

# **- *CONFIDENTIAL REPORT* -**

Prepared Especially For:

***John & Mary Sample***

June 2015

Prepared By:

**Smart T. Advisor**

---

## **TOOLS FOR MONEY DOT COM**

55 Gotbucks Avenue  
Suite 33  
Bel Air, CA 90077

(734) 369-0580  
(800) 555-1333  
FAX (734) 555-3355

Email: [support@toolsformoney.com](mailto:support@toolsformoney.com)

# **- *CONFIDENTIAL REPORT* -**

## **FINANCIAL PLAN INTRODUCTION**

These confidential reports were created for your personal use and future reference only. Each section is designed to give you a better understanding of your financial circumstances, and what's projected for the future. These reports reflect your financial standing today and where you are likely to be in the event of your disability, death, or retirement. It will provide valuable information for years to come.

The goal of this financial plan is to make the greatest possible use of your present and expected financial resources. The plan assumes your expressed willingness, and ability, to take on an appropriate level of risk; and also to make the cash and investment commitments required.

Your report coordinates all of your assets, liabilities, sources of incomes; and then puts them into perspective when compared to your stated financial goals and objectives. Needs or deficiencies are identified, and recommendations are included to illustrate how you may improve on all of your arrangements.

Supplementary information is also included to help clarify some issues.

Periodic review will be necessary to keep your reports up to date and pertinent to your life. If, after a thorough review of the plan, you feel you'd like to make different assumptions, we'll be happy to make adjustments based on whatever assumptions you may wish to adopt.

The value of this financial plan lies in its implementation. Once your plan accurately reflects what you both are personally trying to accomplish, and the more rapidly these changes are made, the more likely your desired results can be achieved.

No financial plan is of any value unless it is implemented promptly. Our services are available to assist you in these endeavors.

# **- *CONFIDENTIAL REPORT* -**

## **FINANCIAL PLAN DISCLAIMER**

Your financial plan was designed from the personal information and documents furnished to us by you, and it is based on your expression of the personal objectives and your attitudes. It is essential that the tax and legal planning steps be considered only with the advice of your attorney, CPA, and your other financial advisors; which we will be happy to coordinate with. This plan is not to be construed as offering legal or accounting advice. You are encouraged to discuss this plan and its findings with your attorney and accountant.

These reports show ballpark estimates of your future financial situation, and are intended only as a basis for discussion with your professional advisors. The estimates shown in this report are based on many assumptions that may or may not occur. Both principal value and investment returns will fluctuate over time. No warranty as to correctness is given and no liability is accepted for any error, or omission, or any loss, which may arise from relying on this data.

Every effort has been made to assure the highest reasonable degree of accuracy in your financial plan. However, due to the dynamic nature of our economic and tax environments, no guarantees or assurances can be given regarding the profitability or tax benefits of any investment. The only assurance is that over time, every investment program is likely to produce some losses on the road to achieving long-term gains. Also, taxes and inflation could be much higher than projected, which will seriously impede your progress.

This plan is only as accurate as the information on which it was based. If the data originally supplied to us is incorrect, the plan will reflect these inaccuracies, and these errors will project into the future at a magnified rate. Certain assumptions made by us, or you, may also limit the accuracy of the data. Please review your data carefully. Also, the further into the future this plan projects, the more inaccurate it becomes. As a result, your plan should be updated at least annually to ensure its continued accuracy.

Where rates of return, taxes, and inflation estimates are used to simulate investment results, they should not be construed as guarantees or warranties of profitability. Computerized performance projections of assets, portfolios, and markets are to be considered as statistical models based on past performance only. Past performance is no guarantee of any future results. No warranty as to correctness is given and no liability is accepted for any error, or omission, or any loss, which may arise from relying on this data. No investment, strategy, or recommendations in this report is insured by the FDIC, any governmental agency, or other corporation.

Where tax benefits are illustrated they are based on the best information currently available. Various proposals are made from time to time to change the tax laws, and it seems probable that many of our current tax laws will undergo changes during the years illustrated in this financial plan. Some of these proposals, if enacted, might have a serious adverse effect on tax consequences of some of the investment strategies proposed. On the other hand, some proposals may significantly enhance your position if enacted.

## **ABOUT THE RESULTING NUMBER TO THE RIGHT OF: *PROBABILITY OF SUCCESS GIVEN ALL ASSUMPTIONS***

In the retirement plan, and college savings plan reports, there is (usually) a percentage number shown. This is the result of the Monte Carlo simulation. This is also known as “stress testing” your financial plan.

Your financial plan was created using actual real “cash-flow based” money software, and not “fake goal- or goals-based software.”

The point is that using real financial planning software makes it so your financial plan has several more degrees of magnitude more validity, when it comes to projecting your financial life into the future.

Fake investment software is just not capable of projecting accurate numbers more than a few years into the future, simply because it totally ignores the very heart of financial planning – which pumps the life blood into the future of your financial plan.

The heart of your financial plan, is your budget and cash flow; or earned and other incomes compared to your actual real-world expenses. The difference between these two factors - annual surpluses and deficits, and replacement costs, are usually what will end up determining your ability to reach your long-term goals (unless you have a large pool of financial assets, or interest-free credit, that you can freely tap at any time, when there are annual cash flow deficits).

Numbers more than 70% mean that your retirement plan has a good chance of succeeding, by weathering storms.

With numbers less than 70%, and there is significant risk that more money will be needed than what was input into the retirement plan, in order to remain in retirement without running out of money.

Numbers under 50% mean much more money will probably need to be spent and invested than what's showing. This is because what was input was a "rosy scenario," meaning your investment returns will probably be lower than what was input, fees and expenses will be higher, and/or total costs will end up being much more than anticipated.

# **LONG-TERM CARE REPORT EXPLANATION**

## **REAL WORLD PERSONAL FINANCE SOFTWARE**

(734) 369-0580 [support@toolsformoney.com](mailto:support@toolsformoney.com) <http://www.toolsformoney.com/>

## **OVERVIEW OF THE LTC AND RETIREMENT FORECAST REPORTS**

This text is to help you understand the overall concepts, and the technical details, of the following retirement, combined with long-term care planning reports.

Long-term care (AKA LTC) is technical jargon for “going into a home.”

Careful long-term planning is needed these days to prepare for extremely expensive stays in nursing homes, rehabilitation centers, retirement homes, and hospice care. To have similar standards of living as one had in their own home usually requires \$75,000 to \$100,000 per year in LTC expenses. To be “stuck in a room” with a roommate’s TV blaring all-day, costs still between \$25,000 and \$50,000 per year.

