

OBSERVATIONS and RECOMMENDATIONS

Date: February 4, 1999
To: John and Jane Model
From: Financial Management Professionals
Subject: Retirement Plan

The following are our observations with regard to your retirement plan. Our projections are based on the information you provided us initially and during later conversations.

Retirement Planning:

In order to provide you with a meaningful perspective, we have illustrated several retirement scenarios. Most of the assumptions are self-explanatory, however two deserve further discussion. The general rate of inflation we used, 5.75%, is the average rate of inflation since 1968. Relative to the past 10 years, this may seem a bit high; however, we feel it prudent to use a time horizon consistent with your life expectancy. Secondly, it is important to realize that the rate of return assumptions are based on a similar period of time and should be evaluated relative to inflation.

Assumptions

1. Inflation Rate: 5.75%
2. Social Security retirement benefits were not included in the projections.
3. Life Expectancy at Retirement: Varies per scenario
4. Age at Retirement: Varies per scenario
5. Marginal Federal Income Tax Rate: 39.6%
6. No assets passed to heirs.
7. Emergency fund: \$39,074 (3 months income)¹
8. Rate of Return, pre-retirement: Varies per scenario
9. Rate of Return, post-retirement: 9.75%²
10. Savings Rate Until Retirement
 - A. 401(k) – \$10,000 (1998 dollars) and \$1 for \$1 match up to 4% (\$6400 in 1998 dollars) that increases at a 3% annual inflation rate.³
 - B. After Tax Savings – Varies per scenario (increases at 5.75% each year)
11. All debts on current house are paid off from the practice sale proceeds.

¹ See calculations page for details. The bank savings, \$14,055, and part of the practice sale proceeds, \$25,019, were used.

² This is the hypothetical rate of return earned on a portfolio of 45% stocks and 55% bonds from 1968 to current. Generally, an individual's tolerance for risk will decrease after retirement.

³ See calculations page for details. The savings amounts were provided by the client.

Assets Available to Generate Retirement Income

<u>ASSET</u>	<u>AMOUNT</u>
John's IRA (1-10-98)	\$ 2,394
MPP asset (12-31-97)	\$ 5,143
Fidelity MPP (1-7-98)	\$ 122,196 ⁴
Sale of Practice	\$ 578,082
Total Assets Available	\$ 707,815

Scenario One

In *scenario one*, we assume you retire when John reaches age 55 at a \$100,000 level of lifestyle expenditures. Based on this, we estimate that your family needs to save \$30,000⁵ (1998 dollars) annually after taxes in addition to your 401(k) savings.

Scenario Two

In *scenario two*, we assume you retire when John reaches age 60 at a \$100,000 level of lifestyle expenditures. Based on this, we estimate that your family needs to save \$1,100⁶ (1998 dollars) annually after taxes in addition to your 401(k) savings.

Scenario Three

In *scenario three*, we assume you retire when John reaches age 60 at a \$100,000 level of lifestyle expenditures. Based on this, we estimate that your family needs to save \$7,900⁷ (1998 dollars) annually after taxes in addition to your 401(k) savings. Note: In scenario three we assume you invest more conservatively than in scenarios one and two.

Scenario Summary

	<i>Scenario One</i>	<i>Scenario Two</i>	<i>Scenario Three</i>
Level of Lifestyle Expenditures	\$100,000	\$100,000	\$100,000
Number of Years Until Retirement	17	22	22
Age at Retirement	55	60	60
Life Expectancy at Retirement ⁸	76/81	77/82	77/82
Pre-retirement Rate of Return	11.5 ⁹	11.5 ¹⁰	10.75 ¹¹
Post-retirement Rate of Return ¹²	9.75	9.75	9.75
Annual Savings:			
After-tax Savings	\$30,000	\$1,100	\$7,900
401(k) – John/Match	\$10,000/\$6,400	\$10,000/\$6,400	\$10,000/\$6,400
Total Savings	\$46,400	\$17,500	\$24,300

⁴ Assumes loan of \$24,706 has been repaid.

