relative importance of taxation on a particular plan, and recognizing specific tax minimization techniques that may apply to an individual situation. Taxpayers near the top of the 37% bracket might use strategies unnecessary in lower brackets. Tax strategies can vary based on income, deductions, age, marital status, goals, qualified plans, charitable, and estate considerations.

It is worthwhile to consider the long-term impact of taxes and how they may interact with future income streams. For instance, it may be advantageous to convert IRA or 401(k) assets into Roth accounts in years leading up to age 70. Roth IRA conversions could potentially transfer some taxable income to earlier, lower tax bracket years, and result in tax-free income later on and lower RMDs, reducing income exposed to higher tax brackets. Tax planning depends heavily on individual situations, and not all solutions are appropriate for everyone. It may be prudent to consult with a tax specialist when working to implement complex strategies.

It is essential to consider the present and future tax implications of financial decisions and the effect they may have on tax strategies that are being implemented or planned while keeping in mind future tax law changes are unknown.

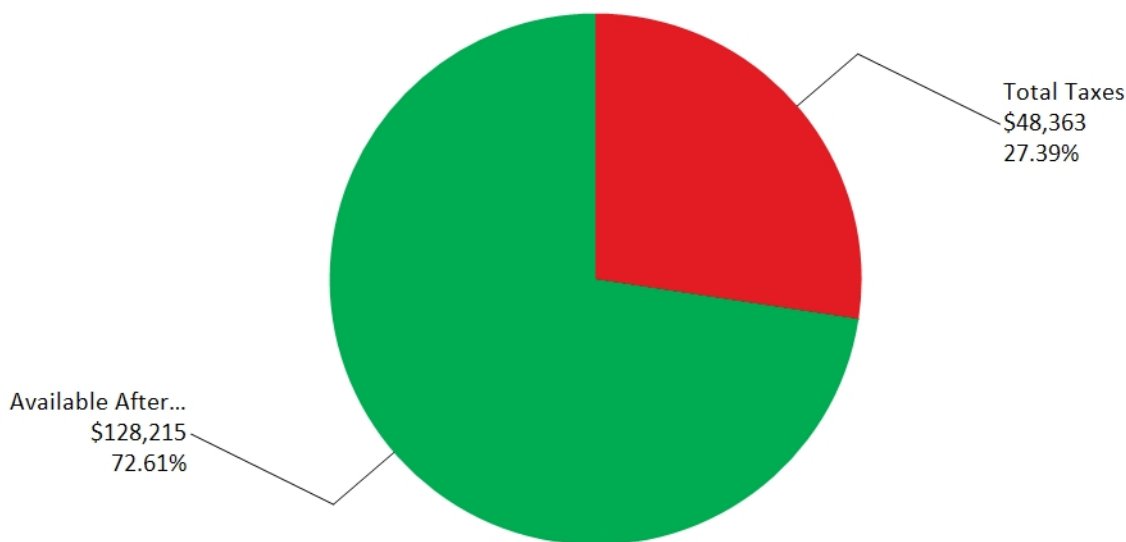
2018 Tax Rates

Single Rates		Joint Rates	
	10.00%		10.00%
\$9,525	12.00%	\$19,050	12.00%
\$38,700	22.00%	\$77,400	22.00%
\$82,500	24.00%	\$165,000	24.00%
\$157,500	32.00%	\$315,000	32.00%
\$200,000	35.00%	\$400,000	35.00%
\$500,000	37.00%	\$600,000	37.00%

## Income Tax

### Sample Financial Plan - TOTAL Goal-Based Planning

Income taxes can consume a substantial portion of your income. One of your objectives should be to control the amount of taxes you must pay through careful management of your income and investment portfolio. The tax calculations are based on the 2018 tax tables.



#### Estimated income and taxes for the current year:

<b>Gross income</b>	\$176,578
Adjustments	(10,046)
<b>Adjusted Gross Income</b>	<b>\$166,532</b>
Itemized or Standard deductions	(24,000)
<b>Taxable income</b>	<b>\$142,532</b>
Federal Income Tax	22,824
FICA (social security) tax	13,217
Other tax or credits	(2,000)
State income tax	14,322
<b>Total Tax</b>	<b>\$48,363</b>

#### Tax Rates:

**Marginal tax rate = 31.00%**

(Combined Federal  
and State tax rates)

**Effective tax rate = 29.04%**

(Taxes divided by Adjusted Gross Income)

D3

## Income Taxes

### Sample Financial Plan - TOTAL Goal-Based Planning

The following calculations give an idea of the amount of taxes you might pay based on the income and asset information provided. These amounts are approximations only and the actual tax amounts may be higher or lower than illustrated.

#### INCOME:

	Gross	Taxable	
Salaries and Wages	\$158,000	\$158,000	G22,23
Interest	1,406	1,406	H1...H4
Schedule C (self employment)	8,000	8,000	G22
Schedule D (net capital gain/loss)*	5,890	5,890	H1...H4
Schedule E (passive gain/loss)	3,281	3,281	
<b>GROSS INCOME</b>		<b>\$176,578</b>	

#### Adjustments:

Retirement account deposits - Allen	\$5,160	(\$5,160)	H5,H6a...H
Retirement account deposits - Betty	4,320	(4,320)	H6...H6d
Self Employment FICA	1,130	(566)	
<b>ADJUSTED GROSS INCOME</b>		<b>\$166,532</b>	

#### Itemized Deductions:

	Gross	Allowed	
Mortgage interest		9,955	K1
Charitable contributions	4,000	4,000	G20
Medical expenses & premiums	4,000		G20
State, property & other tax	21,722	10,000	G20
Itemized deductions		\$23,955	
or Standard deductions		\$24,000	
<b>TAXABLE INCOME</b>		<b>\$142,532</b>	

#### TAX SUMMARY:

Federal Income Tax (Joint)	\$22,824	
FICA (Social Security) & HI Tax	13,217	
Other Taxes or (credits)*	(2,000)	
State Income Tax	14,322	
<b>TOTAL TAXES</b>		<b>\$48,363</b>

Your combined Federal & net State marginal tax bracket is 31.00 % .

Your total taxes equal 29.04 % of your Adjusted Gross Income, and 33.93% of your Taxable income.

\*Dividend and Capital Gains taxed at 15.00 %.

## Income Taxes Paid

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Amount of tax paid on:					Tax paid on assets:					Total Taxes *
	* Earned Income	Soc Sec & Pensions	RMDs	Rental Real Estate	Other Inc & St Opt	Taxable	Equity	Tax-Deferred	Ind. 1 Retire	Ind. 2 Retire	
											\$1,682,223
53 51	\$48,521			\$1,017		\$436	\$1,893				\$51,867
54 52	49,617			1,196		456	2,081				53,350
55 53	53,493			1,379		443	2,282				57,597
56 54	54,708			1,568		281	2,495				59,052
57 55	55,952			1,763	547		2,565				60,827
58 56	57,223			1,965			2,497				61,686
59 57	58,524			2,172			2,410				63,106
60 58	61,587			2,255			2,083				65,926
61 59	62,992			2,344		8	1,950				67,295
62 60	64,430			2,572		24	2,142				69,168
63 61	65,900			2,809	1,133	41	2,360				72,244
64 62	67,405			3,053		58	2,590				73,106
65 63	19,196			2,132			1,323				22,651
66 64				2,300					21,374		23,674
67 65		6,396		2,474					49,752		58,623
68 66		6,524		3,828					37,338		47,691
69 67		11,897		4,014					31,870		47,781
70 68		12,135	443	53,730		186	721				67,216
71 69		12,378	2,400				1,301				16,079
72 70		12,626	7,657				851				21,134
73 71		12,878	8,132						10,761		31,771
74 72		13,136	8,166						26,662		47,963
75 73		13,398	7,464						22,030		42,892
76 74		13,666	6,886						8,257	15,358	44,168
77 75		13,940	6,169							25,387	45,496
78 76		14,218	5,276							27,384	46,879
79 77		14,503	4,201							29,614	48,318
80 78		14,793	2,862							32,164	49,818
81 79		15,089	1,238							21,907	38,234
82 80		15,391									15,391
83 81		15,698									15,698
84 82		16,012									16,012
85 83		16,333									16,333
86 84		16,659									16,659
87 85		16,992									16,992
88 86		17,332									17,332
89 87		17,679									17,679
90 88		18,032									18,032
91 89		10,288									10,288
92 90		10,494									10,494
93 91		10,704									10,704
94 92		10,918									10,918
95 93		11,136									11,136
96 94		11,359									11,359
97 95		11,586									11,586
98 96											
		G9, G11	G11	B14	B9, G7	H1	H2	H4	H5...H6d	H6...H6d	

\*Tax on earned income is calculated using an assumed rate of 31.00% before retirement and 20.00% after.

This may not match the first year calculated taxes.

## Tax Favored Investing

### Sample Financial Plan - TOTAL Goal-Based Planning

This illustration assumes that each account has an existing balance of \$20,000. The illustration is used to compare the future accumulation and income potential of various types of investments.

	<u>Taxable</u>	<u>Tax-Deferred</u>	<u>Tax-Free</u>	<u>Tax Ded.</u>	<u>Capital Gains</u>
Initial Account Balance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Annual deposit available	2,000	2,000	2,000	2,000	2,000
Less taxes at 31.00%*	(620)	(620)	(620)		(620)
Net deposits	\$1,380	\$1,380	\$1,380	\$2,000	\$1,380
Annual interest rate	5.00%	5.00%	5.00%	5.00%	5.00%
Net interest after tax*	3.45%	5.00%	5.00%	5.00%	4.25%

	<u>Ages</u>	<u>Taxable Account</u>	<u>Tax Deferred</u>	<u>Tax Free</u>	<u>Tax Deductible</u>	<u>Capital Gains</u>
53	51	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
54	52	22,118	22,449	22,449	23,100	22,289
55	53	24,308	25,020	25,020	26,355	24,675
56	54	26,575	27,720	27,720	29,773	27,162
57	55	28,919	30,555	30,555	33,361	29,755
58	56	31,344	33,532	33,532	37,129	32,458
59	57	33,853	36,658	36,658	41,086	35,276
60	58	36,449	39,940	39,940	45,240	38,214
61	59	39,134	43,386	43,386	49,602	41,277
62	60	41,912	47,004	47,004	54,182	44,470
63	61	44,785	50,803	50,803	58,991	47,798
64	62	47,758	54,792	54,792	64,041	51,269
65	63	50,833	58,981	58,981	69,343	54,886
66	64	54,014	63,379	63,379	74,910	58,657
67	65	57,306	67,997	67,997	80,756	62,589
68	66	60,710	72,846	72,846	86,894	66,688
69	67	64,232	77,937	77,937	93,338	70,961
70	68	67,876	83,283	83,283	100,105	75,415
71	69	71,645	88,896	88,896	107,210	80,059
72	70	75,545	94,790	94,790	114,671	84,900
73	71	79,579	100,979	100,979	122,504	89,947
Average monthly income**		\$475	\$603	\$603	\$731	\$537
Less average tax at 20.00%*		(40)	(88)		(146)	(34)
<b>Spendable Income</b>		<b>\$435</b>	<b>\$515</b>	<b>\$603</b>	<b>\$585</b>	<b>\$503</b>

Annual Interest Rate = This hypothetical rate is used to show the effect of tax treatments on various account types.

TAXABLE = Bank savings, CDs, corporate or govt. bonds, or other accounts where earnings are fully taxed each year.

TAX-DEFERRED = Annuities or US Savings Bonds where interest accumulates without tax and is then taxed when drawn out of the account.

TAX-FREE = Municipal bonds or funds and Roth IRA where all interest is generally federal tax free and may also be free from state taxation.

TAX-DEDUCTIBLE = Regular IRAs, 401(k), 403(b), etc. where deposits are deductible, tax on interest is deferred, then all withdrawals are fully taxed.

CAPITAL GAINS = Stocks, mutual funds, real estate or other investments qualified for capital gain treatment.

*Note: This report is not intended to apply to any specific savings or investment product. The results illustrated are not estimates or guarantees of future results, and are intended for educational purposes only.*

*\* Capital gains column uses tax rate of 15.00%. Assumes taxes are paid each year on gain.*

*\*\* Assuming entire balance is paid in level annual distributions over an age 73 life expectancy period of 24.0 years*

## Estate

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This section evaluates your financial estate with an illustration of potential estate taxes and settlement costs. It highlights the potential savings that might be realized through use of certain trust and estate planning tools.

You may want to consult with an estate planning attorney for a more detailed analysis of the options available and for additional evaluation of other techniques that might be of benefit.

## Estate Planning

### Sample Financial Plan - TOTAL Goal-Based Planning

The Estate Planning section of this analysis will provide you with information that can help you understand your exposure to estate taxes and to visualize some of the potential techniques that could be considered.

#### As part of your estate planning you should consider the following:

- Are your wills and other estate documents current with the existing legal conditions?
- Have you recently reviewed your desires regarding final disposition of your remainder estate?
- Is your estate large enough now or is it anticipated that it will grow to an extent that your exposure to estate taxes could be costly to your heirs?
- Have you considered the various trust planning techniques available that could help reduce costs and taxes?
- Could charitable gifting assist in reducing your estate costs and at the same time provide a benefit to others, instead of the IRS?
- Have you taken advantage of Living Wills and other pre-planning techniques that might help your survivors avoid trauma and indecision at a time when they are already under stress?

The following analysis of your estate situation is developed to illustrate your potential exposure now and in the future. The estate flow charts are prepared using two assumptions:

- The first illustration shows the costs as if you did not have any trust planning in effect, particularly in the form of Credit Shelter Trust or Life Insurance Trust planning.
- The second illustration shows the benefit of using the Credit Shelter Trust and an Irrevocable Life Insurance Trust.

By comparing the two results you will be able to understand the impact of estate planning using just these two trust arrangements. Additional techniques are described in the "Estate Concept" illustration pages.

## Your Current Estate Details

### Sample Financial Plan - TOTAL Goal-Based Planning

The illustrations in this report are based on information that you provided. As you review the Estate Planning reports, please be aware that the numbers provided are only estimates and are not to be relied on for actual estate tax reporting. You should always rely on your legal and financial professionals for final information about your estate and other tax planning issues.

#### Basic Data

	Allen	Betty
Current Ages	53	51
Age at death for the estate options illustration	65	63
Estimated final expenses (increasing at 3.20% per year.)	\$15,000	\$15,000
Administrative and probate expense estimate as a percent of estate assets	First death 3.00% Second death 4.00%	

#### Existing Estate Planning

	Allen	Betty
Will	Yes	Yes
Revocable Living Trust	Yes	Yes
Joint Revocable Trust	No	
Marital Trust Provisions	Yes	Yes
Credit Shelter Trust Provisions	No	No
QTIP Trust Provisions	No	No
Testamentary Trust Provisions	No	No
Generation Skipping Trust Provisions	No	No
Irrevocable Life Insurance Trust	No	No
Durable General Power of Attorney	No	No
Durable Health Care Power of Attorney	Yes	Yes
Living Will	Yes	Yes

#### Estate Assets Summary:

	Allen	Betty	Joint/Other
Ordinary Income/Interest bearing accounts	\$12,450	\$2,850	
Equity, Investment accounts			248,800
Retirement accounts	330,000	183,050	
Residence and Personal Property	498,480		19,600
Real Estate Investments			200,000
Debts and mortgages	(9,140)		(350,000)
Totals	\$831,790	\$185,900	\$118,400
<b>Net Worth</b>	<b><u>\$1,136,090</u></b>		
Life Insurance	<u>\$97,500</u>	<u>\$60,000</u>	

#### Plan for estate needs:

A careful review of the information shown above will help you to determine which legal estate planning tools should be considered in order to be fully protected. As you consider the various estate planning tools listed, please recognize that competent legal advice is necessary to assure that the documents are properly prepared.

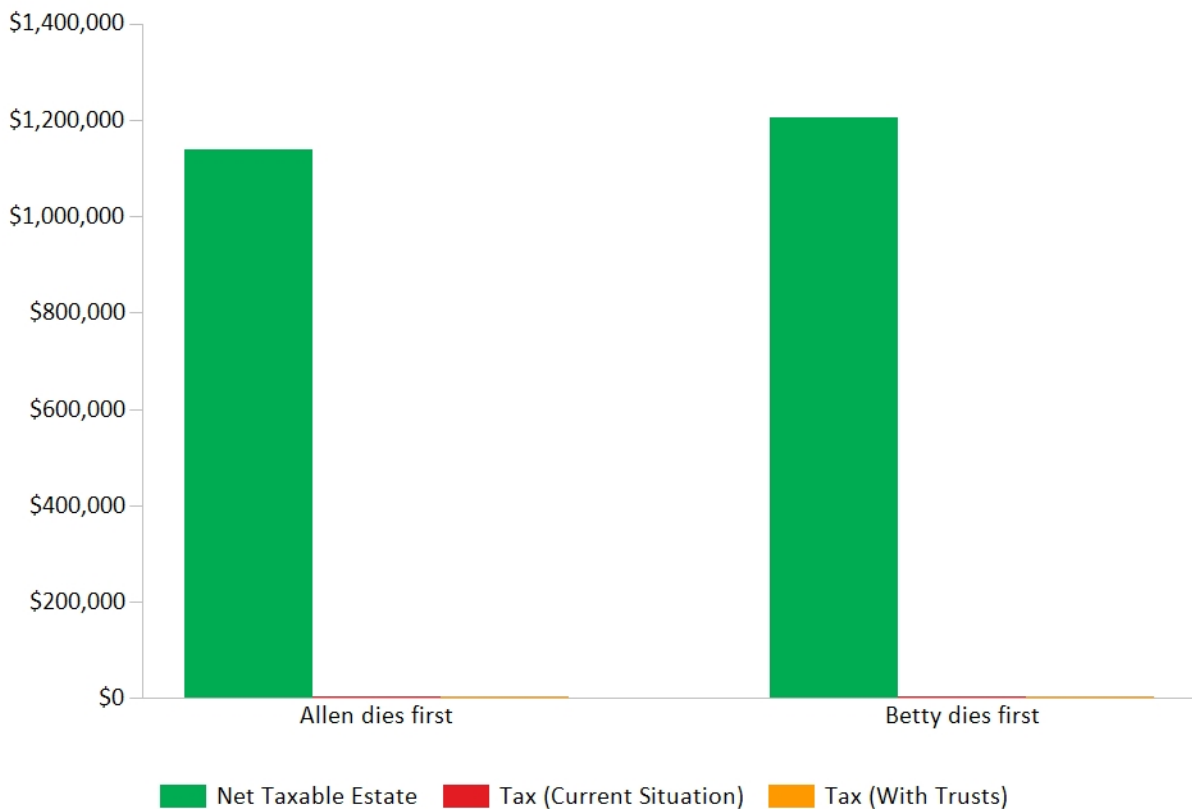
Any family members who might have a concern regarding the above items should be appropriately involved in your estate planning and protection to avoid possible confusion or uncertainty of your wishes when an event requires use of any of the documents.

Proper planning and preparation before a need arises can avoid unnecessary delay, confusion, potential legal costs and family disruption.



## Estate Taxes

### Sample Financial Plan - TOTAL Goal-Based Planning



	<u>Allen dies first</u>		<u>Betty dies first</u>	
All assets including life insurance	\$2,135,950		\$2,135,950	
Debts and expenses	(982,584)		(916,091)	
Less				
Less bequests to other than spouse	(16,100)		(16,100)	
Net estate	\$1,137,266		\$1,203,759	
	Current	With	Current	With
	Situation	Trusts	Situation	Trusts
Estate tax	\$0	\$0	\$0	\$0
To heirs	1,061,716	1,236,769	1,128,209	1,272,109
Gain using trust	\$175,053		\$143,900	

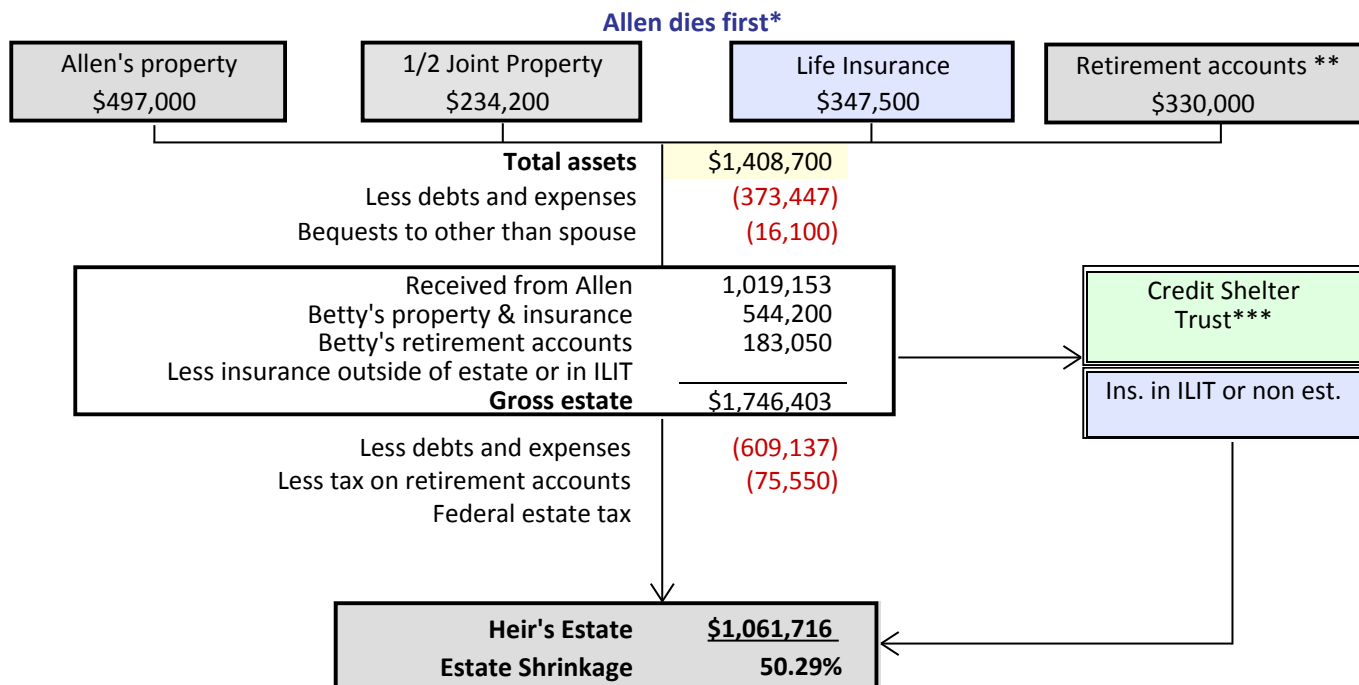


## Estate Taxes - Current Situation

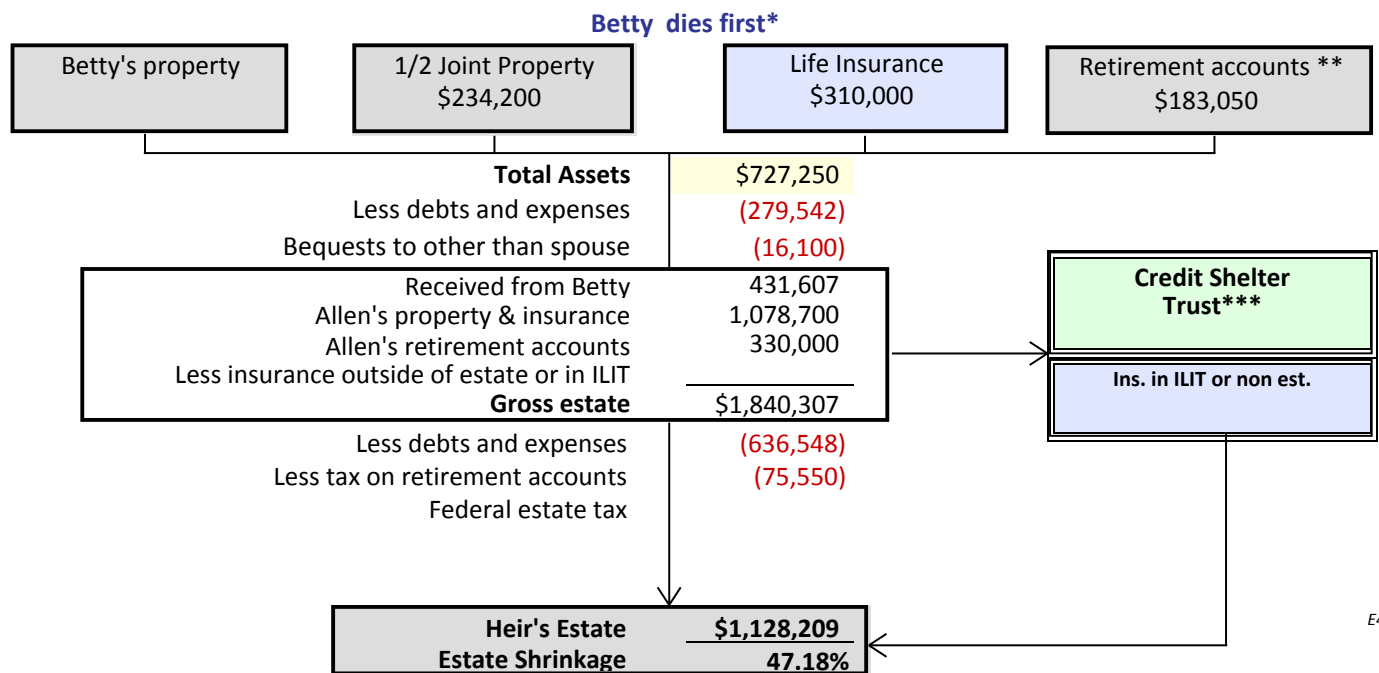
E5

### Sample Financial Plan - TOTAL Goal-Based Planning

When assets are passed to heirs by simple wills (or by State statutes when no wills exist), the estate will probably be subject to the maximum amount of Federal Estate taxes. The illustration assumes only life insurance currently owned in an Irrevocable Life Insurance Trust is exempt from estate tax.



While estate taxes may not be a serious problem for smaller estates, time, combined with the growth of successful investments or inflation can result in a substantial estate tax liability.



You may want to consider various types of trust or estate planning techniques to help assure that all aspects of your estate disposition are handled according to your wishes and with the minimum estate taxation. This report is an estimate and does not constitute legal advice. You should always obtain legal counsel before taking action affecting your estate planning.

\*The above results are based on both deaths occurring in the current year. Results will vary in future years.

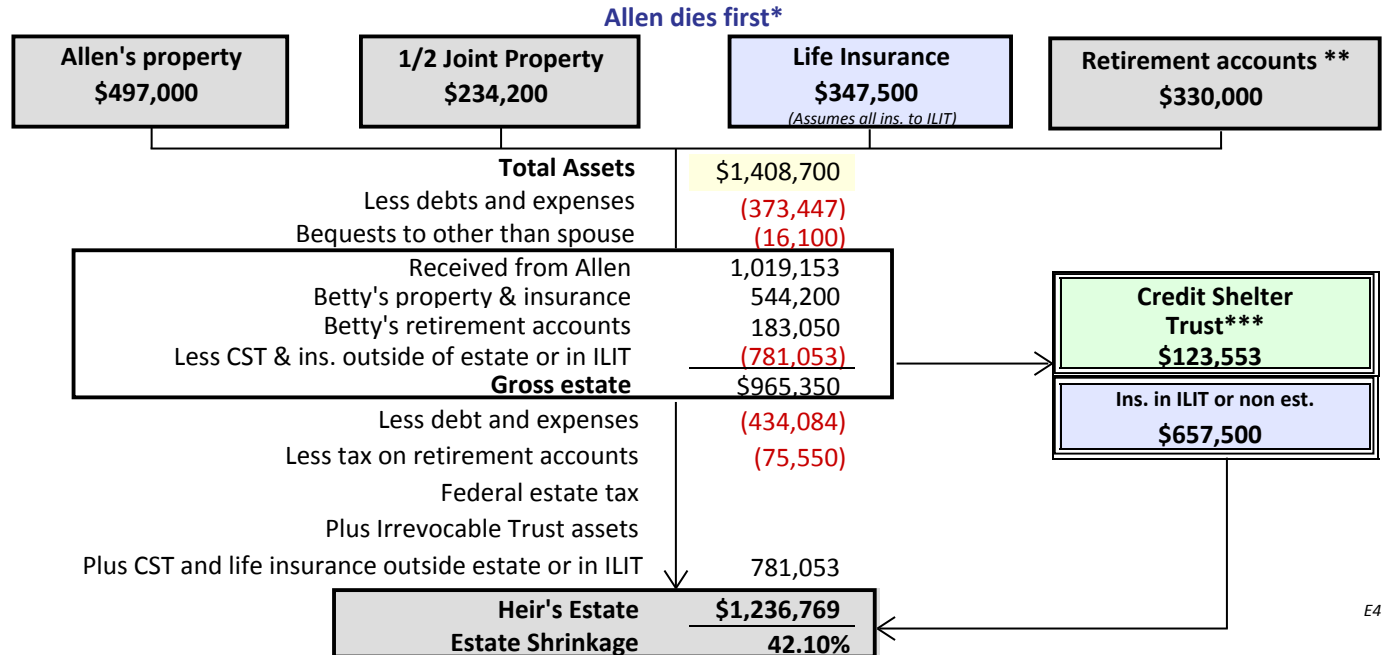
\*\* Retirement accounts will be subject to additional income taxes.

\*\*\* The Credit Shelter Trust is funded with the smaller of the Unified Tax Credit Equivalent or separate property.

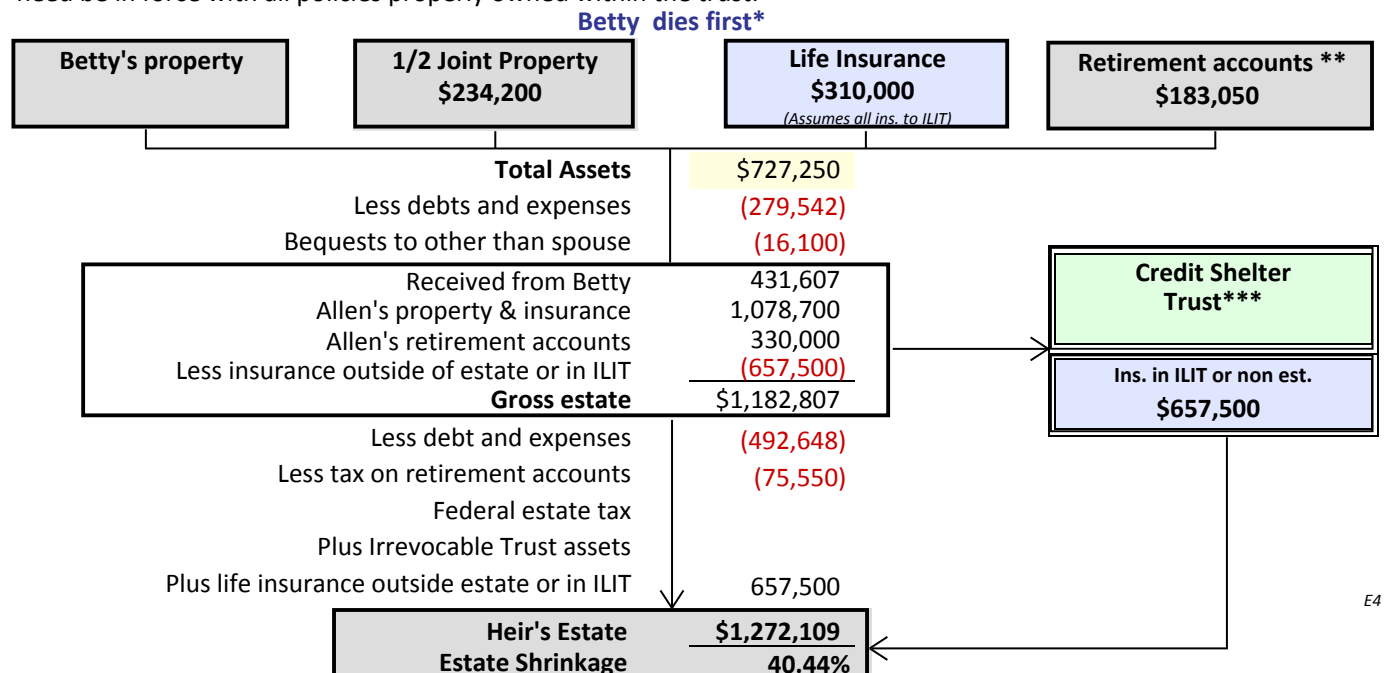
## Estate Taxes - With Trusts

### Sample Financial Plan - TOTAL Goal-Based Planning

You might consider using a Credit Shelter Trust to minimize the cost of passing your assets to your heirs. This is accomplished by arranging to have a portion of your assets placed into trust upon the first death. The income from the trust may be made available to the surviving spouse, allowing the remaining trust assets to pass to the heirs without ever being included in the second spouse's estate. This illustration assumes all life insurance is held in an Irrevocable Life Insurance Trust (ILIT) and protected from estate taxes.



In order to take advantage of a Credit Shelter Trust, your assets must be owned in a manner that will enable the assets to flow into the trust, such as separately owned or community property assets. Jointly held assets may be placed in the trust only if the surviving spouse makes a special election. An Irrevocable Life Insurance Trust would need be in force with all policies properly owned within the trust.



If you decide to use these techniques, you should coordinate the process with all appropriate legal and financial advisors to evaluate the benefits of the trusts. Implementation would require preparation of will and trust documents and possible re-titling of some assets and insurance policies in order to maximize the effect of the trust planning.

\*Retirement accounts will be subject to additional income tax.

\*\*The above results are based on both deaths occurring in the current year. Results will vary in future years.

\*\*\* The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property

## Future Estate Costs

Sample Financial Plan - TOTAL Goal-Based Planning

Deaths in same year - Allen dies first.

Ages		Assets & Insurance*	Debts & Expenses** (after both deaths)	Net Estate	Current Situation		Credit Shelter Trust and Irrev. Life Ins Trust ****		Gain with Trusts
					Estate Tax	To Heirs	Estate tax	To Heirs	
53	51	\$2,135,950	(\$982,584)	\$1,153,366	\$0	\$1,153,366	\$0	\$1,312,319	\$158,953
54	52	2,231,887	(481,168)	1,750,719		1,750,719		1,770,878	20,159
55	53	2,334,562	(476,132)	1,858,431		1,858,431		1,878,881	20,450
56	54	2,433,241	(470,340)	1,962,901		1,962,901		1,983,655	20,754
57	55	2,495,850	(462,003)	2,033,846		2,033,846		2,054,916	21,070
58	56	2,560,552	(453,163)	2,107,389		2,107,389		2,128,787	21,398
59	57	2,661,624	(445,647)	2,215,977		2,215,977		2,237,715	21,738
60	58	2,769,638	(437,815)	2,331,823		2,331,823		2,353,912	22,089
61	59	2,847,412	(427,611)	2,419,801		2,419,801		2,442,253	22,452
62	60	3,002,065	(420,808)	2,581,257		2,581,257		2,604,083	22,826
63	61	3,167,506	(413,763)	2,753,743		2,753,743		2,776,955	23,212
64	62	3,097,467	(397,241)	2,700,226		2,700,226		2,723,835	23,609
65	63	3,036,897	(373,757)	2,663,141		2,663,141		2,687,158	24,018
66	64	3,462,578	(716,376)	2,746,201		2,746,201		2,788,749	42,548
67	65	3,413,124	(678,683)	2,734,441		2,734,441		2,777,782	43,341
68	66	3,303,932	(633,836)	2,670,096		2,670,096		2,714,248	44,153
69	67	3,250,891	(590,954)	2,659,937		2,659,937		2,704,920	44,983
70	68	3,221,643	(547,713)	2,673,930		2,673,930		2,719,763	45,833
71	69	3,330,837	(489,142)	2,841,695		2,841,695		2,888,396	46,702
72	70	3,343,084	(471,692)	2,871,392		2,871,392		2,918,982	47,590
73	71	3,349,579	(453,325)	2,896,254		2,896,254		2,944,751	48,498
74	72	3,339,554	(432,268)	2,907,286		2,907,286		2,956,712	49,426
75	73	3,308,494	(407,823)	2,900,671		2,900,671		2,951,045	50,374
76	74	3,302,039	(383,930)	2,918,109		2,918,109		2,969,451	51,342
77	75	3,287,653	(360,584)	2,927,069		2,927,069		2,979,400	52,331
78	76	3,267,066	(337,091)	2,929,974		2,929,974		2,983,316	53,342
79	77	3,238,336	(312,069)	2,926,267		2,926,267		2,980,641	54,374
80	78	3,200,641	(285,422)	2,915,219		2,915,219		2,970,647	55,428
81	79	3,153,090	(257,048)	2,896,042		2,896,042		2,952,545	56,504
82	80	3,139,884	(260,193)	2,879,691		2,879,691		2,937,294	57,602
83	81	3,146,474	(261,342)	2,885,132		2,885,132		2,943,856	58,724
84	82	3,146,517	(262,012)	2,884,504		2,884,504		2,944,373	59,868
85	83	3,139,289	(262,149)	2,877,139		2,877,139		2,938,176	61,037
86	84	3,124,004	(261,695)	2,862,309		2,862,309		2,924,539	62,229
87	85	3,099,815	(260,586)	2,839,229		2,839,229		2,902,676	63,447
88	86	3,065,799	(258,753)	2,807,046		2,807,046		2,871,735	64,689
89	87	3,018,462	(257,988)	2,760,474		2,760,474		2,826,430	65,956
90	88	2,961,563	(259,421)	2,702,141		2,702,141		2,769,392	67,250
91	89	2,794,088	(253,731)	2,540,357		2,540,357		2,608,928	68,570
92	90	2,700,540	(253,917)	2,446,623		2,446,623		2,516,540	69,917
93	91	2,590,829	(253,571)	2,337,257		2,337,257		2,408,549	71,292
94	92	2,463,469	(252,637)	2,210,832		2,210,832		2,283,526	72,694
95	93	2,316,858	(251,054)	2,065,804		2,065,804		2,139,929	74,125
96	94	2,149,266	(248,757)	1,900,509		1,900,509		1,976,094	75,585
97	95	1,935,485	(244,742)	1,690,743		1,690,743		1,767,818	77,075
98	96								

\*Assets &amp; Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

\*\*Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

\*\*\* May include insurance held outside of the estate.