Long-term care insurance helps pay for these stays, and similar long-term personal and health care needs (like in-home elderly care, physical therapy, and/or other rehabilitation services).

When permanently disabled, Social Security may kick in earlier than age 62, but at greatly reduced amounts. Sometimes, if they think you don’t qualify, then they just don’t pay at all. Also Medicare and Medicaid pay much less than most think (sometimes also little-to-nothing).

Reasons for these types of care include chronic illnesses, substance abuse problems, and mental and/or physical disabilities. Basically whenever one is “put in a home,” because they can’t take of themselves for whatever reason, it’s usually referred to as long-term care.

To insure for these risks, we recommend that you purchase good long-term care insurance. This type of insurance usually pays benefits directly to the insured, in increments of \$100 per day, or so. For example, you can buy LTC policies that pay \$100, \$200, or \$300 per day in benefits.

The amount of Long-term Care insurance policy benefits shown in the Proposed version of your retirement plan is \$250 per day for John.

## **ABOUT THE LTC REPORTS**

In the following retirement reports, the “Current version” shows an estimate of what your financial future may look like, assuming the devastating costs of a nursing home stay starting at John’s age of 60 (because you are currently uninsured for these risks).

The “Proposed version” shows the same long-term health care expenses of the Current version, but both the cost of the LTC insurance premiums, and income from the policy’s benefit payouts are also accounted for.

The Proposed version also shows John being able to work part-time from age 60 to 70, as he intended. This income would also be lost if disabled, so it was not input into the Current version.

In the Current version, you can see that the financial devastation of being uninsured wipes out any hopes of a comfortable retirement, for either of you past age 80.

In the Proposed version, your financial forecasts look much better. With the purchase and maintenance of adequate LTC insurance for John, the forecast looks about the same as it did if he did not experience events leading to the need for LTC.

## **MISCELLANEOUS**

This report illustrates how values may change over time. Once you go over a year or so, most all projections will be substantially different compared to what was input.

So it's important to run the numbers whenever something changes, or at least annually.

Hopefully, all of the charts and graphs are self-explanatory. If not, then feel free to contact us for more information.

A good measure of the benefit of financial planning and investment management is how your net worth improved over what you would have realized if you never met us, and continued doing what you were doing.

# John & Mary Sample

## Financial Independence Analysis

*Illustration for Current Plan (before recommendations)*

June 12, 2015

Annual Income Goals*		Current Ages	Retirement Ages	Income Goal Inflation****
John:	\$45,000	46 Life Expectancy:	60 82	3.0%
Mary:	\$25,000	36 Life Expectancy:	65 82	Overall Tax Rate: 20% ** SS Inclusion Rate: 50%***

\* In today's dollars. Net, spendable dollars. Additional stand-alone expenses entered manually are not included in this figure.

\*\* If tax rate is 0%, income goals are gross (before taxes). If a tax rate is used, goals are net spendable dollars or after-tax goals.

\*\*\* The Social Security inclusion rate is how much of your SS is assumed to be includable in your taxable income.

\*\*\*\* This number is the assumed average income goal inflation rate over the next 30 years. Income goal inflation is assumed to average 1% over the next 5 years, and 2% over the next 10 years. Over the next 11 years, and beyond, income goal inflation is assumed to average 3% .

**Average Percentage of Annual Income Goal Being Met: 46.2%**

### Additional Funding Needed to Reach Your Income Goals\*

Additional Lump Sum Needed <u>Today</u>	-or-	Additional Monthly Payments Needed until Mary's Year <u>of Retirement</u>	Assumed Rate of Return on Additional <u>Funding</u>
\$3,088,300		\$21,030	2.0%

Probability of Success Given All Assumptions: 0.0%

\* Additional funding means funding in addition to the assets that are entered into this analysis. It also assumes available capital needed to produce retirement income is not depleted until John's age of 100.

*This report is designed to show a rough ballpark idea of your future financial situation, and is intended only as a basis for discussion with your professional advisors. The estimates shown in this report are based on many assumptions that may or may not occur. Both principal value and investment returns will fluctuate over time. No warranty as to correctness is given and no liability is accepted for any error, or omission, or any loss which may arise from relying on this data.*

## Basic Current Retirement Planning Information

John Sample's Current Age:	<b>46</b>
Calculated Life Expectancy:	<b>82</b>
Inputted Life Expectancy:	<b>100</b>
Difference Between Calculated and Inputted Life Expectancy in Years:	<b>18</b>
Number of Years Until Retirement:	<b>14</b>
Number of Years Until Calculated Life Expectancy:	<b>36</b>
Number of Years Until Inputted Life Expectancy:	<b>54</b>
Number of Years of Retirement to Calculated Life Expectancy:	<b>22</b>
Number of Years of Retirement to Inputted Life Expectancy:	<b>41</b>
Number of Years of Retirement With Sufficient Capital:	<b>18</b>
Percentage of Years in Retirement With Sufficient Capital Using Calculated Life Expectancy:	<b>81.8%</b>
Percentage of Years in Retirement With Sufficient Capital Using Inputted Life Expectancy:	<b>43.9%</b>
Number of Years Until Depletion of Capital:	<b>32</b>
Number of Years of Retirement Until Depletion of Capital:	<b>18</b>
Number of Years of Retirement Without Capital Using Calculated Life Expectancy:	<b>5</b>
Number of Years of Retirement Without Capital Using Inputted Life Expectancy:	<b>23</b>
Percentage of Years in Retirement Without Capital Using Calculated Life Expectancy:	<b>18.2%</b>
Percentage of Years in Retirement Without Capital Using Inputted Life Expectancy:	<b>56.1%</b>



## Financial Independence Analysis: Asset Summary\*

### *Illustration for Current Plan (before recommendations)*

<u>Asset Name</u>	<u>Current Asset Value</u>	<u>Percentage of Assets</u>	<u>Age when Asset Becomes Effective</u>	<u>Annual Additions to Asset</u>	<u>Age when Additions Begins</u>	<u>Age when Additions Ends</u>	<u>Inflation Rate on Annual Contributions</u>	<u>Age when Payout Begins</u>	<u>Payout Method</u>	<u>Total Return Assumed</u>	<u>% Income Subject to Taxes</u>
John's Investments	\$350,000	100.0%	46	\$12,000	46	59	1.0%	65	Flexible Asset**	8.0%	100.0%
<i>Total:</i>	<u>\$350,000</u>			<u>\$12,000</u>							

Notes: If an asset above has \$0 in current value, and \$0 in annual additions, please refer to the separately printed asset page.