⁵ Increasing at 5.75% annually for inflation.

⁶ Ibid.

⁷ Ibid.

⁸ John/Jane

⁹ This is the hypothetical rate of return earned on a portfolio of 80% stocks and 20% bonds from 1968 to current.

¹⁰ Ibid.

¹¹ This is the hypothetical rate of return earned on a portfolio of 65% stocks and 35% bonds from 1968 to current.

¹² This is the hypothetical rate of return earned on a portfolio of 45% stocks and 55% bonds from 1968 to current. Generally, an individual's tolerance for risk will decrease after retirement.

Calculations

1. Emergency Fund:

\$156,294	Estimated Current Annual Lifestyle Expenditures ¹³
<u>÷ 4</u>	
\$ 39,074	Projected Three Months Lifestyle Expenditures ¹⁴

2. After Tax Rate of Return

10.75% ¹⁵	11.5% ¹⁶
<u>x (1-.39.6)</u>	<u>x (1-.39.6)</u>
6.49%	6.95%

3. Sale of Practice (Scenario's One through Three)

\$ 1,750,000	
- 350,000	Federal Taxes (long-term capital gains rate of 20%) ¹⁷
- 700,000	Purchase of New Home and payoff of debts ¹⁸
- 96,809	Current debt net of mortgages ¹⁹
<u>- 25,019</u>	Used for Emergency Fund ²⁰
<u>\$578,082</u>	Investible assets from the Sale of the Practice

4. Estimated Current Projected Annual Lifestyle Expenditures

\$218,047	1996 Gross Income ²¹
- 54,820	Federal Taxes
<u>- 6,933</u>	FICA
<u>\$156,294</u>	Annual Lifestyle Expenditure

¹³ 1996 gross income minus federal taxes. Present debt service was not removed.

¹⁴ All of the bank account and part of sale of practice are used for this need.

¹⁵ This is the hypothetical rate of return earned on a portfolio of 65% stocks and 35% bonds from 1968 to current.

¹⁶ This is the hypothetical rate of return earned on a portfolio of 80% stocks and 20% bonds from 1968 to current.

¹⁷ Per John, stated amount would be considered long-term capital gain.

¹⁸ Per John.

¹⁹ Per information provided by John. Includes the following loans: MPP, Perkins, AHELIC, car loan, bank loan, and credit card.

²⁰ The suggested emergency fund of \$39,074 less the \$14,055 savings account.

²¹ From 1996 tax return provided by John

5. Money Purchase Pension Balance

\$ 97,490	Balance from Fidelity MPP statement (1/7/98)
24,706	Balance of loan that will be repaid. ²²
<u>5,143</u>	Principal Securities MPP account (12/31/97)
<u>\$127,339</u>	Total Money Purchase Pension Balance

6. Social Security Tax Calculation

$.062 \times \$62,700^{23} = \$3,887$	Old Age Tax
$.014 \times \$217,548^{24} = \$3,046$	Medicare Tax
\$3,887	Old Age Tax
+3,046	Medicare Tax
<u>\$6,933</u>	Total Social Security Tax

²² Amount provided by John.

²³ 1996 wage base.

²⁴ 1996 W-2 income taken from the 1996 tax return provided by John.

Scenario One

RETIREMENT EXPENSES

PLANNING ASSUMPTIONS

	John		Jane
Age at Retirement	55		56
Life Expectancy after Retirement	22		26
Number of Years Until Retirement	17	Number of Retirement Years	26
Inflation until Retirement	5.75%	Inflation during Retirement	5.75%