\*\*\*\*The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property plus 1/2 community property. Expenses reduced on trust assets.

It is assumed that both deaths occur at each age illustrated.

## Future Estate Costs Graph

Sample Financial Plan - TOTAL Goal-Based Planning

**Deaths in same year - Allen dies first.**

### Tax Cut and Jobs Act

The Tax Cuts and Jobs Act, which went into effect at the end of 2017, includes a provision that temporarily doubles the estate exclusion amount. The new exclusion allows up to \$11,200,000 to be transferred before being taxed at 40% estate rate. The provision is set to expire in 2026, at which point the exclusion will return to \$5,600,000.

### An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently \$11,200,000 per person in 2018). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated taxable estate and estate tax exposure at each year end.



Age	Retirement Capital*	Debts & Expenses	Net Taxable Estate	Exclusion Amount	Estimated Estate Tax
53	\$2,135,950	(\$982,584)	\$1,153,366	\$22,400,000	
54	2,231,887	(481,168)	1,750,719	22,848,000	
55	2,334,562	(476,132)	1,858,431	23,304,960	
56	2,433,241	(470,340)	1,962,901	23,771,059	
57	2,495,850	(462,003)	2,033,846	24,246,480	
58	2,560,552	(453,163)	2,107,389	24,731,410	
59	2,661,624	(445,647)	2,215,977	25,226,038	
60	2,769,638	(437,815)	2,331,823	25,730,559	
61	2,847,412	(427,611)	2,419,801	13,122,585	
62	3,002,065	(420,808)	2,581,257	13,385,037	

## Future Estate Costs

Sample Financial Plan - TOTAL Goal-Based Planning

Deaths in same year - Betty dies first.

Ages		*Assets & Insurance (net of bequests)	** Debts & Expenses (after both deaths)	Net Estate	Current Situation		Credit Shelter Trust and Irrev. Life Ins Trust ****		Gain with Trusts
					Estate Tax	To Heirs	Estate tax	To Heirs	
53	51	\$2,089,430	(\$916,091)	\$1,173,339	\$0	\$1,173,339	\$0	\$1,347,659	\$174,320
54	52	2,183,278	(461,046)	1,722,231		1,722,231		1,722,654	423
55	53	2,283,717	(455,483)	1,828,233		1,828,233		1,828,772	539
56	54	2,380,246	(449,104)	1,931,142		1,931,142		1,931,798	656
57	55	2,441,491	(440,143)	2,001,348		2,001,348		2,002,120	772
58	56	2,504,784	(430,640)	2,074,144		2,074,144		2,075,033	889
59	57	2,603,655	(422,421)	2,181,234		2,181,234		2,182,240	1,005
60	58	2,709,316	(413,843)	2,295,474		2,295,474		2,296,595	1,122
61	59	2,785,396	(402,829)	2,382,567		2,382,567		2,383,805	1,238
62	60	2,936,682	(395,168)	2,541,513		2,541,513		2,542,868	1,355
63	61	3,098,519	(387,211)	2,711,308		2,711,308		2,712,779	1,471
64	62	3,030,005	(362,523)	2,667,483		2,667,483		2,669,070	1,588
65	63	2,970,755	(345,212)	2,625,543		2,625,543		2,627,247	1,704
66	64	3,387,164	(674,360)	2,712,804		2,712,804		2,714,580	1,776
67	65	3,338,788	(638,614)	2,700,173		2,700,173		2,701,990	1,817
68	66	3,231,973	(600,099)	2,631,875		2,631,875		2,633,732	1,858
69	67	3,180,088	(562,132)	2,617,956		2,617,956		2,619,854	1,899
70	68	3,151,477	(523,336)	2,628,141		2,628,141		2,630,081	1,940
71	69	3,258,293	(464,836)	2,793,457		2,793,457		2,795,437	1,981
72	70	3,270,273	(447,780)	2,822,493		2,822,493		2,824,514	2,022
73	71	3,276,627	(429,121)	2,847,505		2,847,505		2,849,568	2,063
74	72	3,266,820	(409,363)	2,857,458		2,857,458		2,859,561	2,104
75	73	3,236,437	(388,606)	2,847,831		2,847,831		2,849,975	2,145
76	74	3,230,122	(367,769)	2,862,353		2,862,353		2,864,539	2,186
77	75	3,216,050	(343,200)	2,872,849		2,872,849		2,875,076	2,227
78	76	3,195,910	(315,662)	2,880,248		2,880,248		2,882,516	2,268
79	77	3,167,807	(286,198)	2,881,608		2,881,608		2,883,917	2,309
80	78	3,130,932	(254,681)	2,876,251		2,876,251		2,878,601	2,350
81	79	3,084,417	(220,974)	2,863,443		2,863,443		2,865,833	2,391
82	80	3,071,499	(220,712)	2,850,787		2,850,787		2,853,219	2,432
83	81	3,077,945	(224,737)	2,853,208		2,853,208		2,855,681	2,473
84	82	3,077,987	(228,671)	2,849,316		2,849,316		2,851,829	2,514
85	83	3,070,916	(232,494)	2,838,422		2,838,422		2,840,976	2,555
86	84	3,055,965	(236,185)	2,819,780		2,819,780		2,822,376	2,596
87	85	3,032,302	(239,718)	2,792,585		2,792,585		2,795,221	2,637
88	86	2,999,028	(243,067)	2,755,961		2,755,961		2,758,638	2,678
89	87	2,952,721	(244,066)	2,708,655		2,708,655		2,711,374	2,719
90	88	2,897,061	(241,999)	2,655,062		2,655,062		2,657,822	2,760
91	89	2,733,234	(235,202)	2,498,032		2,498,032		2,500,833	2,801
92	90	2,641,724	(230,756)	2,410,967		2,410,967		2,413,809	2,842
93	91	2,534,401	(225,273)	2,309,129		2,309,129		2,312,011	2,882
94	92	2,409,816	(218,653)	2,191,163		2,191,163		2,194,086	2,923
95	93	2,266,398	(210,789)	2,055,609		2,055,609		2,058,573	2,964
96	94	2,102,456	(201,564)	1,900,892		1,900,892		1,903,897	3,005
97	95	1,893,331	(192,579)	1,700,752		1,700,752		1,703,799	3,046
98	96								

\*Assets &amp; Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

\*\*Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

\*\*\* May include insurance held outside of the estate.

\*\*\*\*The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property plus 1/2 community property.

It is assumed that both deaths occur at each age illustrated.



## Future Estate Costs Graph

Sample Financial Plan - TOTAL Goal-Based Planning

**Deaths in same year - Betty dies first.**

### Tax Cut and Jobs Act

The Tax Cuts and Jobs Act, which went into effect at the end of 2017, includes a provision that temporarily doubles the estate exclusion amount. The new exclusion allows up to \$11,200,000 to be transferred before being taxed at 40% estate rate. The provision is set to expire in 2026, at which point the exclusion will return to \$5,600,000.

### An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently \$11,200,000 per person in 2018). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated taxable estate and estate tax exposure at each year end.



Age	Retirement Capital*	Debts & Expenses	Net Taxable Estate	Exclusion Amount	Estimated Estate Tax
53	\$2,089,430	(\$916,091)	\$1,173,339	\$22,400,000	
54	2,183,278	(461,046)	1,722,231	22,848,000	
55	2,283,717	(455,483)	1,828,233	23,304,960	
56	2,380,246	(449,104)	1,931,142	23,771,059	
57	2,441,491	(440,143)	2,001,348	24,246,480	
58	2,504,784	(430,640)	2,074,144	24,731,410	
59	2,603,655	(422,421)	2,181,234	25,226,038	
60	2,709,316	(413,843)	2,295,474	25,730,559	
61	2,785,396	(402,829)	2,382,567	13,122,585	
62	2,936,682	(395,168)	2,541,513	13,385,037	



## Estate Planning Concept Illustrations

### Sample Financial Plan - TOTAL Goal-Based Planning

The following Estate Planning report pages are provided to illustrate various conceptual planning techniques that might be considered for present or future use.

The estate reports illustrate several techniques that might be considered in a more extensive analysis, but is by no means comprehensive. Although these concepts have been used in the past, their applicability will be subject to the results of possible changes in estate taxation decisions made by Congress going forward.

#### The present estate tax situation is described below:

<u>Year</u>	<u>Exemption amount</u>	<u>Highest rate</u>
2011	5,000,000	35%
2012	5,120,000	35%
2013	5,250,000	40%
2014	5,340,000	40%
2015	5,430,000	40%
2016	5,450,000	40%
2017	5,490,000	40%
2018	11,200,000	40%

Unless Congress makes changes, the estate tax will remain as it is in 2018 with indexing adjustments each year until 2026. In 2026, the estate exemption is scheduled to halve, potentially dramatically increasing the amount of estate tax due.

At present when an heir receives property from an estate, the property takes a "stepped up basis", protecting the heir from income tax on appreciation that occurred prior to the estate settlement.

An import concept in estate planning is portability. This means that the second spouse to die has full access to any applicable estate credit not used at the death of the first spouse.

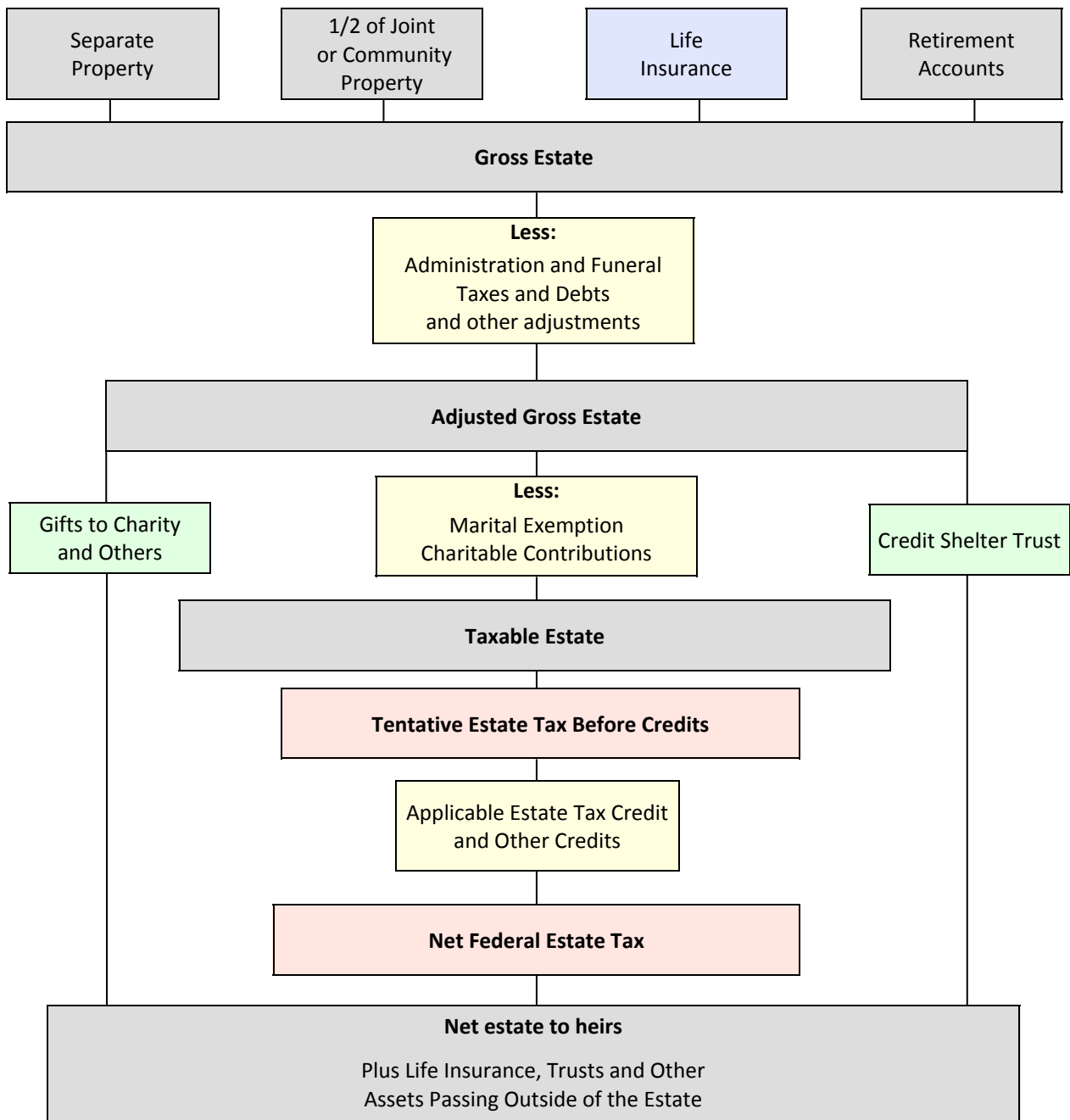
It is still possible Congress will make additional changes to the situation described above. For this reason it is suggested that a separate analysis of your estate planning be considered only if it appears that your situation might benefit from more in-depth analysis and planning. Please recognize that any estate suggestions made now could require total revision depending on future changes in the estate tax laws enacted in the next few years.

## Calculating Estate Taxes

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

Illustrating a typical process for computing estate taxes.

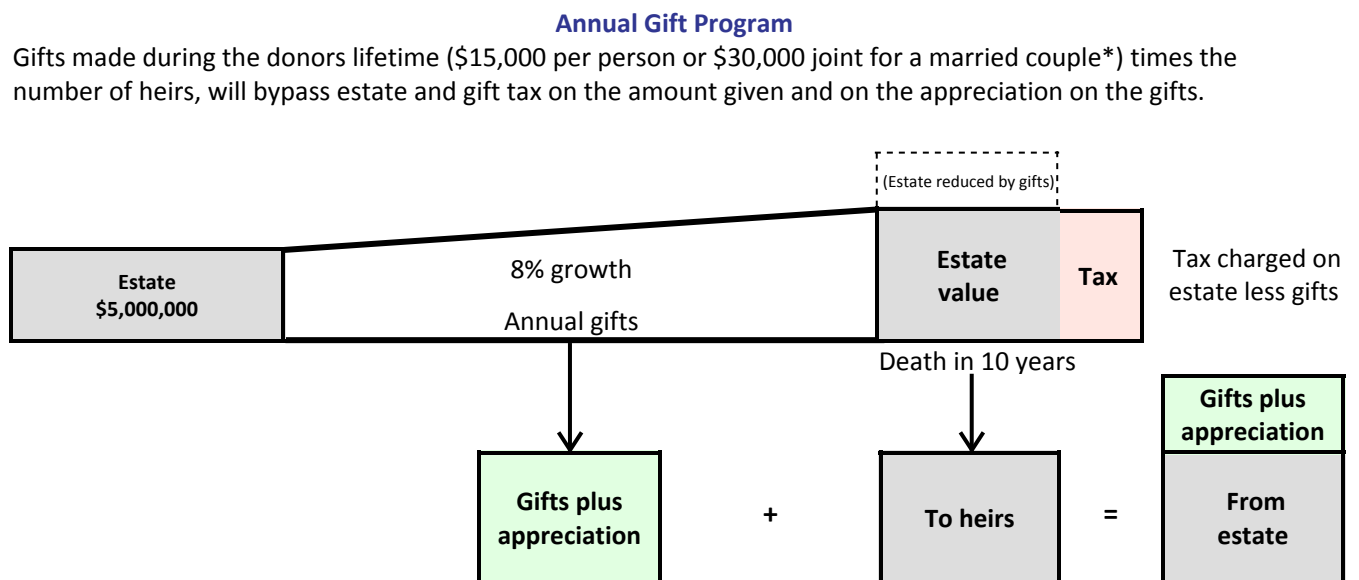
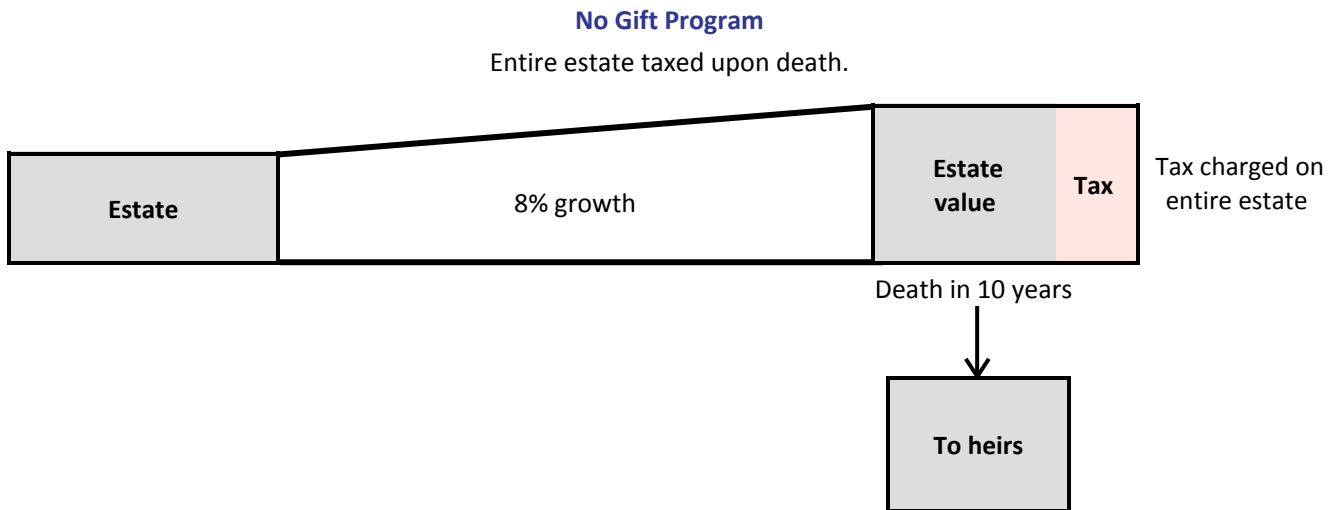


## Gifting Program

Sample Financial Plan - TOTAL Goal-Based Planning

### (Concept illustration)

A significant benefit of making tax free gifts from your estate is the ability to avoid estate taxes on the future appreciation of the property gifted.



The ability to gift assets to donees without payment of gift or estate taxes can substantially increase the future values available to heirs. When the \$5,000,000 estate described above is compared without and with a program of giving \$28,000 per year for 10 years, the savings in estate taxes increases the future benefit to heirs from \$10,804,720 to \$10,975,470, an increase of \$170,750.

Note: The current estate tax rules and probable future changes could dramatically affect a gifting program either positively or negatively.

*\*2018 amounts are shown. Allowable amount for gifting is scheduled to increase in future years.*

## Irrevocable Life Insurance Trust (ILIT)

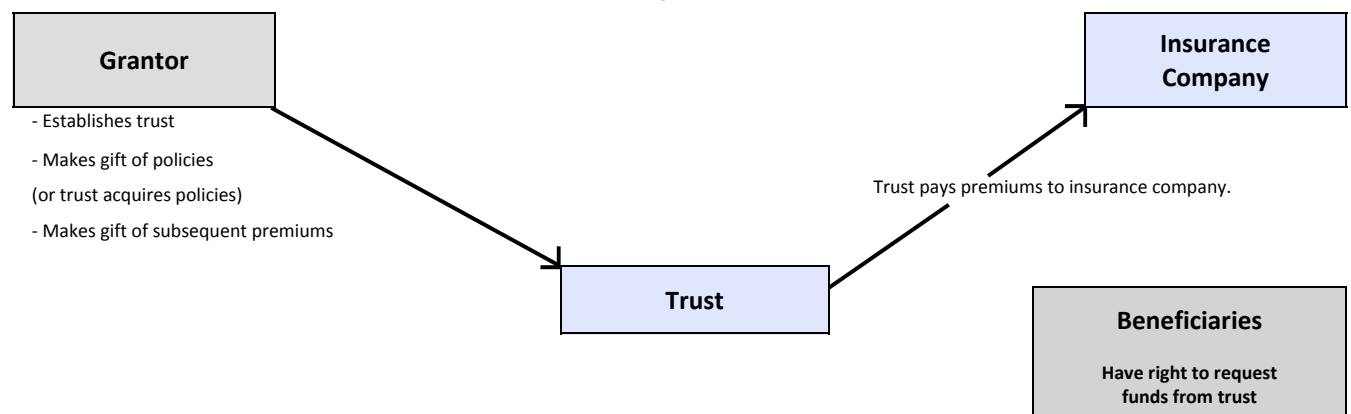
Sample Financial Plan - TOTAL Goal-Based Planning

### (Concept illustration)

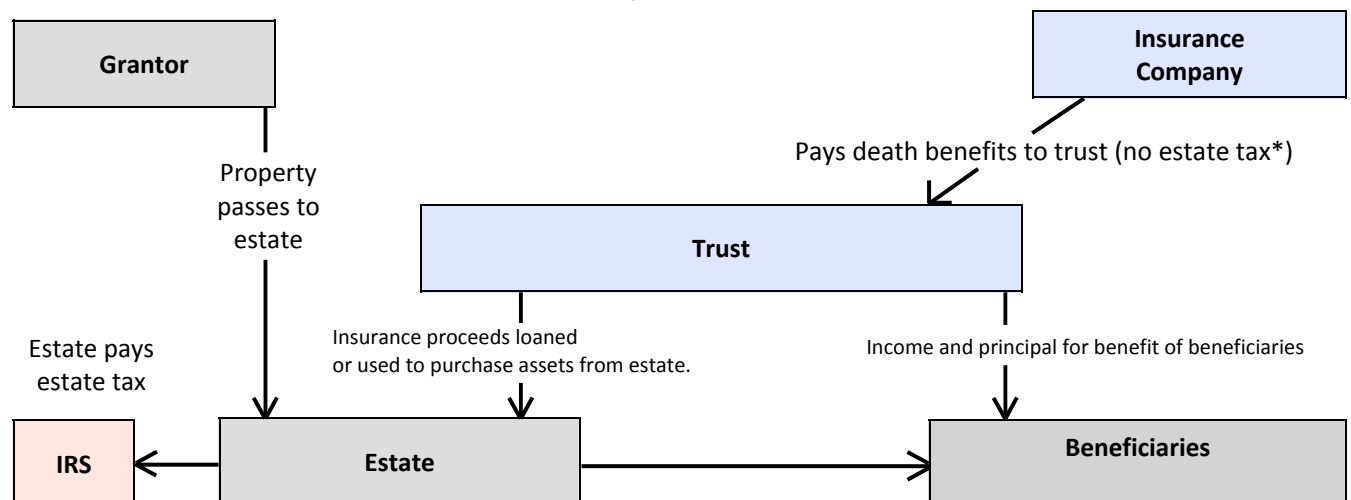
The Irrevocable Life Insurance Trust (ILIT) is a basic and useful tool for estate planning. When an ILIT is funded with life insurance it may accomplish multiple objectives.

- Provide income for a family
- Provide funds for estate settlements costs
- Avoid increasing estate taxes
- Avoid probate costs
- Provide for management of assets
- Maintain confidentiality
- Take advantage of gift tax laws
- Help provide a minimal drain on present funds

#### During Lifetime



#### Upon Death



\* If existing policies are gifted to trust, insured must live 3 years to avoid tax.

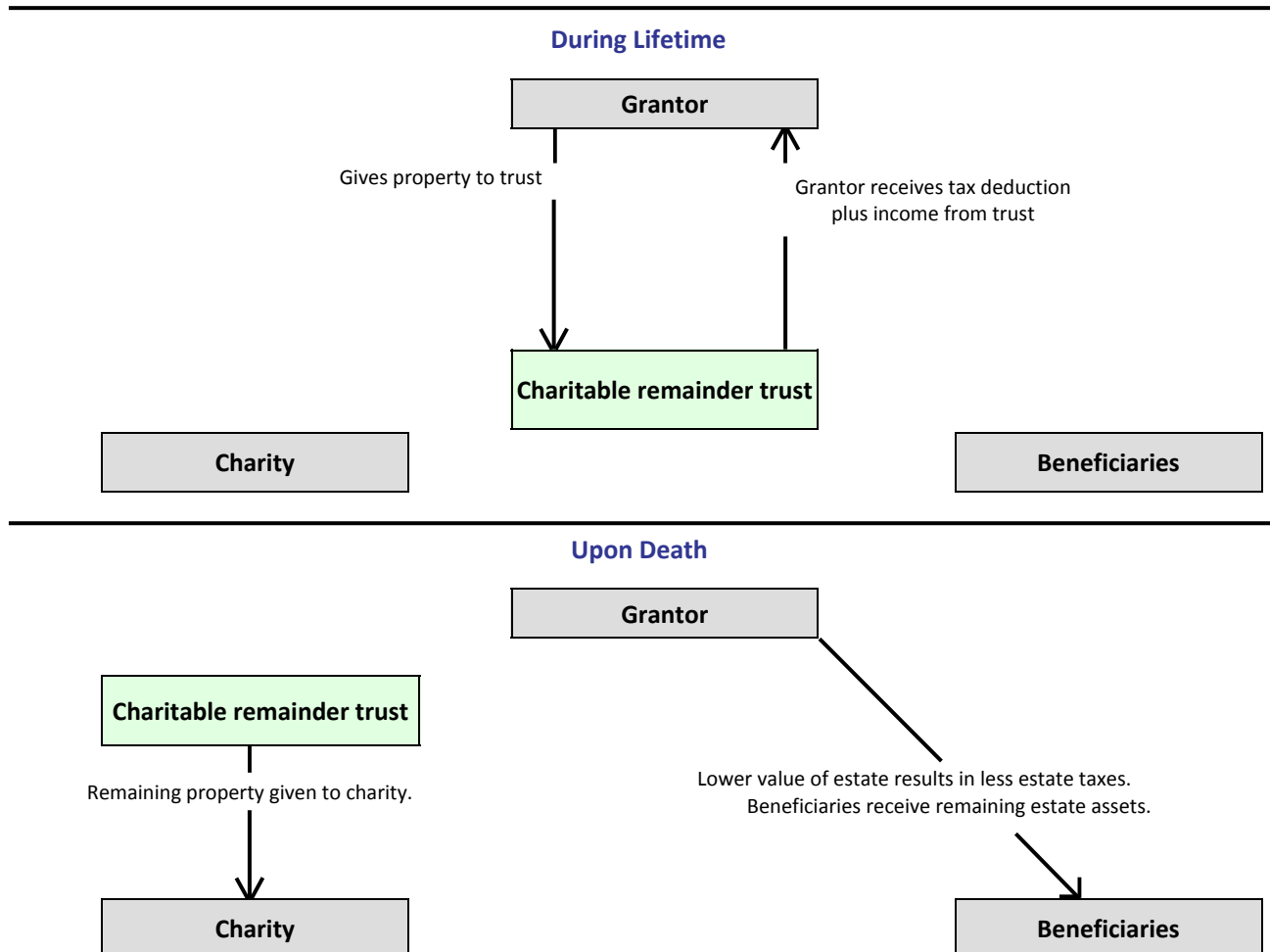
## Charitable Remainder Trust (CRT)

Sample Financial Plan - TOTAL Goal-Based Planning  
(Concept illustration)

Using a charitable remainder trust, an individual makes a substantial deferred gift to a charity while retaining the right to receive payments from the trust. The use of such a trust can have multiple tax and non-tax advantages, particularly when the gift is in the form of appreciated property.

Some of the potential benefits:

- Immediate reduction in income taxes
- Increased cash flow
- Avoidance of capital gains upon sale of the asset
- Eventual reduction of estate taxes
- Satisfaction of benefiting a favored charity



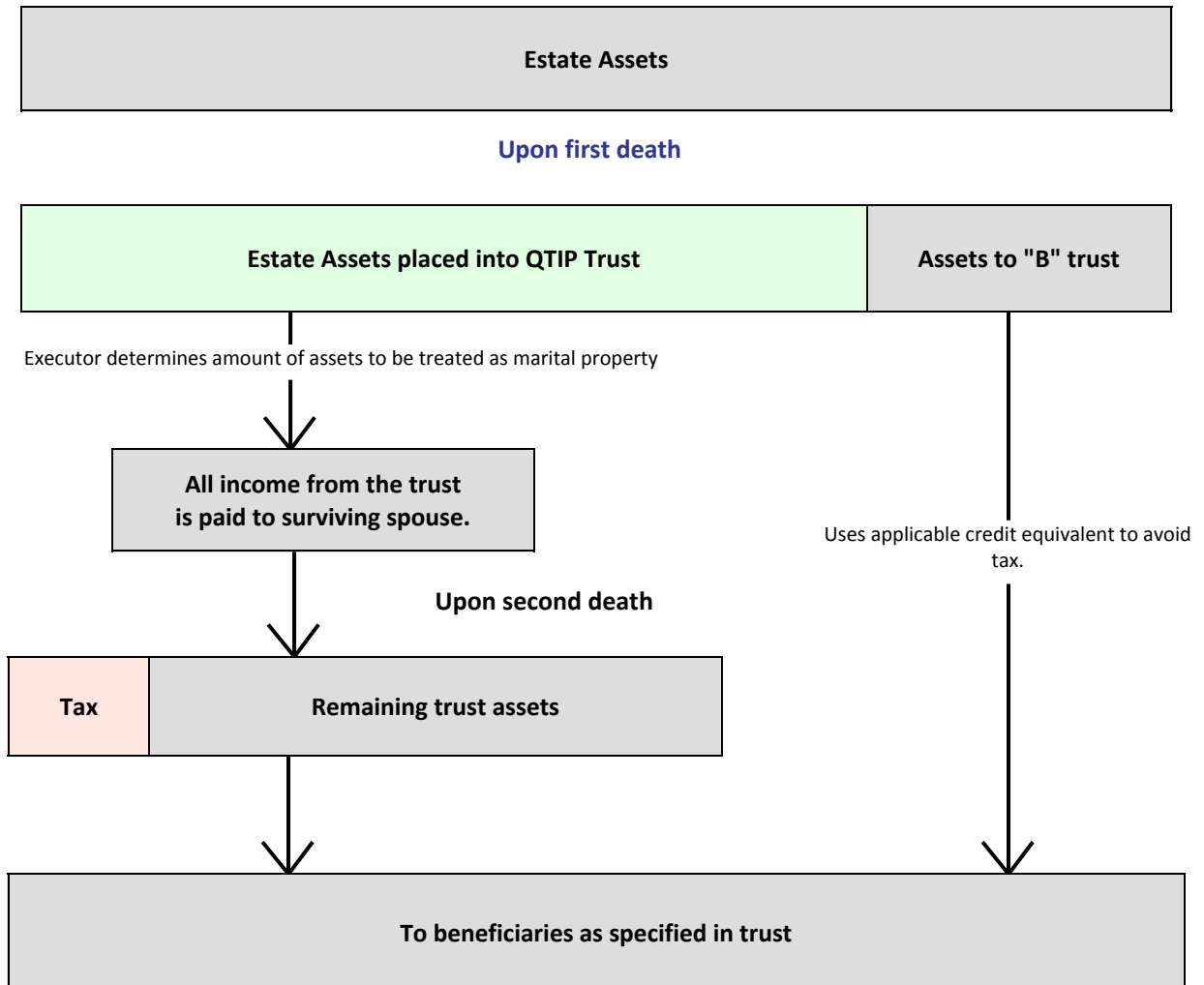
The charitable trust is sometimes referred to as a double win trust. The grantor wins by receiving an immediate tax deduction based on the present value of the charity's remainder interest. The grantor also receives income, either as a fixed annual amount in the form of an "annuity trust" or as a percent of the trust value as a "unitrust". The charity wins by receiving the remaining assets in the trust when the grantor dies.

## Qualified Terminal Interest Trust (QTIP)

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

The Qualified Terminable Interest Trust (QTIP) is designed to reduce taxes through the use of the marital deduction, yet control who will eventually receive the property upon the death of the surviving spouse.



In order to qualify for this treatment the executor must make an irrevocable election to have the marital deduction apply to property placed in the trust. This gives the executor the power to determine how much, if any, of the estate will be taxed at the first death, and also provides flexibility for post death planning.

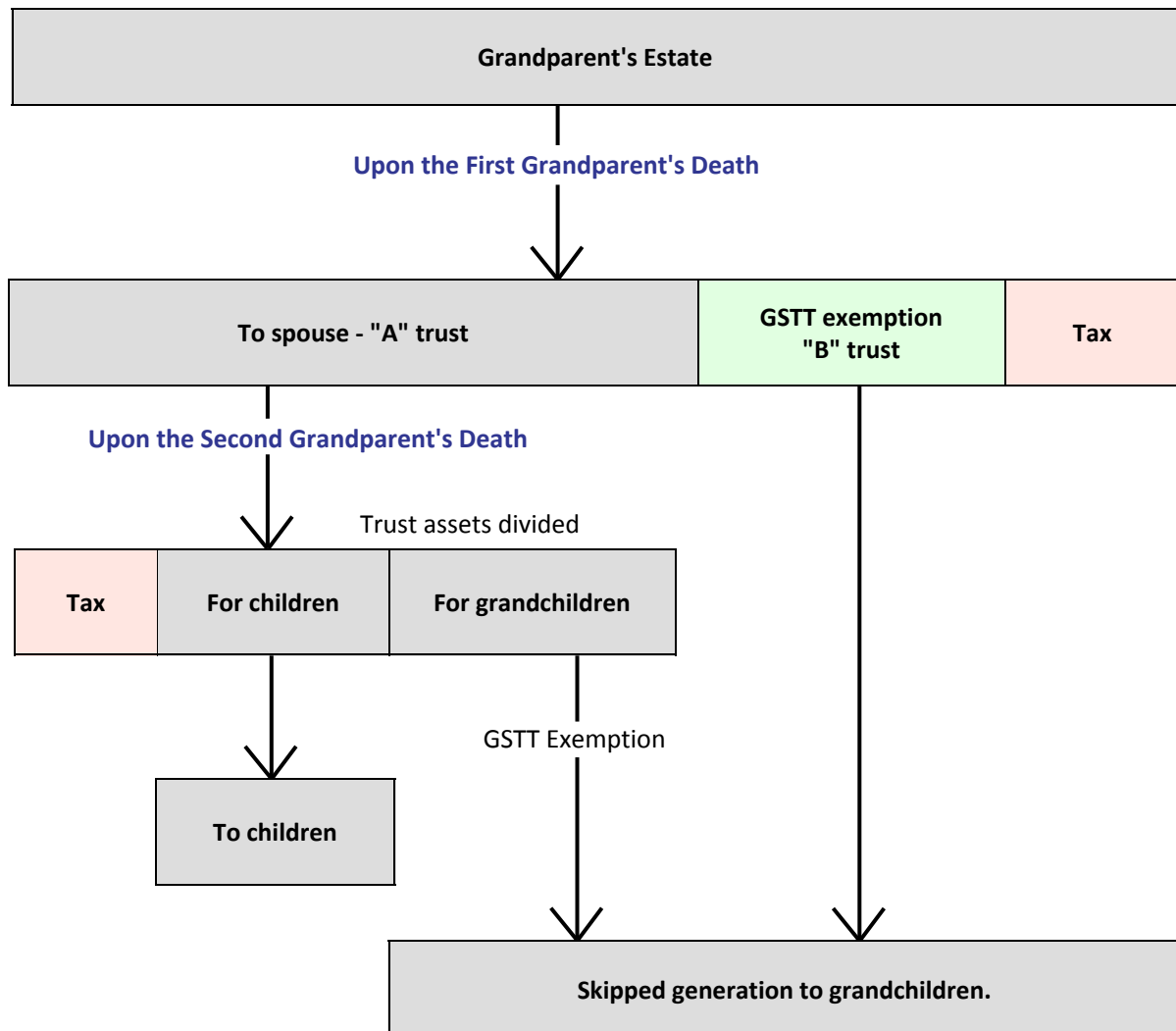
Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws will likely impact the above illustration.

## Generation-Skipping Transfers

Sample Financial Plan - TOTAL Goal-Based Planning  
(Concept illustration)

The Federal estate tax system is designed to tax property as it is passed from one generation to the next. The generation-skipping transfer tax (GSTT) is intended to prevent wealthy families from reducing estate taxes by skipping one or more generations in the passage of their assets.

The GSTT is paid in addition to the normal estate or gift tax, and is applied when property is transferred to a person two or more generations younger than the transferor.