\*\* A "Flexible Asset" is an asset that does not have a structured method of paying out income. Instead, cash is withdrawn, or added back to this asset as needed to fund income withdrawals in that year.

## Non-Asset Income Summary\*

<u>Source of Income</u>	<u>Annual Pretax Income</u>	<u>Beginning Age</u>	<u>Ending Age</u>	<u>Assumed Annual Inflation</u>	<u>Is this Income Taxable?</u>
John's Social Security	\$12,000	62	n/a	1.0%	Yes
Mary's Social Security	\$9,000	65	n/a	1.0%	Yes

\* All dollar amounts are in today's dollars (meaning no adjustment for inflation was made on this page).

# Financial Independence Analysis

## Annual Summary Numbers

*Illustration for Current Plan (before recommendations)*

John's Age	Mary's Age	Tax Rate	Year #	Year	Combined Annual Income Goal (after tax & inflated)	Combined Annual After-Tax Misc. Income and/or Expense (-)	Combined Annual Social Security (after tax)	Combined Annual Earned Income (after tax)	Combined Annual Pension Income (after tax)	Combined Annual Asset Income (after tax)	Combined Annual Income Surplus or Deficit (-)	Percent of Annual Income Goal Being Met (46.2%)	End of Year Balance of Capital	Average Weighted Rate of Return on Assets	Percent Change in Asset Balance from Previous Year	Present Value of Additional Capital Needed at Retirement	Present Value of Additional Capital Needed Now
46	36	20.0%	1	2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$390,900	8.0%	n/a	\$0	\$0
47	37	20.0%	2	2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$435,300	8.0%	11.4%	\$0	\$0
48	38	20.0%	3	2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$483,300	8.0%	11.0%	\$0	\$0
49	39	20.0%	4	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$535,300	8.0%	10.8%	\$0	\$0
50	40	20.0%	5	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$591,700	8.0%	10.5%	\$0	\$0
51	41	20.0%	6	2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$652,600	8.0%	10.3%	\$0	\$0
52	42	20.0%	7	2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$718,600	8.0%	10.1%	\$0	\$0
53	43	20.0%	8	2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$790,000	8.0%	9.9%	\$0	\$0
54	44	20.0%	9	2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$867,200	8.0%	9.8%	\$0	\$0
55	45	20.0%	10	2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$950,800	8.0%	9.6%	\$0	\$0
56	46	20.0%	11	2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,041,200	8.0%	9.5%	\$0	\$0
57	47	20.0%	12	2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,138,900	8.0%	9.4%	\$0	\$0
58	48	20.0%	13	2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,244,600	8.0%	9.3%	\$0	\$0
59	49	20.0%	14	2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,359,000	8.0%	9.2%	\$0	\$0
60	50	20.0%	15	2029	\$66,700	-\$36,300	\$0	\$0	\$0	\$0	-\$103,000	0.0%	\$1,467,700	8.0%	8.0%	\$101,000	\$76,500
61	51	20.0%	16	2030	\$69,400	-\$37,300	\$0	\$0	\$0	\$0	-\$106,800	0.0%	\$1,585,100	8.0%	8.0%	\$203,700	\$154,400
62	52	20.0%	17	2031	\$72,200	-\$38,500	\$12,600	\$0	\$0	\$0	-\$98,000	0.0%	\$1,711,900	8.0%	8.0%	\$296,100	\$224,400
63	53	20.0%	18	2032	\$75,100	-\$39,600	\$12,700	\$0	\$0	\$0	-\$102,000	0.0%	\$1,848,900	8.0%	8.0%	\$390,300	\$295,800
64	54	20.0%	19	2033	\$78,100	-\$40,800	\$12,900	\$0	\$0	\$0	-\$106,000	0.0%	\$1,996,800	8.0%	8.0%	\$486,400	\$368,600
65	55	20.0%	20	2034	\$81,200	-\$42,000	\$13,000	\$0	\$0	\$110,300	\$0	100.0%	\$2,007,600	8.0%	0.5%	\$486,400	\$368,600
66	56	20.0%	21	2035	\$83,700	-\$43,300	\$13,100	\$0	\$0	\$113,800	\$0	100.0%	\$2,014,500	8.0%	0.3%	\$486,400	\$368,600
67	57	20.0%	22	2036	\$86,200	-\$44,600	\$13,300	\$0	\$0	\$117,500	\$0	100.0%	\$2,016,900	8.0%	0.1%	\$486,400	\$368,600
68	58	20.0%	23	2037	\$88,800	-\$45,900	\$13,400	\$0	\$0	\$121,300	\$0	100.0%	\$2,014,400	8.0%	-0.1%	\$486,400	\$368,600
69	59	20.0%	24	2038	\$91,400	-\$47,300	\$13,500	\$0	\$0	\$125,200	\$0	100.0%	\$2,006,500	8.0%	-0.4%	\$486,400	\$368,600
70	60	20.0%	25	2039	\$94,200	-\$48,700	\$13,700	\$0	\$0	\$129,200	\$0	100.0%	\$1,992,500	8.0%	-0.7%	\$486,400	\$368,600
71	61	20.0%	26	2040	\$97,000	-\$50,200	\$13,800	\$0	\$0	\$133,400	\$0	100.0%	\$1,971,700	8.0%	-1.0%	\$486,400	\$368,600
72	62	20.0%	27	2041	\$99,900	-\$51,700	\$13,900	\$0	\$0	\$137,700	\$0	100.0%	\$1,943,500	8.0%	-1.4%	\$486,400	\$368,600
73	63	20.0%	28	2042	\$102,900	-\$53,300	\$14,100	\$0	\$0	\$142,100	\$0	100.0%	\$1,907,100	8.0%	-1.9%	\$486,400	\$368,600
74	64	20.0%	29	2043	\$106,000	-\$54,900	\$14,200	\$0	\$0	\$146,600	\$0	100.0%	\$1,861,700	8.0%	-2.4%	\$486,400	\$368,600
75	65	20.0%	30	2044	\$169,900	-\$56,500	\$25,200	\$0	\$0	\$201,200	\$0	100.0%	\$1,738,900	8.0%	-6.6%	\$486,400	\$368,600
76	66	20.0%	31	2045	\$175,000	-\$58,200	\$25,400	\$0	\$0	\$207,700	\$0	100.0%	\$1,597,500	8.0%	-8.1%	\$486,400	\$368,600
77	67	20.0%	32	2046	\$180,200	-\$60,000	\$25,700	\$0	\$0	\$214,500	\$0	100.0%	\$1,435,700	8.0%	-10.1%	\$486,400	\$368,600
78	68	20.0%	33	2047	\$185,600	-\$61,800	\$25,900	\$0	\$0	\$221,400	\$0	100.0%	\$1,251,600	8.0%	-12.8%	\$486,400	\$368,600