ESTIMATED EXPENDITURES AT RETIREMENT

	Current Amount	Amount at Retirement (Today's \$)	Percent of Total
Lifestyle Expenditures			
Basic Lifestyle Expenditures			
Housing	0	0	0.0%
Transportation	0	0	0.0%
Food	0	0	0.0%
Clothing	0	0	0.0%
Other Basic Lifestyle Expenditures	0	100,000	100.0%
TOTAL Basic Lifestyle Expenditures		<u>100,000</u>	<u>100.0%</u>
TOTAL Discretionary Expenditures	0	<u>0</u>	<u>0.0%</u>
TOTAL Lifestyle Expenditures		<u><u>100,000</u></u>	<u><u>100.0%</u></u>

ESTIMATED RETIREMENT NEEDS

TOTAL Lifestyle Expenditures at Retirement	258,682
Income Taxes as % of Income	20.7%
REDUCTION IN INCOME NEEDS AT DEATH OF FIRST SPOUSE	20%

ESTIMATED RETIREMENT INCOME

	Annual Income		Annual % Increase	Age Payments Begin	Age Payments End
	Today's \$	Retire \$			
FOR John					
Social Security					
Retirement	0	0	5.75%	62	76
Survivor	0	0	0.00%	0	0
Earnings	0	0	0.00%	0	0
Other Income	0	0	0.00%	0	0
Defined Benefit Plan					
	\$ at Retirement				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
Defined Benefit - Survivor Benefit					
	\$ When Benefit Begins				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
FOR Jane					
Employment Income before Retirement	0	0	0.00%	0	0
Social Security					
Retirement	0	0	5.75%	62	77
Survivor	0	0	5.75%	78	81
Earnings	0	0	0.00%	0	0
Other Income	0	0	0.00%	0	0
Defined Benefit Plan					
	\$ at Retirement				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
Defined Benefit - Survivor Benefit					
	\$ When Benefit Begins				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0

RETIREMENT PLANNING - FUNDING
ESTIMATED FUNDS AVAILABLE FROM INVESTMENTS

	Current Value	Rate of Return	Annual Investment	Annual % Increase	Retirement \$
Investments	578,082	6.95%	29,500	5.75%	3,156,297
Business Interest	0	0.00%			0
Adjustments at Retirement					0
					3,156,297
TOTAL FUNDS AVAILABLE (Excluding Retirement Plans)					3,156,297

RETIREMENT PLANS

FOR John	Current Value	Rate of Return	Annual Investment	Annual % Increase	Retirement \$
IRAs	2,394	11.50%	0		15,233
Roth IRAs	0	0.00%	0		0
Defined Contribution	127,339	11.50%	10,000	3.00%	1,719,091
FOR Jane					
				When Jane Retires	
IRAs	0	0.00%	0		0
Roth IRAs	0	0.00%	0		0
Defined Contribution	0	0.00%	0	0.00%	0

USE OF TOTAL FUNDS AVAILABLE

	% of TOTAL Available	Amount Invested	Rate of Return	Amount of Income	Age Payments Begin	Age Payments End
Income Only	0.0%	0	0.00%	0	0	
% Incr						
Annuities	0.0%	0	0.00%	0	0	0
Remaining Capital	100.0%	3,156,297	9.75%			
IRAs (John)		15,233	9.75%		69	80
(Jane)		0	0.00%		0	0
Roth IRAs (John)		0	0.00%		0	0
(Jane)		0	0.00%		0	0
Distribution of Defined Contribution Plans						
Annuities	% Incr					
John	0.00%	0	0.00%	0	55	0
Jane	0.00%	0	0.00%	0	56	0
Amount Rolled Over into IRAs						
John		1,719,091				
Jane		0				
Amount not Rolled (Added to Cash Flow)						
John		0				
Jane		0				

	Amount Invested	Rate of Return	Annual Income	Age Payments Begin	Age Payments End
Life Insurance Available					
Survivor is Jane					
Lump-Sum	0			78	78
Annuity	0	7.00	0	78	81
Survivor is John					
Lump-Sum	0			0	0
Annuity	0	7.00	0	0	0

ADDITIONAL CAPITAL AVAILABLE DURING RETIREMENT

% Incr	Amount Invested	Rate of Return	Amount of Income	Age Payments Begin	Age Payments End
0.00%	0	0.00%	0	0	0

The table on the following pages shows a detailed analysis of your projected income and expenses after retirement. As applicable, the table considers each spouse's Social Security income, income from company retirement plans, and any income that one or both spouses may be earning after retirement (Pension & Earnings). It also takes into account your desires concerning capital that you may wish to pass on to your heirs (Income Only) and the projected amount of capital that you could have available at retirement from your current investments and retirement plans.