Although the benefits of using the GSTT transfer techniques can be substantial for larger estates, its complexity would indicate that careful and thorough planning with qualified counsel is required in order to avoid unexpected tax consequences.

Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws will likely impact the above illustration.

## Credit Shelter Trust

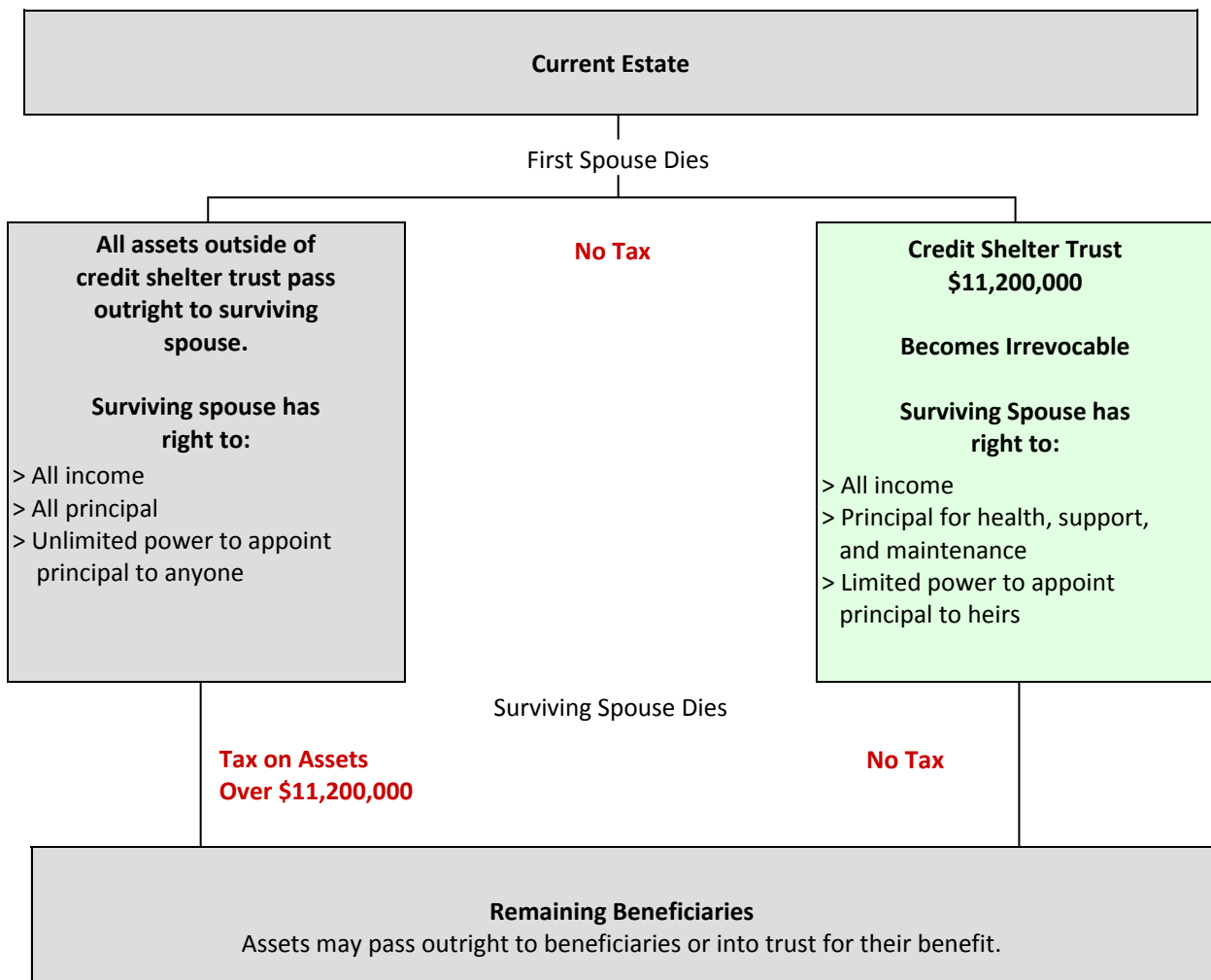
Sample Financial Plan - TOTAL Goal-Based Planning

### (Concept illustration)

A credit shelter trust is a device used to minimize estate taxes at the passing of each spouse by using the applicable exclusion amount. It allows the surviving spouse use and access to the assets of the deceased spouse.

The amount of the estate exclusion varies depending on the year of death. Under current rules, an inflation index is applied annually to the applicable credit exclusion amount. This estate exemption is now permanently portable between spouses.

Year	Exclusion	Taxes saved
2014	5,340,000	2,081,800
2015	5,430,000	2,117,800
2016	5,450,000	2,125,800
2017	5,490,000	2,141,800
2018	11,200,000	4,425,800



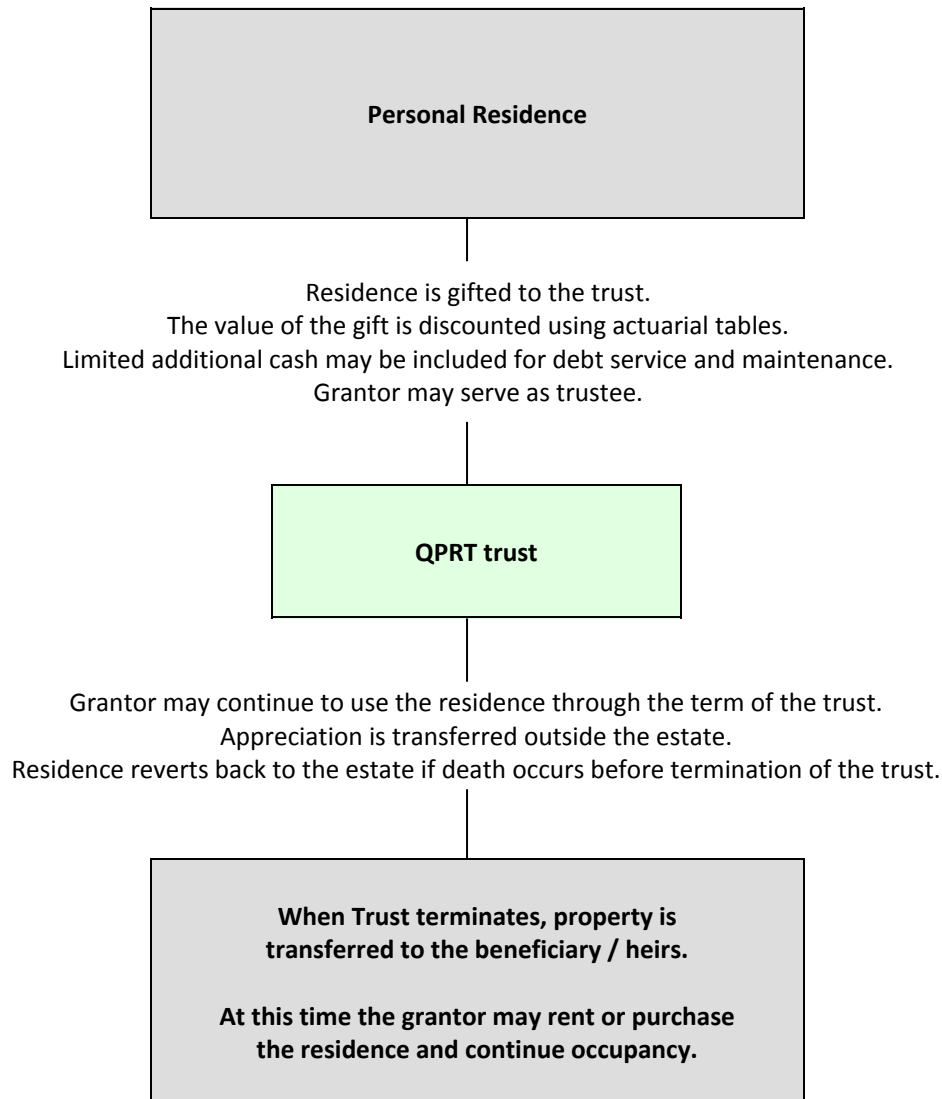


## Qualified Personal Residence Trust (QPRT)

Sample Financial Plan - TOTAL Goal-Based Planning

(Concept illustration)

The QPRT is created by transferring a residence, or second home, into a split interest trust for a specific period of time, typically between 10 and 20 years. The advantages of the trust arrangement include transfer of the property at a low gift tax value and shifting future appreciation out of the grantor's estate, providing he or she lives until the end of the term.



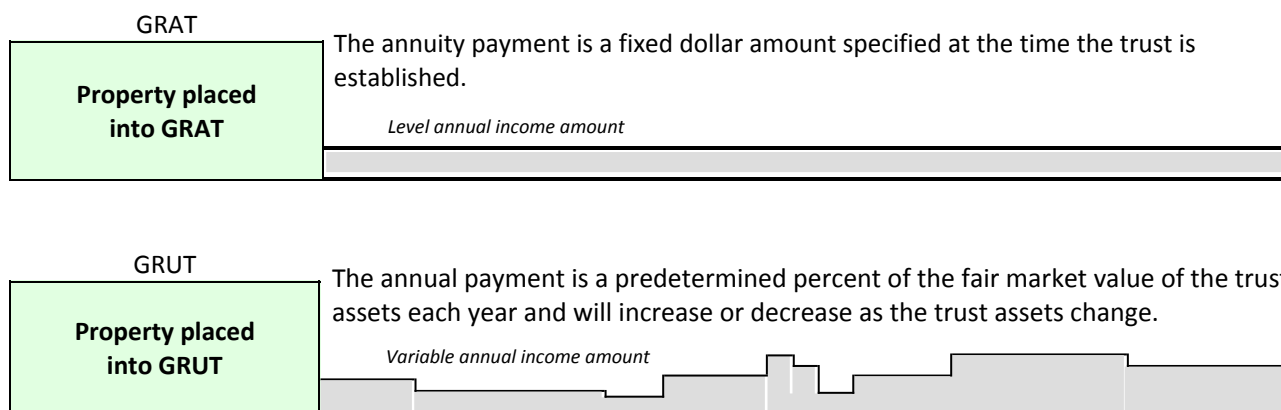
The trust may include a contingent reversionary interest, which will cause the residence to revert back to the estate in case of death before the end of the term. With this provision the grantor could utilize the marital deduction by passing the residence to a surviving spouse, postponing the estate tax and causing the trust to be classified as a "grantor trust". This would allow the grantor to deduct property taxes and mortgage interest on his own tax return during the term of the trust.

## Grantor Retained Trusts (GRT)

Sample Financial Plan - TOTAL Goal-Based Planning  
(Concept illustration)

The Grantor Retained Trust is a device that can leverage gifts between generations. By placing property into the trust, future appreciation on the property is not included in the grantors estate, but the grantor retains an income interest in the property. The property is treated as a gift subject to gift taxes, however, the terms of the trust result in a discount to the gift value, effectively reducing the value of the gift to be reported.

Two types of trusts are commonly used - Grantor Retained Annuity Trust (GRAT) and Grantor Retained Unitrust (GRUT).



### Advantages

#### GRAT

- Reduce transfer tax cost.
- Removal of future appreciation from estate.
- Continued receipt of the income generated by the property in the trust.

#### GRUT

- Reduce transfer tax cost.
- Removal of future appreciation from estate.
- A hedge against inflation. (If the assets increase in value, the income increases)
- Additional contributions allowed.

### Disadvantages

- Assets belong to the trust.
- Inclusion in Gross Estate. (If grantor dies prior to termination trust).
- Additional contributions prohibited.
- No allocation of Generation Skipping Tax until end of trust term.

- Assets belong to the trust.
- Inclusion in Gross Estate. (If grantor dies prior to termination trust).
- Unstable income stream. (amount may increase or decrease)
- Annual valuation of trust assets required.
- No allocation of Generation Skipping Tax until end of trust term.

The term of a GRAT or GRUT may be for the life of the grantor, for a specified term of years or for the shorter of the two periods. If a GRAT is selected and the grantor dies before the trust terminates, some or all of the advantages of the trust arrangement may be lost. For this purpose it may be wise to select a short trust term and then repeat the trust - sometimes referred to as "re-GRATing."

As there are many complex consideration involved in determining the most effective selection, it is very important that the options be carefully reviewed with your financial advisor, accountant and legal counsel.

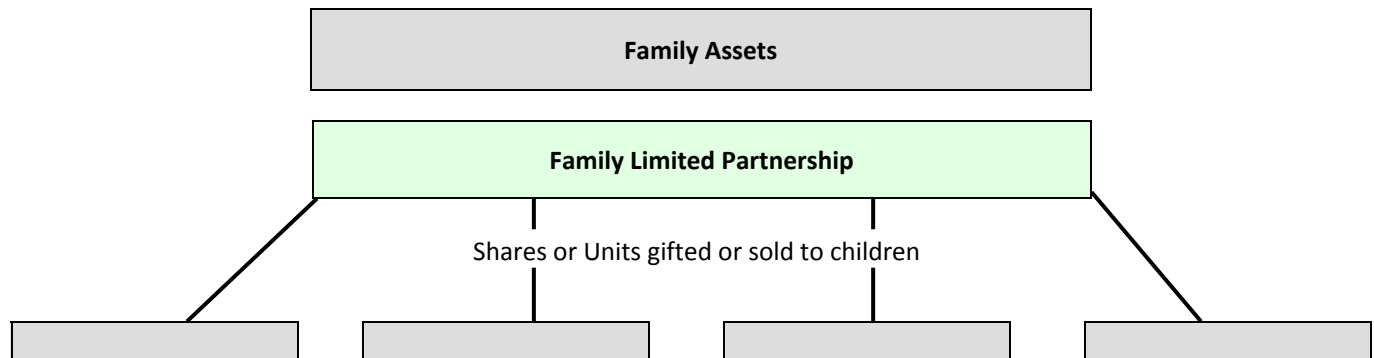
## Family Limited Partnership (FLP)

Sample Financial Plan - TOTAL Goal-Based Planning

### (Concept illustration)

A family partnership is an unincorporated entity created by the transfer of property from one or more individuals for the common benefit of family members. Generally the objective of a FLP is minimizing estate and gift taxes.

In a typical situation the parents transfer assets to a family partnership in exchange for partnership shares or units. This is generally a tax-free event. Partnership interests are then gifted or sold to the children or to trusts established for the children's benefit.



#### Advantages

- Shift income and appreciation from higher tax bracket family members to those in lower brackets.
- Avoid corporate double taxation without use of an S Corporation structure.
- Allow step up of basis in partnership assets upon death of a partner.
- Divert appreciation of assets from older family members.
- Maintain control over assets.
- Facilitate a gifting program.
- Provide flexibility in managing resources.
- Avoid local probate.
- Avoid fractionalizing of title, particularly when real estate is involved.
- Provide protection from creditors.
- Maintain family control.
- Facilitate family communication.

#### Disadvantages

- Increased administration expenses.
- Real discounted value may inhibit ability to borrow or invest.
- Potential family disharmony if all participants do not agree.
- IRS scrutiny - when discounts are taken, the IRS may have a tendency toward closer examination.
- Difficult trust administration due to fiduciary obligations that might run counter to the grantor's wishes.
- Loss of basis step-up if IRS challenges the discounts and valuations.
- Liquidity concerns.
- Estate tax implications for closely held stock in the partnership.
- Operational formalities, if not closely followed may result in the partnership being disregarded.

From the partial list of advantages and disadvantages shown above, it should be obvious that undertaking a FLP is a serious consideration and will require an in depth degree of analysis and legal consideration.

#### Business Purpose Attack

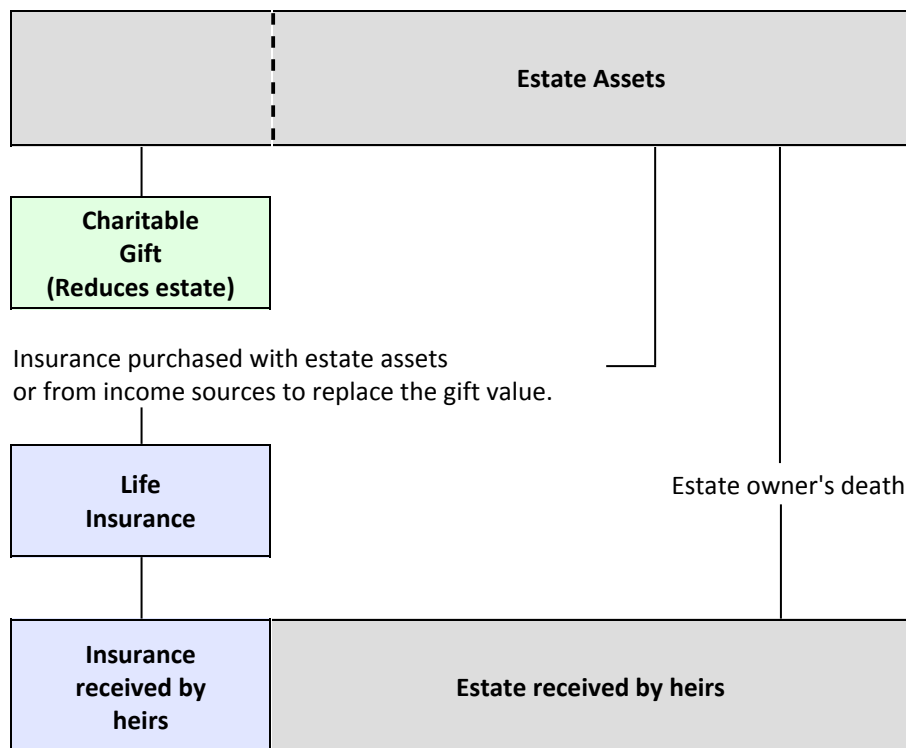
The IRS challenges many FLPs on the theory that the partnership lacks economic substance/business purpose and is merely an attempt to avoid taxation, especially if the property is valued at an excessive discount. It is critical that, if a FLP is used, you must have the proper motivation and financial and legal assistance.

## Wealth Replacement Trust (WRT)

Sample Financial Plan - TOTAL Goal-Based Planning  
(Concept illustration)

The "Wealth Replacement Trust" is a tool used to replace assets that have been removed from a family's estate when assets are gifted or otherwise disposed of in order to reduce the taxable estate. This can also be useful when there is a desire to assist a charitable institution, or to remove appreciated assets for income tax planning.

The vehicle used for this technique is a life insurance policy, typically some form of permanent insurance that will persist until the insured's life expectancy. The basic principal is that the policy benefits are used to replace the assets which were transferred out of the estate.



In order to avoid the insurance being included in the taxable estate it should either be owned by the beneficiary or be held in an Irrevocable Life Insurance Trust. If the charitable gift is in the form of a Charitable Remainder Trust, then an appropriate amount of the income received from the charitable trust could be gifted to the insurance trust to make the premium payments.

Because there are significant tax and financial ramifications, this technique should only be considered with assistance from appropriate financial and legal counsel. An additional consideration is the ability of the potential insured to satisfy the medical qualifications for the insurance protection.

# Estate Planning Options - Allen dies first

Sample Financial Plan - TOTAL Goal-Based Planning

## Example Estate Estimates upon First Death:

### Allen dies at age 65 in 2030

	<u>Before Planning</u>	<u>After Planning</u>
Separate property (\$600,438) plus shared property (\$263,650)	\$864,089	
Property value after Allen's gifts of \$257,409 (net cost to estate = \$263,543)		600,545
Allen's retirement plans	1,052,422	1,052,422
Allen's insurance (net of loans) (a)	97,500	97,500
<b>Total Estate Estimate - Allen</b>	<b>\$2,014,011</b>	<b>\$1,750,468</b>

### Reductions to determine taxable estate estimate:

Debt (separate + half of joint or community property debt)	(\$82,425)	(\$82,425)
Final expenses	(21,890)	(21,890)
Credit Shelter Trust funded (d)		(449,770)
Administration and probate at 3.00% (net of debt, final exp. and insurance)	(54,366)	(46,460)
Allen's insurance in trust or otherwise not taxable in the estate (b)		(97,500)
<b>Total Reductions</b>	<b>(\$158,681)</b>	<b>(\$698,045)</b>
<b>Net Estate in 2030</b>	<b>\$1,855,330</b>	<b>\$1,052,422</b>

## Example Estate Estimates upon Second Death:

### Betty dies at age 63 in 2030

Net estate from Allen (\$1,855,330), plus Betty's property (\$962,886) (h)	\$2,818,216	
Assets (after gifts of \$907,225) and Allen's insurance (\$97,500) into ILIT		1,363,721
Betty's insurance (net of loans) payable to beneficiaries (a)	60,000	
Betty's insurance owned by ILIT or others		60,000
<b>Total Estate Estimate - Betty</b>	<b>\$2,878,216</b>	<b>\$1,423,721</b>

### Reductions to determine taxable estate estimate:

Debt	(\$82,425)	(\$82,425)
Final expenses	(21,890)	(21,890)
Administration and probate at 4.00% (net of debt, final expense and insurance)	(108,556)	(50,376)
Betty's insurance in ILIT or otherwise not taxable (b)		(60,000)
<b>Total Reductions</b>	<b>(\$212,872)</b>	<b>(\$214,692)</b>
<b>Net Taxable Estate</b>	<b>\$2,665,344</b>	<b>\$1,209,029</b>

### Estimated Estate Tax \*\*

Applicable Estate Tax Credit indexed at 2.00 (less \$40,000 credit already used.) (i)	(\$1,011,938)	(\$429,412)
	\$971,938	\$389,412
<b>Net Estimated Federal Estate Tax in 2030</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>

## Summary of Combined Estate Distributions:

### To Heirs:\*\*\*

	<u>Before Planning</u>	<u>After Planning</u>
Assets and insurance in Betty's estate including insurance from Allen	\$2,665,344	
Assets in Betty's estate after planning		1,209,029
Credit Shelter Trust assets to heirs		449,770
Living gifts to heirs		290,000
Betty's insurance in ILIT plus Allen's ILIT		
Insurance in ILIT after planning		157,500
Less estate taxes	(40,000)	(40,000)
Less estimated potential income tax on retirement accounts at 20% (k)	(236,989)	(236,989)
<b>Total to Heirs</b>	<b>\$2,388,356</b>	<b>\$1,829,311</b>

### To Other Beneficiaries:

Living gifts made to other beneficiaries		\$578,596
Living gifts made to charity		30,000
Life insurance proceeds paid to other beneficiaries (j)		
<b>Total to Other Beneficiaries</b>		<b>\$608,596</b>
<b>Total to All Beneficiaries</b>	<b>\$2,388,356</b>	<b>\$2,437,906</b>

**Planning Difference** **\$49,550 ... 2.07%**

\*Gifts and CST are limited to assets available reduced by debt, expenses and insurance. Some or all joint property may need to be retitled as separate property in order to fund the Credit Shelter Trust.

\*\*Assumes estate taxes after the year 2018 continue with indexing.

\*\*\*Insurance, gifts and CST assets are assumed to accumulate at the taxable asset after-tax rate of 1.14%.

## Notes to Estate Planning Options

Sample Financial Plan - TOTAL Goal-Based Planning

### (a) Life Insurance

This is the total amount of life insurance in force, including amounts that will not be taxed.

### (b) Life Insurance in ILIT or otherwise excluded

Life insurance values shown here are not subject to the estate tax, either held in an Irrevocable Life Insurance Trust (ILIT), or excluded due to other ownership provisions. Caution - Existing insurance policies must be held for three or more years prior to assignment to an ILIT in order to be excluded from estate taxation. Insurance proceeds are assumed to appreciate at the after-tax rate on taxable assets. Group insurance is not included in th

### (c) Other reductions and discounts

These estimated reductions could include special valuation discounts for closely held business interests, family partnerships or certain other illiquid assets in the estate.

### (d) Credit Shelter Trust

The amount of the available Unified Tax Credit will vary depending on the year of death. Future Unified Credit amounts have been indexed at 2.00% . Funds in the Credit Shelter Trust are grown at the after-tax rate on taxable assets of 1.14%. Under the current scenario, only assets held as separate property will be available for use in the Credit Shelter Trust. The trust amount has been reduced by the amount of prior credits used in the amount of \$40,000.

The After Planning scenario uses separate property plus half of joint property. Joint Property ownership may need to be revised in order to fully fund the credit shelter trust. The credit shelter will be funded with the lesser of the amount available to fund the Credit Shelter Trust, or the maximum allowable credit shelter amount.

### (e) Gifts to Charity\*

The amount shown is either outright gifts to charity, or the present value of a Charitable Remainder Annuity Trust (CRAT) or Charitable Remainder Unitrust (CRUT). If a Charitable Trust arrangement is used other benefits may be available in the form of continued income and potential income tax deductions.

### (f) Gifts to Heirs\*

This represents planned future gifts to heirs either as the maximum amount allowed by IRS or a specified dollar amount that is exempt from gift taxes, currently \$15,000 per recipient in 2018. Combined gifts from both spouses may allow annual gift amounts to be doubled.

### (g) Gifts to others\*

These are gifts made to entities other than your heirs, and treated as a reduction to your taxable estate. These funds will not be shown as a benefit to your heirs. The gift may require payment of gift taxes. Such taxes have no

### (h) Asset Values projected

The estimated values received from the estate of Allen have been either increased based on asset growth and accumulation of additional funds or reduced by spending during the period between the first and second death. These values will be reduced to reflect the assets held in the Credit Shelter Trust.

### (i) Applicable Estate Tax Credit

It is assumed that the Estate Taxes have been continued at 2018 levels by congress, including indexing of the exclusion amount at 2.00% per year.

### (j) Life Insurance paid to Other than Heirs

Life insurance that is not payable to heirs is not included in the heirs final estate values.

### (k) Tax on retirement accounts

This is an estimated tax which at some time would be payable by the heirs at their tax rate. There are various options that may minimize or defer payment of taxes.

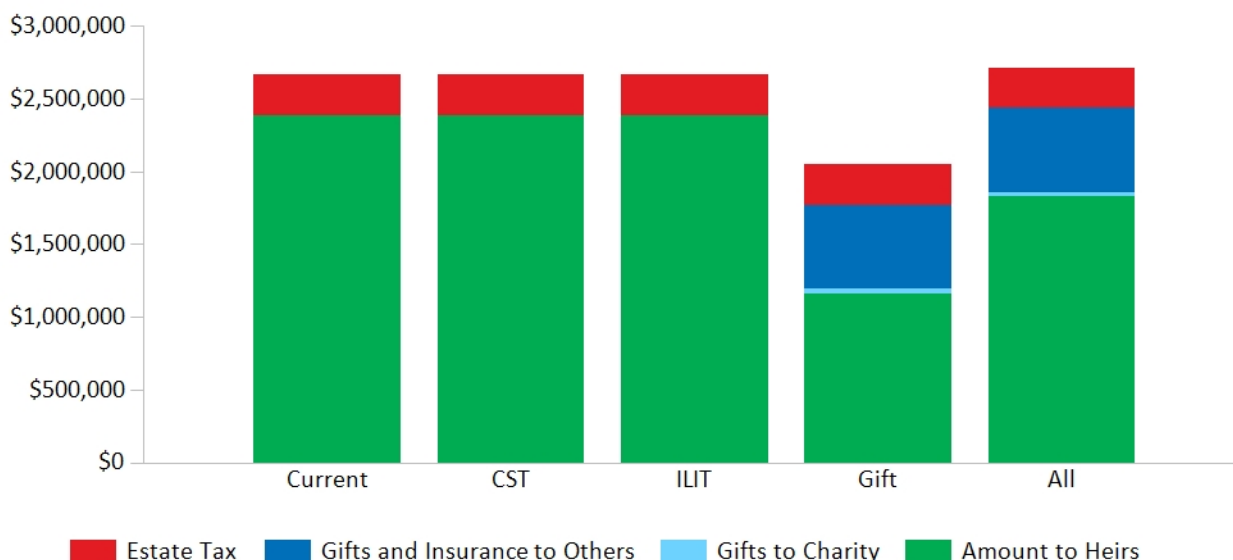
*\*Note: Gifts to charity or others based on a percent of estate is based on the amount of assets not including life insurance and net of debts.*

## Estate Option Comparison

Sample Financial Plan - TOTAL Goal-Based Planning

Various estate planning options illustrated result in different amounts received by the heirs, the IRS and, if elected, amounts gifted to charities, heirs or others. The amounts shown are estimates only and are subject to future change by Congress.

### Estate Distribution Comparisons



<b>Estate Planning Results</b>	<b>Current Planning</b>	<b>Credit Shelter Trust</b>	<b>Life Insurance Trust</b>	<b>Gifts to Charity, Heirs, other</b>	<b>All Options</b>
Assets and insurance paid to heirs	\$2,665,344	\$755,649	\$2,507,844	\$1,149,523	\$1,209,029
Credit Shelter Trust to heirs		1,909,695			449,770
Gifts to Heirs				290,000	290,000
Life Insurance Trust & not in estate			157,500		157,500
Gifts to Charity				30,000	30,000
Gifts and Insurance to Others				578,596	578,596
<b>Estate and retirement plan tax**</b>	<b>(276,989)</b>	<b>(276,989)</b>	<b>(276,989)</b>	<b>(276,989)</b>	<b>(276,989)</b>
<b>Total to Heirs</b>	<b>\$2,388,356</b>	<b>\$2,388,356</b>	<b>\$2,388,356</b>	<b>\$1,162,535</b>	<b>\$1,829,311</b>
<b>Total to all Beneficiaries</b>	<b>\$2,388,356</b>	<b>\$2,388,356</b>	<b>\$2,388,356</b>	<b>\$1,771,131</b>	<b>\$2,437,906</b>
<b>Planning Gain</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$617,225)</b>	<b>\$49,550</b>

Implementation of estate planning options as illustrated above should be based on careful consideration with your financial and legal advisors. The amounts and results shown are estimates only and actual results may differ substantially. No investment products or systems are represented in this illustration. Future Estate balances are hypothetical and are used for illustration purposes only.

\*Columns do not total 100% due to asset increase or reduction with deaths occurring at different ages.

\*\*Assumes estate taxes after the year 2018 continue with indexing.

Note: For source of numbers for Current and All Options refer to Estate Planning Options report.

## Estate Options Assumptions

Sample Financial Plan - TOTAL Goal-Based Planning

The following assumptions have been used to illustrate some of the estate planning options shown in the report.

	<u>Today's Dollars</u>	<u>Allen's age 65</u>	<u>Betty's age 63</u>
<b>Assets prior to reduction by debts, gifts, trusts and expenses:</b>			
Allen's separate property	\$497,000	\$600,438	\$600,438
Allen's retirement accounts	330,000	1,052,422	1,052,422
1/2 Joint or Community property	234,200	263,650	263,650
Total Assets	\$1,061,200	\$1,916,511	\$1,916,511
Less: Debts, final expenses and administration		(158,681)	(158,681)
Total for Allen	\$1,061,200	\$1,757,830	\$1,757,830
Betty's separate property			
Betty's retirement accounts	183,050	699,236	699,236
1/2 Joint or Community property	234,200	263,650	263,650
Total Assets	\$417,250	\$962,886	\$962,886
Less: Debts, final expenses and administration		(212,872)	(212,872)
Total for Betty	\$417,250	\$750,015	\$750,015

<b>Insurance policies:</b>	<b>Face amount less loans</b>	<b>At second death with growth</b>	
Allen's life insurance:		<b><u>Before planning</u></b>	<b><u>After planning</u></b>
Self owned payable to heirs	\$97,500	\$97,500	
ILIT or non-owned to heirs			97,500
Total	\$97,500		

	<b>At Second Death With Growth</b>	
Betty's life insurance:	<b><u>Before planning</u></b>	<b><u>After planning</u></b>
Self owned payable to heirs	\$60,000	
ILIT or non-owned to heirs		60,000
Total	\$60,000	

	<b><u>Amount of gifts at first death</u></b>	<b><u>Cost of gifts to the estate</u></b>
<b>From the estate of Allen:</b>		
Gifts to heirs starting at age 60 for 5 years:		
Maximum amount allowable for estate exclusion for 2 persons	180,000	186,134
Charitable gifts of \$10,000 plus 0.00% of assets	10,000	10,000
Gifts to others of \$0 plus 10.00% of assets	67,409	67,409
Gifts from Allen's estate	\$257,409	\$263,543

	<b><u>Gifts made at second death</u></b>
<b>From the estate of Betty:</b>	
Gifts to heirs starting at age 60 for 3 years	
Maximum amount allowable for estate exclusion for 2 persons	112,495
Charitable gifts of \$10,000 plus 0.00 percent of assets	10,000
Gifts to others of \$0 plus 10.00 percent of assets	269,572

### Planned giving from the estate of the last to die:

Charitable gifts of \$10,000 plus 0.00 percent of assets	10,000
Gifts to others of \$0 plus 10.00 percent of assets	241,615
Gifts from Betty's estate	\$643,682
Total Cost of Gifts	\$907,225

### Other estate adjustments:

Amount of Applicable Estate Tax Credit already used.	\$40,000
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*\*Future values for gifts are increased at the annual rate indicated until the gift is made. Life insurance and Credit Shelter Trust assets are assumed to grow at the after-tax rate of return earned on taxable assets of 1.14%. Expenses and gifts paid from the first estate are compounded at the after tax rate of return to illustrate the lost potential earnings on the assets for comparison purposes.*

*Gifts are made only from separate and jointly owned assets plus insurance proceeds. No gifts are made from retirement plan assets to avoid undesirable tax consequences.*



## Insurance

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An important consideration for your financial security is your need for funds in the event of premature death, or estate liquidity. This section provides details regarding the need for insurance protection for a death occurring now or in the future.

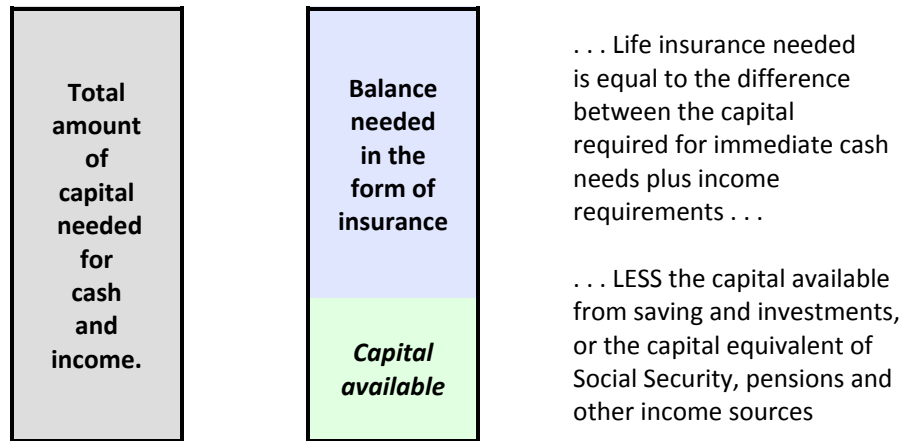
Also included in this section is a discussion of disability income replacement, property and casualty and long term care needs insurance.

## Life Insurance

### Sample Financial Plan - TOTAL Goal-Based Planning

In order to assure financial security in the event of the premature loss of a principal wage earner, any surviving heirs must have either an adequate source of wages or they must have sufficient accumulated capital to provide income in the form of interest, dividends, or the ability to consume such capital.

Unless you have already accumulated sufficient capital, the only course of action is to "option" for a sum of money for delivery at the time it is most needed - the passing of a principal wage earner. The concept of optioning capital is nothing more than the idea of life insurance.



### CAPITAL NEEDED (for survivor income and expenses)

As time passes and the remaining heirs become less dependent on the wage earner, the total capital needed usually decreases.

### CAPITAL AVAILABLE (savings and investments)

If a careful program of saving and investing is followed, then capital available grows. At the point where the CAPITAL AVAILABLE is equal to the CAPITAL NEEDED, then life insurance is no longer needed except in cases where assets are not liquid.

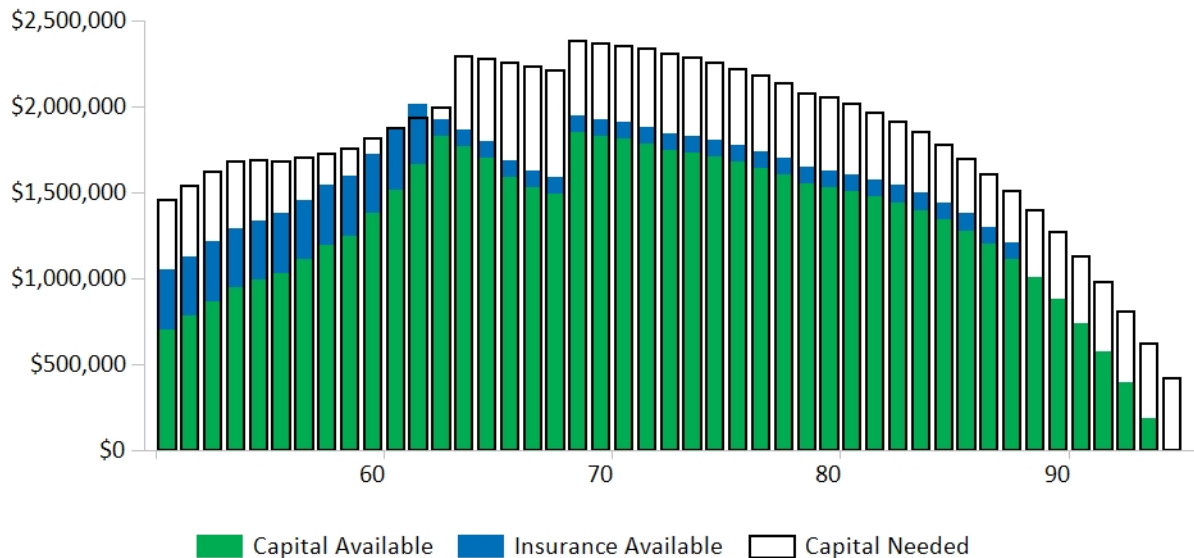
In preparing the following Survivor Capital reports, all income needed and available has been converted to an equivalent "Present Value Capital" amount. In other words, we show the amount of capital that would be needed today to provide the future stream of income assuming that the capital will earn interest at 4.50% and be fully consumed at the end of the period shown or life expectancy.

*Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning and spouse retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for projected higher coverage needs. Consult with your financial and/or insurance advisor about factors that may suggest additional insurance coverage.*

## Life Insurance

### Sample Financial Plan - TOTAL Goal-Based Planning

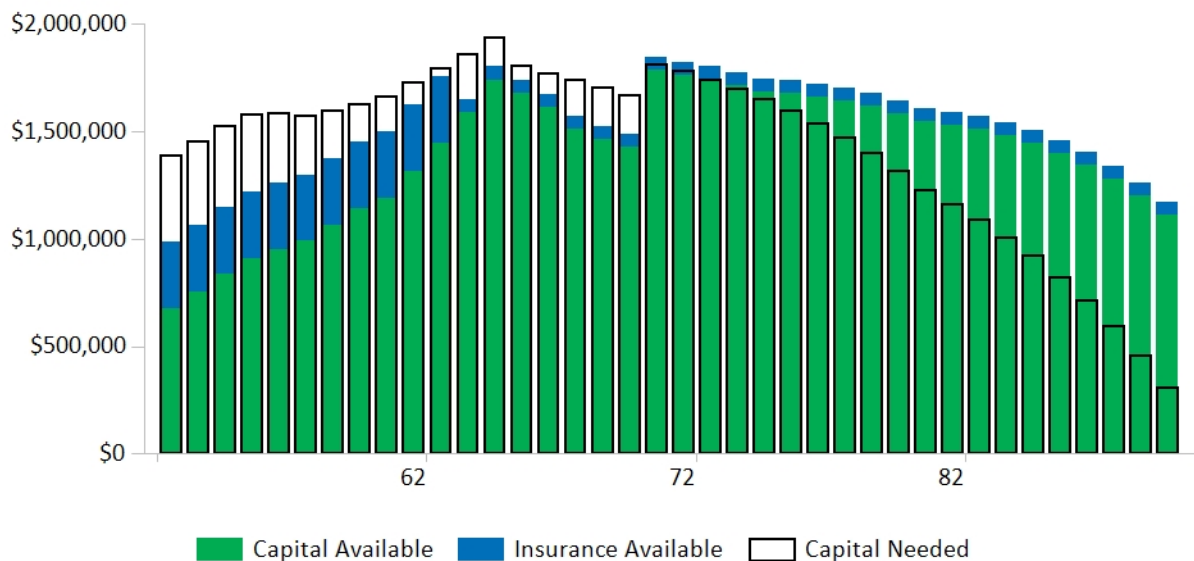
Insurance Need for Allen - Betty Survives



The shaded area of the graph shows the amount of capital available at a given age. The outlined area represents the amount of funds needed to provide capital for immediate cash needs and income for the survivor. If at any time the outline extends above the shaded area, the difference indicates an amount of additional capital needed in the form of insurance.

The graph is interpreted to show the amount of insurance needed if death occurs at a selected age. For example, if no shortage is shown now, then the amount of capital available now will be adequate through life expectancy. If a shortage is indicated 10 years from now, then additional insurance will be required only if death occurs at that age.

Insurance Need for Betty - Allen Survives



## Survivor Needs for Betty

F3

### Sample Financial Plan - TOTAL Goal-Based Planning

This analysis is used to show the amount of life insurance needed if Allen's death occurs at Betty's age shown and benefits are provided through Betty's life expectancy. The first age is current age, the last age is 10 years prior to life expectancy. Other ages are selected midpoint ages. Refer to "Survivor Capital Estimate" for additional details.

#### Betty's age when Allen dies

	51	61	71	85	
Annual personal expense and item. deduction	(\$77,624)	(\$91,931)	(\$122,580)	(\$198,263)	
Debt payments	(1,200)	(556)			
Insurance premiums	(2,200)	(2,635)	(2,856)	(4,079)	
<b>Total annual expenses at this age</b>	<b>(\$81,024)</b>	<b>(\$95,122)</b>	<b>(\$125,436)</b>	<b>(\$202,342)</b>	J3
<b>Income sources:</b>					
Earned income *	\$68,000	\$82,892			
Pensions* & Social Security	39,564		35,678	47,076	
Other income or (expense)	5,611	11,369			
<b>Total sources</b>	<b>\$113,175</b>	<b>\$94,260</b>	<b>\$35,678</b>	<b>\$47,076</b>	F4
<b>Annual surplus or (shortage) this year</b>	<b>\$32,151</b>	<b>(\$862)</b>	<b>(\$89,759)</b>	<b>(\$155,266)</b>	
<b>Capital required to fund income needed</b>	<b>(\$1,172,520)</b>	<b>(\$1,659,506)</b>	<b>(\$2,021,565)</b>	<b>(\$1,631,359)</b>	F4
<b>Plus immediate cash needs:</b>					
Final expenses and other cash needs	(\$35,000)	(\$47,958)	(\$65,715)	(\$102,136)	
Estate administration and legal costs	(25,937)	(53,991)	(54,506)	(54,740)	
Mortgage and debt balance payoff	(232,000)	(118,610)	(221,816)		
<b>Total immediate cash requirements</b>	<b>(\$292,937)</b>	<b>(\$220,559)</b>	<b>(\$342,036)</b>	<b>(\$156,875)</b>	J2
<b>Total capital needed at Allen's death (a)</b>	<b>(\$1,465,457)</b>	<b>(\$1,880,066)</b>	<b>(\$2,363,601)</b>	<b>(\$1,788,235)</b>	
<b>Less assets available:</b>					
Savings and investments plus Roth IRA	\$384,100	\$645,326	\$939,935	\$1,346,938	C8
Allen's retirement accounts (after tax*)	227,375	574,215	284,139		H5...H6d
Betty's retirement accounts (after tax*)	93,713	298,483	590,227		H6...H6d
<b>Total assets available at this age:</b>	<b>\$705,188</b>	<b>\$1,518,024</b>	<b>\$1,814,301</b>	<b>\$1,346,938</b>	
<b>Insurance needed for remaining years</b>	<b>\$760,270</b>	<b>\$362,042</b>	<b>\$549,300</b>	<b>\$441,297</b>	
<b>Life insurance on Allen at the age shown</b>	<b>347,500</b>	<b>347,500</b>	<b>97,500</b>	<b>97,500</b>	J1
<b>Additional insurance needed on Allen (b)</b>	<b>\$412,770</b>	<b>\$14,542</b>	<b>\$451,800</b>	<b>\$343,797</b>	

Notes to above data:

a - This represents the amount of capital needed, sometimes referred to as the Net Present Value, at the age shown to fund all future income shortages, assuming the capital could earn 4.50% after tax each year.

b - The additional insurance needed will vary depending on when death occurs, the amount of capital available at the time of death and the number of years remaining to provide income.

\*Earned income, pensions and retirement accounts reduced by 15.00% for income taxes.

# Survivor Cash Flow - Betty

F3a

Sample Financial Plan - TOTAL Goal-Based Planning

<b>INCOME:</b>	<b>Amount</b>	<b>Percent of Income</b>	
Salaries & Wages	\$6,000	56.43%	D3
Self employment income (Sch C)	667	6.27%	H8
Interest	117	1.10%	H1...H4
Rent, Royalty & Partnerships (Sch E)	552	5.19%	B14
Social Security income	3,297	31.01%	
<b>Total income available</b>	<b>\$10,633</b>	<b>100.00%</b>	
<b>EXPENDITURES:</b>	<b>Amount</b>	<b>Percent of Income</b>	
Federal and State tax (est.)	\$1,100	10.35%	D3
Credit Cards	100	0.94%	K7a
Life insurance	85	0.80%	J1
Homeowners & other insurance	75	0.71%	G21
Auto insurance	23	0.22%	G21
Saving and Investment additions	750	7.05%	G18
Retirement account additions (IRA, 401(k), TSA, etc.)	810	7.62%	G18
Education fund deposits	200	1.88%	
Charitable contributions	333	3.13%	D3
Property & other taxes	617	5.80%	D3
Medical expenses	333	3.13%	D3
Discretionary Spending	800	7.52%	
Food and Household Expenses	400	3.76%	
Utilities and Bills	356	3.35%	
Auto Operating and Maintenance	293	2.76%	
Child Related Expenses	400	3.76%	
Holidays	133	1.25%	
Household Help	176	1.66%	
Clothing	200	1.88%	
Property Improvements/Upkeep	400	3.76%	
Vacations	267	2.51%	
<b>Total spending and savings</b>	<b>\$7,852</b>	<b>73.85%</b>	
<b>Cash flow surplus (Income less Spending)</b>	<b>\$2,781</b>		

Note: Items on this report represent only current year income and expenses. Amounts will vary in future years.

Note: Upon death some liabilities may be paid off in full

# Survivor Capital Estimate - Betty Survives

F4

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Income Needed and Sources					Capital Needed for Income (npv @ 4.50%)	Immediate Cash Needs	Net Assets Plus Additions**	Total Life Insurance Needed
	Personal Expenses*	Earned Income**	Soc Sec & Pensions**	Other Inc/Exp	Income Surplus/Short				
	(\$6,827,525)	\$998,263	\$1,478,894	(\$5,428)	(\$4,355,797)				
51	(\$81,024)	\$68,000	\$39,564	\$5,611	\$32,151	(\$1,172,520)	(\$292,937)	\$705,188	\$760,270
52	(83,073)	69,360	40,355	5,855	32,497	(1,257,435)	(291,567)	784,272	764,730
53	(85,188)	70,747	20,581	(5,976)	164	(1,346,517)	(285,231)	869,120	762,627
54	(87,371)	72,162	20,993	(49,126)	(43,342)	(1,407,274)	(278,491)	948,821	736,944
55	(88,423)	73,605		(53,472)	(68,289)	(1,427,260)	(270,836)	991,400	706,696
56	(85,129)	75,077		(23,841)	(33,893)	(1,423,197)	(262,824)	1,034,982	651,039
57	(86,148)	76,579		(24,021)	(33,590)	(1,453,348)	(254,949)	1,113,800	594,497
58	(88,439)	78,111		(15,453)	(25,781)	(1,485,159)	(246,753)	1,198,380	533,532
59	(90,804)	79,673		7,917	(3,215)	(1,526,210)	(237,669)	1,251,397	512,482
60	(93,245)	81,266		8,185	(3,794)	(1,591,675)	(229,275)	1,379,996	440,953
61	(95,122)	82,892		11,369	(862)	(1,659,506)	(220,559)	1,518,024	362,042
62	(96,793)	84,549		8,726	(3,517)	(1,733,323)	(211,537)	1,669,148	275,712
63	(107,081)	86,240		(107,790)	(128,631)	(1,807,805)	(194,609)	1,828,243	174,171
64	(98,093)		24,396	10,543	(63,154)	(1,760,525)	(539,074)	1,772,269	527,329
65	(101,561)		26,924	10,916	(63,721)	(1,776,595)	(507,487)	1,701,883	582,199
66	(105,165)		27,462	10,121	(67,581)	(1,792,821)	(471,269)	1,593,463	670,627
67	(108,910)		32,961	10,505	(65,444)	(1,805,917)	(435,108)	1,532,649	708,376
68	(112,802)		33,620	184,504	105,322	(1,821,739)	(397,952)	1,491,957	727,734
69	(116,851)		34,292		(82,559)	(2,009,039)	(379,553)	1,851,298	537,293
70	(121,059)		34,978		(86,081)	(2,016,887)	(361,147)	1,834,128	543,906
71	(125,436)		35,678		(89,759)	(2,021,565)	(342,036)	1,814,301	549,300
72	(129,989)		36,391		(93,598)	(2,022,777)	(320,819)	1,785,923	557,674
73	(129,926)		37,119		(92,807)	(2,020,204)	(296,960)	1,748,674	568,490
74	(134,701)		37,861		(96,839)	(2,018,306)	(272,660)	1,732,488	558,479
75	(139,671)		38,619		(101,052)	(2,012,291)	(249,271)	1,709,742	551,820
76	(144,846)		39,391		(105,455)	(2,001,791)	(225,998)	1,681,941	545,849
77	(150,235)		40,179		(110,056)	(1,986,417)	(201,482)	1,647,474	540,426
78	(155,847)		40,982		(114,865)	(1,965,750)	(175,658)	1,605,679	535,729
79	(161,694)		41,802		(119,892)	(1,939,344)	(148,458)	1,555,843	531,959
80	(167,786)		42,638		(125,148)	(1,906,723)	(152,671)	1,532,648	526,746
81	(174,134)		43,491		(130,643)	(1,867,378)	(153,992)	1,511,309	510,061
82	(180,751)		44,361		(136,390)	(1,820,767)	(155,100)	1,482,833	493,034
83	(187,649)		45,248		(142,401)	(1,766,311)	(155,969)	1,446,487	475,793
84	(194,841)		46,153		(148,688)	(1,703,395)	(156,570)	1,401,475	458,490
85	(202,342)		47,076		(155,266)	(1,631,359)	(156,875)	1,346,938	441,297
86	(210,166)		48,017		(162,149)	(1,549,504)	(156,851)	1,281,944	424,411
87	(218,329)		48,978		(169,351)	(1,457,083)	(158,508)	1,202,986	412,606
88	(226,846)		49,957		(176,889)	(1,353,301)	(162,869)	1,113,813	402,357
89	(235,736)		50,957		(184,779)	(1,237,311)	(164,433)	1,010,900	390,844
90	(245,015)		51,976		(193,040)	(1,108,211)	(169,054)	883,736	393,529
91	(254,704)		53,015		(201,689)	(965,041)	(173,812)	739,719	399,134
92	(264,821)		54,075		(210,746)	(806,779)	(178,709)	577,352	408,136
93	(275,389)		55,157		(220,232)	(632,338)	(183,752)	395,018	421,072
94	(286,429)		56,260		(230,168)	(440,562)	(188,943)	190,975	438,529
95	(297,964)		57,385		(240,578)	(230,218)	(194,287)		424,506
96									
	J3	J3	J3	J3			J2	C6	

\* Includes basic personal expenses plus insurance premiums, debt payments and itemized deductions.

\*\*Earned income, pensions and retirement accounts reduced by 15.00% for income taxes.

## Survivor Needs for Allen

F5

### Sample Financial Plan - TOTAL Goal-Based Planning

This analysis is used to show the amount of life insurance needed if Betty's death occurs at Allen's age shown and benefits are provided through Allen's life expectancy. The first age is current age, the last age is 10 years prior to life expectancy. The other ages are selected midpoint ages. Refer to "Survivor Capital Estimate" for additional details.

#### Allen's age when Betty dies

	53	63	73	80	
Annual personal expense and item. deduction	(\$78,464)	(\$94,345)	(\$122,580)	(\$152,447)	
Debt payments	(1,200)	(556)	(33,698)	(33,698)	
Insurance premiums	(3,750)	(4,213)	(4,247)	(4,826)	
<b>Total annual expenses at this age</b>	<b>(\$83,414)</b>	<b>(\$99,114)</b>	<b>(\$160,525)</b>	<b>(\$190,970)</b>	J6
<b>Income sources:</b>					
Earned income *	\$67,080	\$99,847			
Pensions* & Social Security	33,696		39,193	45,021	
Other income or (expense)	5,611	11,369			
<b>Total sources</b>	<b>\$106,387</b>	<b>\$111,215</b>	<b>\$39,193</b>	<b>\$45,021</b>	F6
<b>Annual surplus or (shortage) this year</b>	<b>\$22,973</b>	<b>\$12,102</b>	<b>(\$121,332)</b>	<b>(\$145,950)</b>	
<b>Capital required to fund income needed</b>	<b>(\$1,117,703)</b>	<b>(\$1,606,998)</b>	<b>(\$1,651,282)</b>	<b>(\$1,210,193)</b>	F4

#### Plus immediate cash needs:

Final expenses and other cash needs	(\$35,000)	(\$47,958)	(\$65,715)	(\$81,926)	
Estate administration and legal costs	(6,817)	(26,333)	(29,293)	(28,908)	
Mortgage and debt balance payoff	(232,000)	(118,610)			
<b>Total immediate cash requirements</b>	<b>(\$273,817)</b>	<b>(\$192,901)</b>	<b>(\$95,008)</b>	<b>(\$110,834)</b>	J5

**Total capital needed at Betty's death (a)** **(\$1,391,520)** **(\$1,799,900)** **(\$1,746,290)** **(\$1,321,027)**

#### Less assets available:

Savings and investments plus Roth IRA	\$384,100	\$645,326	\$939,935	\$1,368,523	C8
Allen's retirement accounts (after tax*)	208,650	526,927	260,740		H5...H6d
Betty's retirement accounts (after tax*)	85,995	273,902	541,620	217,625	H6...H6d
<b>Total assets available at this age</b>	<b>\$678,745</b>	<b>\$1,446,155</b>	<b>\$1,742,295</b>	<b>\$1,586,148</b>	

**Insurance needed for remaining years** **\$712,775** **\$353,745** **\$3,995** **(\$265,121)**

*An amount in parenthesis indicates a surplus amount of capital is available if death occurs at that age.*

Life insurance on Betty at the age shown	310,000	310,000	60,000	60,000	J1
<b>Additional insurance needed on Betty (b)</b>	<b>\$402,775</b>	<b>\$43,745</b>			

#### Notes to above data:

a - This represents the amount of capital needed, sometimes referred to as the Net Present Value, at the age shown to fund all future shortages, assuming that the capital could earn 4.50% after tax each year.

b - The additional insurance needed will vary depending on when death occurs, the amount of capital available at the time of death and the number of years remaining to provide income.

\*Earned income, pensions and retirement accounts reduced by 22.00% for income taxes.

## Survivor Cash Flow - Allen

F5a

### Sample Financial Plan - TOTAL Goal-Based Planning

<b>INCOME:</b>	<b>Amount</b>	<b>Percent of Income</b>	
Salaries & Wages	\$7,167	67.33%	D3
Interest	117	1.10%	H1...H4
Rent, Royalty & Partnerships (Sch E)	552	5.19%	B14
Social Security income	2,808	26.38%	
<b>Total income available</b>	<b>\$10,644</b>	<b>100.00</b>	

<b>EXPENDITURES:</b>	<b>Amount</b>	<b>Percent of income</b>	
Federal and State tax (est.)	\$1,175	11.04%	D3
Credit Cards	100	0.94%	K6a
Life insurance	158	1.49%	J1
Homeowners & other insurance	75	0.70%	G21
Auto insurance	29	0.27%	G21
Disability insurance	50	0.47%	G21
Saving and Investment additions	750	7.05%	G18
Retirement account additions (IRA, 401(k), TSA, etc.)	880	8.27%	G18
Education fund deposits	200	1.88%	
Charitable contributions	333	3.13%	D3
Property & other taxes	617	5.79%	D3
Medical expenses	333	3.13%	D3
Discretionary Spending	800	7.52%	
Food and Household Expenses	400	3.76%	
Utilities and Bills	356	3.34%	
Auto Operating and Maintenance	293	2.76%	
Child Related Expenses	400	3.76%	
Holidays	133	1.25%	
Household Help	176	1.65%	
Clothing	200	1.88%	
Property Improvements/Upkeep	400	3.76%	
Vacations	267	2.51%	
<b>Total spending and savings</b>	<b>\$8,127</b>	<b>76.35</b>	

**Cash flow surplus (Income less Spending)      \$2,518**

*Note: Items on this report represent only current year income and expenses. Amounts will vary in future years.*

*Note: Upon death some liabilities may be paid off in full*



# Survivor Capital Estimate - Allen Survives

Sample Financial Plan - TOTAL Goal-Based Planning

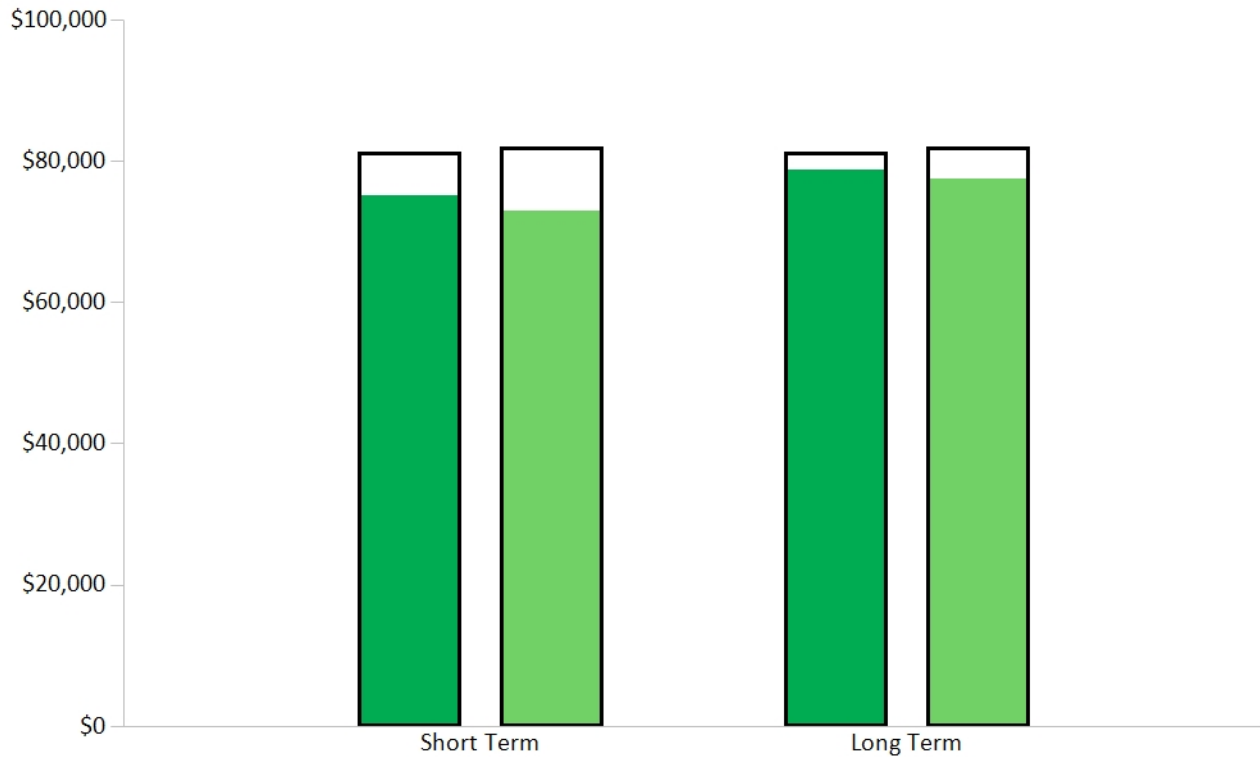
Income Needed and Sources					Capital Needed for Income (npv @ 4.50%)	Immediate Cash Needs	Net Assets Plus Additions**	Total Life Insurance Needed
Age	Personal Expenses*	Earned Income**	Soc Sec & Pensions**	Other Inc/Exp				
	(\$5,538,076)	\$1,032,403	\$1,203,381	(\$5,428)	(\$3,307,720)			
53	(\$83,414)	\$67,080	\$33,696	\$5,611	\$22,973	(\$1,117,703)	(\$273,817)	\$712,775
54	(85,508)	68,757	34,370	5,855	23,474	(1,190,972)	(270,607)	706,854
55	(88,237)	77,851	17,529	(5,976)	1,167	(1,268,040)	(263,722)	695,539
56	(90,482)	79,798	17,879	(49,126)	(41,931)	(1,326,269)	(256,370)	670,397
57	(91,599)	81,793		(53,472)	(63,279)	(1,344,020)	(248,065)	641,235
58	(88,371)	83,837		(23,841)	(28,375)	(1,341,222)	(239,362)	590,433
59	(89,459)	85,933		(24,021)	(27,547)	(1,373,202)	(230,755)	539,601
60	(92,177)	92,717		(15,453)	(14,913)	(1,407,449)	(221,782)	485,265
61	(94,624)	95,035		7,917	8,328	(1,455,872)	(211,855)	476,139
62	(97,150)	97,411		8,185	8,446	(1,529,715)	(202,566)	417,902
63	(99,114)	99,847		11,369	12,101	(1,606,998)	(192,901)	353,745
64	(101,250)	102,343		8,726	9,819	(1,691,414)	(175,372)	276,235
65	(96,114)		20,370	(107,790)	(183,534)	(1,777,347)	(164,875)	199,812
66	(133,154)		20,778	10,543	(101,833)	(1,673,794)	(140,199)	133,930
67	(136,625)		34,803	10,916	(90,906)	(1,647,281)	(126,954)	162,803
68	(140,233)		35,499	10,121	(94,613)	(1,630,502)	(114,479)	229,810
69	(143,982)		36,209	10,505	(97,268)	(1,609,261)	(101,463)	247,918
70	(147,878)		36,933	184,504	73,559	(1,584,410)	(87,884)	243,164
71	(151,931)		37,671		(114,260)	(1,729,267)	(89,476)	34,195
72	(156,144)		38,425		(117,719)	(1,692,824)	(92,417)	21,332
73	(160,525)		39,193		(121,332)	(1,651,282)	(95,008)	3,995
74	(165,082)		39,977		(125,105)	(1,604,258)	(98,276)	
75	(165,024)		40,777		(124,247)	(1,551,345)	(102,575)	
76	(169,804)		41,592		(128,212)	(1,496,908)	(107,019)	
77	(174,779)		42,424		(132,355)	(1,436,058)	(109,224)	
78	(179,959)		43,273		(136,686)	(1,368,325)	(109,980)	
79	(185,353)		44,138		(141,215)	(1,293,214)	(110,524)	
80	(190,970)		45,021		(145,949)	(1,210,193)	(110,834)	
81	(163,125)		45,921		(117,204)	(1,118,703)	(110,881)	
82	(169,223)		46,840		(122,383)	(1,051,841)	(111,544)	
83	(175,577)		47,776		(127,801)	(976,790)	(115,861)	
84	(182,200)		48,732		(133,468)	(892,945)	(120,369)	
85	(189,104)		49,707		(139,397)	(799,660)	(125,078)	
86	(196,303)		50,701		(145,602)	(696,247)	(129,997)	
87	(203,811)		51,715		(152,096)	(581,976)	(135,138)	
88	(211,642)		52,749		(158,893)	(456,069)	(140,511)	
89	(219,812)		53,804		(166,008)	(317,699)	(144,005)	
90	(228,337)		54,880		(173,457)	(165,987)	(144,721)	
91								
92								
93								
94								
95								
96								
97								
98								
J6	J6	J6	J6			J5	C6	

\* Includes basic personal expenses plus insurance premiums, debt payments and itemized deductions.

\*\*Earned income, pensions and retirement accounts reduced by 22.00% for income taxes.

## Disability Income Insurance

Sample Financial Plan - TOTAL Goal-Based Planning



A short term or long term disability due to illness or injury can devastate your financial plans. At a time when you can no longer work for a living, your expenses may actually increase while your income decreases, forcing you to deplete funds that were accumulating for your financial independence in your retirement years.

Careful planning should be made to assure that you will have adequate income in the event of disability due to serious illness or accident.

	Allen disabled		Betty disabled	
	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>
Income Needed	\$81,354	\$81,354	\$81,954	\$81,954
Amount Available	75,196	78,796	72,857	77,537
Additional Needed	\$6,158	\$2,558	\$9,097	\$4,417

## Disability Income Insurance

### Sample Financial Plan - TOTAL Goal-Based Planning

In the event of total or partial disability you may face serious financial challenges. If income from wages is reduced substantially, you and those dependent on you could be required to make radical changes in your style of living, or consume assets that will be needed for security during the retirement years.

#### Annual income needed:\*

	<u>Allen</u>	<u>Betty</u>	
Personal living expenses	\$41,104	\$41,104	
Itemized deductions (property tax, contrib, etc.)	15,400	15,400	G18
Home mortgage	19,200	19,200	G18
Loan payments (auto, credit card, etc)	1,200	1,200	K3
Insurance premium payments (less disability premium)	4,450	5,050	G21
<b>Total income required</b>	<b>\$81,354</b>	<b>\$81,954</b>	

	<u>Allen disabled</u>		<u>Betty disabled</u>		
<b>Income sources while disabled:</b>	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>	
Wages and self employment from Allen			\$86,000	\$86,000	G22
Wages and self employment from Betty	80,000	80,000			G23
Less taxes estimated at 15.00% / 22.00%	(12,211)	(12,211)	(20,549)	(21,869)	
Interest income	1,406	1,406	1,406	1,406	D3
Personal disability income policies	6,000	9,600			
Company disability income benefits			6,000	12,000	
<b>Total income available</b>	<b>\$75,196</b>	<b>\$78,796</b>	<b>\$72,857</b>	<b>\$77,537</b>	

<b>Income shortage per year when disabled</b>	<b>\$6,158</b>	<b>\$2,558</b>	<b>\$9,097</b>	<b>\$4,417</b>
Income shortage per month	\$513	\$213	\$758	\$368

If a shortage is indicated you should consider acquiring disability insurance coverage (or increasing existing policies) to provide the necessary income. Insurance company requirements may limit the amount of coverage available.

\* The amounts needed above do not include deposits to savings and investments to build assets for your retirement years. Present annual additions equal \$31,680. The Retirement Capital report indicates additional deposits may be needed between \$0 and \$0 per year depending on the rate of return earned.

Note: Consult with your financial advisor and/or insurance agent about factors that may suggest additional insurance coverage.

## Property and Casualty Insurance

### Sample Financial Plan - TOTAL Goal-Based Planning

A substantial portion of your assets is represented by your residence and other personal property such as autos, recreational vehicles, jewelry, etc.

Loss of these assets can occur through fire, theft, accidents or other means. Just as you insure your life with life insurance, or your health with medical insurance, you should carefully evaluate the benefits of insuring your property against loss in the form of property and casualty insurance.

#### Homeowner Insurance

Most mortgage lenders require that you carry insurance on your residence for at least 80% of the current replacement value. Most homeowners policies will include coverage on the contents of the home, and may even provide extended benefits on property taken out of the home temporarily.

Homeowners policies usually will include some amount of liability protection, providing protection in case someone is injured on your property. This coverage generally includes both medical cost reimbursement and liability protection in the event the homeowner is found negligent.

#### Automobile and Recreational Vehicle Coverage

Auto policies generally include several types of coverage:

- Collision pays for damage to your car when an accident occurs.

- Comprehensive coverage pays for losses not caused by an accident.

- Liability provides payment for damage to people and property in an accident where you are found to be at fault.

- No fault coverage, mandatory in many states, pays medical expenses and a portion of lost wages

#### Personal Excess Liability Coverage

Sometimes referred to as "umbrella coverage", this type of policy provides protection in excess of normal policy limits found in homeowners or automobile policies.

If you are found negligent in an automobile accident or in an injury to a visitor at your home, this policy can protect you from losses that might substantially exceed the limits of your other policies and could save you from losing all that you own.

## Long Term Care

### Sample Financial Plan - TOTAL Goal-Based Planning

#### Long Term Care Defined

Long term care is sustained medical or custodial care in a hospital, nursing facility, or equivalent care at home. This care meets the needs of people when, for some reason, they cannot care for themselves. Long term care insurance provides coverage for costs when the need for care extends beyond a pre-determined period. Benefits start when certain conditions and time frames specified by a long term care insurance policy are met.

Generally the needs requirements to obtain insurance benefits fall into two categories:

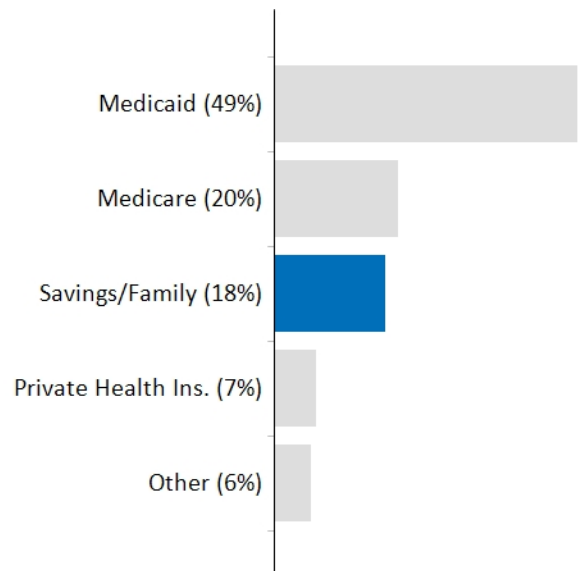
<b>An inability to perform two or more Activities of Daily Living (ADLs)</b>	<b>Activities of Daily Living (ADLs) are basic functions of daily independent living and include:</b> Dressing      Toileting Bathing      Transferring Eating      Continence
<b>Impaired Cognitive Ability</b>	<b>Loss of mental function can result from stroke, dementia or Alzheimer's Disease. Alzheimer's Disease is a disorder that progressively affects one's ability to carry out daily activities.</b>

#### The Cost of Waiting to Plan

- 40% of all long term care recipients are under the age of 65.
- Over 40% of seniors who reach age 65 will spend some time in a nursing home.
- Over 70% of seniors who reach age 65 will need some form of home health care in their future.
- One out of every four families provides care to an elderly relative or loved one.
- 35% will stay in a Nursing Facility for more than one full year.
- The average nursing home stay is 2.5 years.
- The average Alzheimer's stay is 7 years.

Without benefits from long term care insurance or a comparable plan, the cost of providing these services could devastate your lifetime savings, or a relative's life savings. On average, one year in a nursing home costs in the area of \$57,000 and can easily exc

Depending on the care required, most of these expenses are paid for by the patient or their family. Medicare may contribute toward the first 100 days expenses in a skilled care facility. There are no Medicaid benefits available for intermediate term or custodial care, unless the state finds the patient to be impoverished under local guidelines. Even then, care options would be restricted to care facilities offered by the very limited benefit payments available from Medicaid.



#### Medicaid and Medicare Facts

- Medicaid is a welfare program designed as an emergency safety net to pay health care costs for the poor.
- Medicare is a part of Social Security, and helps pay for the general health care needs of retired persons.
- Medicare typically only pays for doctors, hospitals, and short recuperative stays in nursing facilities.
- Private health insurance is designed for medical (doctors, hospitals, etc.) not long term care expenses.
- Many people end up relying on their own or relative's resources to pay for long-term care expenses.

## Long Term Care Need Analysis

### Sample Financial Plan - TOTAL Goal-Based Planning

Long-term care (LTC) requires long term planning. LTC insurance is available to cover these expenses, protect your assets, your independence and control the quality of the care you receive. You are able to choose the specified daily benefit level, as well as the types of medical and care services covered.

When is the best time to purchase LTC insurance? Generally, the premiums stay level once the policy is purchased, much like level term insurance. In practice, the earlier you buy a policy, the lower the premium. Since the odds of needing long term care increase with age, purchasing coverage at a reasonably early age is good planning.

#### Needs Estimate

The estimated long term care cost examples are based on your financial information. Consider the concepts illustrated here to be simply a starting point for analysis and a future in-depth discussion of your long-term care insurance needs.

	<u>Allen</u>	<u>Betty</u>
Estimated monthly care costs (today's \$)	\$6,000	\$6,000
Estimated daily care cost	\$197	\$197
Age when long term care starts	86	91
Years until long term care starts*	33	40
Assumed inflation rate	6.00%	6.00%
Inflated monthly cost*	\$41,044	\$61,714
Estimated number months of care	40	40
Total inflated cost	\$1,641,742	\$2,468,572
 Total potential long-term care costs	 \$4,110,314	
<i>*Beginning 40 months prior to life expectancy</i>		
In today's dollars, these future costs would equate to	\$961,695	
<i>**Using a 4.50% discount rate</i>		

There is a significant potential for the cost of long term care to seriously deplete your financial assets in the long term. A prudent approach is to explore the various options available to you now to purchase protection for your future needs.

#### Points to consider when evaluating a LTC policy might include:

- Amount of daily benefit desired.
- Benefit and cost of an inflation adjustment rider.
- Financial strength and experience of the insurance company.
- What is or is not covered by the policy.
- Elimination and benefit periods.
- How pre-existing conditions will be handled.
- Tax effect on premiums and benefits.
- The policy renewability guarantee.

## Affordable Care Act

### Sample Financial Plan - TOTAL Goal-Based Planning

The Affordable Care Act (ACA) was signed into law in 2010 and significantly changes the health insurance industry that Americans have known for the past several years. Health insurance is now available at state exchanges which also help determine eligibility for the Advanced Premium Tax Credit. The ACA introduces two new taxes and two new credits. The ones that impact individuals are discussed in detail below. Not discussed below are the new Employer Shared Responsibility Tax and the Small Business Health Insurance Tax Credit.