## Financial Independence Analysis

### Annual Summary Numbers, continued

John's Age	Mary's Age	Tax Rate	Year #	Year	Combined Annual Income Goal (inflated)	Combined Annual Misc. Income and/or Expense (-)	Combined Annual Social Security	Combined Annual Earned Income	Combined Annual Pension Income	Combined Annual Asset Income (after tax)	Combined Annual Income Surplus or Deficit (-)	Percent of Annual Income Goal Being Met (46.2%)	End of Year Balance of Capital	Average Weighted Rate of Return on Assets	Percent Change in Asset Balance from Previous Year	Present Value of Additional Capital Needed at Retirement	Present Value of Additional Capital Needed Now
79	69	20.0%	34	2048	\$191,200	-\$63,600	\$26,200	\$0	\$0	\$228,600	\$0	100.0%	\$1,043,100	8.0%	-16.7%	\$486,400	\$368,600
80	70	20.0%	35	2049	\$196,900	-\$65,500	\$26,500	\$0	\$0	\$236,000	\$0	100.0%	\$807,900	8.0%	-22.5%	\$486,400	\$368,600
81	71	20.0%	36	2050	\$202,800	-\$67,500	\$26,700	\$0	\$0	\$243,600	\$0	100.0%	\$543,600	8.0%	-32.7%	\$486,400	\$368,600
82	72	20.0%	37	2051	\$208,900	-\$69,500	\$27,000	\$0	\$0	\$251,400	\$0	100.0%	\$247,600	8.0%	-54.5%	\$486,400	\$368,600
83	73	20.0%	38	2052	\$215,200	-\$71,600	\$27,300	\$0	\$0	\$247,600	-\$11,900	94.5%	\$0	n/a	-100.0%	\$493,800	\$374,200
84	74	20.0%	39	2053	\$221,600	-\$73,700	\$27,500	\$0	\$0	\$0	-\$267,900	0.0%	\$0	n/a	n/a	\$657,100	\$498,000
85	75	20.0%	40	2054	\$228,300	-\$76,000	\$27,800	\$0	\$0	\$0	-\$276,400	0.0%	\$0	n/a	n/a	\$822,300	\$623,200
86	76	20.0%	41	2055	\$235,100	-\$78,200	\$28,100	\$0	\$0	\$0	-\$285,300	0.0%	\$0	n/a	n/a	\$989,500	\$749,900
87	77	20.0%	42	2056	\$242,200	-\$80,600	\$28,400	\$0	\$0	\$0	-\$294,400	0.0%	\$0	n/a	n/a	\$1,158,600	\$878,100
88	78	20.0%	43	2057	\$249,500	-\$83,000	\$28,700	\$0	\$0	\$0	-\$303,800	0.0%	\$0	n/a	n/a	\$1,329,700	\$1,007,800
89	79	20.0%	44	2058	\$257,000	-\$85,500	\$28,900	\$0	\$0	\$0	-\$313,500	0.0%	\$0	n/a	n/a	\$1,502,800	\$1,139,000
90	80	20.0%	45	2059	\$264,700	-\$88,100	\$29,200	\$0	\$0	\$0	-\$323,500	0.0%	\$0	n/a	n/a	\$1,678,000	\$1,271,700
91	81	20.0%	46	2060	\$272,600	-\$90,700	\$29,500	\$0	\$0	\$0	-\$333,800	0.0%	\$0	n/a	n/a	\$1,855,100	\$1,405,900
92	82	20.0%	47	2061	\$280,800	-\$93,400	\$29,800	\$0	\$0	\$0	-\$344,400	0.0%	\$0	n/a	n/a	\$2,034,300	\$1,541,700
93	83	20.0%	48	2062	\$289,200	-\$96,200	\$30,100	\$0	\$0	\$0	-\$355,300	0.0%	\$0	n/a	n/a	\$2,215,500	\$1,679,100
94	84	20.0%	49	2063	\$297,900	-\$99,100	\$30,400	\$0	\$0	\$0	-\$366,600	0.0%	\$0	n/a	n/a	\$2,398,900	\$1,818,000
95	85	20.0%	50	2064	\$306,800	-\$102,100	\$30,700	\$0	\$0	\$0	-\$378,200	0.0%	\$0	n/a	n/a	\$2,584,300	\$1,958,600
96	86	20.0%	51	2065	\$316,000	-\$105,200	\$31,000	\$0	\$0	\$0	-\$390,200	0.0%	\$0	n/a	n/a	\$2,771,800	\$2,100,700
97	87	20.0%	52	2066	\$325,500	-\$108,300	\$31,300	\$0	\$0	\$0	-\$402,500	0.0%	\$0	n/a	n/a	\$2,961,500	\$2,244,400
98	88	20.0%	53	2067	\$335,300	-\$111,600	\$31,700	\$0	\$0	\$0	-\$415,200	0.0%	\$0	n/a	n/a	\$3,153,300	\$2,389,800
99	89	20.0%	54	2068	\$345,300	-\$114,900	\$32,000	\$0	\$0	\$0	-\$428,300	0.0%	\$0	n/a	n/a	\$3,347,300	\$2,536,800
100	90	20.0%	55	2069	\$355,700	-\$118,400	\$32,300	\$0	\$0	\$0	-\$441,800	0.0%	\$0	n/a	n/a	\$3,543,500	\$2,685,500

# Financial Independence Analysis

*Illustration for Current Plan (before recommendations)*

## Miscellaneous Annual Expense and Non-Asset Income Details

(Expenses (-) not included in your income goal, and incomes from sources other than financial assets)

John's Age	Mary's Age	Year	John's Long-Term Care
46	36	2015	\$0
47	37	2016	\$0
48	38	2017	\$0
49	39	2018	\$0
50	40	2019	\$0
51	41	2020	\$0
52	42	2021	\$0
53	43	2022	\$0
54	44	2023	\$0
55	45	2024	\$0
56	46	2025	\$0
57	47	2026	\$0
58	48	2027	\$0
59	49	2028	\$0
60	50	2029	-\$36,302
61	51	2030	-\$37,391
62	52	2031	-\$38,513
63	53	2032	-\$39,668
64	54	2033	-\$40,858
65	55	2034	-\$42,084
66	56	2035	-\$43,347
67	57	2036	-\$44,647
68	58	2037	-\$45,986
69	59	2038	-\$47,366
70	60	2039	-\$48,787
71	61	2040	-\$50,251
72	62	2041	-\$51,758
73	63	2042	-\$53,311
74	64	2043	-\$54,910
75	65	2044	-\$56,558
76	66	2045	-\$58,254
77	67	2046	-\$60,002
78	68	2047	-\$61,802