Ages are your age and your spouse's age. The Surplus is a cumulative amount showing a build-up of capital available from those years where your projected income is greater than your expenses. The Surplus, if available, is used to provide income in those years where your expenses are greater than your other income. The Shortage represents the additional amount of capital that is needed at retirement to cover the shortage.

ADDITIONAL FUNDS REQUIRED AT RETIREMENT

Assuming Capital is Invested at	9.75%	0
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ADDITIONAL INVESTMENT REQUIRED TODAY

Assuming Capital is Invested at	6.95%	
Lump-Sum		0
OR		
Additional Annual Investment Increasing at	5.75%	0
Additional Monthly		0

Age	Opening Balance	Proposed Payment	IRA Earnings
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

The table above shows the amount that you could receive each year of retirement from your IRAs. The Opening Balance is the amount of funds available at the Age indicated. The Proposed Payment is the suggested amount that you could take out each year. The IRA Earnings is the amount of interest earned for that year.

RETIREMENT PLANS

Current Defined Benefit Plan

plans for
John

Distribution Date	2014		
Current Value	0	Annual Contributions	0
Death Benefit	0	% Annual Increase	0.00%

Owner
Beneficiary

	Expected Monthly Benefit		Expected Lump Sum
Single Life	0	Lump-Sum?	
COLA %	0.00%	Amount	0
Survivor %	50%	pre-74 Years	0
John 's Amount	0	pre-74 Amount	0
Jane 's Amount	0	Total Contribution	0
Option	J		

Other Defined Benefit Plans (option already chosen)

Plan 1
Plan 2

	Plan 1	Plan 2
Distribution Date	0	0
Current Value	0	0
Death Benefit	0	0
Annual Contributions	0	0
% Annual Increase	0.00%	0.00%

Owner
Beneficiary

	John	John
Single/Joint Annuity	0	0
COLA %	0.00%	0.00%

	Jane	Jane
Survivor %	0%	0%
Survivor Amount	0	0

Defined Contribution Plans

Plan 1	Money Purchase Pension Plan (old)	Type
Plan 2	401(k) (new)	O
Plan 3		O

	Plan 1	Plan 2	Plan 3
Distribution Date	2014	2014	0
Current Value	127,339	0	0
Death Benefit	0	0	0
Owner	Y	Y	
Beneficiary	S	S	
Total After-Tax Contribution	0	0	0
pre 1974			
Years	0	0	0
Amount	0	0	0
John's Annual Contributions			
Before-Tax	0	10,000	0
After-Tax	0	0	0
% Annual Increase	0.00%	3.00%	0.00%
Employer			
Annual Contributions	0	6,400	0
% Annual Increase	0.00%	3.00%	0.00%
% Return on Investments	11.50%	11.50%	0.00%
Payout Option	L	L	

Keoghs, IRAs, and Roth IRAs

	Keogh Plan(s)	IRAs	Roth IRAs
Distribution Date	0		
Current Value	0	2,394	0
Owner		Y	
Beneficiary		S	
pre 1974			
Years	0		
Amount	0		
John's Annual Contributions			
Before-Tax	0	0	
After-Tax		0	0
% Return on Investments	0.00%	11.50%	0.00%
Payout Option			