#### Advanced Premium Tax Credit (APTC)

The ACA includes a new advance credit for families that meet certain requirements including buying their health insurance through the official health exchange. The amount of credit depends on the Modified Adjusted Gross Income. For this purpose MAGI includes non-taxable municipal bond income, non-taxable foreign earned income, and non-taxable Social Security Income. The credit sets a maximum for the cost of the benchmark silver plan as a percent of MAGI, it is then compared to the actual cost of the benchmark silver plan and the difference is the credit. This credit is paid directly to the health insurance exchanges to lower the monthly premium costs. If the credit is over/under paid, annual taxes are adjusted accordingly.

Family Size	Percent of Federal Poverty Level and related APTC benchmark						
	100%	133%	150%	200%	250%	300%	400%
1	11,880	15,800	17,820	23,760	29,700	35,640	47,520
2	16,020	21,307	24,030	32,040	40,050	48,060	64,080
3	20,160	26,813	30,240	40,320	50,400	60,480	80,640
4	24,300	32,319	36,450	48,600	60,750	72,900	97,200
5	28,440	37,825	42,660	56,880	71,100	85,320	113,760
6	32,580	43,331	48,870	65,160	81,450	97,740	130,320
7	36,730	48,851	55,095	73,460	91,825	110,190	146,920
8	40,890	54,384	61,335	81,780	102,225	122,670	163,560
Each add'l	4,160	5,533	6,240	8,320	10,400	12,480	16,640
Benchmark Premium Limit	2%	3%	4%	6.30%	8.05%	9.50%	9.50%

#### Your Modified Adjusted Gross Income is too high to qualify for the Advanced Premium Tax Credit

#### Individual Shared Responsibility Tax (ISRT)

In order to make sure that not only the sick who sign up for health insurance under ACA the law includes a new tax applicable to those who do not own health insurance. This is commonly called the Individual Mandate as the attempt is to mandate or command that all Americans buy health insurance. There are some exemptions from ISRT including an earnings threshold.

Filing Status	Under 65    65 and Over		Phase-In of Penalty Tax		
	Under 65	65 and Over	Year	Per Person	% of Income
Single	10,400	11,950	2015	\$325	2%
Head of Household	13,400	14,950	2016	\$695	2.5%
Married Filing Jointly	20,800	22,050	2017	\$695	2.5%
Qualifying widow(er)	16,750	18,000	2018	*	2.5%
Married Filing Separate	4,050	4,050			

To calculate ISRT add any tax-exempt municipal bond income as well as any amount excluded from income for foreign earned income or housing assistance to Adjusted Gross Income then subtract the applicable filing threshold amount. This amount is then multiplied by the penalty percent. The tax due is the higher of this number or the per person penalty amount (\$695 for 2018). As a provision of the Tax Cuts and Jobs Act of 2017, the ISRT is scheduled to end in 2018.

**Your potential Individual Shared Responsibility Tax is: \$1,665**

# Retirement Health Savings

## Sample Financial Plan - TOTAL Goal-Based Planning

A Retirement Health Savings account is an employer sponsored health savings benefit that allows you to accumulate assets to pay for medical expenses, health insurance and prescription expenses on a tax free basis. This includes expenses for you, your spouse and/or your dependents in retirement.

### Some of the benefits of a Retirement Health Savings Account:

#### Accumulation of assets to pay for one of retirement's greatest financial needs.

Funds may be used for insurance premiums, out-of-pocket expenses, co-pays, or prescription drugs (as specified by your employer's plan.)

#### Convenience

Once enrolled, you make decisions regarding investment of your RHS funds. Contributions are made by your employer and/or from your compensation or unused leave.

#### Tax benefits

Medical expense reimbursements are tax-free when used for you, your spouse and/or dependents. Assets grow in a tax-deferred account.

#### Flexibility

The retiree chooses the expenses to be reimbursed and the frequency.

#### Appropriate investment options

The plan may allow various investment options, including mutual funds, money market, equity funds, model portfolios, low cost index or age-related milestone funds.

#### Continuing use by your survivors

Upon your death, your account balance is either transferred to an account to pay medical expenses for your surviving spouse and/or dependents, or available to a beneficiary for their medical expenses.

### Contributions

Depending on your employer's RHS plan features, some of the following contributions may be available in your plan.

- Employer contributions - fixed percentage of salary or dollar amount which may vary each year.
- Mandatory or elective contributions of annual leave.
- Mandatory employer contributions.
- Elective pre-tax contributions of salary or accrued leave.

*Contributions to your plan are not subject to income or FICA tax.*

For additional information please request a copy of your employer's plan document or Q&A brochure.



## Appendix

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The appendix section provides more detailed information about the various parts of this report. It can be used along with the Audit Trail notations to illustrate the source of the numbers used in many of the other reports.

## Appendix

### Sample Financial Plan - TOTAL Goal-Based Planning

The following appendix pages have been provided as a source of data for the main report pages. In order to do an accurate financial analysis and to provide you with the means of verifying the accuracy of the analysis, these pages are keyed to the main reports using an "audit trail" feature.

The appendix section includes the following reports:

#### Retirement

Income needed and available, miscellaneous income or expense sources, pensions, social security, and an analysis of the amounts of annual surpluses or shortages, particularly during retirement. Additional "non-inflation-adjusted" reports are also included.

#### Assets

These pages make estimates of current and future balances, additions, withdrawals, returns and taxes. The sections include taxable, equity/other, tax-free, tax-deductible, qualified plans (deductible accounts like 401(k), IRA, etc.) and Roth IRA accounts.

#### Estate

Estimates of future asset balances by ownership, potential future estate settlement costs, life insurance and liabilities.

#### Survivor

Estimates of immediate cash needed, income and expenses, life insurance available, and special calculations of itemized deductions for survivors.

#### Loans

Combined by type of loan (residence, auto, etc.) amortization reports showing balances, interest and principal payments, and total annual payment amounts. In addition the loans are identified by owner and by planned survivor payoff schedule.

The following "Audit Trail" page will assist you in using the audit trail references to trace numbers from the main report pages to the appropriate support pages in this appendix section.

## Audit Trail

### Sample Financial Plan - TOTAL Goal-Based Planning

The financial analysis includes coverage of a number of issues important to your financial future. Since many of the topics are complex, some of the details for a particular topic are derived from support pages that provide additional information.

#### The reports are grouped as follows:

##### Main Reports

<u>Section</u>	<u>Contents</u>
A	General reports, Net Worth, Cash Flow, Summary, Liquidity, Education, etc.
B	Asset Pyramid, Asset allocation, Stock Options, etc.
C	Retirement Needs and Retirement Estimate, Asset Illustration, Monte Carlo
D	Income Taxes
E	Estate Taxes
F	Survivor Needs, Life Insurance, Disability, Long Term Care

##### Appendix Reports

G	Retirement illustrations and details, Pensions, Income & Expenses
H	Asset accounts
I	Estate details and estimates
J	Life insurance and survivor needs
K	Loan amortizations
L	Rental Real Estate

#### Using the Audit Trail feature:

If the audit trail feature is turned on, then each report page will have a letter and number in the top right corner. For example A2, C5, etc.

On many pages, there are values that originate on another page, either in the Main section or the Appendix section of the report. The source of the information will be identified by a letter / number memo referring to the page where the value originated. This memo will be in small italic type either near the right margin of the page or at the bottom of the column of numbers.

#### Examples:

##### Personal Financial Plan Summary: (A2)

The Retirement Section shows numbers for the Basic Living Expenses, Total Spendable income needed, etc. ... The references at the right of these numbers is C3 and C4. That means you may look on report page C3 "Retirement Needs Analysis" and C4 "Retirement Capital Analysis" to find the source of the amount and details about how the numbers were derived.

##### Retirement Needs Analysis: (C3)

When you look at this report page, you will find additional audit memos. This means that you may need to look at several pages to get the final answer you are looking for. For example, the references on page C3 (Retirement Needs Analysis) lead you to the Appendix section, pages G4, G8, G9, G11 and G18 for additional information.

##### Retirement Capital Estimate: (C6)

This is a columnar report. The Audit Trail memos at the bottom of each column will lead you to a more detailed source of the numbers shown. For example, the "Annual Expenses" column memo leads you to the Appendix Section, page "G4 - Annual Expenses". This page shows the amount of income needed to pay for mortgage and loans, insurance premiums, personal expenses and itemized deduction expenses.

# Income / Expense Summary

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Annual Personal Expenses	Other Income or Expenses	Social Security	Pension & Minimum Distrib.	Scheduled Distrib.	Surplus	Shortage	Cash Flow Surplus Allocation			
								Taxable	Equity	Tax-Free	Tax-Defer.
								20%	80%		
	(\$6,934,210)	(\$77,330)	\$1,922,916	\$324,944				40%	60%		
53 51											
54 52											
55 53		(12,080)					(12,080)				
56 54		(55,481)					(55,481)				
57 55		(60,081)					(60,081)				
58 56		(30,707)					(30,707)				
59 57		(31,147)					(31,147)				
60 58		(68,568)					(68,568)				
61 59											
62 60											
63 61		2,915				2,915		583	2,332		
64 62											
65 63	(141,733)	(40,119)					(181,852)				
66 64	(166,876)	(4,517)					(171,393)				
67 65	(170,791)	(59,024)	28,886	1,920			(199,009)				
68 66	(174,857)	(5,919)	29,464	1,958			(149,354)				
69 67	(179,079)	(6,048)	55,649	1,998			(127,481)				
70 68	(168,365)	367,421	56,762	3,810		259,628		103,851	155,777		
71 69	(168,819)	(17,629)	57,897	11,679			(116,872)				
72 70	(173,552)	(18,193)	59,055	32,749			(99,941)				
73 71	(178,469)	(18,776)	60,236	34,689			(102,321)				
74 72	(183,580)	(19,376)	61,441	34,869			(106,647)				
75 73	(182,893)		62,670	32,105			(88,119)				
76 74	(188,224)		63,923	29,839			(94,461)				
77 75	(193,767)		65,202	27,016			(101,549)				
78 76	(199,534)		66,506	23,491			(109,537)				
79 77	(205,534)		67,836	19,241			(118,458)				
80 78	(211,777)		69,192	13,930			(128,654)				
81 79	(184,576)		70,576	7,485			(106,515)				
82 80	(191,339)		71,988	2,584			(116,767)				
83 81	(198,381)		73,428	2,636			(122,317)				
84 82	(205,712)		74,896	2,688			(128,128)				
85 83	(213,348)		76,394	2,742			(134,212)				
86 84	(221,302)		77,922	2,797			(140,583)				
87 85	(229,589)		79,480	2,853			(147,256)				
88 86	(238,224)		81,070	2,910			(154,244)				
89 87	(247,224)		82,691	2,968			(161,564)				
90 88	(256,605)		84,345	3,028			(169,233)				
91 89	(235,736)		46,462	3,088			(186,186)				
92 90	(245,015)		47,391	3,150			(194,475)				
93 91	(254,704)		48,339	3,213			(203,152)				
94 92	(264,821)		49,305	3,277			(212,239)				
95 93	(275,389)		50,291	3,343			(221,755)				
96 94	(286,429)		51,297	3,410			(231,722)				
97 95	(297,964)		52,323	3,478			(242,163)				
98 96											
	G4	B15, G8	G11	G9, G11	H1...H8						

## Annual Expenses (Post Retirement)

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Personal Expenses*	Itemized Deduction + \$ to heirs	Savings, Investment & Retirement	Insurance Premiums	Mtg. & Loan Payments	Total Expenses (incl inflation)	Personal Expenses in Today's Dollars **	
	\$3,311,977	\$2,815,306	\$12,327	\$189,028	\$605,571	\$6,934,210	Annual Amount	Inflation Rate
53 51							\$51,380	3.20
54 52							51,380	3.20
55 53							51,380	3.20
56 54							51,380	3.20
57 55							51,380	3.20
58 56							45,380	3.20
59 57							45,380	3.20
60 58							45,380	3.20
61 59							45,380	3.20
62 60							45,380	3.20
63 61							45,380	3.20
64 62							45,380	3.20
65 63	65,203	40,227	12,327	4,775	19,200	141,733	44,680	3.20
66 64	67,290	41,841		4,847	52,898	166,876	44,680	3.20
67 65	69,443	43,530		4,920	52,898	170,791	44,680	3.20
68 66	71,665	45,298		4,996	52,898	174,857	44,680	3.20
69 67	73,959	47,148		5,074	52,898	179,079	44,680	3.20
70 68	76,325	49,086		5,155	37,799	168,365	44,680	3.20
71 69	78,768	51,115		5,238	33,698	168,819	44,680	3.20
72 70	81,288	53,241		5,324	33,698	173,552	44,680	3.20
73 71	83,889	55,469		5,413	33,698	178,469	44,680	3.20
74 72	86,574	57,803		5,505	33,698	183,580	44,680	3.20
75 73	83,345	60,250		5,599	33,698	182,893	41,680	3.20
76 74	86,012	62,816		5,697	33,698	188,224	41,680	3.20
77 75	88,765	65,507		5,798	33,698	193,767	41,680	3.20
78 76	91,605	68,329		5,902	33,698	199,534	41,680	3.20
79 77	94,537	71,290		6,009	33,698	205,534	41,680	3.20
80 78	97,562	74,397		6,120	33,698	211,777	41,680	3.20
81 79	100,684	77,659		6,234		184,576	41,680	3.20
82 80	103,906	81,082		6,352		191,339	41,680	3.20
83 81	107,231	84,677		6,473		198,381	41,680	3.20
84 82	110,662	88,452		6,599		205,712	41,680	3.20
85 83	114,203	92,417		6,728		213,348	41,680	3.20
86 84	117,858	96,583		6,862		221,302	41,680	3.20
87 85	121,629	100,960		7,000		229,589	41,680	3.20
88 86	125,521	105,561		7,143		238,224	41,680	3.20
89 87	129,538	110,397		7,290		247,224	41,680	3.20
90 88	133,683	115,481		7,441		256,605	41,680	3.20
91 89	110,369	120,828		4,539		235,736	33,344	3.20
92 90	113,901	126,451		4,664		245,015	33,344	3.20
93 91	117,545	132,366		4,792		254,704	33,344	3.20
94 92	121,307	138,590		4,925		264,821	33,344	3.20
95 93	125,189	145,139		5,061		275,389	33,344	3.20
96 94	129,195	152,031		5,203		286,429	33,344	3.20
97 95	133,329	159,286		5,348		297,964	33,344	3.20
98 96								
		G6	C8a, A23	G10	K3			

\*This report concerns expenses starting at retirement age, including offset for scheduled withdrawals from asset accounts.

\*\*These columns are for illustration only, showing personal expenses restated in today's dollars.

## Gross Income (Inflation Adjusted)

Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Allen Salary	Betty Salary	Allen Self Employment	Betty Self Employment	Interest & Dividends	Misc. Income & Insurance	SS and Pension Income	Gross Income
53	51	\$86,000	\$72,000		\$8,000	\$7,296			\$173,296
54	52	88,150	73,440		8,160	7,947			177,697
55	53	99,809	74,909		8,323	8,528			191,569
56	54	102,305	76,407		8,490	8,668			195,869
57	55	104,862	77,935		8,659	7,982	41		199,479
58	56	107,484	79,494		8,833	7,770			203,580
59	57	110,171	81,084		9,009	7,497	2,332		210,093
60	58	118,869	82,705		9,189	6,483			217,246
61	59	121,840	84,359		9,373	6,094			221,667
62	60	124,886	86,047		9,561	6,741			227,234
63	61	128,008	87,768		9,752	7,476	4,048		237,052
64	62	131,209	89,523		9,947	8,246			238,925
65	63		91,313		10,146	4,673			106,133
66	64								
67	65							37,203	37,203
68	66							37,947	37,947
69	67							69,544	69,544
70	68					3,471	200,000	70,935	274,406
71	69					4,591		72,353	76,945
72	70					3,007		73,800	76,807
73	71							75,276	75,276
74	72							76,782	76,782
75	73							78,318	78,318
76	74							79,884	79,884
77	75							81,482	81,482
78	76							83,111	83,111
79	77							84,774	84,774
80	78							86,469	86,469
81	79							88,198	88,198
82	80							89,962	89,962
83	81							91,762	91,762
84	82							93,597	93,597
85	83							95,469	95,469
86	84							97,378	97,378
87	85							99,326	99,326
88	86							101,312	101,312
89	87							103,338	103,338
90	88							105,405	105,405
91	89							59,838	59,838
92	90							61,035	61,035
93	91							62,255	62,255
94	92							63,501	63,501
95	93							64,771	64,771
96	94							66,066	66,066
97	95							67,387	67,387
98	96								
		G22	G23	G22	G23	H1, H2, H3	G8	G9, G11	

Note: This report is used for computing itemized deductions based on Gross Income, and may not match other reports.

# Itemized Deduction Expenses (Inflation Adjusted\*)

G6

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Gross Income	Charitable Contr.		Medical Expenses		Property Tax			Other Tax		Misc. Item. Ded.		Other Ded. Int.		Total
		Gross % Income	Annual Amount \$4,000	Gross % Income	Annual Amount \$4,000	Residence Value	%Resid. Value	Annual Amount \$7,400	Gross % Income	Annual Amount	Gross % Income	Annual Amount	Gross % Income	Annual Amount	
53 51			\$4,000		\$4,000	\$447,000		\$7,400							\$15,400
54 52			4,080		4,200	455,940		7,622							15,902
55 53			4,162		4,410	465,059		7,851							16,422
56 54			4,245		4,631	474,360		8,086							16,962
57 55			4,330		4,862	483,847		8,329							17,521
58 56			4,416		5,105	493,524		8,579							18,100
59 57			4,505		5,360	503,395		8,836							18,701
60 58			4,595		5,628	513,462		9,101							19,324
61 59			4,687		5,910	523,732		9,374							19,971
62 60			4,780		6,205	534,206		9,655							20,641
63 61			4,876		6,516	544,891		9,945							21,337
64 62			4,974		6,841	555,788		10,243							22,058
65 63	106,133		5,073		15,265	566,904		19,889							40,227
66 64			5,174		16,181	1,031,004		20,486							41,841
67 65	37,203		5,278		17,151	1,051,625		21,101							43,530
68 66	37,947		5,383		18,181	1,072,657		21,734							45,298
69 67	69,544		5,491		19,271	1,094,110		22,386							47,148
70 68	274,406		5,601		20,428	1,115,992		23,057							49,086
71 69	76,945		5,713		21,653	1,138,312		23,749							51,115
72 70	76,807		5,827		22,953	1,161,079		24,461							53,241
73 71	75,276		5,944		24,330	1,184,300		25,195							55,469
74 72	76,782		6,063		25,790	1,207,986		25,951							57,803
75 73	78,318		6,184		27,337	1,232,146		26,730							60,250
76 74	79,884		6,308		28,977	1,256,789		27,532							62,816
77 75	81,482		6,434		30,716	1,281,924		28,357							65,507
78 76	83,111		6,562		32,559	1,307,563		29,208							68,329
79 77	84,774		6,694		34,512	1,333,714		30,084							71,290
80 78	86,469		6,828		36,583	1,360,389		30,987							74,397
81 79	88,198		6,964		38,778	1,387,596		31,917							77,659
82 80	89,962		7,103		41,105	1,415,348		32,874							81,082
83 81	91,762		7,245		43,571	1,443,655		33,860							84,677
84 82	93,597		7,390		46,185	1,472,528		34,876							88,452
85 83	95,469		7,538		48,956	1,501,979		35,922							92,417
86 84	97,378		7,689		51,894	1,532,018		37,000							96,583
87 85	99,326		7,843		55,007	1,562,659		38,110							100,960
88 86	101,312		8,000		58,308	1,593,912		39,253							105,561
89 87	103,338		8,160		61,806	1,625,790		40,431							110,397
90 88	105,405		8,323		65,514	1,658,306		41,644							115,481
91 89	59,838		8,489		69,445	1,691,472		42,893							120,828
92 90	61,035		8,659		73,612	1,725,302		44,180							126,451
93 91	62,255		8,832		78,029	1,759,808		45,505							132,366
94 92	63,501		9,009		82,710	1,795,004		46,871							138,590
95 93	64,771		9,189		87,673	1,830,904		48,277							145,139
96 94	66,066		9,373		92,933	1,867,522		49,725							152,031
97 95	67,387		9,560		98,509	1,904,872		51,217							159,286
98 96															
G5															

\* Including inflation - amounts shown may vary from year to year based on data provided about changing amounts and rates at various ages.

## Other Income and Expenses

G7

### Sample Financial Plan - TOTAL Goal-Based Planning

Single Year								Amount for Survivor	
Description	Start Age	Stop Age	Amount (today's \$)*	Increase Rate Before / After Retirement		Amount (future \$)*	Taxable Percent	Allen	Betty
Betty's Expected Inheritance (~	70	71	\$200,000	0.00%	0.00%	\$200,000	0.00%		
Bonnie's Wedding	67	68	(\$35,000)	3.20%	3.20%	(\$54,398)	0.00%		
Kitchen and Bath Remodel	60	61	(\$55,000)	3.20%	3.20%	(\$68,568)	0.00%		

Multiple Year								Amount for Survivor	
Description	Start Age	Stop Age	Amount (today's \$)*	Increase Rate Before / After Retirement		Amount (future \$)*	Taxable Percent	Allen	Betty
Extended travel - first 10 years	65	75	(\$10,000)	3.20%	3.20%	(\$14,593)	0.00%		

\*Negative numbers indicate cash outflow, positive numbers represent income.



## Other Income/Expense, Options, Insurance, Misc.

G8

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Other Inc/Exp (after tax)		Stock Options (after tax)	Post-Retirement Earnings	Residence Sale	Balloon Pmt (pre-retire) & Life Insurance	Total Misc. Inc/Exp or Insurance	Education Expenses	Other Goals	Total Education and Other
	Income Amounts	Expense Amounts								
53 51	\$200,000	(\$291,811)	\$4,764	\$82,264	(\$88,777)		(\$93,560)	(\$191,346)	(\$29,187)	(\$220,533)
54 52										
55 53								(12,080)		(12,080)
56 54								(55,481)		(55,481)
57 55			(506)				(506)	(59,575)		(59,575)
58 56								(30,707)		(30,707)
59 57			2,355				2,355	(33,502)		(33,502)
60 58		(68,568)					(68,568)			
61 59										
62 60										
63 61			2,915				2,915			
64 62										
65 63		(14,593)		82,264	(88,777)		(21,106)	(29,187)		(29,187)
66 64		(15,060)					(15,060)			
67 65		(69,940)					(69,940)			
68 66		(16,040)					(16,040)			
69 67		(16,553)					(16,553)			
70 68	200,000	(17,083)					182,917			
71 69		(17,629)					(17,629)			
72 70		(18,193)					(18,193)			
73 71		(18,776)					(18,776)			
74 72		(19,376)					(19,376)			
75 73										
76 74										
77 75										
78 76										
79 77										
80 78										
81 79										
82 80										
83 81										
84 82										
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86 84										
87 85										
88 86										
89 87										
90 88										
91 89										
92 90										
93 91										
94 92										
95 93										
96 94										
97 95										
98 96										
	G7	G7	B9		G24	J1		A23	A17	

## Pensions

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Client Pension 2 Survivor Benefit*			Client Pension 1 Survivor Benefit			Spouse Pension 1 Survivor Benefit*			Spouse Pension 2 Survivor Benefit			Tax on Pensions 31% 20%	Net Pensions After tax
	Annual Benefit	Post-ret. Pre-ret.	Pre-ret.	Annual Benefit	Post-ret. Pre-ret.	Pre-ret.	Annual benefit	Post-ret. Pre-ret.	Pre-ret.	Annual benefit	Post-ret. Pre-ret.	Pre-ret.		
53 51														
54 52														
55 53														
56 54														
57 55														
58 56														
59 57														
60 58														
61 59														
62 60														
63 61														
64 62														
65 63														
66 64														
67 65							2,400						(480)	1,920
68 66							2,448						(490)	1,958
69 67							2,497						(499)	1,998
70 68							2,547						(509)	2,038
71 69							2,598						(520)	2,078
72 70							2,650						(530)	2,120
73 71							2,703						(541)	2,162
74 72							2,757						(551)	2,205
75 73							2,812						(562)	2,250
76 74							2,868						(574)	2,295
77 75							2,926						(585)	2,340
78 76							2,984						(597)	2,387
79 77							3,044						(609)	2,435
80 78							3,105						(621)	2,484
81 79							3,167						(633)	2,533
82 80							3,230						(646)	2,584
83 81							3,295						(659)	2,636
84 82							3,361						(672)	2,688
85 83							3,428						(686)	2,742
86 84							3,496						(699)	2,797
87 85							3,566						(713)	2,853
88 86							3,638						(728)	2,910
89 87							3,710						(742)	2,968
90 88							3,785						(757)	3,028
91 89							3,860						(772)	3,088
92 90							3,937						(787)	3,150
93 91							4,016						(803)	3,213
94 92							4,097						(819)	3,277
95 93							4,178						(836)	3,343
96 94							4,262						(852)	3,410
97 95							4,347						(869)	3,478
98 96														

\*Post-retire = spouse benefit for normal life expectancy. Pre-retire = if death occurs prior to pension starting age (for survivor reports.)

## Miscellaneous Insurance Premiums\*

Sample Financial Plan - TOTAL Goal-Based Planning

Allen					Betty					Home-owners, Property & Casualty	Total Premiums (incl. life)
Age	Auto	Disability	Medical	LTC	Age	Auto	Disability	Medical	LTC		
53	\$350	\$600			51	\$275				\$900	\$5,050
54	361	600			52	284				929	5,099
55	373	600			53	293				959	5,149
56	385	600			54	302				989	5,201
57	397	600			55	312				1,021	5,255
58	410	600			56	322				1,054	5,310
59	423	600			57	332				1,087	5,367
60	436	600			58	343				1,122	5,426
61	450	600			59	354				1,158	5,487
62	465	600			60	365				1,195	5,550
63	480	600			61	377				1,233	5,615
64	495	600			62	389				1,273	5,306
65	511				63	401				1,313	4,775
66	527				64	414				1,355	4,847
67	544				65	427				1,399	4,920
68	561				66	441				1,444	4,996
69	579				67	455				1,490	5,074
70	598				68	470				1,537	5,155
71	617				69	485				1,587	5,238
72	637				70	500				1,637	5,324
73	657				71	516				1,690	5,413
74	678				72	533				1,744	5,505
75	700				73	550				1,800	5,599
76	722				74	567				1,857	5,697
77	745				75	586				1,917	5,798
78	769				76	604				1,978	5,902
79	794				77	624				2,041	6,009
80	819				78	644				2,107	6,120
81	845				79	664				2,174	6,234
82	873				80	686				2,244	6,352
83	900				81	707				2,315	6,473
84	929				82	730				2,390	6,599
85	959				83	753				2,466	6,728
86	990				84	778				2,545	6,862
87	1,021				85	802				2,626	7,000
88	1,054				86	828				2,710	7,143
89	1,088				87	855				2,797	7,290
90	1,123				88	882				2,887	7,441
91					89	910				2,979	4,539
92					90	939				3,074	4,664
93					91	969				3,173	4,792
94					92	1,000				3,274	4,925
95					93	1,032				3,379	5,061
96					94	1,066				3,487	5,203
97					95	1,100				3,599	5,348
98					96						

\* Includes anticipated inflation in premium amounts on policies other than life insurance.

## Social Security, RMD

### Sample Financial Plan - TOTAL Goal-Based Planning

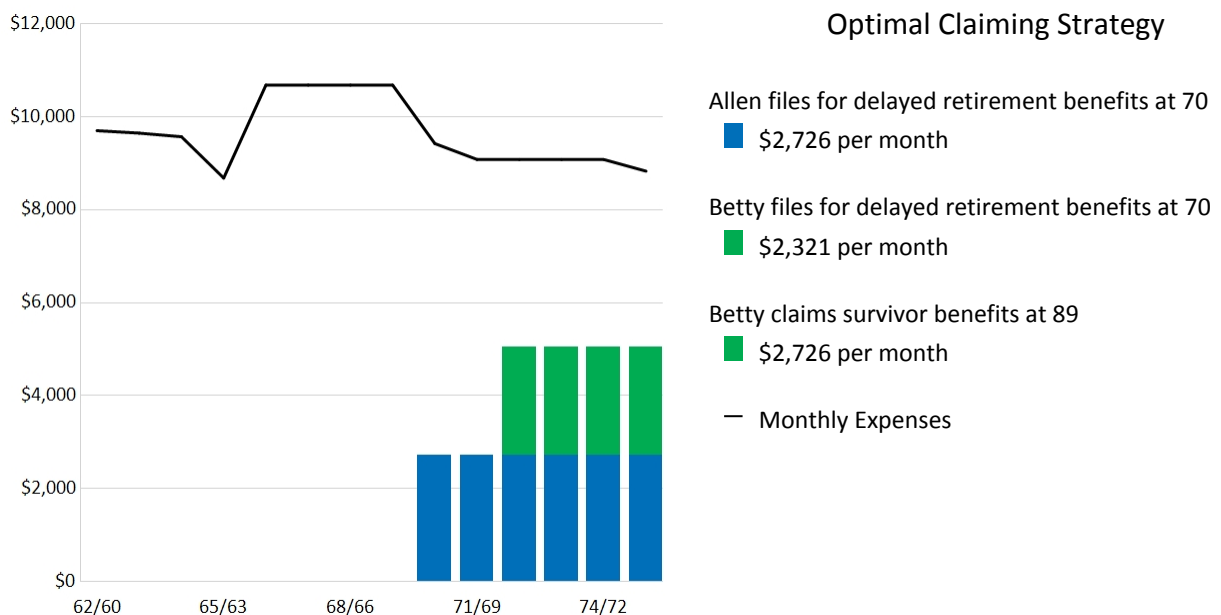
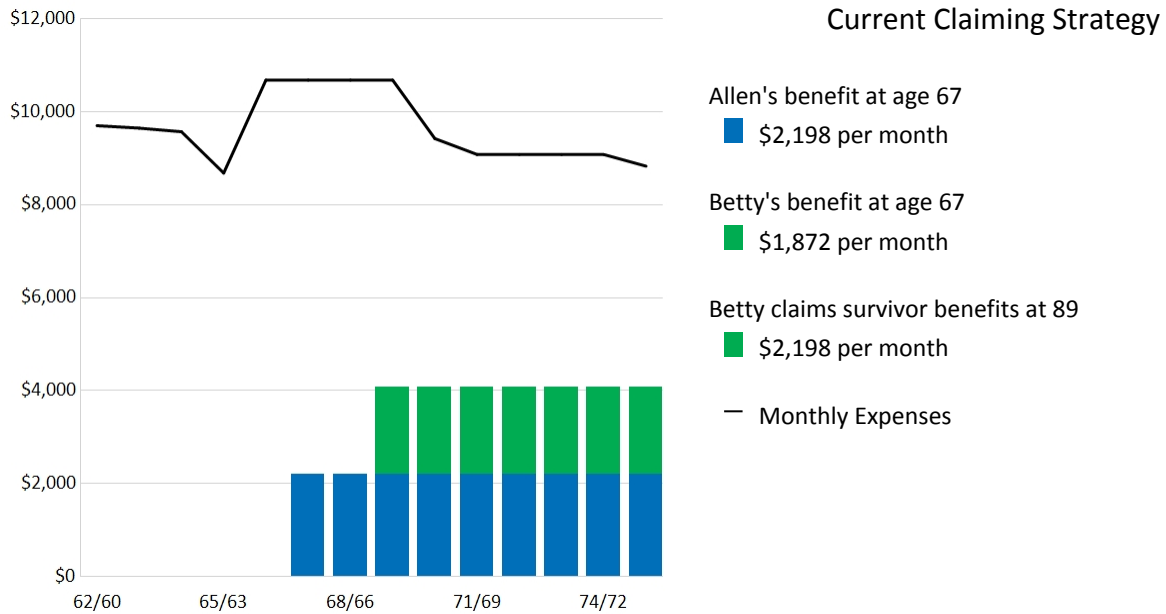
Ages		Allen Starting at 67 \$26,376	Betty Starting at 67 \$22,464	Estimated Tax Due at 31.00% pre-ret. 20.00% post-ret.*	Spendable Social Security After Tax	Required Minimum Distribution		Estimated Tax Due at 31.00% pre ret. 20.00% post ret.	Spendable Minimum Distribution After Tax
						Allen RMD Amount	Betty RMD Amount		
53	51								
54	52								
55	53								
56	54								
57	55								
58	56								
59	57								
60	58								
61	59								
62	60								
63	61								
64	62								
65	63								
66	64								
67	65	34,803		(5,916)	28,886				
68	66	35,499		(6,035)	29,464				
69	67	36,209	30,838	(11,398)	55,649				
70	68	36,933	31,455	(11,626)	56,762	2,216		(443)	1,773
71	69	37,671	32,084	(11,858)	57,897	12,001		(2,400)	9,601
72	70	38,425	32,726	(12,096)	59,055	12,745	25,541	(7,657)	30,629
73	71	39,193	33,380	(12,338)	60,236	13,534	27,124	(8,132)	32,526
74	72	39,977	34,048	(12,584)	61,441	12,027	28,802	(8,166)	32,663
75	73	40,777	34,729	(12,836)	62,670	6,738	30,581	(7,464)	29,855
76	74	41,592	35,423	(13,093)	63,923	1,966	32,465	(6,886)	27,545
77	75	42,424	36,132	(13,355)	65,202		30,845	(6,169)	24,676
78	76	43,273	36,855	(13,622)	66,506		26,380	(5,276)	21,104
79	77	44,138	37,592	(13,894)	67,836		21,007	(4,201)	16,806
80	78	45,021	38,343	(14,172)	69,192		14,308	(2,862)	11,446
81	79	45,921	39,110	(14,455)	70,576		6,189	(1,238)	4,951
82	80	46,840	39,893	(14,744)	71,988				
83	81	47,776	40,690	(15,039)	73,428				
84	82	48,732	41,504	(15,340)	74,896				
85	83	49,707	42,334	(15,647)	76,394				
86	84	50,701	43,181	(15,960)	77,922				
87	85	51,715	44,045	(16,279)	79,480				
88	86	52,749	44,926	(16,605)	81,070				
89	87	53,804	45,824	(16,937)	82,691				
90	88	54,880	46,741	(17,276)	84,345				
91	89		55,978	(9,516)	46,462				
92	90		57,097	(9,707)	47,391				
93	91		58,239	(9,901)	48,339				
94	92		59,404	(10,099)	49,305				
95	93		60,592	(10,301)	50,291				
96	94		61,804	(10,507)	51,297				
97	95		63,040	(10,717)	52,323				
98	96								
						H5, H6a...H6d	H6...H6d		

\*Taxes on Social Security benefits are calculated assuming 85% of benefits are taxable at 20 % after retirement.

## Social Security Comparison

Sample Financial Plan - TOTAL Goal-Based Planning

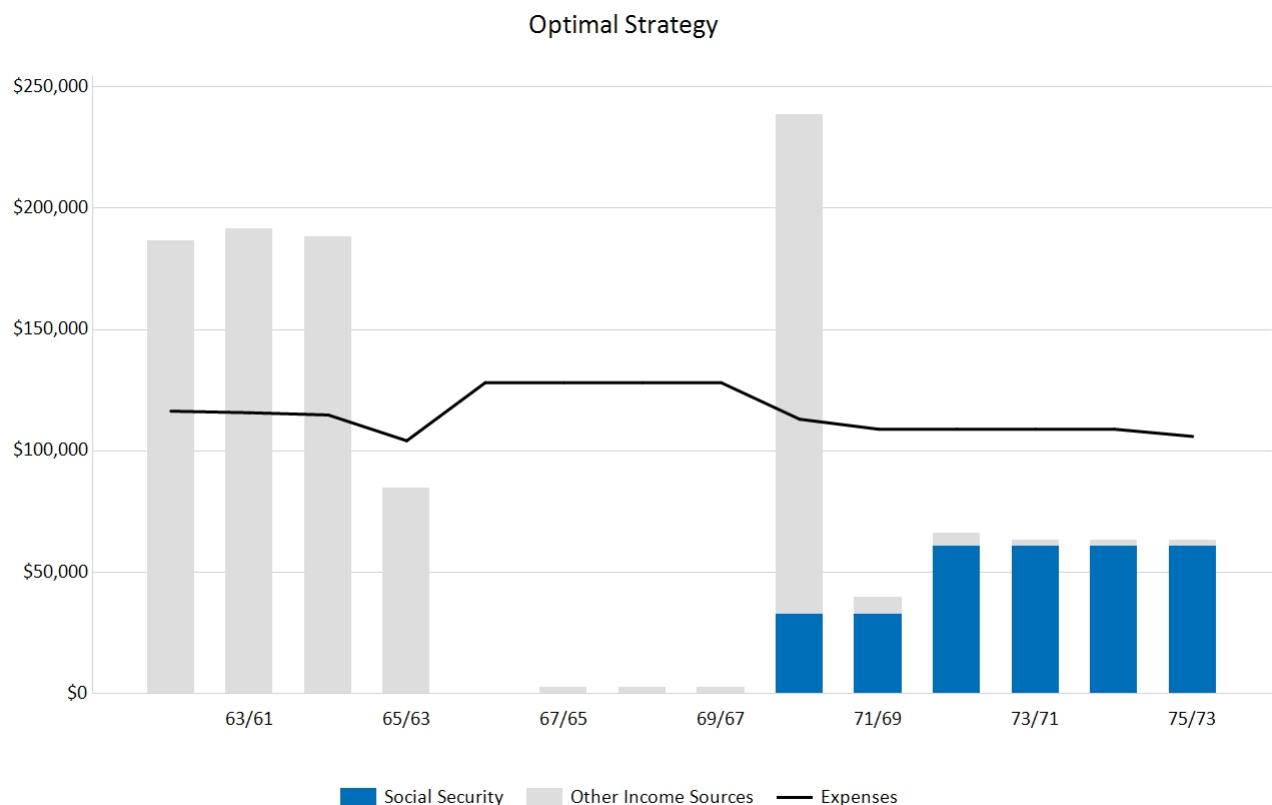
G12



\*All amounts on this page are in today's dollars and show gross monthly benefits.