# Current Miscellaneous Annual Expense and Non-Asset Income Details, continued

(Expenses (-) not included in your income goal, and incomes from sources other than financial assets)

John's Age	Mary's Age	Year	John's Long-Term Care
79	69	2048	-\$63,656
80	70	2049	-\$65,566
81	71	2050	-\$67,533
82	72	2051	-\$69,559
83	73	2052	-\$71,645
84	74	2053	-\$73,795
85	75	2054	-\$76,009
86	76	2055	-\$78,289
87	77	2056	-\$80,638
88	78	2057	-\$83,057
89	79	2058	-\$85,548
90	80	2059	-\$88,115
91	81	2060	-\$90,758
92	82	2061	-\$93,481
93	83	2062	-\$96,285
94	84	2063	-\$99,174
95	85	2064	-\$102,149
96	86	2065	-\$105,214
97	87	2066	-\$108,370
98	88	2067	-\$111,621
99	89	2068	-\$114,970
100	90	2069	-\$118,419

# John & Mary Sample

## Financial Independence Analysis

### *Illustration for Proposed Plan*

June 12, 2015

Annual Income Goals*		Current Ages	Retirement Ages	Income Goal Inflation*****
John:	\$45,000	46	60	3.0%
		Life Expectancy:	82	
Mary:	\$25,000	36	65	Overall Tax Rate: 20% **
		Life Expectancy:	82	SS Inclusion Rate: 50%***

\* In today's dollars. Net, spendable dollars. Additional stand-alone expenses entered manually are not included in this figure.

\*\* If tax rate is 0%, income goals are gross (before taxes). If a tax rate is used, goals are net spendable dollars or after-tax goals.

\*\*\* The Social Security inclusion rate is how much of your SS is assumed to be includable in your taxable income.

\*\*\*\* This number is the assumed average income goal inflation rate over the next 30 years. Income goal inflation is assumed to average 1% over the next 5 years, and 2% over the next 10 years. Over the next 11 years, and beyond, income goal inflation is assumed to average 3% .

**Average Percentage of Annual Income Goal Being Met: 89.2%**

### **Additional Funding Needed to Reach Your Income Goals\***

Additional Lump Sum Needed <u>Today</u>	-or-	Additional Monthly Payments Needed until Mary's Year <u>of Retirement</u>	Assumed Rate of Return on Additional <u>Funding</u>
\$262,900		\$1,790	2.0%

Probability of Success Given All Assumptions: 11.0%

\* Additional funding means funding in addition to the assets that are entered into this analysis. It also assumes available capital needed to produce retirement income is not depleted until John's age of 100.

*This report is designed to show a rough ballpark idea of your future financial situation, and is intended only as a basis for discussion with your professional advisors. The estimates shown in this report are based on many assumptions that may or may not occur. Both principal value and investment returns will fluctuate over time. No warranty as to correctness is given and no liability is accepted for any error, or omission, or any loss which may arise from relying on this data.*

## Basic Proposed Retirement Planning Information

John Sample's Current Age:	46
Calculated Life Expectancy:	82
Inputted Life Expectancy:	100
Difference Between Calculated and Inputted Life Expectancy in Years:	18
Number of Years Until Retirement:	14
Number of Years Until Calculated Life Expectancy:	36
Number of Years Until Inputted Life Expectancy:	54
Number of Years of Retirement to Calculated Life Expectancy:	22
Number of Years of Retirement to Inputted Life Expectancy:	41
Number of Years of Retirement With Sufficient Capital:	36
Percentage of Years in Retirement With Sufficient Capital Using Calculated Life Expectancy:	81.8%
Percentage of Years in Retirement With Sufficient Capital Using Inputted Life Expectancy:	87.8%
Number of Years Until Depletion of Capital:	50
Number of Years of Retirement Until Depletion of Capital:	36
Number of Years of Retirement Without Capital Using Calculated Life Expectancy:	5
Number of Years of Retirement Without Capital Using Inputted Life Expectancy:	5
Percentage of Years in Retirement Without Capital Using Calculated Life Expectancy:	18.2%
Percentage of Years in Retirement Without Capital Using Inputted Life Expectancy:	12.2%

## Financial Independence Analysis: Asset Summary\*

### Illustration for Proposed Plan

<u>Asset Name</u>	<u>Current Asset Value</u>	<u>Percentage of Assets</u>	<u>Age when Asset Becomes Effective</u>	<u>Annual Additions to Asset</u>	<u>Age when Additions Begins</u>	<u>Age when Additions Ends</u>	<u>Inflation Rate on Annual Contributions</u>	<u>Age when Payout Begins</u>	<u>Payout Method</u>	<u>Total Return Assumed</u>	<u>% Income Subject to Taxes</u>
John's Investments	\$350,000	100.0%	46	\$12,000	46	59	1.0%	65	Flexible Asset**	8.0%	100.0%
<i>Total:</i>				<i>\$12,000</i>							

Notes: If an asset above has \$0 in current value, and \$0 in annual additions, please refer to the separately printed asset page.

\*\* A "Flexible Asset" is an asset that does not have a structured method of paying out income. Instead, cash is withdrawn, or added back to this asset as needed to fund income withdrawals in that year.

## Non-Asset Income Summary\*

<u>Source of Income</u>	<u>Annual Pretax Income</u>	<u>Beginning Age</u>	<u>Ending Age</u>	<u>Assumed Annual Inflation</u>	<u>Is this Income Taxable?</u>
John's Social Security	\$12,000	62	n/a	1.0%	Yes
Mary's Social Security	\$9,000	65	n/a	1.0%	Yes
John's Earned Income	\$12,000	70	80	1.0%	Yes

\* All dollar amounts are in today's dollars (meaning no adjustment for inflation was made on this page).