Scenario Two

RETIREMENT EXPENSES

PLANNING ASSUMPTIONS

	John		Jane
Age at Retirement	60		61
Life Expectancy after Retirement	18		22
Number of Years Until Retirement	22	Number of Retirement Years	22
Inflation until Retirement	5.75%	Inflation during Retirement	5.75%

ESTIMATED EXPENDITURES AT RETIREMENT

	Current Amount	Amount at Retirement (Today's \$)	Percent of Total
Lifestyle Expenditures			
Basic Lifestyle Expenditures			
Housing	0	0	0.0%
Transportation	0	0	0.0%
Food	0	0	0.0%
Clothing	0	0	0.0%
Other Basic Lifestyle Expenditures	0	100,000	100.0%
TOTAL Basic Lifestyle Expenditures		<u>100,000</u>	<u>100.0%</u>
TOTAL Discretionary Expenditures	0	<u>0</u>	<u>0.0%</u>
TOTAL Lifestyle Expenditures		<u><u>100,000</u></u>	<u><u>100.0%</u></u>

ESTIMATED RETIREMENT NEEDS

TOTAL Lifestyle Expenditures at Retirement	342,112
Income Taxes as % of Income	16.2%
REDUCTION IN INCOME NEEDS AT DEATH OF FIRST SPOUSE	20%

ESTIMATED RETIREMENT INCOME

	Annual Income		Annual %	Age	Age
	Today's \$	Retire \$	Increase	Payments	Payments
				Begin	End
FOR John					
Social Security					
Retirement	0	0	0.00%	62	0
Survivor	0	0	0.00%	0	0
Earnings	0	0	0.00%	0	0
Other Income	0	0	0.00%	0	0
Defined Benefit Plan					
	\$ at Retirement				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
Defined Benefit - Survivor Benefit					
	\$ When Benefit Begins				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
FOR Jane					
Employment Income before Retirement					
	0	0	0.00%	0	0
Social Security					
Retirement	0	0	0.00%	62	0
Survivor	0	0	0.00%	79	82
Earnings	0	0	0.00%	0	0
Other Income	0	0	0.00%	0	0
Defined Benefit Plan					
	\$ at Retirement				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
Defined Benefit - Survivor Benefit					
	\$ When Benefit Begins				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0

RETIREMENT PLANNING - FUNDING
ESTIMATED FUNDS AVAILABLE FROM INVESTMENTS

	Current Value	Rate of Return	Annual Investment	Annual % Increase	Retirement \$
Investments	578,082	6.95%	1,100	5.75%	2,623,298
Business Interest	0	0.00%			0
Adjustments at Retirement					0
TOTAL FUNDS AVAILABLE (Excluding Retirement Plans)					<u><u>2,623,298</u></u>

RETIREMENT PLANS

	Current Value	Rate of Return	Annual Investment	Annual % Increase	Retirement \$
FOR John					
IRAs	2,394	11.50%	0		26,253
Roth IRAs	0	0.00%	0		0
Defined Contribution	127,339	11.50%	10,000	3.00%	3,142,488
FOR Jane				When Jane Retires	
IRAs	0	0.00%	0		0
Roth IRAs	0	0.00%	0		0
Defined Contribution	0	0.00%	0	0.00%	0

USE OF TOTAL FUNDS AVAILABLE

	% of TOTAL Available	Amount Invested	Rate of Return	Amount of Income	Age Payments Begin	Age Payments End
Income Only	0.0%	0	0.00%	0	0	
% Incr						
Annuities	0.0%	0	0.00%	0	0	0
Remaining Capital	100.0%	2,623,298	9.75%			
IRAs (John)		26,253	9.75%		68	81
(Jane)		0	0.00%		0	0
Roth IRAs (John)		0	0.00%		0	0
(Jane)		0	0.00%		0	0
Distribution of Defined Contribution Plans						
Annuities	% Incr					
John	0.00%	0	0.00%	0	60	0
Jane	0.00%	0	0.00%	0	61	0
Amount Rolled Over into IRAs						
John		3,142,488				
Jane		0				
Amount not Rolled (Added to Cash Flow)						
John		0				
Jane		0				