## Social Security Income Comparison

Sample Financial Plan - TOTAL Goal-Based Planning



\*All amounts on this page are in today's dollars and show gross monthly benefits.

## Sample Financial Plan - TOTAL Goal-Based Planning

Year	Green Line (\$)	Blue Line (\$)	Grey Line (\$)
1962	0	0	0
1966	0	0	0
1970	0	150,000	150,000
1974	250,000	350,000	300,000
1978	500,000	550,000	450,000
1982	750,000	750,000	600,000
1986	1,000,000	950,000	750,000
1990	1,220,000	1,130,000	880,000
1994	1,400,000	1,280,000	1,000,000

Age	Year	File at 62/62	Current Strategy	Optimal Strategy
62	60	2027		
63	61	2028		
64	62	2029		
65	63	2030		
66	64	2031		
67	65	2032		
68	66	2033		
69	67	2034		
70	68	2035		
71	69	2036		
72	70	2037		
73	71	2038		
74	72	2039		
75	73	2040		
76	74	2041		
77	75	2042		
78	76	2043		
79	77	2044		
80	78	2045		
81	79	2046		
82	80	2047		
83	81	2048		
84	82	2049		
85	83	2050		
86	84	2051		
87	85	2052		
88	86	2053		
89	87	2054		
90	88	2055		

3/29/2018

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## Social Security Income (Today's Dollars)

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Expenses	Retirement Income			Remaining Expenses Before SS	Social Security Income		
		Earned Income	Pension	Other Income		62/62	Current Strategy	Optimal Strategy
53 51	\$123,910	\$166,000		\$7,296				
54 52	123,910	166,000		7,947				
55 53	124,450	175,000		8,528				
56 54	124,450	175,000		8,668				
57 55	123,250	175,000		8,022				
58 56	117,250	175,000		7,770				
59 57	116,050	175,000		9,829				
60 58	116,350	180,000		6,483				
61 59	116,350	180,000		6,094				
62 60	116,350	180,000		6,741				
63 61	115,707	180,000		11,524				
64 62	114,775	180,000		8,246				
65 63	104,125	80,000		4,673	\$19,452	\$18,463		
66 64	128,103				128,103	34,188		
67 65	128,103		\$2,400		125,703	34,188	\$26,376	
68 66	128,103		2,400		125,703	34,188	26,376	
69 67	128,103		2,400		125,703	34,188	48,840	
70 68	113,004		2,400	203,471		34,188	48,840	\$32,706
71 69	108,903		2,400	4,591	101,912	34,188	48,840	32,706
72 70	108,903		2,400	3,007	103,496	34,188	48,840	60,562
73 71	108,903		2,400		106,503	34,188	48,840	60,562
74 72	108,903		2,400		106,503	34,188	48,840	60,562
75 73	105,903		2,400		103,503	34,188	48,840	60,562
76 74	105,903		2,400		103,503	34,188	48,840	60,562
77 75	105,903		2,400		103,503	34,188	48,840	60,562
78 76	105,903		2,400		103,503	34,188	48,840	60,562
79 77	105,903		2,400		103,503	34,188	48,840	60,562
80 78	105,903		2,400		103,503	34,188	48,840	60,562
81 79	72,205		2,400		69,805	34,188	48,840	60,562
82 80	72,205		2,400		69,805	34,188	48,840	60,562
83 81	72,205		2,400		69,805	34,188	48,840	60,562
84 82	72,205		2,400		69,805	34,188	48,840	60,562
85 83	72,205		2,400		69,805	34,188	48,840	60,562
86 84	72,205		2,400		69,805	34,188	48,840	60,562
87 85	72,205		2,400		69,805	34,188	48,840	60,562
88 86	72,205		2,400		69,805	34,188	48,840	60,562
89 87	72,205		2,400		69,805	34,188	48,840	60,562
90 88	72,205		2,400		69,805	34,188	48,840	60,562
91 89	61,969		2,400		59,569	21,760	26,376	32,706
92 90	61,969		2,400		59,569	21,760	26,376	32,706
93 91	61,969		2,400		59,569	21,760	26,376	32,706
94 92	61,969		2,400		59,569	21,760	26,376	32,706
95 93	61,969		2,400		59,569	21,760	26,376	32,706
96 94	61,969		2,400		59,569	21,760	26,376	32,706
97 95	61,969		2,400		59,569	21,760	26,376	32,706



## Social Security Terminology

Sample Financial Plan - TOTAL Goal-Based Planning

### Primary Insurance Amount (PIA):

This is the amount that all benefits are based on. A worker's PIA is determined by a formula that looks at the top 35 years of earning history, adjusted into today's dollars.

### Full Retirement Age:

If a claimant files at Full Retirement Age, they receive a benefit equal to their full PIA every month. Full Retirement Age is determined by year of birth according to the table on the right. Note that individuals born on January 1 are deemed to have been born in the previous year for determin

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

### Filing Early:

It is possible to claim Social Security retirement benefits as early as 62, however doing so permanently reduces the amount of benefit. The amount of reduction depends on the claimant's Full Retirement Age and whether they are claiming their own retirement benefit or spousal retirem

### Filing Late:

It is also possible to claim Social Security retirement benefits after Full Retirement Age. There is no benefit to claiming spousal retirement benefits after Full Retirement Age. However, when claiming one's own retirement benefit there are Delayed Retirement Credits applied for each month delayed past Full Retirement Age that equal 8% annually. This increase stops at age 70, so that while it is possible to claim benefits after age 70, there are no further

### Breakeven Point:

When comparing Social Security claiming strategies, one important detail to be aware of is that the optimal strategy depends, in part, on the life expectancy of the claimant(s). Delaying claiming past 62 increases monthly income but also means giving up income for a certain number of months. The breakeven point is when a certain strategy with higher income has "caught up" to, or provided the same or more lifetime income than, an earlier claiming strategy. The age that this occurs depends on the situation, as well as future Cost of Living Adjustments made by the Social Security Administration, and the opportunity cost of spending money from other sources in order to delay claiming benefits.

### Spousal Benefits:

Spouses, and in certain cases ex-spouses, are entitled to a portion of a worker's retirement benefit after the worker has filed for retirement benefits. If taken at Full Retirement Age this equals 50% of the worker's PIA. This benefit is reduced when taken early, but can be claimed as early as 62. Spousal benefits are not eligible for Delayed Retirement Credits so while they can be claimed after Full Retirement Age there is no advantage to doing so.

### Restricted Filing: NOTE: ONLY AVAILABLE FOR THOSE BORN ON OR BEFORE JANUARY 1, 1954.

When a worker is eligible for both spousal retirement benefits and their own retirement benefits, and has reached at least Full Retirement Age, they are able to restrict their filing application to one or the other. This is typically done to claim spousal benefits without also claiming their own retirement benefits since their own benefit will then continue to grow while spousal benefits do not increase after Full Retirement Age. Restricting the filing is necessary because the Social Security Administration deems filing for one benefit as filing for all eligible benefits without this election.

## Social Security Optimization

### Sample Financial Plan - TOTAL Goal-Based Planning

When attempting to optimize Social Security, one needs to define which part of Social Security they are attempting to optimize as well as certain assumptions about life expectancy, Cost of Living Adjustments, and the opportunity cost of taking Social Security later rather than earlier.

First, many think of Social Security as longevity insurance. This means that in case someone and/or their spouse lives longer than expected, there is some guaranteed income available. To optimize longevity insurance the goal should be to achieve the largest annual income stream.

Another way to think of Social Security is a source of income to help pay medical bills for someone with major medical needs in their 60s and 70s. If the need begins in their early 60s likely optimization means getting income as soon as possible to help cover medical bills. If the need arises after full retirement age, those who have delayed retirement benefits can receive up to six months of retroactive benefits as a lump sum. Accepting retroactive benefits can lower retirement benefits and related survivor benefits.

Perhaps the most popular way to think of Social Security is as one of the core sources of income for retirement spending. What to optimize in this situation is much more personal and depends heavily on each individual situation. First, does the person have enough assets to retire at 62 or earlier without Social Security benefits? If not, are they able to continue working to increase benefits later? In addition, what is the life expectancy of the person, and what is it for their spouse? Shorter life expectancies are usually optimized by having earlier benefits, and longer life expectancies by maximizing annual income.

Since arriving at an optimal Social Security claiming strategy is extremely complex, this model shows multiple strategies and the impacts at different life expectancies. One key thing to keep in mind is that a little planning will go a long way, but the difference between the most optimal approach, and the second most is typically negligible and thus a person's comfort with the strategy should be taken into consideration in addition to the financial benefit of the strategy.

## Annual Expenses (No Inflation)

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Personal Expenses (no tax)	Itemized Deductions	Savings & Invest, Retire	Insurance					Liabilities		Total Annual Expenses
				Auto*	Disability	Medical & LTC*	Home-owner & P/C*	Life Insurance	Mortgages	Other Debts	
53 51	\$51,380	\$15,400	\$31,680	\$625	\$600		\$900	\$2,925	\$19,200	\$1,200	\$123,910
54 52	51,380	15,400	31,680	625	600		900	2,925	19,200	1,200	123,910
55 53	51,380	15,400	32,220	625	600		900	2,925	19,200	1,200	124,450
56 54	51,380	15,400	32,220	625	600		900	2,925	19,200	1,200	124,450
57 55	51,380	15,400	31,020	625	600		900	2,925	19,200	1,200	123,250
58 56	45,380	15,400	31,020	625	600		900	2,925	19,200	1,200	117,250
59 57	45,380	15,400	29,820	625	600		900	2,925	19,200	1,200	116,050
60 58	45,380	15,400	30,120	625	600		900	2,925	19,200	1,200	116,350
61 59	45,380	15,400	30,120	625	600		900	2,925	19,200	1,200	116,350
62 60	45,380	15,400	30,120	625	600		900	2,925	19,200	1,200	116,350
63 61	45,380	15,400	30,120	625	600		900	2,925	19,200	557	115,707
64 62	45,380	15,400	30,120	625	600		900	2,550	19,200		114,775
65 63	44,680	26,450	9,720	625			900	2,550	19,200		104,125
66 64	44,680	26,450		625			900	2,550	52,898		128,103
67 65	44,680	26,450		625			900	2,550	52,898		128,103
68 66	44,680	26,450		625			900	2,550	52,898		128,103
69 67	44,680	26,450		625			900	2,550	52,898		128,103
70 68	44,680	26,450		625			900	2,550	37,799		113,004
71 69	44,680	26,450		625			900	2,550	33,698		108,903
72 70	44,680	26,450		625			900	2,550	33,698		108,903
73 71	44,680	26,450		625			900	2,550	33,698		108,903
74 72	44,680	26,450		625			900	2,550	33,698		108,903
75 73	41,680	26,450		625			900	2,550	33,698		105,903
76 74	41,680	26,450		625			900	2,550	33,698		105,903
77 75	41,680	26,450		625			900	2,550	33,698		105,903
78 76	41,680	26,450		625			900	2,550	33,698		105,903
79 77	41,680	26,450		625			900	2,550	33,698		105,903
80 78	41,680	26,450		625			900	2,550	33,698		105,903
81 79	41,680	26,450		625			900	2,550			72,205
82 80	41,680	26,450		625			900	2,550			72,205
83 81	41,680	26,450		625			900	2,550			72,205
84 82	41,680	26,450		625			900	2,550			72,205
85 83	41,680	26,450		625			900	2,550			72,205
86 84	41,680	26,450		625			900	2,550			72,205
87 85	41,680	26,450		625			900	2,550			72,205
88 86	41,680	26,450		625			900	2,550			72,205
89 87	41,680	26,450		625			900	2,550			72,205
90 88	41,680	26,450		625			900	2,550			72,205
91 89	33,344	26,450		625			900	650			61,969
92 90	33,344	26,450		625			900	650			61,969
93 91	33,344	26,450		625			900	650			61,969
94 92	33,344	26,450		625			900	650			61,969
95 93	33,344	26,450		625			900	650			61,969
96 94	33,344	26,450		625			900	650			61,969
97 95	33,344	26,450		625			900	650			61,969
98 96											

\*Unless otherwise specified, premiums on these policies will be inflated on the Income Needed reports at the rates used for personal expenses.

## Gross Income (No Inflation)

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Allen Salary	Betty Salary	Allen Self Employment	Betty Self Employment	Interest & Dividends	Misc. Income & Insurance	SS and Pension Income	Gross Income
53	51	\$86,000	\$72,000		\$8,000	\$7,296			\$173,296
54	52	86,000	72,000		8,000	7,947			173,947
55	53	95,000	72,000		8,000	8,528			183,528
56	54	95,000	72,000		8,000	8,668			183,668
57	55	95,000	72,000		8,000	7,982	41		183,022
58	56	95,000	72,000		8,000	7,770			182,770
59	57	95,000	72,000		8,000	7,497	2,332		184,829
60	58	100,000	72,000		8,000	6,483			186,483
61	59	100,000	72,000		8,000	6,094			186,094
62	60	100,000	72,000		8,000	6,741			186,741
63	61	100,000	72,000		8,000	7,476	4,048		191,524
64	62	100,000	72,000		8,000	8,246			188,246
65	63		72,000		8,000	4,673			84,673
66	64								
67	65							28,776	28,776
68	66							28,776	28,776
69	67							51,240	51,240
70	68					3,471	200,000	51,240	254,711
71	69					4,591		51,240	55,831
72	70					3,007		51,240	54,247
73	71							51,240	51,240
74	72							51,240	51,240
75	73							51,240	51,240
76	74							51,240	51,240
77	75							51,240	51,240
78	76							51,240	51,240
79	77							51,240	51,240
80	78							51,240	51,240
81	79							51,240	51,240
82	80							51,240	51,240
83	81							51,240	51,240
84	82							51,240	51,240
85	83							51,240	51,240
86	84							51,240	51,240
87	85							51,240	51,240
88	86							51,240	51,240
89	87							51,240	51,240
90	88							51,240	51,240
91	89							28,776	28,776
92	90							28,776	28,776
93	91							28,776	28,776
94	92							28,776	28,776
95	93							28,776	28,776
96	94							28,776	28,776
97	95							28,776	28,776
98	96								

# Itemized Deduction Expenses (No Inflation)

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Gross Income	Charity		Medical		Property Tax			Other Tax		Misc. Item. Ded.		Other Ded. Int.		Total
		Gross % Income	Annual Amount	Gross % Income	Annual Amount	Residence \$447,000	% resid. Value	Annual Amount	Gross % Income	Annual Amount	Gross % Income	Annual Amount	Gross % Income	Annual Amount	
			\$4,000		\$4,000			\$7,400							
53 51	\$173,296		\$4,000		\$4,000	\$447,000		\$7,400							\$15,400
54 52	173,947		4,000		4,000	447,000		7,400							15,400
55 53	183,528		4,000		4,000	447,000		7,400							15,400
56 54	183,668		4,000		4,000	447,000		7,400							15,400
57 55	183,022		4,000		4,000	447,000		7,400							15,400
58 56	182,770		4,000		4,000	447,000		7,400							15,400
59 57	184,829		4,000		4,000	447,000		7,400							15,400
60 58	186,483		4,000		4,000	447,000		7,400							15,400
61 59	186,094		4,000		4,000	447,000		7,400							15,400
62 60	186,741		4,000		4,000	447,000		7,400							15,400
63 61	191,524		4,000		4,000	447,000		7,400							15,400
64 62	188,246		4,000		4,000	447,000		7,400							15,400
65 63	84,673		4,000		8,500	797,000		13,950							26,450
66 64			4,000		8,500	797,000		13,950							26,450
67 65	28,776		4,000		8,500	797,000		13,950							26,450
68 66	28,776		4,000		8,500	797,000		13,950							26,450
69 67	51,240		4,000		8,500	797,000		13,950							26,450
70 68	254,711		4,000		8,500	797,000		13,950							26,450
71 69	55,831		4,000		8,500	797,000		13,950							26,450
72 70	54,247		4,000		8,500	797,000		13,950							26,450
73 71	51,240		4,000		8,500	797,000		13,950							26,450
74 72	51,240		4,000		8,500	797,000		13,950							26,450
75 73	51,240		4,000		8,500	797,000		13,950							26,450
76 74	51,240		4,000		8,500	797,000		13,950							26,450
77 75	51,240		4,000		8,500	797,000		13,950							26,450
78 76	51,240		4,000		8,500	797,000		13,950							26,450
79 77	51,240		4,000		8,500	797,000		13,950							26,450
80 78	51,240		4,000		8,500	797,000		13,950							26,450
81 79	51,240		4,000		8,500	797,000		13,950							26,450
82 80	51,240		4,000		8,500	797,000		13,950							26,450
83 81	51,240		4,000		8,500	797,000		13,950							26,450
84 82	51,240		4,000		8,500	797,000		13,950							26,450
85 83	51,240		4,000		8,500	797,000		13,950							26,450
86 84	51,240		4,000		8,500	797,000		13,950							26,450
87 85	51,240		4,000		8,500	797,000		13,950							26,450
88 86	51,240		4,000		8,500	797,000		13,950							26,450
89 87	51,240		4,000		8,500	797,000		13,950							26,450
90 88	51,240		4,000		8,500	797,000		13,950							26,450
91 89	28,776		4,000		8,500	797,000		13,950							26,450
92 90	28,776		4,000		8,500	797,000		13,950							26,450
93 91	28,776		4,000		8,500	797,000		13,950							26,450
94 92	28,776		4,000		8,500	797,000		13,950							26,450
95 93	28,776		4,000		8,500	797,000		13,950							26,450
96 94	28,776		4,000		8,500	797,000		13,950							26,450
97 95	28,776		4,000		8,500			13,950							26,450
98 96															

\* Amounts shown may vary from year to year based on data provided about changing amounts at various ages.

## Miscellaneous Insurance Premiums (No Inflation)

Sample Financial Plan - TOTAL Goal-Based Planning

Allen					Betty					Homeowners, Property & Casualty	Total Premiums (incl. life)
Age	Auto	Disability	Medical	LTC	Age	Auto	Disability	Medical	LTC		
53	\$350	\$600			51	\$275				\$900	\$5,050
54	350	600			52	275				900	5,050
55	350	600			53	275				900	5,050
56	350	600			54	275				900	5,050
57	350	600			55	275				900	5,050
58	350	600			56	275				900	5,050
59	350	600			57	275				900	5,050
60	350	600			58	275				900	5,050
61	350	600			59	275				900	5,050
62	350	600			60	275				900	5,050
63	350	600			61	275				900	5,050
64	350	600			62	275				900	4,675
65	350				63	275				900	4,075
66	350				64	275				900	4,075
67	350				65	275				900	4,075
68	350				66	275				900	4,075
69	350				67	275				900	4,075
70	350				68	275				900	4,075
71	350				69	275				900	4,075
72	350				70	275				900	4,075
73	350				71	275				900	4,075
74	350				72	275				900	4,075
75	350				73	275				900	4,075
76	350				74	275				900	4,075
77	350				75	275				900	4,075
78	350				76	275				900	4,075
79	350				77	275				900	4,075
80	350				78	275				900	4,075
81	350				79	275				900	4,075
82	350				80	275				900	4,075
83	350				81	275				900	4,075
84	350				82	275				900	4,075
85	350				83	275				900	4,075
86	350				84	275				900	4,075
87	350				85	275				900	4,075
88	350				86	275				900	4,075
89	350				87	275				900	4,075
90	350				88	275				900	4,075
91					89	275				900	1,825
92					90	275				900	1,825
93					91	275				900	1,825
94					92	275				900	1,825
95					93	275				900	1,825
96					94	275				900	1,825
97					95	275				900	1,825
98					96						

## Allen - Income Worksheet

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Salary Income	Increase Rate	Self Employment Income	Increase Rate	Total Earned Income	Salary + Self Employment Income (Amounts indicated to be used for reports)		
						Cash Flow Amount	Disability Amount	Survivor Amount
53	\$86,000	2.50			\$86,000	\$86,000	\$86,000	\$86,000
54	88,150	2.50			88,150	88,150	88,150	88,150
55	99,809	2.50			99,809	99,809	99,809	99,809
56	102,305	2.50			102,305	102,305	102,305	102,305
57	104,862	2.50			104,862	104,862	104,862	104,862
58	107,484	2.50			107,484	107,484	107,484	107,484
59	110,171	2.50			110,171	110,171	110,171	110,171
60	118,869	2.50			118,869	118,869	118,869	118,869
61	121,840	2.50			121,840	121,840	121,840	121,840
62	124,886	2.50			124,886	124,886	124,886	124,886
63	128,008	2.50			128,008	128,008	128,008	128,008
64	131,209	2.50			131,209	131,209	131,209	131,209
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## Betty - Income Worksheet

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Salary Income	Increase Rate	Self Employment Income	Increase Rate	Total Earned Income	Salary + Self Employment Income (Amounts indicated to be used for reports)		
						Cash Flow Amount	Disability Amount	Survivor Amount
51	\$72,000	2.00	\$8,000	2.00	\$80,000	\$80,000	\$80,000	\$80,000
52	73,440	2.00	8,160	2.00	81,600	81,600	81,600	81,600
53	74,909	2.00	8,323	2.00	83,232	83,232	83,232	83,232
54	76,407	2.00	8,490	2.00	84,897	84,897	84,897	84,897
55	77,935	2.00	8,659	2.00	86,595	86,595	86,595	86,595
56	79,494	2.00	8,833	2.00	88,326	88,326	88,326	88,326
57	81,084	2.00	9,009	2.00	90,093	90,093	90,093	90,093
58	82,705	2.00	9,189	2.00	91,895	91,895	91,895	91,895
59	84,359	2.00	9,373	2.00	93,733	93,733	93,733	93,733
60	86,047	2.00	9,561	2.00	95,607	95,607	95,607	95,607
61	87,768	2.00	9,752	2.00	97,520	97,520	97,520	97,520
62	89,523	2.00	9,947	2.00	99,470	99,470	99,470	99,470
63	91,313	2.00	10,146	2.00	101,459	101,459	101,459	101,459
64				2.00				
65				2.00				
66				2.00				
67				2.00				
68				2.00				
69				2.00				
70				2.00				
71				2.00				
72				2.00				
73				2.00				
74				2.00				
75				2.00				
76				2.00				
77				2.00				
78				2.00				
79				2.00				
80				2.00				
81				2.00				
82				2.00				
83				2.00				
84				2.00				
85				2.00				
86				2.00				
87				2.00				
88				2.00				
89				2.00				
90				2.00				
91				2.00				
92				2.00				
93				2.00				
94				2.00				
95				2.00				
96				2.00				



# Residence Sale Worksheet

## Sample Financial Plan - TOTAL Goal-Based Planning

Combined amounts for residences scheduled for sale.						
Ages		Residence Values*	Mortgage Payoff	Cost of Sale (including est. CG taxes)	New Home Down Payment	Net Proceeds or (cost)
53	51	\$447,000				
54	52	455,940				
55	53	465,059				
56	54	474,360				
57	55	483,847				
58	56	493,524				
59	57	503,395				
60	58	513,462				
61	59	523,732				
62	60	534,206				
63	61	544,891				
64	62	555,788				
65	63	566,904			88,777	(88,777)
66	64	1,031,004				
67	65	1,051,625				
68	66	1,072,657				
69	67	1,094,110				
70	68	1,115,992				
71	69	1,138,312				
72	70	1,161,079				
73	71	1,184,300				
74	72	1,207,986				
75	73	1,232,146				
76	74	1,256,789				
77	75	1,281,924				
78	76	1,307,563				
79	77	1,333,714				
80	78	1,360,389				
81	79	1,387,596				
82	80	1,415,348				
83	81	1,443,655				
84	82	1,472,528				
85	83	1,501,979				
86	84	1,532,018				
87	85	1,562,659				
88	86	1,593,912				
89	87	1,625,790				
90	88	1,658,306				
91	89	1,691,472				
92	90	1,725,302				
93	91	1,759,808				
94	92	1,795,004				
95	93	1,830,904				
96	94	1,867,522				
97	95	1,904,872				
98	96					
99	97					
100	98					
101	99					
102	100					

\*Replacement residence value is shown at the end of the first year.

### Description

Current value  
Appreciation rate  
Sale age  
Value at sale  
Percent sale cost  
Total sales cost  
Mortgage payoff

### Vacation Home -

2.00%  
65

### New Home

Appreciated cost  
Percent financed  
Mortgage rate  
Number of years  
Down payment  
New mortgage

\$350,000  
\$443,885  
80.00%  
5.00%  
15  
\$88,777  
\$355,108

## Taxable Accounts

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Deposits	Withdrawals	Cash Flow Surplus or (Shortage)	Interest Rate*	Interest Earned	Income Tax @ 31.00% 20.00%	Account Balance \$83,800
53	51	\$3,000			1.65	\$1,406	(\$436)	\$87,770
54	52	3,000			1.65	1,472	(456)	91,785
55	53	3,000		(12,080)	1.65	1,430	(443)	83,691
56	54	3,000		(55,481)	1.65	907	(281)	31,836
57	55	3,000		(34,836)	1.65			
58	56	3,000		(3,000)	1.65			
59	57	3,000		(3,000)	1.65			
60	58	3,000		(3,000)	1.65			
61	59	3,000			1.65	27	(8)	3,018
62	60	3,000			1.65	77	(24)	6,070
63	61	3,000		583	1.65	132	(41)	9,744
64	62	3,000			1.65	187	(58)	12,873
65	63			(12,873)	1.65			
66	64				1.65			
67	65				1.65			
68	66				1.65			
69	67				1.65			
70	68			103,851	1.65	931	(186)	104,595
71	69			(104,595)	1.65			
72	70				1.65			
73	71				1.65			
74	72				1.65			
75	73				1.65			
76	74				1.65			
77	75				1.65			
78	76				1.65			
79	77				1.65			
80	78				1.65			
81	79				1.65			
82	80				1.65			
83	81				1.65			
84	82				1.65			
85	83				1.65			
86	84				1.65			
87	85				1.65			
88	86				1.65			
89	87				1.65			
90	88				1.65			
91	89				1.65			
92	90				1.65			
93	91				1.65			
94	92				1.65			
95	93				1.65			
96	94				1.65			
97	95				1.65			
98	96				1.65			

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\* Interest rate is the weighted average rate for taxable assets as indicated on the Asset Summary report.

## Equity & Other Investments

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Deposits	Withdrawals	Cash Flow Surplus (Shortage)	Interest or STCG (Ord Inc) Rate %	Dividend Rate %	Capital Gain Rate %	Apprec. Rate %	Total Return	Income Tax*	Account Balance \$165,000
53	51	\$6,000					3.50	4.00	\$12,622	(\$1,893)	\$181,728
54	52	6,000					3.50	4.00	13,876	(2,081)	199,522
55	53	6,000					3.50	4.00	15,211	(2,282)	218,451
56	54	6,000					3.50	4.00	16,630	(2,495)	238,586
57	55	6,000		(25,245)			3.50	4.00	17,103	(2,565)	233,878
58	56	6,000		(27,707)			3.50	4.00	16,649	(2,497)	226,322
59	57	6,000		(28,147)			3.50	4.00	16,064	(2,410)	217,829
60	58	6,000		(65,568)			3.50	4.00	13,889	(2,083)	170,066
61	59	6,000					3.50	4.00	13,002	(1,950)	187,117
62	60	6,000					3.50	4.00	14,280	(2,142)	205,255
63	61	6,000		2,332			3.50	4.00	15,737	(2,360)	226,962
64	62	6,000					3.50	4.00	17,269	(2,590)	247,640
65	63			(168,979)	0.50	1.00	1.50	2.50	8,559	(1,323)	85,896
66	64			(85,896)	0.50	1.00	1.50	2.50			
67	65				0.50	1.00	1.50	2.50			
68	66				0.50	1.00	1.50	2.50			
69	67				0.50	1.00	1.50	2.50			
70	68			155,777	0.50	1.00	1.50	2.50	4,666	(721)	159,722
71	69			(12,277)	0.50	1.00	1.50	2.50	8,417	(1,301)	154,561
72	70			(99,941)	0.50	1.00	1.50	2.50	5,507	(851)	59,276
73	71			(59,276)	0.50	1.00	1.50	2.50			
74	72				0.50	1.00	1.50	2.50			
75	73				1.00	1.50	1.00	1.00			
76	74				1.00	1.50	1.00	1.00			
77	75				1.00	1.50	1.00	1.00			
78	76				1.00	1.50	1.00	1.00			
79	77				1.00	1.50	1.00	1.00			
80	78				1.00	1.50	1.00	1.00			
81	79				1.00	1.50	1.00	1.00			
82	80				1.00	1.50	1.00	1.00			
83	81				1.00	1.50	1.00	1.00			
84	82				1.00	1.50	1.00	1.00			
85	83				1.00	1.50	1.00	1.00			
86	84				1.00	1.50	1.00	1.00			
87	85				1.00	1.50	1.00	1.00			
88	86				1.00	1.50	1.00	1.00			
89	87				1.00	1.50	1.00	1.00			
90	88				1.00	1.50	1.00	1.00			
91	89				1.00	1.50	1.00	1.00			
92	90				1.00	1.50	1.00	1.00			
93	91				1.00	1.50	1.00	1.00			
94	92				1.00	1.50	1.00	1.00			
95	93				1.00	1.50	1.00	1.00			
96	94				1.00	1.50	1.00	1.00			
97	95				1.00	1.50	1.00	1.00			
98	96				1.00	1.50	1.00	1.00			

G3

Tax rate on interest is 31.00% before retirement, 20.00% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.

Rates shown above are weighted average rates for assets of this type on the Asset Detail report.

## Retirement Plans - Allen

### Sample Financial Plan - TOTAL Goal-Based Planning

Contributions				Withdrawals		Tax Due on	Minimum Distrib.**	Rate of		Account Balance
Age	Personal Deposits	Company Deposits		Personal	Cash	Withdrawals*		Return	Interest	
		Retirement Plans	Roth Plans	With- drawals	Flow (Shortage)	31.00% 20.00%		% ***	Earned	
										\$267,500
53	\$5,160	\$3,440						7.00	\$19,058	\$295,158
54	5,289	3,526						7.00	21,003	324,976
55	5,989	3,992						7.00	23,135	358,092
56	6,138	4,092						7.00	25,463	393,785
57	6,292	4,194						7.00	27,971	432,242
58	6,449	4,299						7.00	30,673	473,664
59	6,610	4,407						7.00	33,583	518,264
60	7,132	4,755						7.00	36,739	566,890
61	7,310	4,874						7.00	40,154	619,228
62	7,493	4,995						7.00	43,830	675,547
63	7,681	5,120						7.00	47,784	736,132
64	7,873	5,248						7.00	52,038	801,290
65								6.50	52,084	853,374
66					(85,496)	(21,374)		6.50	51,631	798,135
67					(199,009)	(49,752)		6.50	42,944	592,318
68					(149,353)	(37,338)		6.50	31,795	437,422
69					(127,480)	(31,870)		6.50	22,709	300,781
70							(2,216)	6.50	19,471	318,036
71							(12,001)	6.50	20,241	326,276
72							(12,745)	6.50	20,750	334,281
73					(43,044)	(10,761)	(13,534)	6.50	19,310	286,252
74					(106,646)	(26,662)	(12,027)	6.50	13,386	154,304
75					(88,118)	(22,030)	(6,738)	6.50	5,832	43,250
76					(33,028)	(8,257)	(1,966)	6.50		
77								6.50		
78								6.50		
79								6.50		
80								6.50		
81								6.50		
82								6.50		
83								6.50		
84								6.50		
85								6.50		
86								6.50		
87								6.50		
88								6.50		
89								6.50		
90								6.50		
91								6.50		
92								6.50		
93								6.50		
94								6.50		
95								6.50		
96								6.50		
97								6.50		
98								6.50		

G3

\* Tax due on withdrawals and shortages is increased to include the tax due on the amount withdrawn to pay the tax, plus early distribution tax if applicable. Tax rates shown are before/after retirement.

\*\* Potential Required Minimum Distribution withdrawals. Uses IRS 2002 Uniform Lifetime Table or Joint table for life expectancy.

Required Minimum Distributions are net of scheduled withdrawals. IRAs are not subject to delayed starting age.

\*\*\* Rate of return is the weighted average rate on these accounts listed on the Asset Detail report page.

# Retirement Plans - Betty

## Sample Financial Plan - TOTAL Goal-Based Planning

Contributions				Withdrawals		Tax Due on	Minimum Distrib.**	Rate of		Account Balance
Age	Personal Deposits	Company Deposits		Personal	Cash	Withdrawals*		Return	Interest	
		Retirement Plans	Roth Plans	With- drawals	Flow (Shortage)	31.00% 20.00%		% ***	Earned	
										\$110,250
51	\$4,320	\$4,320						7.00	\$8,052	\$126,942
52	4,406	4,406						7.00	9,227	144,981
53	4,495	4,495						7.00	10,496	164,466
54	4,584	4,584						7.00	11,867	185,501
55	4,676	4,676						7.00	13,347	208,200
56	4,770	4,770						7.00	14,943	232,682
57	4,865	4,865						7.00	16,664	259,076
58	4,962	4,962						7.00	18,519	287,519
59	5,062	5,062						7.00	20,518	318,160
60	5,163	5,163						7.00	22,671	351,156
61	5,266	5,266						7.00	24,988	386,676
62	5,371	5,371						7.00	27,483	424,901
63	5,479	5,479						6.50	28,012	463,870
64								6.50	30,151	494,021
65								6.50	32,111	526,132
66								6.50	34,198	560,330
67								6.50	36,421	596,751
68								6.50	38,788	635,539
69								6.50	41,310	676,849
70							(25,541)	6.50	43,077	694,385
71							(27,124)	6.50	44,160	711,421
72							(28,802)	6.50	45,207	727,826
73							(30,581)	6.50	46,210	743,455
74					(61,433)	(15,358)	(32,465)	6.50	44,400	678,598
75					(101,549)	(25,387)	(30,845)	6.50	38,441	559,257
76					(109,537)	(27,384)	(26,380)	6.50	30,486	426,441
77					(118,457)	(29,614)	(21,007)	6.50	21,645	279,007
78					(128,654)	(32,164)	(14,308)	6.50	11,845	115,726
79					(87,630)	(21,907)	(6,189)	6.50		
80								6.50		
81								6.50		
82								6.50		
83								6.50		
84								6.50		
85								6.50		
86								6.50		
87								6.50		
88								6.50		
89								6.50		
90								6.50		
91								6.50		
92								6.50		
93								6.50		
94								6.50		
95								6.50		
96								6.50		

G3

\* Tax due on withdrawals and shortages is increased to include the tax due on the amount withdrawn to pay the tax, plus early distribution tax if applicable. Tax rates shown are before/after retirement.

\*\* Potential Required Minimum Distribution withdrawals. Uses IRS 2002 Uniform Lifetime Table or Joint table for life expectancy.

Required Minimum Distributions are net of scheduled withdrawals. IRAs are not subject to delayed RMD starting age.

\*\*\* Rate of return is the weighted average rate on these accounts listed on the Asset Detail report page.

## Roth Accounts - Allen

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Contributions and Withdrawals			Cash Flow (Shortage)	Interest Rate %	Interest Earned	Account Balance \$62,500
	Roth IRA Deposits	Roth 401(k)	Withdrawals				
53	\$5,400				7.00	\$4,584	\$72,484
54	5,508				7.00	5,287	83,279
55	5,618				7.00	6,047	94,944
56	5,731				7.00	6,868	107,542
57	5,845				7.00	7,754	121,141
58	5,962				7.00	8,710	135,813
59	6,081				7.00	9,742	151,636
60	6,203				7.00	10,854	168,692
61	6,327				7.00	12,053	187,071
62	6,454				7.00	13,344	206,868
63	6,583				7.00	14,735	228,185
64	6,714				7.00	16,233	251,132
65					6.50	16,323	267,455
66					6.50	17,384	284,839
67					6.50	18,514	303,353
68					6.50	19,717	323,070
69					6.50	20,999	344,069
70					6.50	22,364	366,433
71					6.50	23,818	390,251
72					6.50	25,366	415,617
73					6.50	27,015	442,632
74					6.50	28,771	471,403
75					6.50	30,641	502,044
76					6.50	32,632	534,676
77					6.50	34,753	569,429
78					6.50	37,012	606,441
79					6.50	39,418	645,859
80					6.50	41,980	687,839
81				(18,885)	6.50	44,031	712,985
82				(116,767)	6.50	42,150	638,368
83				(122,317)	6.50	37,100	553,151
84				(128,127)	6.50	31,352	456,376
85				(134,212)	6.50	24,843	347,007
86				(140,583)	6.50	17,506	223,930
87				(147,255)	6.50	9,266	85,941
88				(85,941)	6.50		
89					6.50		
90					6.50		
91					6.50		
92					6.50		
93					6.50		
94					6.50		
95					6.50		
96					6.50		
97					6.50		
98					6.50		

G3

Rate of return is the weighted average on these accounts listed on the Asset Detail report page.