# Financial Independence Analysis

## Annual Summary Numbers

*Illustration for Proposed Plan*

John's Age	Mary's Age	Tax Rate	Year #	Year	Combined Annual Income Goal (after tax & inflated)	Combined Annual After-Tax Misc. Income and/or Expense (-)	Combined Annual Social Security (after tax)	Combined Annual Earned Income (after tax)	Combined Annual Pension Income (after tax)	Combined Annual Asset Income (after tax)	Combined Annual Income Surplus or Deficit (-)	Percent of Annual Income Goal Being Met (89.1%)	End of Year Balance of Capital	Average Weighted Rate of Return on Assets	Percent Change in Asset Balance from Previous Year	Present Value of Additional Capital Needed at Retirement	Present Value of Additional Capital Needed Now
46	36	20.0%	1	2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$390,900	8.0%	n/a	\$0	\$0
47	37	20.0%	2	2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$435,300	8.0%	11.4%	\$0	\$0
48	38	20.0%	3	2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$483,300	8.0%	11.0%	\$0	\$0
49	39	20.0%	4	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$535,300	8.0%	10.8%	\$0	\$0
50	40	20.0%	5	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$591,700	8.0%	10.5%	\$0	\$0
51	41	20.0%	6	2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$652,600	8.0%	10.3%	\$0	\$0
52	42	20.0%	7	2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$718,600	8.0%	10.1%	\$0	\$0
53	43	20.0%	8	2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$790,000	8.0%	9.9%	\$0	\$0
54	44	20.0%	9	2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$867,200	8.0%	9.8%	\$0	\$0
55	45	20.0%	10	2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$950,800	8.0%	9.6%	\$0	\$0
56	46	20.0%	11	2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,041,200	8.0%	9.5%	\$0	\$0
57	47	20.0%	12	2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,138,900	8.0%	9.4%	\$0	\$0
58	48	20.0%	13	2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,244,600	8.0%	9.3%	\$0	\$0
59	49	20.0%	14	2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	\$1,359,000	8.0%	9.2%	\$0	\$0
60	50	20.0%	15	2029	\$66,700	\$500	\$0	\$0	\$0	\$0	-\$66,100	0.7%	\$1,467,700	8.0%	8.0%	\$64,800	\$49,100
61	51	20.0%	16	2030	\$69,400	\$600	\$0	\$0	\$0	\$0	-\$68,800	0.9%	\$1,585,100	8.0%	8.0%	\$131,000	\$99,200
62	52	20.0%	17	2031	\$72,200	\$600	\$12,600	\$0	\$0	\$0	-\$58,800	18.3%	\$1,711,900	8.0%	8.0%	\$186,400	\$141,300
63	53	20.0%	18	2032	\$75,100	\$700	\$12,700	\$0	\$0	\$0	-\$61,500	17.8%	\$1,848,900	8.0%	8.0%	\$243,300	\$184,400
64	54	20.0%	19	2033	\$78,100	\$800	\$12,900	\$0	\$0	\$0	-\$64,300	17.5%	\$1,996,800	8.0%	8.0%	\$301,600	\$228,600
65	55	20.0%	20	2034	\$81,200	\$800	\$13,000	\$0	\$0	\$67,300	\$0	100.0%	\$2,065,600	8.0%	3.4%	\$301,600	\$228,600
66	56	20.0%	21	2035	\$83,700	\$900	\$13,100	\$0	\$0	\$69,500	\$0	100.0%	\$2,136,900	8.0%	3.5%	\$301,600	\$228,600
67	57	20.0%	22	2036	\$86,200	\$1,000	\$13,300	\$0	\$0	\$71,800	\$0	100.0%	\$2,210,900	8.0%	3.5%	\$301,600	\$228,600
68	58	20.0%	23	2037	\$88,800	\$1,100	\$13,400	\$0	\$0	\$74,200	\$0	100.0%	\$2,287,500	8.0%	3.5%	\$301,600	\$228,600
69	59	20.0%	24	2038	\$91,400	\$1,100	\$13,500	\$0	\$0	\$76,700	\$0	100.0%	\$2,366,900	8.0%	3.5%	\$301,600	\$228,600
70	60	20.0%	25	2039	\$94,200	\$1,200	\$13,700	\$12,100	\$0	\$67,000	\$0	100.0%	\$2,465,800	8.0%	4.2%	\$301,600	\$228,600
71	61	20.0%	26	2040	\$97,000	\$1,300	\$13,800	\$12,300	\$0	\$69,500	\$0	100.0%	\$2,569,200	8.0%	4.2%	\$301,600	\$228,600
72	62	20.0%	27	2041	\$99,900	\$1,400	\$13,900	\$12,400	\$0	\$72,000	\$0	100.0%	\$2,677,400	8.0%	4.2%	\$301,600	\$228,600
73	63	20.0%	28	2042	\$102,900	\$1,500	\$14,100	\$12,500	\$0	\$74,700	\$0	100.0%	\$2,790,700	8.0%	4.2%	\$301,600	\$228,600
74	64	20.0%	29	2043	\$106,000	\$1,600	\$14,200	\$12,600	\$0	\$77,400	\$0	100.0%	\$2,909,400	8.0%	4.3%	\$301,600	\$228,600
75	65	20.0%	30	2044	\$169,900	\$1,700	\$25,200	\$12,800	\$0	\$130,100	\$0	100.0%	\$2,966,500	8.0%	2.0%	\$301,600	\$228,600
76	66	20.0%	31	2045	\$175,000	\$1,800	\$25,400	\$12,900	\$0	\$134,700	\$0	100.0%	\$3,021,900	8.0%	1.9%	\$301,600	\$228,600
77	67	20.0%	32	2046	\$180,200	\$1,900	\$25,700	\$13,000	\$0	\$139,500	\$0	100.0%	\$3,075,400	8.0%	1.8%	\$301,600	\$228,600
78	68	20.0%	33	2047	\$185,600	\$2,000	\$25,900	\$13,100	\$0	\$144,400	\$0	100.0%	\$3,126,400	8.0%	1.7%	\$301,600	\$228,600