## Roth Accounts - Betty

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Contributions and Withdrawals				Interest Rate %	Interest Earned	Account Balance \$72,800
	Roth IRA Deposits	Roth 401(k)	Withdrawals	Cash Flow (Shortage)			
51	\$5,400				7.00	\$5,305	\$83,505
52	5,508				7.00	6,058	95,071
53	5,618				7.00	6,872	107,561
54	5,731				7.00	7,751	121,043
55	5,845				7.00	8,699	135,587
56	5,962				7.00	9,722	151,271
57	6,081				7.00	10,824	168,176
58	6,203				7.00	12,012	186,391
59	6,327				7.00	13,292	206,010
60	6,454				7.00	14,670	227,133
61	6,583				7.00	16,154	249,870
62	6,714				7.00	17,751	274,335
63	6,849				6.50	18,077	299,261
64					6.50	19,451	318,712
65					6.50	20,716	339,428
66					6.50	22,062	361,490
67					6.50	23,496	384,986
68					6.50	25,024	410,010
69					6.50	26,650	436,660
70					6.50	28,382	465,042
71					6.50	30,227	495,269
72					6.50	32,192	527,461
73					6.50	34,284	561,745
74					6.50	36,513	598,258
75					6.50	38,886	637,144
76					6.50	41,414	678,558
77					6.50	44,106	722,664
78					6.50	46,973	769,637
79					6.50	50,026	819,663
80					6.50	53,278	872,941
81					6.50	56,741	929,682
82					6.50	60,429	990,111
83					6.50	64,357	1,054,468
84					6.50	68,540	1,123,008
85					6.50	72,995	1,196,003
86				(68,303)	6.50	75,286	1,202,986
87				(161,564)	6.50	72,391	1,113,813
88				(169,232)	6.50	66,319	1,010,900
89				(186,185)	6.50	59,021	883,736
90				(194,474)	6.50	50,457	739,719
91				(203,152)	6.50	40,785	577,352
92				(212,238)	6.50	29,904	395,018
93				(221,754)	6.50	17,711	190,975
94				(190,975)	6.50		
95					6.50		
96							

G3

Rate of return is the weighted average on these accounts listed on the Asset Detail report page.

# Retirement Plan Summary

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Contributions		Withdrawals				Return	End of Yr. Account Balance \$513,050	Gross* Minimum Distribution
	By Participant	By Company	Scheduled	Cash Flow (Shortage)	Tax on Withdrawals	Minimum Distribution	Annual Earnings		
53	51	\$20,280	\$7,760				\$36,999	\$578,089	
54	52	20,711	7,932				41,575	648,307	
55	53	21,719	8,487				46,550	725,063	
56	54	22,184	8,677				51,949	807,870	
57	55	22,658	8,871				57,771	897,170	
58	56	23,143	9,069				64,048	993,430	
59	57	23,638	9,272				70,813	1,097,152	
60	58	24,500	9,717				78,124	1,209,492	
61	59	25,026	9,935				86,017	1,330,469	
62	60	25,563	10,158				94,515	1,460,704	
63	61	26,112	10,386				103,661	1,600,863	
64	62	26,672	10,620				113,505	1,751,659	
65	63	12,327	5,479				114,496	1,883,960	
66	64			(85,496)	(21,374)		118,617	1,895,707	
67	65			(199,009)	(49,752)		114,285	1,761,231	
68	66			(149,353)	(37,338)		107,772	1,682,312	
69	67			(127,480)	(31,870)		103,625	1,626,587	
70	68					(2,216)	105,647	1,730,018	2,216
71	69					(12,001)	112,019	1,830,036	12,001
72	70					(38,286)	117,575	1,909,325	38,286
73	71			(43,044)	(10,761)	(40,658)	120,712	1,935,574	40,658
74	72			(106,646)	(26,662)	(40,829)	119,556	1,880,994	40,829
75	73			(88,118)	(22,030)	(37,319)	116,967	1,850,494	37,319
76	74			(94,461)	(23,615)	(34,431)	113,545	1,811,532	34,431
77	75			(101,549)	(25,387)	(30,845)	112,080	1,765,830	30,845
78	76			(109,537)	(27,384)	(26,380)	108,912	1,711,440	26,380
79	77			(118,457)	(29,614)	(21,007)	105,169	1,647,530	21,007
80	78			(128,654)	(32,164)	(14,308)	100,798	1,573,202	14,308
81	79			(106,515)	(21,907)	(6,189)	94,057	1,532,648	6,189
82	80			(116,767)			95,428	1,511,309	
83	81			(122,317)			93,841	1,482,833	
84	82			(128,127)			91,781	1,446,487	
85	83			(134,212)			89,200	1,401,475	
86	84			(140,583)			86,046	1,346,938	
87	85			(147,255)			82,261	1,281,944	
88	86			(154,244)			75,286	1,202,986	
89	87			(161,564)			72,391	1,113,813	
90	88			(169,232)			66,319	1,010,900	
91	89			(186,185)			59,021	883,736	
92	90			(194,474)			50,457	739,719	
93	91			(203,152)			40,785	577,352	
94	92			(212,238)			29,904	395,018	
95	93			(221,754)			17,711	190,975	
96	94			(190,975)					
97	95								
98	96								

\* Summary of all retirement and Roth accounts



## Estate - Personal Assets

### Sample Financial Plan - TOTAL Goal-Based Planning

		Residence	Personal Property	Jewelry & Furs	Art & Antiques	Autos	RVs & Boats	Other	Total Personal Assets
Ages		\$447,000 2.00%	\$69,600 -3.94%						\$516,600
53	51	\$447,000	\$69,600						\$516,600
54	52	455,940	66,860						522,800
55	53	465,059	64,310						529,369
56	54	474,360	61,936						536,296
57	55	483,847	59,725						543,572
58	56	493,524	57,666						551,190
59	57	503,395	55,748						559,142
60	58	513,462	53,960						567,423
61	59	523,732	52,294						576,026
62	60	534,206	50,740						584,947
63	61	544,891	49,292						594,182
64	62	555,788	47,941						603,729
65	63	566,904	46,680						613,584
66	64	1,031,004	45,503						1,076,508
67	65	1,051,625	44,405						1,096,029
68	66	1,072,657	43,379						1,116,036
69	67	1,094,110	42,421						1,136,531
70	68	1,115,992	41,526						1,157,519
71	69	1,138,312	40,690						1,179,002
72	70	1,161,079	39,908						1,200,987
73	71	1,184,300	39,178						1,223,478
74	72	1,207,986	38,494						1,246,480
75	73	1,232,146	37,855						1,270,001
76	74	1,256,789	37,257						1,294,045
77	75	1,281,924	36,697						1,318,621
78	76	1,307,563	36,173						1,343,736
79	77	1,333,714	35,682						1,369,396
80	78	1,360,389	35,223						1,395,611
81	79	1,387,596	34,792						1,422,388
82	80	1,415,348	34,388						1,449,737
83	81	1,443,655	34,010						1,477,665
84	82	1,472,528	33,656						1,506,184
85	83	1,501,979	33,323						1,535,302
86	84	1,532,018	33,011						1,565,030
87	85	1,562,659	32,718						1,595,377
88	86	1,593,912	32,444						1,626,356
89	87	1,625,790	32,186						1,657,976
90	88	1,658,306	31,944						1,690,250
91	89	1,691,472	31,716						1,723,189
92	90	1,725,302	31,503						1,756,804
93	91	1,759,808	31,302						1,791,110
94	92	1,795,004	31,114						1,826,117
95	93	1,830,904	30,936						1,861,840
96	94	1,867,522	30,770						1,898,291
97	95	1,904,872	30,613						1,935,485
98	96								

Note: Beginning of year values are illustrated

## Estate - Allen

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Personal Property	Savings and Investments						Liabilities	Final Expenses	Life Insurance (less loans)	Life Ins in ILIT or Outside Estate
		Taxable	Equity & Other	Tax-Free	Tax-Deferred	Retire/Roth Accounts	Rental Real Estate				
53	\$497,000					\$330,000		\$6,640	\$15,000	\$347,500	
54	503,972					367,642		6,334	15,480	347,500	
55	511,258					408,255		5,984	15,975	347,500	
56	518,854					453,036		5,582	16,487	347,500	
57	526,753					501,327		5,121	17,014	347,500	
58	534,951					553,383		4,592	17,559	347,500	
59	543,443					609,477		3,987	18,120	347,500	
60	552,227					669,900		3,292	18,700	347,500	
61	561,299					735,582		2,496	19,299	347,500	
62	570,658					806,299		1,583	19,916	347,500	
63	580,301					882,415		536	20,554	347,500	
64	590,228					964,317			21,211	347,500	
65	600,438					1,052,422			21,890	97,500	
66	1,063,693					1,120,829		355,108	22,591	97,500	
67	1,083,524					1,082,974		338,795	23,313	97,500	
68	1,103,820					895,671		321,647	24,060	97,500	
69	1,124,585					760,492		303,622	24,829	97,500	
70	1,145,824					644,850		284,675	25,624	97,500	
71	1,167,544					684,469		264,758	26,444	97,500	
72	1,189,748					716,527		243,822	27,290	97,500	
73	1,212,445					749,898		221,816	28,163	97,500	
74	1,235,640					728,884		198,683	29,065	97,500	
75	1,259,340					625,707		174,367	29,995	97,500	
76	1,283,554					545,294		148,807	30,955	97,500	
77	1,308,287					534,676		121,939	31,945	97,500	
78	1,333,549					569,429		93,696	32,967	97,500	
79	1,359,348					606,441		64,009	34,022	97,500	
80	1,385,692					645,859		32,803	35,111	97,500	
81	1,412,590					687,839			36,235	97,500	
82	1,440,053					712,985			37,394	97,500	
83	1,468,088					638,368			38,591	97,500	
84	1,496,706					553,151			39,826	97,500	
85	1,525,918					456,376			41,100	97,500	
86	1,555,733					347,007			42,415	97,500	
87	1,586,163					223,930			43,772	97,500	
88	1,617,219					85,941			45,173	97,500	
89	1,648,912								46,619	97,500	
90	1,681,254								48,111	97,500	
91	1,714,257								49,650		
92	1,747,933								51,239		
93	1,782,295								52,878		
94	1,817,355								54,571		
95	1,853,128								56,317		
96	1,889,626								58,119		
97	1,926,864								59,979		
98											
	<i>I1</i>	<i>H1</i>	<i>H2</i>	<i>H3</i>	<i>H4</i>	<i>H5-H8</i>	<i>B13</i>	<i>K3</i>		<i>J1</i>	

## Estate - Betty

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Personal Property	Savings and Investments						Liabilities	Final Expenses	Life Insurance (less loans)	Life Ins in ILIT or Outside Estate
		Taxable	Equity & Other	Tax-Free	Tax-Deferred	Retire/Roth Accounts	Rental Real Estate				
51						\$183,050			\$15,000	\$310,000	
52						210,447			15,480	310,000	
53						240,052			15,975	310,000	
54						272,027			16,487	310,000	
55						306,544			17,014	310,000	
56						343,787			17,559	310,000	
57						383,953			18,120	310,000	
58						427,252			18,700	310,000	
59						473,910			19,299	310,000	
60						524,170			19,916	310,000	
61						578,289			20,554	310,000	
62						636,546			21,211	60,000	
63						699,236			21,890	60,000	
64						763,131			22,591	60,000	
65						812,733			23,313	60,000	
66						865,560			24,060	60,000	
67						921,820			24,829	60,000	
68						981,737			25,624	60,000	
69						1,045,549			26,444	60,000	
70						1,113,509			27,290	60,000	
71						1,159,427			28,163	60,000	
72						1,206,690			29,065	60,000	
73						1,255,287			29,995	60,000	
74						1,305,200			30,955	60,000	
75						1,276,856			31,945	60,000	
76						1,196,401			32,967	60,000	
77						1,104,999			34,022	60,000	
78						1,001,671			35,111	60,000	
79						885,363			36,235	60,000	
80						819,663			37,394	60,000	
81						872,941			38,591	60,000	
82						929,682			39,826	60,000	
83						990,111			41,100	60,000	
84						1,054,468			42,415	60,000	
85						1,123,008			43,772	60,000	
86						1,196,003			45,173	60,000	
87						1,202,986			46,619	60,000	
88						1,113,813			48,111	60,000	
89						1,010,900			49,650	60,000	
90						883,736			51,239	60,000	
91						739,719			52,878	60,000	
92						577,352			54,571	60,000	
93						395,018			56,317	60,000	
94						190,975			58,119	60,000	
95									59,979	60,000	
96											
	I1	H1	H2	H3	H4	H5-H8	B13	K4		J1	

## Estate - Joint and Community Property

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Personal Property	Savings and Investments					Liabilities
		Taxable 100.00%	Equity & Other 100.00%	Tax-Free 100.00%	Tax-Deferred 100.00%	Rental Real Estate	
53 51	\$19,600	\$83,800	\$165,000			\$200,000	\$350,000
54 52	18,828	87,770	181,728			204,000	338,235
55 53	18,110	91,785	199,522			208,080	325,905
56 54	17,442	83,691	218,451			212,241	312,985
57 55	16,819	31,836	238,586			216,485	299,445
58 56	16,239		233,878			220,814	285,255
59 57	15,699		226,322			225,230	270,384
60 58	15,196		217,829			229,734	254,798
61 59	14,726		170,066			234,328	238,461
62 60	14,289	3,018	187,117			239,014	221,338
63 61	13,881	6,070	205,255			243,794	203,389
64 62	13,500	9,744	226,962			248,669	184,574
65 63	13,145	12,873	247,640			253,642	164,851
66 64	12,814		85,896			258,714	144,174
67 65	12,505					263,888	122,498
68 66	12,216					269,165	99,772
69 67	11,946					274,548	75,945
70 68	11,694					280,038	50,962
71 69	11,459	104,595	159,722				
72 70	11,239		154,561				
73 71	11,033		59,276				
74 72	10,840						
75 73	10,660						
76 74	10,492						
77 75	10,334						
78 76	10,187						
79 77	10,048						
80 78	9,919						
81 79	9,798						
82 80	9,684						
83 81	9,578						
84 82	9,478						
85 83	9,384						
86 84	9,296						
87 85	9,214						
88 86	9,136						
89 87	9,064						
90 88	8,996						
91 89	8,932						
92 90	8,871						
93 91	8,815						
94 92	8,762						
95 93	8,712						
96 94	8,665						
97 95	8,621						
98 96							
	<i>I1</i>	<i>H1</i>	<i>H2</i>	<i>H3</i>	<i>H4</i>	<i>B13</i>	<i>K4</i>

## Irrevocable Trust, Other

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Personal Property	Savings and Investments					Liabilities
			Taxable	Equity & Other	Tax-Free	Tax- Deferred	Rental Real Estate	
53	51							
54	52							
55	53							
56	54							
57	55							
58	56							
59	57							
60	58							
61	59							
62	60							
63	61							
64	62							
65	63							
66	64							
67	65							
68	66							
69	67							
70	68							
71	69							
72	70							
73	71							
74	72							
75	73							
76	74							
77	75							
78	76							
79	77							
80	78							
81	79							
82	80							
83	81							
84	82							
85	83							
86	84							
87	85							
88	86							
89	87							
90	88							
91	89							
92	90							
93	91							
94	92							
95	93							
96	94							
97	95							
98	96							
		I1	H1	H2	H3	H4	B13	K4

# Estate - Estimate Worksheet\*

## Sample Financial Plan - TOTAL Goal-Based Planning

Allen dies first					Betty dies first					Non-Estate Life Insurance		
		Admin Costs					Admin. costs					
		Assets	Debts &	First	Second			Assets	Debts &		First	Second
		+ 1/2 Jt, CP	Final	to Die	to Die			Assets	Debts &		First	Second
Age	+Estate Ins.	Expenses	@ 3.00%	@ 4.00%	Age	+estate ins.	expenses	@ 3.00%	@ 4.00%			
53	\$1,408,700	(\$386,640)	(\$25,937)	(\$49,856)	51	\$727,250	(\$386,640)	(\$6,817)	(\$51,847)			
54	1,465,277	(375,529)	(32,692)	(72,947)	52	766,610	(375,529)	(11,732)	(73,785)			
55	1,525,762	(363,840)	(34,858)	(77,435)	53	808,801	(363,840)	(13,349)	(78,295)			
56	1,585,302	(351,540)	(37,013)	(81,788)	54	847,939	(351,540)	(14,892)	(82,672)			
57	1,627,443	(338,594)	(38,665)	(84,744)	55	868,407	(338,594)	(15,894)	(85,654)			
58	1,671,300	(324,965)	(40,390)	(87,808)	56	889,252	(324,965)	(16,929)	(88,746)			
59	1,734,046	(310,611)	(42,703)	(92,332)	57	927,578	(310,611)	(18,509)	(93,300)			
60	1,801,006	(295,490)	(45,165)	(97,159)	58	968,631	(295,490)	(20,194)	(98,158)			
61	1,853,942	(279,554)	(47,232)	(100,825)	59	993,470	(279,554)	(21,417)	(101,858)			
62	1,946,176	(262,753)	(50,503)	(107,552)	60	1,055,889	(262,753)	(23,794)	(108,621)			
63	2,044,716	(245,033)	(53,991)	(114,739)	61	1,122,790	(245,033)	(26,333)	(115,846)			
64	2,151,483	(226,997)	(57,735)	(112,509)	62	945,984	(226,997)	(21,570)	(113,956)			
65	2,014,011	(208,631)	(54,161)	(110,964)	63	1,022,886	(208,631)	(24,428)	(112,154)			
66	2,460,735	(544,463)	(57,488)	(114,425)	64	1,001,843	(544,463)	(13,721)	(116,176)			
67	2,402,195	(507,920)	(56,828)	(113,935)	65	1,010,929	(507,920)	(15,090)	(115,605)			
68	2,237,681	(469,538)	(53,044)	(111,254)	66	1,066,250	(469,538)	(17,901)	(112,660)			
69	2,125,824	(429,225)	(50,898)	(110,831)	67	1,125,067	(429,225)	(20,875)	(112,032)			
70	2,034,040	(386,885)	(49,415)	(111,414)	68	1,187,603	(386,885)	(24,022)	(112,429)			
71	2,087,400	(317,646)	(53,093)	(118,404)	69	1,243,437	(317,646)	(27,774)	(119,417)			
72	2,086,675	(298,403)	(53,648)	(119,641)	70	1,256,409	(298,403)	(28,740)	(120,638)			
73	2,094,998	(278,142)	(54,506)	(120,677)	71	1,254,581	(278,142)	(29,293)	(121,686)			
74	2,067,444	(256,812)	(54,319)	(121,137)	72	1,272,110	(256,812)	(30,459)	(122,091)			
75	1,987,878	(234,356)	(52,606)	(120,861)	73	1,320,617	(234,356)	(32,588)	(121,662)			
76	1,931,594	(210,716)	(51,626)	(121,588)	74	1,370,446	(210,716)	(34,792)	(122,261)			
77	1,945,630	(185,829)	(52,794)	(121,961)	75	1,342,023	(185,829)	(34,686)	(122,686)			
78	2,005,572	(159,631)	(55,378)	(122,082)	76	1,261,494	(159,631)	(33,056)	(122,975)			
79	2,068,313	(132,053)	(58,088)	(121,928)	77	1,170,023	(132,053)	(31,139)	(123,006)			
80	2,134,011	(103,025)	(60,930)	(121,467)	78	1,066,630	(103,025)	(28,908)	(122,748)			
81	2,202,828	(72,469)	(63,911)	(120,668)	79	950,262	(72,469)	(26,334)	(122,171)			
82	2,255,380	(74,788)	(65,418)	(119,987)	80	884,505	(74,788)	(24,292)	(121,632)			
83	2,208,745	(77,181)	(63,947)	(120,214)	81	937,730	(77,181)	(25,816)	(121,739)			
84	2,152,096	(79,651)	(62,173)	(120,188)	82	994,421	(79,651)	(27,443)	(121,577)			
85	2,084,486	(82,200)	(60,069)	(119,881)	83	1,054,803	(82,200)	(29,178)	(121,116)			
86	2,004,888	(84,830)	(57,602)	(119,263)	84	1,119,116	(84,830)	(31,029)	(120,326)			
87	1,912,200	(87,545)	(54,740)	(118,301)	85	1,187,615	(87,545)	(33,002)	(119,171)			
88	1,805,228	(90,346)	(51,446)	(116,960)	86	1,260,571	(90,346)	(35,107)	(117,614)			
89	1,750,944	(93,237)	(49,731)	(115,020)	87	1,267,518	(93,237)	(35,228)	(115,600)			
90	1,783,252	(96,221)	(50,611)	(112,589)	88	1,178,311	(96,221)	(32,463)	(113,315)			
91	1,718,723	(99,300)	(48,583)	(105,848)	89	1,075,366	(99,300)	(29,282)	(106,620)			
92	1,752,369	(102,478)	(49,497)	(101,943)	90	948,172	(102,478)	(25,371)	(102,908)			
93	1,786,702	(105,757)	(50,428)	(97,386)	91	804,126	(105,757)	(20,951)	(98,565)			
94	1,821,736	(109,141)	(51,378)	(92,118)	92	641,733	(109,141)	(15,978)	(93,534)			
95	1,857,484	(112,634)	(52,346)	(86,075)	93	459,374	(112,634)	(10,402)	(87,753)			
96	1,893,959	(116,238)	(53,332)	(79,188)	94	255,307	(116,238)	(4,172)	(81,154)			
97	1,931,175	(119,958)	(54,337)	(70,448)	95	4,310	(119,958)		(72,621)			
98					96							
I1-5		I1-5			I1-5		I1-5					

Note: Beginning of year values are illustrated.

\*Assumes that both deaths occur in the same year.

## Life Insurance Policies

### Sample Financial Plan - TOTAL Goal-Based Planning

Allen					Betty				
Age	Group or Term	Permanent (net of loans)	Premiums	Cash Values	Age	Group or Term	Permanent (net of loans)	Premiums	Cash values
53	\$250,000	\$97,500	\$1,900	\$12,450	51	\$250,000	\$60,000	\$1,025	\$2,850
54	250,000	97,500	1,900	15,996	52	250,000	60,000	1,025	5,131
55	250,000	97,500	1,900	19,542	53	250,000	60,000	1,025	7,412
56	250,000	97,500	1,900	23,087	54	250,000	60,000	1,025	9,692
57	250,000	97,500	1,900	26,633	55	250,000	60,000	1,025	11,973
58	250,000	97,500	1,900	30,179	56	250,000	60,000	1,025	14,254
59	250,000	97,500	1,900	33,725	57	250,000	60,000	1,025	16,535
60	250,000	97,500	1,900	37,271	58	250,000	60,000	1,025	18,815
61	250,000	97,500	1,900	40,817	59	250,000	60,000	1,025	21,096
62	250,000	97,500	1,900	44,362	60	250,000	60,000	1,025	23,377
63	250,000	97,500	1,900	47,908	61	250,000	60,000	1,025	25,658
64	250,000	97,500	1,900	51,454	62		60,000	650	27,938
65		97,500	1,900	55,000	63		60,000	650	30,219
66		97,500	1,900	56,286	64		60,000	650	32,500
67		97,500	1,900	57,571	65		60,000	650	33,264
68		97,500	1,900	58,857	66		60,000	650	34,028
69		97,500	1,900	60,143	67		60,000	650	34,792
70		97,500	1,900	61,429	68		60,000	650	35,556
71		97,500	1,900	62,714	69		60,000	650	36,319
72		97,500	1,900	64,000	70		60,000	650	37,083
73		97,500	1,900	65,286	71		60,000	650	37,847
74		97,500	1,900	66,571	72		60,000	650	38,611
75		97,500	1,900	67,857	73		60,000	650	39,375
76		97,500	1,900	69,143	74		60,000	650	40,139
77		97,500	1,900	70,429	75		60,000	650	40,903
78		97,500	1,900	71,714	76		60,000	650	41,667
79		97,500	1,900	73,000	77		60,000	650	42,431
80		97,500	1,900	74,286	78		60,000	650	43,194
81		97,500	1,900	75,571	79		60,000	650	43,958
82		97,500	1,900	76,857	80		60,000	650	44,722
83		97,500	1,900	78,143	81		60,000	650	45,486
84		97,500	1,900	79,428	82		60,000	650	46,250
85		97,500	1,900	80,714	83		60,000	650	47,014
86		97,500	1,900	82,000	84		60,000	650	47,778
87		97,500	1,900	83,286	85		60,000	650	48,542
88		97,500	1,900	84,571	86		60,000	650	49,306
89		97,500	1,900	85,857	87		60,000	650	50,069
90		97,500	1,900	87,143	88		60,000	650	50,833
91					89		60,000	650	51,597
92					90		60,000	650	52,361
93					91		60,000	650	53,125
94					92		60,000	650	53,889
95					93		60,000	650	54,653
96					94		60,000	650	55,417
97					95		60,000	650	56,181
98					96				

Cash values are estimates. Refer to policy or company illustration for exact amounts. Second to die policies are not included.

## Immediate Cash Needs - Betty Survives

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Final Expenses \$15,000	Cash Reserves \$20,000	Mortgages and Debts	Estate Settlement*	Other Survivor Cash	Total Immediate Cash needs
51	(\$15,000)	(\$20,000)	(\$232,000)	(\$25,937)		(\$292,937)
52	(15,480)	(20,640)	(222,755)	(32,692)		(291,567)
53	(15,975)	(21,300)	(213,097)	(34,858)		(285,231)
54	(16,487)	(21,982)	(203,009)	(37,013)		(278,491)
55	(17,014)	(22,686)	(192,471)	(38,665)		(270,836)
56	(17,559)	(23,411)	(181,463)	(40,390)		(262,824)
57	(18,120)	(24,161)	(169,965)	(42,703)		(254,949)
58	(18,700)	(24,934)	(157,954)	(45,165)		(246,753)
59	(19,299)	(25,732)	(145,407)	(47,232)		(237,669)
60	(19,916)	(26,555)	(132,301)	(50,503)		(229,275)
61	(20,554)	(27,405)	(118,610)	(53,991)		(220,559)
62	(21,211)	(28,282)	(104,309)	(57,735)		(211,537)
63	(21,890)	(29,187)	(89,371)	(54,161)		(194,609)
64	(22,591)	(30,121)	(428,874)	(57,488)		(539,074)
65	(23,313)	(31,085)	(396,261)	(56,828)		(507,487)
66	(24,060)	(32,079)	(362,086)	(53,044)		(471,269)
67	(24,829)	(33,106)	(326,274)	(50,898)		(435,108)
68	(25,624)	(34,165)	(288,748)	(49,415)		(397,952)
69	(26,444)	(35,259)	(264,758)	(53,093)		(379,553)
70	(27,290)	(36,387)	(243,822)	(53,648)		(361,147)
71	(28,163)	(37,551)	(221,816)	(54,506)		(342,036)
72	(29,065)	(38,753)	(198,683)	(54,319)		(320,819)
73	(29,995)	(39,993)	(174,367)	(52,606)		(296,960)
74	(30,955)	(41,273)	(148,807)	(51,626)		(272,660)
75	(31,945)	(42,593)	(121,939)	(52,794)		(249,271)
76	(32,967)	(43,956)	(93,696)	(55,378)		(225,998)
77	(34,022)	(45,363)	(64,009)	(58,088)		(201,482)
78	(35,111)	(46,815)	(32,803)	(60,930)		(175,658)
79	(36,235)	(48,313)		(63,911)		(148,458)
80	(37,394)	(49,859)		(65,418)		(152,671)
81	(38,591)	(51,454)		(63,947)		(153,992)
82	(39,826)	(53,101)		(62,173)		(155,100)
83	(41,100)	(54,800)		(60,069)		(155,969)
84	(42,415)	(56,554)		(57,602)		(156,570)
85	(43,772)	(58,363)		(54,740)		(156,875)
86	(45,173)	(60,231)		(51,446)		(156,851)
87	(46,619)	(62,158)		(49,731)		(158,508)
88	(48,111)	(64,147)		(50,611)		(162,869)
89	(49,650)	(66,200)		(48,583)		(164,433)
90	(51,239)	(68,318)		(49,497)		(169,054)
91	(52,878)	(70,505)		(50,428)		(173,812)
92	(54,571)	(72,761)		(51,378)		(178,709)
93	(56,317)	(75,089)		(52,346)		(183,752)
94	(58,119)	(77,492)		(53,332)		(188,943)
95	(59,979)	(79,972)		(54,337)		(194,287)
96						

K4

I6

Items in red indicate that the amounts are expenses.



## Survivor Income/Expense - Betty Survives

### Sample Financial Plan - TOTAL Goal-Based Planning

Survivor Income Needed				Income (or misc expense) Available					
Age	Personal Expenses + Item Ded	Insurance Premiums	Debt Payments	Social Security	Own Pension (after tax)	Survivor Pension (after tax)	Earned Income (after tax)	Education Expenses	Misc. (net) Income or Expense
51	(\$77,624)	(\$2,200)	(\$1,200)	\$39,564			\$68,000		\$5,611
52	(79,635)	(2,238)	(1,200)	40,355			69,360		5,855
53	(81,712)	(2,276)	(1,200)	20,581			70,747	(12,080)	6,104
54	(83,854)	(2,316)	(1,200)	20,993			72,162	(55,481)	6,355
55	(84,865)	(2,358)	(1,200)				73,605	(59,575)	6,103
56	(81,529)	(2,400)	(1,200)				75,077	(30,707)	6,866
57	(82,503)	(2,444)	(1,200)				76,579	(33,502)	9,481
58	(84,749)	(2,490)	(1,200)				78,111		(15,453)
59	(87,068)	(2,537)	(1,200)				79,673		7,917
60	(89,460)	(2,585)	(1,200)				81,266		8,185
61	(91,931)	(2,635)	(556)				82,892		11,369
62	(94,481)	(2,312)					84,549		8,726
63	(104,717)	(2,365)					86,240		(107,790)
64	(95,673)	(2,420)		24,396					10,543
65	(99,084)	(2,476)		24,884	2,040				10,916
66	(102,630)	(2,535)		25,382	2,081				10,121
67	(106,315)	(2,595)		30,838	2,122				10,505
68	(110,146)	(2,657)	1	31,455	2,165				184,504
69	(114,129)	(2,721)		32,084	2,208				
70	(118,272)	(2,788)		32,726	2,252				
71	(122,580)	(2,856)		33,380	2,297				
72	(127,062)	(2,927)		34,048	2,343				
73	(126,927)	(3,000)		34,729	2,390				
74	(131,626)	(3,075)		35,423	2,438				
75	(136,519)	(3,152)		36,132	2,487				
76	(141,613)	(3,232)		36,855	2,536				
77	(146,920)	(3,315)		37,592	2,587				
78	(152,447)	(3,400)		38,343	2,639				
79	(158,206)	(3,488)		39,110	2,692				
80	(164,206)	(3,579)		39,893	2,746				
81	(170,461)	(3,673)		40,690	2,800				
82	(176,981)	(3,770)		41,504	2,856				
83	(183,779)	(3,869)		42,334	2,914				
84	(190,869)	(3,973)		43,181	2,972				
85	(198,263)	(4,079)		44,045	3,031				
86	(205,977)	(4,189)		44,926	3,092				
87	(214,027)	(4,302)		45,824	3,154				
88	(222,427)	(4,419)		46,741	3,217				
89	(231,196)	(4,539)		47,675	3,281				
90	(240,352)	(4,664)		48,629	3,347				
91	(249,912)	(4,792)		49,601	3,414				
92	(259,897)	(4,925)		50,593	3,482				
93	(270,327)	(5,061)		51,605	3,552				
94	(281,226)	(5,203)		52,637	3,623				
95	(292,615)	(5,348)		53,690	3,695				
K5				G9		G9	G23	A21	B14, G8

Income tax rate applied to pension and earned income is 15%

# Itemized Deduction Expenses - Betty Survives

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Gross Income	Charitable Contr.		Medical Expenses		Property Tax			Other Tax		Misc. Item. Ded.		Other Ded. Int.		Total
		% Gross Income	Annual Amount	% Gross Income	Annual Amount	Residence Value	% Resid. Value	Annual Amount	% Gross Income	Annual Amount	% Gross Income	Annual Amount	% Gross Income	Annual Amount	
		2.00		500.00				3.00							
51	\$119,564		\$4,000		\$4,000	\$447,000		\$7,400							\$15,400
52	121,955		4,080		4,200	455,940		7,622							15,902
53	103,813		4,162		4,410	465,059		7,851							16,422
54	105,889		4,245		4,631	474,360		8,086							16,962
55	86,595		4,330		4,862	483,847		8,329							17,521
56	88,326		4,416		5,105	493,524		8,579							18,100
57	90,093		4,505		5,360	503,395		8,836							18,701
58	91,895		4,595		5,628	513,462		9,101							19,324
59	93,733		4,687		5,910	523,732		9,374							19,971
60	95,607		4,780		6,205	534,206		9,655							20,641
61	97,520		4,876		6,516	544,891		9,945							21,337
62	99,470		4,974		6,841	555,788		10,243							22,058
63	101,459		5,073		7,175	566,904		10,549							22,784
64	24,396		5,174		7,496	578,229		10,864							23,510
65	26,924		5,278		7,821	589,764		11,189							24,241
66	27,462		5,383		8,146	601,509		11,524							24,976
67	32,961		5,491		8,471	613,464		11,859							25,716
68	33,620		5,601		8,796	625,629		12,194							26,460
69	34,292		5,713		9,121	637,904		12,529							27,208
70	34,978		5,827		9,446	650,389		12,864							27,960
71	35,678		5,944		9,771	663,084		13,199							28,716
72	36,391		6,063		10,096	675,889		13,534							29,476
73	37,119		6,184		10,421	688,804		13,869							30,240
74	37,861		6,308		10,746	701,829		14,204							31,008
75	38,619		6,434		11,071	714,964		14,539							31,780
76	39,391		6,562		11,396	728,209		14,874							32,556
77	40,179		6,694		11,721	741,564		15,209							33,336
78	40,982		6,828		12,046	755,029		15,544							34,120
79	41,802		6,964		12,371	768,604		15,879							34,908
80	42,638		7,103		12,696	782,289		16,214							35,700
81	43,491		7,245		13,021	796,084		16,549							36,496
82	44,361		7,390		13,346	810,089		16,884							37,296
83	45,248		7,538		13,671	824,304		17,219							38,100
84	46,153		7,689		14,006	838,629		17,554							38,908
85	47,076		7,843		14,341	853,164		17,889							39,720
86	48,017		8,000		14,676	867,909		18,224							40,536
87	48,978		8,160		15,011	882,764		18,559							41,356
88	49,957		8,323		15,346	897,829		18,894							42,180
89	50,957		8,489		15,681	913,004		19,229							43,008
90	51,976		8,659		16,016	928,289		19,564							43,840
91	53,015		8,832		16,351	943,784		19,899							44,676
92	54,075		9,009		16,686	959,389		20,234							45,516
93	55,157		9,189		17,021	975,104		20,569							46,360
94	56,260		9,373		17,356	990,929		20,904							47,208
95	57,385		9,560		17,691	1,006,864		21,239							48,060
96															

## Immediate Cash Needs - Allen Survives

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Final Expenses \$15,000	Cash Reserves \$20,000	Mortgages and Debts	Estate Settlement*	Other Survivor Cash	Total Immediate Cash Needs
53	(\$15,000)	(\$20,000)	(\$232,000)	(\$6,817)		(\$273,817)
54	(15,480)	(20,640)	(222,755)	(11,732)		(270,607)
55	(15,975)	(21,300)	(213,097)	(13,349)		(263,722)
56	(16,487)	(21,982)	(203,009)	(14,892)		(256,370)
57	(17,014)	(22,686)	(192,471)	(15,894)		(248,065)
58	(17,559)	(23,411)	(181,463)	(16,929)		(239,362)
59	(18,120)	(24,161)	(169,965)	(18,509)		(230,755)
60	(18,700)	(24,934)	(157,954)	(20,194)		(221,782)
61	(19,299)	(25,732)	(145,407)	(21,417)		(211,855)
62	(19,916)	(26,555)	(132,301)	(23,794)		(202,566)
63	(20,554)	(27,405)	(118,610)	(26,333)		(192,901)
64	(21,211)	(28,282)	(104,309)	(21,570)		(175,372)
65	(21,890)	(29,187)	(89,371)	(24,428)		(164,875)
66	(22,591)	(30,121)	(73,766)	(13,721)		(140,199)
67	(23,313)	(31,085)	(57,466)	(15,090)		(126,954)
68	(24,060)	(32,079)	(40,439)	(17,901)		(114,479)
69	(24,829)	(33,106)	(22,653)	(20,875)		(101,463)
70	(25,624)	(34,165)	(4,073)	(24,022)		(87,884)
71	(26,444)	(35,259)		(27,774)		(89,476)
72	(27,290)	(36,387)		(28,740)		(92,417)
73	(28,163)	(37,551)		(29,293)		(95,008)
74	(29,065)	(38,753)		(30,459)		(98,276)
75	(29,995)	(39,993)		(32,588)		(102,575)
76	(30,955)	(41,273)		(34,792)		(107,019)
77	(31,945)	(42,593)		(34,686)		(109,224)
78	(32,967)	(43,956)		(33,056)		(109,980)
79	(34,022)	(45,363)		(31,139)		(110,524)
80	(35,111)	(46,815)		(28,908)		(110,834)
81	(36,235)	(48,313)		(26,334)		(110,881)
82	(37,394)	(49,859)		(24,292)		(111,544)
83	(38,591)	(51,454)		(25,816)		(115,861)
84	(39,826)	(53,101)		(27,443)		(120,369)
85	(41,100)	(54,800)		(29,178)		(125,078)
86	(42,415)	(56,554)		(31,029)		(129,997)
87	(43,772)	(58,363)		(33,002)		(135,138)
88	(45,173)	(60,231)		(35,107)		(140,511)
89	(46,619)	(62,158)		(35,228)		(144,005)
90	(48,111)	(64,147)		(32,463)		(144,721)
91						

K4

I6

Items in red indicate that the amounts are expenses.