## Financial Independence Analysis

### Annual Summary Numbers, continued

John's Age	Mary's Age	Tax Rate	Year #	Year	Combined Annual Income Goal (inflated)	Combined Annual Misc. Income and/or Expense (-)	Combined Annual Social Security	Combined Annual Earned Income	Combined Annual Pension Income	Combined Annual Asset Income (after tax)	Combined Annual Income Surplus or Deficit (-)	Percent of Annual Income Goal Being Met (89.1%)	End of Year Balance of Capital	Average Weighted Rate of Return on Assets	Percent Change in Asset Balance from Previous Year	Present Value of Additional Capital Needed at Retirement	Present Value of Additional Capital Needed Now
79	69	20.0%	34	2048	\$191,200	\$2,100	\$26,200	\$13,300	\$0	\$149,400	\$0	100.0%	\$3,174,800	8.0%	1.5%	\$301,600	\$228,600
80	70	20.0%	35	2049	\$196,900	\$2,300	\$26,500	\$13,400	\$0	\$154,600	\$0	100.0%	\$3,219,900	8.0%	1.4%	\$301,600	\$228,600
81	71	20.0%	36	2050	\$202,800	\$2,400	\$26,700	\$0	\$0	\$173,600	\$0	100.0%	\$3,243,100	8.0%	0.7%	\$301,600	\$228,600
82	72	20.0%	37	2051	\$208,900	\$2,500	\$27,000	\$0	\$0	\$179,300	\$0	100.0%	\$3,260,400	8.0%	0.5%	\$301,600	\$228,600
83	73	20.0%	38	2052	\$215,200	\$2,700	\$27,300	\$0	\$0	\$185,200	\$0	100.0%	\$3,271,200	8.0%	0.3%	\$301,600	\$228,600
84	74	20.0%	39	2053	\$221,600	\$2,800	\$27,500	\$0	\$0	\$191,200	\$0	100.0%	\$3,274,700	8.0%	0.1%	\$301,600	\$228,600
85	75	20.0%	40	2054	\$228,300	\$3,000	\$27,800	\$0	\$0	\$197,400	\$0	100.0%	\$3,270,100	8.0%	-0.1%	\$301,600	\$228,600
86	76	20.0%	41	2055	\$235,100	\$3,100	\$28,100	\$0	\$0	\$203,800	\$0	100.0%	\$3,256,500	8.0%	-0.4%	\$301,600	\$228,600
87	77	20.0%	42	2056	\$242,200	\$3,300	\$28,400	\$0	\$0	\$210,500	\$0	100.0%	\$3,232,800	8.0%	-0.7%	\$301,600	\$228,600
88	78	20.0%	43	2057	\$249,500	\$3,400	\$28,700	\$0	\$0	\$217,300	\$0	100.0%	\$3,198,100	8.0%	-1.1%	\$301,600	\$228,600
89	79	20.0%	44	2058	\$257,000	\$3,600	\$28,900	\$0	\$0	\$224,300	\$0	100.0%	\$3,151,100	8.0%	-1.5%	\$301,600	\$228,600
90	80	20.0%	45	2059	\$264,700	\$3,800	\$29,200	\$0	\$0	\$231,500	\$0	100.0%	\$3,090,500	8.0%	-1.9%	\$301,600	\$228,600
91	81	20.0%	46	2060	\$272,600	\$4,000	\$29,500	\$0	\$0	\$239,000	\$0	100.0%	\$3,015,100	8.0%	-2.4%	\$301,600	\$228,600
92	82	20.0%	47	2061	\$280,800	\$4,200	\$29,800	\$0	\$0	\$246,700	\$0	100.0%	\$2,923,200	8.0%	-3.0%	\$301,600	\$228,600
93	83	20.0%	48	2062	\$289,200	\$4,400	\$30,100	\$0	\$0	\$254,600	\$0	100.0%	\$2,813,200	8.0%	-3.8%	\$301,600	\$228,600
94	84	20.0%	49	2063	\$297,900	\$4,600	\$30,400	\$0	\$0	\$262,800	\$0	100.0%	\$2,683,500	8.0%	-4.6%	\$301,600	\$228,600
95	85	20.0%	50	2064	\$306,800	\$4,800	\$30,700	\$0	\$0	\$271,200	\$0	100.0%	\$2,532,000	8.0%	-5.6%	\$301,600	\$228,600
96	86	20.0%	51	2065	\$316,000	\$5,000	\$31,000	\$0	\$0	\$279,900	\$0	100.0%	\$2,356,700	8.0%	-6.9%	\$301,600	\$228,600
97	87	20.0%	52	2066	\$325,500	\$5,300	\$31,300	\$0	\$0	\$288,800	\$0	100.0%	\$2,155,200	8.0%	-8.6%	\$301,600	\$228,600
98	88	20.0%	53	2067	\$335,300	\$5,500	\$31,700	\$0	\$0	\$298,000	\$0	100.0%	\$1,925,300	8.0%	-10.7%	\$301,600	\$228,600
99	89	20.0%	54	2068	\$345,300	\$5,800	\$32,000	\$0	\$0	\$307,500	\$0	100.0%	\$1,664,100	8.0%	-13.6%	\$301,600	\$228,600
100	90	20.0%	55	2069	\$355,700	\$6,000	\$32,300	\$0	\$0	\$317,300	\$0	100.0%	\$1,368,800	8.0%	-17.7%	\$301,600	\$228,600

# Financial Independence Analysis

*Illustration for Proposed Plan*

## Miscellaneous Annual Expense and Non-Asset Income Details

(Expenses (-) not included in your income goal, and incomes from sources other than financial assets)

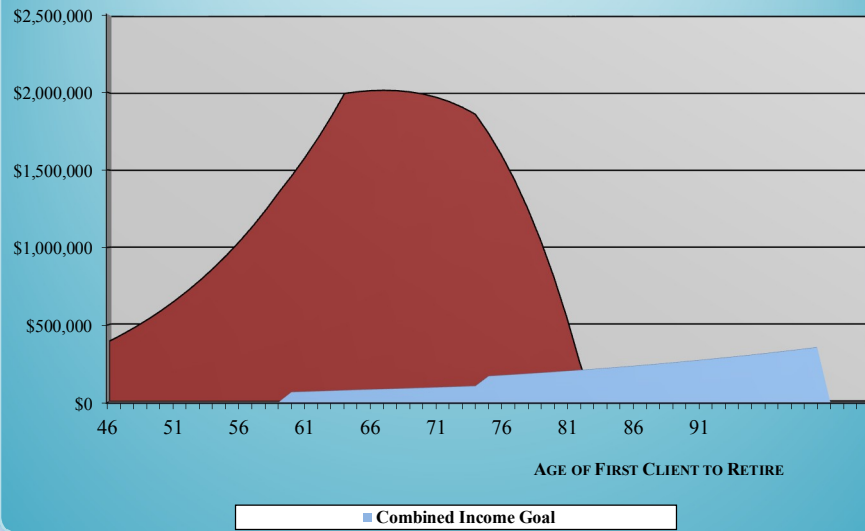
John's Age	Mary's Age	Year	John's Long-Term Care	John's LTC Premiums	LTC Benefits
46	36	2015	\$0	\$0	\$0
47	37	2016	\$0	\$0	\$0
48	38	2017	\$0	\$0	\$0
49	39	2018	\$0	\$0	\$0
50	40	2019	\$0	\$0	\$0
51	41	2020	\$0	\$0	\$0
52	42	2021	\$0	\$0	\$0
53	43	2022	\$0	\$0	\$0
54	44	2023	\$0	\$0	\$0
55	45	2024	\$0	\$0	\$0
56	46	2025	\$0	\$0	\$0
57	47	2026	\$0	\$0	\$0
58	48	2027	\$0	\$0	\$0
59	49	2028	\$0	\$0	\$0
60	50	2029	-\$36,302	-\$3,958	\$40,840
61	51	2030	-\$37,391	-\$4,038	\$42,065
62	52	2031	-\$38,513	-\$4,118	\$43,327
63	53	2032	-\$39,668	-\$4,201	\$44,627
64	54	2033	-\$40,858	-\$4,285	\$45,966
65	55	2034	-\$42,084	-\$4,370	\$47,345
66	56	2035	-\$43,347	-\$4,458	\$48,765
67	57	2036	-\$44,647	-\$4,547	\$50,228
68	58	2037	-\$45,986	-\$4,638	\$51,735
69	59	2038	-\$47,366	-\$4,731	\$53,287
70	60	2039	-\$48,787	-\$4,825	\$54,885
71	61	2040	-\$50,251	-\$4,922	\$56,532
72	62	2041	-\$51,758	-\$5,020	\$58,228
73	63	2042	-\$53,311	-\$5,121	\$59,975
74	64	2043	-\$54,910	-\$5,223	\$61,774
75	65	2044	-\$56,558	-\$5,328	\$63,627
76	66	2045	-\$58,254	-\$5,434	\$65,536
77	67	2046	-\$60,002	-\$5,543	\$67,502
78	68	2047	-\$61,802	-\$5,654	\$69,527

## Proposed Miscellaneous Annual Expense and Non-Asset Income Details, continued

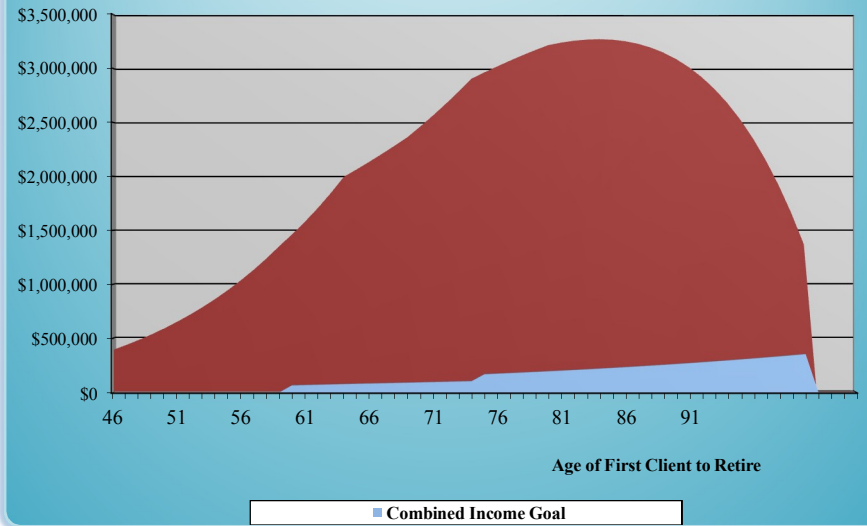
(Expenses (-) not included in your income goal, and incomes from sources other than financial assets)

John's Age	Mary's Age	Year	John's Long-Term Care	John's LTC Premiums	LTC Benefits
79	69	2048	-\$63,656	-\$5,767	\$71,613
80	70	2049	-\$65,566	-\$5,882	\$73,761
81	71	2050	-\$67,533	-\$6,000	\$75,974
82	72	2051	-\$69,559	-\$6,120	\$78,254
83	73	2052	-\$71,645	-\$6,242	\$80,601
84	74	2053	-\$73,795	-\$6,367	\$83,019
85	75	2054	-\$76,009	-\$6,494	\$85,510
86	76	2055	-\$78,289	-\$6,624	\$88,075
87	77	2056	-\$80,638	-\$6,757	\$90,717
88	78	2057	-\$83,057	-\$6,892	\$93,439
89	79	2058	-\$85,548	-\$7,030	\$96,242
90	80	2059	-\$88,115	-\$7,170	\$99,129
91	81	2060	-\$90,758	-\$7,314	\$102,103
92	82	2061	-\$93,481	-\$7,460	\$105,166
93	83	2062	-\$96,285	-\$7,609	\$108,321
94	84	2063	-\$99,174	-\$7,761	\$111,571
95	85	2064	-\$102,149	-\$7,916	\$114,918
96	86	2065	-\$105,214	-\$8,075	\$118,365
97	87	2066	-\$108,370	-\$8,236	\$121,916
98	88	2067	-\$111,621	-\$8,401	\$125,574
99	89	2068	-\$114,970	-\$8,569	\$129,341
100	90	2069	-\$118,419	-\$8,740	\$133,221

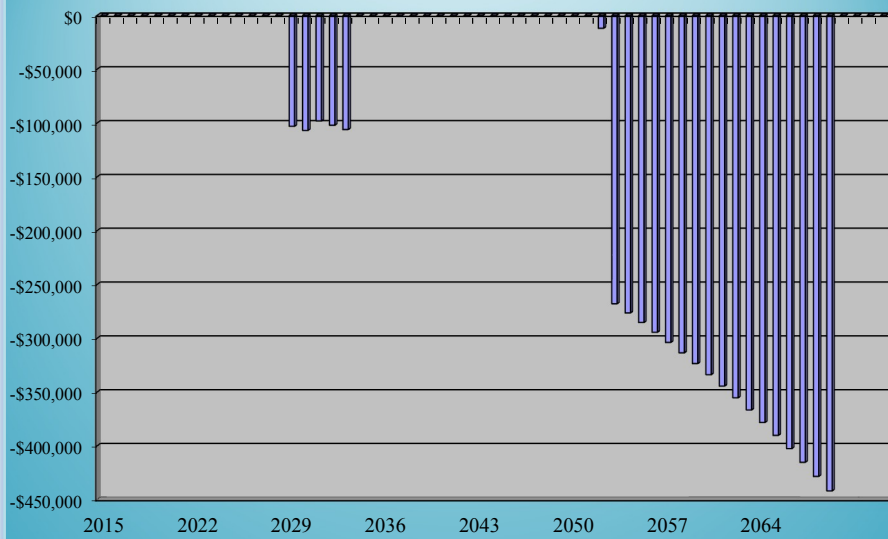
**CURRENT INCOME PRODUCING CAPITAL VS. INFLATED ANNUAL INCOME GOALS**



**PROPOSED INCOME PRODUCING CAPITAL VS. INFLATED ANNUAL INCOME GOALS**



**CURRENT ANNUAL CASH FLOW SURPLUS OR DEFICIT**



**PROPOSED ANNUAL CASH FLOW SURPLUS OR DEFICIT**