# Survivor Income/Expense - Allen Survives

## Sample Financial Plan - TOTAL Goal-Based Planning

Survivor Income Needed				Income (or misc expense) Available					
Age	Personal Expenses + Item Ded	Insurance Premiums	Debt Payments	Social Security	Own Pension (after tax)	Survivor Pension (after tax)	Earned Income (after tax)	Education Expenses	Misc. (net) Income or Expense
53	(\$78,464)	(\$3,750)	(\$1,200)	\$33,696			\$67,080		\$5,611
54	(80,518)	(3,790)	(1,200)	34,370			68,757		5,855
55	(83,206)	(3,831)	(1,200)	17,529			77,851	(12,080)	6,104
56	(85,408)	(3,874)	(1,200)	17,879			79,798	(55,481)	6,355
57	(86,481)	(3,918)	(1,200)				81,793	(59,575)	6,103
58	(83,208)	(3,963)	(1,200)				83,837	(30,707)	6,866
59	(84,249)	(4,010)	(1,200)				85,933	(33,502)	9,481
60	(86,919)	(4,058)	(1,200)				92,717		(15,453)
61	(89,316)	(4,108)	(1,200)				95,035		7,917
62	(91,791)	(4,160)	(1,200)				97,411		8,185
63	(94,345)	(4,213)	(556)				99,847		11,369
64	(96,982)	(4,268)					102,343		8,726
65	(92,390)	(3,724)		20,370					(107,790)
66	(95,673)	(3,783)	(33,698)	20,778					10,543
67	(99,084)	(3,843)	(33,698)	34,803					10,916
68	(102,630)	(3,905)	(33,698)	35,499					10,121
69	(106,315)	(3,969)	(33,698)	36,209					10,505
70	(110,146)	(4,035)	(33,697)	36,933					184,504
71	(114,129)	(4,104)	(33,698)	37,671					
72	(118,272)	(4,174)	(33,698)	38,425					
73	(122,580)	(4,247)	(33,698)	39,193					
74	(127,062)	(4,322)	(33,698)	39,977					
75	(126,927)	(4,400)	(33,698)	40,777					
76	(131,626)	(4,480)	(33,698)	41,592					
77	(136,519)	(4,562)	(33,698)	42,424					
78	(141,613)	(4,647)	(33,698)	43,273					
79	(146,920)	(4,735)	(33,698)	44,138					
80	(152,447)	(4,826)	(33,698)	45,021					
81	(158,206)	(4,920)		45,921					
82	(164,206)	(5,016)		46,840					
83	(170,461)	(5,116)		47,776					
84	(176,981)	(5,219)		48,732					
85	(183,779)	(5,325)		49,707					
86	(190,869)	(5,435)		50,701					
87	(198,263)	(5,548)		51,715					
88	(205,977)	(5,664)		52,749					
89	(214,027)	(5,785)		53,804					
90	(222,427)	(5,909)		54,880					
91									
			K5		G9	G9	G22	A21	B14, G8

Income tax rate applied to pension and earned income is 22%

# Itemized Deduction Expenses - Allen Survives

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Gross Income	Charitable Contr.		Medical Expenses		Property Tax			Other Tax		Misc. Item. Ded.		Other Ded. Int.		Total
		% Gross Income	Annual Amount 2.00%	% Gross Income	Annual Amount 500.00%	Residence Value	% Resid. Value	Annual Amount 3.00%	% Gross Income	Annual Amount	% Gross Income	Annual Amount	% Gross Income	Annual Amount	
53	\$119,696		\$4,000		\$4,000	\$447,000		\$7,400							\$15,400
54	122,520		4,080		4,200	455,940		7,622							15,902
55	117,338		4,162		4,410	465,059		7,851							16,422
56	120,184		4,245		4,631	474,360		8,086							16,962
57	104,862		4,330		4,862	483,847		8,329							17,521
58	107,484		4,416		5,105	493,524		8,579							18,100
59	110,171		4,505		5,360	503,395		8,836							18,701
60	118,869		4,595		5,628	513,462		9,101							19,324
61	121,840		4,687		5,910	523,732		9,374							19,971
62	124,886		4,780		6,205	534,206		9,655							20,641
63	128,008		4,876		6,516	544,891		9,945							21,337
64	131,209		4,974		6,841	555,788		10,243							22,058
65	20,370		5,073		15,265	566,904		19,889							40,227
66	20,778		5,174		16,181	1,031,004		20,486							41,841
67	34,803		5,278		17,151	1,051,625		21,101							43,530
68	35,499		5,383		18,181	1,072,657		21,734							45,298
69	36,209		5,491		19,271	1,094,110		22,386							47,148
70	36,933		5,601		20,428	1,115,992		23,057							49,086
71	37,671		5,713		21,653	1,138,312		23,749							51,115
72	38,425		5,827		22,953	1,161,079		24,461							53,241
73	39,193		5,944		24,330	1,184,300		25,195							55,469
74	39,977		6,063		25,790	1,207,986		25,951							57,803
75	40,777		6,184		27,337	1,232,146		26,730							60,250
76	41,592		6,308		28,977	1,256,789		27,532							62,816
77	42,424		6,434		30,716	1,281,924		28,357							65,507
78	43,273		6,562		32,559	1,307,563		29,208							68,329
79	44,138		6,694		34,512	1,333,714		30,084							71,290
80	45,021		6,828		36,583	1,360,389		30,987							74,397
81	45,921		6,964		38,778	1,387,596		31,917							77,659
82	46,840		7,103		41,105	1,415,348		32,874							81,082
83	47,776		7,245		43,571	1,443,655		33,860							84,677
84	48,732		7,390		46,185	1,472,528		34,876							88,452
85	49,707		7,538		48,956	1,501,979		35,922							92,417
86	50,701		7,689		51,894	1,532,018		37,000							96,583
87	51,715		7,843		55,007	1,562,659		38,110							100,960
88	52,749		8,000		58,308	1,593,912		39,253							105,561
89	53,804		8,160		61,806	1,625,790		40,431							110,397
90	54,880		8,323		65,514	1,658,306		41,644							115,481
91			8,489		69,445	1,691,472		42,893							120,828
92			8,659		73,612	1,725,302		44,180							126,451
93			8,832		78,029	1,759,808		45,505							132,366
94			9,009		82,710	1,795,004		46,871							138,590
95			9,189		87,673	1,830,904		48,277							145,139
96			9,373		92,933	1,867,522		49,725							152,031
97			9,560		98,509	1,904,872		51,217							159,286
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J6

## Allen - Income, Disability, Survivor

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Salary	Infl. Rate	Adjusted Salary	Self Employment	Infl. Rate	Adjusted Self Empl.	Used for Cash Flow Report	Used for Disability Report	Used for Survivor Report
53	\$86,000	2.50	\$86,000				\$86,000	\$86,000	\$86,000
54	86,000	2.50	88,150				88,150	88,150	88,150
55	95,000	2.50	99,809				99,809	99,809	99,809
56	95,000	2.50	102,305				102,305	102,305	102,305
57	95,000	2.50	104,862				104,862	104,862	104,862
58	95,000	2.50	107,484				107,484	107,484	107,484
59	95,000	2.50	110,171				110,171	110,171	110,171
60	100,000	2.50	118,869				118,869	118,869	118,869
61	100,000	2.50	121,840				121,840	121,840	121,840
62	100,000	2.50	124,886				124,886	124,886	124,886
63	100,000	2.50	128,008				128,008	128,008	128,008
64	100,000	2.50	131,209				131,209	131,209	131,209
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## Betty - Income, Disability, Survivor

### Sample Financial Plan - TOTAL Goal-Based Planning

Age	Salary	Infl. Rate	Adjusted Salary	Self Employment	Infl. Rate	Adjusted Self Empl.	Used for Cash Flow Report	Used for Disability Report	Used for Survivor Report
51	\$72,000	2.00%	\$72,000	\$8,000	2.00%	\$8,000	\$80,000	\$80,000	\$80,000
52	72,000	2.00%	73,440				73,440	73,440	73,440
53	72,000	2.00%	74,909				74,909	74,909	74,909
54	72,000	2.00%	76,407				76,407	76,407	76,407
55	72,000	2.00%	77,935				77,935	77,935	77,935
56	72,000	2.00%	79,494				79,494	79,494	79,494
57	72,000	2.00%	81,084				81,084	81,084	81,084
58	72,000	2.00%	82,705				82,705	82,705	82,705
59	72,000	2.00%	84,359				84,359	84,359	84,359
60	72,000	2.00%	86,047				86,047	86,047	86,047
61	72,000	2.00%	87,768				87,768	87,768	87,768
62	72,000	2.00%	89,523				89,523	89,523	89,523
63	72,000	2.00%	91,313				91,313	91,313	91,313
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## Loan worksheet - Mortgage, Auto, Credit cards

K1

Sample Financial Plan - TOTAL Goal-Based Planning

		Residence Mortgage				Auto Loans				Credit Cards			
Ages		Balance	Interest	Principal	Total Payment	Balance	Interest	Principal	Total Payment	Balance	Interest	Principal	Total Payment
53	51	\$232,000	\$9,955	\$9,245	\$19,200					\$6,640	\$894	\$306	\$1,200
54	52	222,755	9,542	9,658	19,200					6,334	849	351	1,200
55	53	213,097	9,112	10,088	19,200					5,984	798	402	1,200
56	54	203,009	8,662	10,538	19,200					5,582	739	461	1,200
57	55	192,471	8,192	11,008	19,200					5,121	672	528	1,200
58	56	181,463	7,701	11,499	19,200					4,592	594	606	1,200
59	57	169,965	7,189	12,011	19,200					3,987	506	695	1,200
60	58	157,954	6,653	12,547	19,200					3,292	404	796	1,200
61	59	145,407	6,094	13,106	19,200					2,496	287	913	1,200
62	60	132,301	5,510	13,690	19,200					1,583	153	1,047	1,200
63	61	118,610	4,899	14,301	19,200					536	20	536	557
64	62	104,309	4,261	14,939	19,200								
65	63	89,371	3,595	15,605	19,200								
66	64	428,874	20,285	32,613	52,898								
67	65	396,261	18,723	34,175	52,898								
68	66	362,086	17,087	35,811	52,898								
69	67	326,274	15,372	37,527	52,898								
70	68	288,748	13,809	23,990	37,799								
71	69	264,758	12,762	20,936	33,698								
72	70	243,822	11,691	22,007	33,698								
73	71	221,816	10,565	23,133	33,698								
74	72	198,683	9,382	24,316	33,698								
75	73	174,367	8,138	25,560	33,698								
76	74	148,807	6,830	26,868	33,698								
77	75	121,939	5,456	28,243	33,698								
78	76	93,696	4,011	29,687	33,698								
79	77	64,009	2,492	31,206	33,698								
80	78	32,803	895	32,803	33,698								
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## Loans - Real Estate, Other, Total

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Investment Real Estate				Other Liabilities				Total of All Liabilities			
	Balance	Interest	Principal	Total Payment	Balance	Interest	Principal	Total Payment	Balance	Interest	Principal	Total Payment
53 51									\$238,640	\$10,849	\$9,551	\$20,400
54 52									229,089	10,392	10,008	20,400
55 53									219,081	9,910	10,490	20,400
56 54									208,591	9,401	10,999	20,400
57 55									197,592	8,864	11,536	20,400
58 56									186,056	8,296	12,104	20,400
59 57									173,952	7,694	12,706	20,400
60 58									161,246	7,057	13,343	20,400
61 59									147,903	6,381	14,019	20,400
62 60									133,884	5,663	14,737	20,400
63 61									119,147	4,920	14,837	19,757
64 62									104,309	4,261	14,939	19,200
65 63									89,371	3,595	15,605	19,200
66 64									428,874	20,285	32,613	52,898
67 65									396,261	18,723	34,175	52,898
68 66									362,086	17,087	35,811	52,898
69 67									326,274	15,372	37,527	52,898
70 68									288,748	13,809	23,990	37,799
71 69									264,758	12,762	20,936	33,698
72 70									243,822	11,691	22,007	33,698
73 71									221,816	10,565	23,133	33,698
74 72									198,683	9,382	24,316	33,698
75 73									174,367	8,138	25,560	33,698
76 74									148,807	6,830	26,868	33,698
77 75									121,939	5,456	28,243	33,698
78 76									93,696	4,011	29,687	33,698
79 77									64,009	2,492	31,206	33,698
80 78									32,803	895	32,803	33,698
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## Loans By Owner

### Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Total Balances	Loan Balances				Total Payments	Loan Payments				
		(by owner)		Community Property	Trust & Other		(by owner)		Community Property	Trust & Other	
		Allen	Betty	Joint			Allen	Betty	Joint		
53 51	\$238,640	\$6,640			\$232,000	\$20,400	\$1,200		\$9,600	\$19,200	
54 52	229,089	6,334			222,755	20,400	1,200		9,600	19,200	
55 53	219,081	5,984			213,097	20,400	1,200		9,600	19,200	
56 54	208,591	5,582			203,009	20,400	1,200		9,600	19,200	
57 55	197,592	5,121			192,471	20,400	1,200		9,600	19,200	
58 56	186,056	4,592			181,463	20,400	1,200		9,600	19,200	
59 57	173,952	3,987			169,965	20,400	1,200		9,600	19,200	
60 58	161,246	3,292			157,954	20,400	1,200		9,600	19,200	
61 59	147,903	2,496			145,407	20,400	1,200		9,600	19,200	
62 60	133,884	1,583			132,301	20,400	1,200		9,600	19,200	
63 61	119,147	536			118,610	19,757	557		9,600	19,200	
64 62	104,309				104,309	19,200			9,600	19,200	
65 63	89,371				89,371	19,200			9,600	19,200	
66 64	428,874	355,108			73,766	52,898	33,698		9,600	19,200	
67 65	396,261	338,795			57,466	52,898	33,698		9,600	19,200	
68 66	362,086	321,647			40,439	52,898	33,698		9,600	19,200	
69 67	326,274	303,622			22,653	52,898	33,698		9,600	19,200	
70 68	288,748	284,675			4,073	37,799	33,698		49,702	4,101	
71 69	264,758	264,758				33,698	33,698				
72 70	243,822	243,822				33,698	33,698				
73 71	221,816	221,816				33,698	33,698				
74 72	198,683	198,683				33,698	33,698				
75 73	174,367	174,367				33,698	33,698				
76 74	148,807	148,807				33,698	33,698				
77 75	121,939	121,939				33,698	33,698				
78 76	93,696	93,696				33,698	33,698				
79 77	64,009	64,009				33,698	33,698				
80 78	32,803	32,803				33,698	33,698				
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# Survivor Loan Payoff Schedule

Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Pay off if Allen dies		Pay off if Betty dies		Payoff at Either Death		No Payoff Option	
	Mortgage and Debt Balances	Loan Payments	Mortgage and Debt Balances	Loan Payments	Mortgage and Debt Balances	Loan Payments	Mortgage and Debt Balances	Loan Payments
53	51				\$232,000	\$19,200	\$6,640	\$1,200
54	52				222,755	19,200	6,334	1,200
55	53				213,097	19,200	5,983	1,200
56	54				203,009	19,200	5,581	1,200
57	55				192,471	19,200	5,120	1,200
58	56				181,463	19,200	4,592	1,200
59	57				169,965	19,200	3,986	1,200
60	58				157,954	19,200	3,292	1,200
61	59				145,407	19,200	2,495	1,200
62	60				132,301	19,200	1,582	1,200
63	61				118,610	19,200	536	556
64	62				104,309	19,200		
65	63				89,371	19,200		
66	64	355,108	33,698		73,766	19,200		
67	65	338,795	33,698		57,466	19,200	(1)	
68	66	321,647	33,698		40,439	19,200		
69	67	303,622	33,698		22,653	19,200	(1)	
70	68	284,675	33,698		4,073	4,101		(1)
71	69	264,758	33,698					
72	70	243,822	33,698					
73	71	221,816	33,698					
74	72	198,683	33,698					
75	73	174,367	33,698					
76	74	148,807	33,698					
77	75	121,939	33,698					
78	76	93,696	33,698					
79	77	64,009	33,698					
80	78	32,803	33,698					
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## Survivor Loans - Betty Survives

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Sample Financial Plan - TOTAL Goal-Based Planning

Age	Residence Mortgage		Investment Loans		Auto		RV/Boat	
	Balance	Payment	Balance	Payment	Balance	Payment	Balance	Payment
53	\$232,000	\$232,000						
54								
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## Survivor Loans (cont.) - Betty Survives

K6a

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Credit Card		Personal Loans		Other Loans		Investment Real Estate	
	Balance	Payment	Balance	Payment	Balance	Payment	Balance	Payment
53	\$6,640	\$1,200						
54	6,334	1,200						
55	5,984	1,200						
56	5,582	1,200						
57	5,121	1,200						
58	4,592	1,200						
59	3,987	1,200						
60	3,292	1,200						
61	2,496	1,200						
62	1,583	1,200						
63	536	557						
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## Survivor Loans - Allen Survives

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Residence Mortgage		Investment Loans		Auto		RV/Boat	
	Balance	Payment	Balance	Payment	Balance	Payment	Balance	Payment
51	\$232,000	\$232,000						
52								
53								
54								
55								
56								
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58								
59								
60								
61								
62								
63								
64	355,108	33,698						
65	338,795	33,698						
66	321,647	33,698						
67	303,622	33,698						
68	284,675	33,698						
69	264,758	33,698						
70	243,822	33,698						
71	221,816	33,698						
72	198,683	33,698						
73	174,367	33,698						
74	148,807	33,698						
75	121,939	33,698						
76	93,696	33,698						
77	64,009	33,698						
78	32,803	33,698						
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## Survivor Loans (cont.) - Allen Survives

K7a

Sample Financial Plan - TOTAL Goal-Based Planning

Age	Credit Card		Personal Loans		Other Loans		Investment Real Estate	
	Balance	Payment	Balance	Payment	Balance	Payment	Balance	Payment
51	\$6,640	\$1,200						
52	6,334	1,200						
53	5,984	1,200						
54	5,582	1,200						
55	5,121	1,200						
56	4,592	1,200						
57	3,987	1,200						
58	3,292	1,200						
59	2,496	1,200						
60	1,583	1,200						
61	536	557						
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## Assumptions - Fourth Street Rental

Sample Financial Plan - TOTAL Goal-Based Planning

### General

Current market value	\$200,000
Appreciation rate	2.00%
Purchase Price	\$175,000
Original downpayment	\$25,000
Year purchased	2000
Adjusted cost basis	\$88,000
Current Equity	\$82,000
Annual Depreciation	\$5,867
Remaining years	15
Client age at sale	70
Sales cost	6.00%
Assumed Tax Rate	22.00%
Assumed Cap Gain Rate	15.00%

<b>Mortgages</b>	<u>First Mortgage</u>	<u>Second Mortgage</u>
Current balance	\$118,000	
Interest rate	6.00%	
Monthly payment	\$800	
Original amount	\$130,000	
Date opened	10/23/2000	

<b>Income:</b>	<u>Amount</u>
Scheduled rents	\$21,600
Increase rate	2.00%
Vacancy	2.00%
Other income	
Increase rate	

<b>Annual Expenses:</b>	<u>Amount</u>	<u>Increase Rate</u>
Management	\$1,440	0.00%
Repair/ Maintenance	\$500	0.00%
Insurance	\$500	0.00%
Property Tax	\$2,500	0.00%
Other expenses		

<b>Capital Improvements:</b>	<u>Amount</u>	<u>Increase Rate</u>	<u>Year</u>
New Roof	\$20,000	0.02%	2025



# Annual Summary - Fourth Street Rental

L1a

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages	Market Value			Mortgage Information					
	\$200,000	Total Income	Total Expenses	Balance #1	Interest	Principal	Balance #2	Interest	Principal
	2.00%			\$118,000	6.00%	\$9,600		0.00%	
53 51	\$200,000	\$21,168	(\$4,940)	\$118,000	\$7,080	\$2,520			
54 52	204,000	21,591	(4,940)	115,480	6,928	2,672			
55 53	208,080	22,023	(4,940)	112,808	6,768	2,832			
56 54	212,241	22,464	(4,940)	109,976	6,598	3,002			
57 55	216,485	22,913	(4,940)	106,974	6,418	3,182			
58 56	220,814	23,371	(4,940)	103,792	6,227	3,373			
59 57	225,230	23,839	(4,940)	100,419	6,025	3,575			
60 58	229,734	24,315	(27,914)	96,844	5,810	3,790			
61 59	234,328	24,802	(4,940)	93,054	5,583	4,017			
62 60	239,014	25,298	(4,940)	89,037	5,342	4,258			
63 61	243,794	25,804	(4,940)	84,779	5,086	4,514			
64 62	248,669	26,320	(4,940)	80,265	4,815	4,785			
65 63	253,642	26,846	(4,940)	75,480	4,528	5,072			
66 64	258,714	27,383	(4,940)	70,408	4,224	5,376			
67 65	263,888	27,931	(4,940)	65,032	3,901	5,699			
68 66	269,165	28,489	(4,940)	59,333	3,559	6,041			
69 67	274,548	29,059	(4,940)	53,292	3,197	6,403			
70 68	280,038	29,640	(4,940)	46,889	2,813	6,889			
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# Income & Tax Analysis - Fourth Street Rental

L1b

## Sample Financial Plan - TOTAL Goal-Based Planning

Ages		Deprec. \$5,867 15 years	Taxable Income/ (loss)	Net Cash Flow (before tax)	Tax saved/ (due) at 31.00%	Annual ROR on Market Value      Equity		Capital Improve- ments	Cost Basis \$113,000	Sale in 2035 6.00%	Capital Gain on Sale	Unrecaptured \$ 1250 Gain
53	51	\$5,867	\$3,281	\$6,628	(\$1,017)	2.81	6.84		\$107,133			
54	52	5,867	3,857	7,051	(1,196)	2.87	6.61		101,267			
55	53	5,867	4,449	7,483	(1,379)	2.93	6.41		95,400			
56	54	5,867	5,059	7,924	(1,568)	2.99	6.21		89,533			
57	55	5,867	5,688	8,373	(1,763)	3.05	6.04		83,667			
58	56	5,867	6,338	8,831	(1,965)	3.11	5.87		77,800			
59	57	5,867	7,007	9,299	(2,172)	3.16	5.71		71,933			
60	58	6,292	7,273	(13,198)	(2,255)	(6.73)	(11.63)	22,974	88,615			
61	59	6,718	7,561	10,262	(2,344)	3.38	5.60		81,897			
62	60	6,718	8,298	10,758	(2,572)	3.42	5.46		75,180			
63	61	6,718	9,060	11,264	(2,809)	3.47	5.32		68,462			
64	62	6,718	9,847	11,780	(3,053)	3.51	5.18		61,745			
65	63	6,718	10,661	12,306	(2,132)	4.01	5.71		55,027			
66	64	6,718	11,502	12,843	(2,300)	4.08	5.60		48,310			
67	65	6,718	12,372	13,391	(2,474)	4.14	5.49		41,592			
68	66	851	19,139	13,949	(3,828)	3.76	4.82		40,741			
69	67	851	20,071	14,519	(4,014)	3.83	4.75		39,890			
70	68	851	21,036	238,234	(53,730)	65.89	79.14		39,039	263,236	65,262	158,934
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# Income & Expense Summary - Fourth Street Rental

L1c

## Sample Financial Plan - TOTAL Goal-Based Planning

		Income Summary					Expense Summary						
		Rents	Vac.	Net Rents	Other	Total	Management	Rep./Maint.	Insur.	Prop. Tax	Other	Capital	Total
		\$21,600	2.00%			Income	(\$1,440)	(\$500)	(\$500)	(\$2,500)		Improvements	Expense
Ages		2.00%			0.00%		0.00%	0.00%	0.00%	0.00%			
53	51	\$21,600	(\$432)	\$21,168		\$21,168	(\$1,440)	(\$500)	(\$500)	(\$2,500)			(\$4,940)
54	52	22,032	(441)	21,591		21,591	(1,440)	(500)	(500)	(2,500)			(4,940)
55	53	22,473	(449)	22,023		22,023	(1,440)	(500)	(500)	(2,500)			(4,940)
56	54	22,922	(458)	22,464		22,464	(1,440)	(500)	(500)	(2,500)			(4,940)
57	55	23,381	(468)	22,913		22,913	(1,440)	(500)	(500)	(2,500)			(4,940)
58	56	23,848	(477)	23,371		23,371	(1,440)	(500)	(500)	(2,500)			(4,940)
59	57	24,325	(487)	23,839		23,839	(1,440)	(500)	(500)	(2,500)			(4,940)
60	58	24,812	(496)	24,315		24,315	(1,440)	(500)	(500)	(2,500)		(22,974)	(27,914)
61	59	25,308	(506)	24,802		24,802	(1,440)	(500)	(500)	(2,500)			(4,940)
62	60	25,814	(516)	25,298		25,298	(1,440)	(500)	(500)	(2,500)			(4,940)
63	61	26,330	(527)	25,804		25,804	(1,440)	(500)	(500)	(2,500)			(4,940)
64	62	26,857	(537)	26,320		26,320	(1,440)	(500)	(500)	(2,500)			(4,940)
65	63	27,394	(548)	26,846		26,846	(1,440)	(500)	(500)	(2,500)			(4,940)
66	64	27,942	(559)	27,383		27,383	(1,440)	(500)	(500)	(2,500)			(4,940)
67	65	28,501	(570)	27,931		27,931	(1,440)	(500)	(500)	(2,500)			(4,940)
68	66	29,071	(581)	28,489		28,489	(1,440)	(500)	(500)	(2,500)			(4,940)
69	67	29,652	(593)	29,059		29,059	(1,440)	(500)	(500)	(2,500)			(4,940)
70	68	30,245	(605)	29,640		29,640	(1,440)	(500)	(500)	(2,500)			(4,940)
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## Data

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# Page 1

**Personal Information:**

Prepared by

3/29/2018

3/1/2018

Scenario name	Sample Financial Plan - TOTAL Goal-Based Planning	Phone	
Cover name	Allen & Betty Abbett	Phone 2	
Home addr.		e-mail	
City, State, Zip	0 OR	Fax	
	Married		

	Allen		Betty			
	Allen Abbett		Betty Abbett			
Life expectancy	97	Birth date	3/5/1965	97	Birth date	6/8/1966
Alternate life exp	90	SS #		95	SS #	
Retirement age	65			64		

	Allen	Betty
Employer		
Duties / Title		
Address		
City, State, Zip		
Phone		
Footnote		

Dependent Children	Social Security #	Birth Date	College start year	Number years college	Annual college cost	Funds now avail.	Monthly savings
Bonnie		1/12/2003	2021	4	\$25,000	\$14,800	\$100
Andy		2/28/2001	2019	4	\$25,000	\$17,500	\$100

Percent of college costs parents will pay	100.00%
Earning rate on college funds (after tax)	5.00%
Inflation rate for educational expenses	5.00%
Deduct education expenses from retirement capital?	Yes

**Asset Summary:**

(used for retirement)	Total	Allen	Betty	Joint & CP	Trust/Oth	Monthly additions	Rate of return
Taxable	\$83,800			\$83,800		\$250	1.65%
Tax-Free							5.75%
Tax-Deferred							6.00%
Equity & other	\$165,000			\$165,000		\$500	7.50%
Percent ownership: Taxable				100%			
Tax-Free							
Tax-Deferred							
Equity & other				100%			

Use Joint property to fund Unified Credit Trust? No

**Default Asset Rates**

	Before	After Ret
Taxable	6.00%	6.00%
Tax-Deferred	6.00%	6.00%
Tax-Free	5.75%	5.75%
Equity & other	8.00%	8.00%
Retirement accounts	7.50%	7.50%
Roth IRA	7.50%	7.50%

	Allen	Betty	Joint/CP	Trust/Oth	Apprec. rate
Residence	\$447,000				2.00%
Personal property	\$50,000		\$19,600		-3.94%
Jewelry, furs					
Art, antiques					
Autos					
RV's, boats					
Other personal assets					

## Page 2

Liabilities:	Account balance					Monthly payment
	Allen	Betty	Joint	Comm Prop	Trust/Oth	
Residence mortgage				\$232,000		\$1,600
Investment loans						
Auto loans						
RV & boat loans						
Credit cards	\$6,640					\$100
Personal loans						
Other liabilities						
Real estate loans						

		Current	After retire
Surplus cash flow allocation	Taxable	20	40
	Tax-Free		
	Tax-Deferred		
	Equity & other	80	60

Income needed per month in Retirement:		Start age	Amount \$*	Infl. rate
*(Personal expenses only; in reports charity, medical, property tax, insurance and debt payments are added.)	Prior to retirement	53	4282	3.20%
	Period 1	65	3723	3.20%
	Period 2	75	3473	3.20%
		86	3473	3.20%
Personal income needed when disabled / month*			3425	

## Retirement Accounts: (defined contribution plans)

Description	Allen	Betty				
Account balances	\$267,500	\$110,250				
Annual additions (personal)*	\$5,160	\$4,320				
Annual additions (company)*	\$3,440	\$4,320				
Rate of return*	7.00%	7.00%				

Roth IRA balance	\$62,500	\$72,800
Annual additions*	\$5,400	\$5,400
Rate of return of Roth IRA*	7.00%	7.00%

\*The amounts and the rates are for the current year only and are subject to change in future years.

Use retirement accounts to fund Credit Shelter Trust?	No
Qualified plans subject to early distribution tax?	Yes
Defer Required Minimum Distribution until age	71 71
Diversify retirement account assets?	Yes

## Retirement Income Sources (Defined benefit plans)

	Allen	Betty
Pension plan or other income/mo (expected in today's \$)*		200
Percent available to surviving spouse during retirement		
\$ Amount payable to survivor if death occurs now		

\* Amounts may vary at future ages.

## Retirement Social Security benefits:

	Allen	Betty
Age to start retirement SS benefits	65	64
Percent of computed SS benefit to show in today's dollars	100	100
Social Security benefit increase rate		

## Page 3

	Allen	Betty
Wages exempt from FICA tax?		
Not qualified to receive SS benefits?		

## Income Data:

(annual amounts)	Income Tax Data		Amount for cash flow	Amount for disability
	Present	Increase rate		
Client salary & wages	\$86,000	2.50	\$86,000	\$86,000
Spouse salary & wages	\$72,000	2.00	\$72,000	\$72,000
Interest	\$1,406			\$1,406
Dividends				
Client self employment				
Spouse self employment	\$8,000	2.00	\$8,000	\$8,000
Sched D capital gain (loss)	\$5,890			
Sched E passive gain (loss)	\$3,281			
Other taxable income (loss)				
Other non-taxable income				
Pension or minimum distributions				
Social Security income				0/0

Incr (decr) fed income	
Other fed tax or (credit)	

AMT (preference) items	
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Incr (decr) state income	
Other state tax or (credit)	

State tax Item Ded override	
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Itemized Deductions:	% of gross income	and/or	Annual \$ amount	Increase rate
Charitable contributions			\$4,000	2.00
Misc itemized deductions				
Other deductible interest				
Other tax (not property)				
Property tax (% of residence value)			\$7,400	3.00
Medical expense			\$4,000	5.00

Tax filing status	Joint
Number of exemptions	
Number over 65 or blind	

## Optional Tax Rates

	Ordinary	Equity (CG)
Effective tax rate before retirement		15.00
Effective tax rate after retirement	20.00	15.00

## Page 4

Insurance information:	Allen		Betty	
	Short term	Long term	Short term	Long term
Disability insurance monthly benefit	\$500	\$800		
Company disability benefits per month			\$500	\$1,000
% of company disability benefits taxable (0-100)			\$100	\$100
Do you have LTC insurance?				

	Allen	Betty
Term or company group death benefit	\$250,000	\$250,000
Personal permanent life coverage death benefit	\$97,500	\$60,000
Cash value now (traditional CV policies)	\$12,450	\$2,850
Cash value at retirement age	\$55,000	\$33,264
Insurance policy loans outstanding	\$2,500	
Suppress insurance benefits on Retirement report?	Yes	Yes
Include cash value in asset allocation?	No	
Use life insurance to fund Unified Credit trust?	No	
Use immediate cash needs for minimum life insurance needed?	No	

Insurance premiums (annual):	Allen	Betty		
Life insurance premiums - term		\$375	Proposed LTC data	
Life ins premiums - permanent	\$1,900	\$650	Premium	\$3,000
Auto insurance premiums	\$350	\$275	Benefit/day	
Disability insurance premiums	\$600		Pay to age	80
Home owners & other ins premiums	\$900		LTC per mo	\$6,000
Medical insurance premiums			Number Mo	40
Long Term Care premium				

SURVIVOR available / needed* : (today's \$)	Earned income		Needed	
	Allen	Betty	Allen	Betty
Income per month current	\$7,167	\$6,667	\$6,539	6469
Income needed during retirement years			\$8,010	\$8,010

\* In reports, insurance, debts and itemized deduction items are added to the above amounts.

### Immediate survivor needs

Final expenses (burial, medical, etc.)	\$15,000	\$15,000
Emergency funds, reserves	\$20,000	\$20,000
Other survivor cash needed (charitable, gifts, etc.)		
Include other survivor cash on Estate Report?	No	

### Capital Consumption / Retention Option (survivor & retire):

	Allen	Betty
Amount of capital to be retained at life expectancy		



## Page 5

Attitude about investing and money management	2
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(Conservative &lt;- 1 2 3 4 5 -&gt; Aggressive)

### Financial objectives:

Reducing income taxes	1
Protection from inflation	2
Maximum investment growth potential	3
Current spendable income from assets	2
Liquidity (convert assets to cash)	3

(Not concerned &lt;- 1 2 3 4 5 -&gt; Very concerned)

### Asset Allocation by Class:

Classes	Present		Suggested	
	Present mix	Percent	Proposed	Percent
Reserves	\$32,200	4.23%	\$152,370	20.00%
Income	114,100	14.98%	190,463	25.00%
Growth and income			190,463	25.00%
Growth	450,550	59.14%	190,463	25.00%
Aggressive Growth	165,000	21.66%	38,093	5.00%
Misc				

### Other financial goals (description):

	Age needed	Amount needed	Increase rate
Sail boat	65	\$20,000	3.20%

Include Financial Goals in Retirement Capital projection?	
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## Page 6

### Miscellaneous income/expense

Description	Occurs at Allen's age	Retirement amount in today's \$	Increase decrease rate	Amount to use in Survivor report		% Ordinary taxable
				Allen	Betty	
Betty's Expected Inheritance (~200k)	53					
Betty's Expected Inheritance (~200k)	70	200,000				
Betty's Expected Inheritance (~200k)	71					
Bonnie's Wedding	52		3.20%			
Bonnie's Wedding	53		3.20%			
Bonnie's Wedding	67	(35,000)	3.20%			
Bonnie's Wedding	68					
Extended travel - first 10 years of reti	52		3.20%			
Extended travel - first 10 years of reti	53		3.20%			
Extended travel - first 10 years of reti	65	(10,000)	3.20%			
Extended travel - first 10 years of reti	75		3.20%			
Kitchen and Bath Remodel	52		3.20%			
Kitchen and Bath Remodel	53		3.20%			
Kitchen and Bath Remodel	60	(55,000)	3.20%			
Kitchen and Bath Remodel	61					

## Page 7

Personal Expenses	Monthly*	Annual*	Increase Rate %	Percent used for	
				Disability	Survivor
Discretionary Spending		\$12,000	3.20%	80	80
Food and Household Expenses		6,000	3.20%	80	80
Utilities and Bills		5,340	3.20%	80	80
Auto Operating and Maintenance		4,400	3.20%	80	80
Child Related Expenses		6,000	3.20%	80	80
Holidays		2,000	3.20%	80	80
Household Help		2,640	3.20%	80	80
Clothing		3,000	3.20%	80	80
Property Improvements/Upkeep		6,000	3.20%	80	80
Vacations		4,000	3.20%	80	80
Sub total		\$51,380			
Total annual		\$51,380			

*\*Initial amount shown. Amount and increase rates may vary over time.*