	Amount Invested	Rate of Return	Annual Income	Age Payments Begin	Age Payments End
Life Insurance Available					
Survivor is Jane					
Lump-Sum	0			79	79
Annuity	0	7.00	0	79	82
Survivor is John					
Lump-Sum	0			0	0
Annuity	0	7.00	0	0	0

ADDITIONAL CAPITAL AVAILABLE DURING RETIREMENT

% Incr	Amount Invested	Rate of Return	Amount of Income	Age Payments Begin	Age Payments End
0.00%	0	0.00%	0	0	0

The table on the following pages shows a detailed analysis of your projected income and expenses after retirement. As applicable, the table considers each spouse's Social Security income, income from company retirement plans, and any income that one or both spouses may be earning after retirement (Pension & Earnings). It also takes into account your desires concerning capital that you may wish to pass on to your heirs (Income Only) and the projected amount of capital that you could have available at retirement from your current investments and retirement plans.

Ages are your age and your spouse's age. The Surplus is a cumulative amount showing a build-up of capital available from those years where your projected income is greater than your expenses. The Surplus, if available, is used to provide income in those years where your expenses are greater than your other income. The Shortage represents the additional amount of capital that is needed at retirement to cover the shortage.

ADDITIONAL FUNDS REQUIRED AT RETIREMENT

Assuming Capital is Invested at	9.75%	0
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ADDITIONAL INVESTMENT REQUIRED TODAY

Assuming Capital is Invested at	6.95%	
Lump-Sum		0
OR		
Additional Annual Investment Increasing at	5.75%	0
Additional Monthly		0

Age	Opening Balance	Proposed Payment	IRA Earnings
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

The table above shows the amount that you could receive each year of retirement from your IRAs. The Opening Balance is the amount of funds available at the Age indicated. The Proposed Payment is the suggested amount that you could take out each year. The IRA Earnings is the amount of interest earned for that year.

RETIREMENT PLANS

Current Defined Benefit Plan

plans for
John

Distribution Date	2019		
Current Value	0	Annual Contributions	0
Death Benefit	0	% Annual Increase	0.00%

Owner
Beneficiary

	Expected Monthly Benefit		Expected Lump Sum
Single Life	0	Lump-Sum?	
COLA %	0.00%	Amount	0
Survivor %	50%	pre-74 Years	0
John 's Amount	0	pre-74 Amount	0
Jane 's Amount	0	Total Contribution	0
Option	J		

Other Defined Benefit Plans (option already chosen)

Plan 1
Plan 2

	Plan 1	Plan 2
Distribution Date	0	0
Current Value	0	0
Death Benefit	0	0
Annual Contributions	0	0
% Annual Increase	0.00%	0.00%

Owner
Beneficiary

	John	John
Single/Joint Annuity	0	0
COLA %	0.00%	0.00%

	Jane	Jane
Survivor %	0%	0%
Survivor Amount	0	0

Defined Contribution Plans

Plan 1	Money Purchase Pension Plan (old)	Type
Plan 2	401(k) (new)	O
Plan 3		O

	Plan 1	Plan 2	Plan 3
Distribution Date	2019	2019	0
Current Value	127,339	0	0
Death Benefit	0	0	0
Owner	Y	Y	
Beneficiary	S	S	
Total After-Tax Contribution	0	0	0
pre 1974			
Years	0	0	0
Amount	0	0	0
John's Annual Contributions			
Before-Tax	0	10,000	0
After-Tax	0	0	0
% Annual Increase	0.00%	3.00%	0.00%
Employer			
Annual Contributions	0	6,400	0
% Annual Increase	0.00%	3.00%	0.00%
% Return on Investments	11.50%	11.50%	0.00%
Payout Option	L	L	

Keoghs, IRAs, and Roth IRAs

	Keogh Plan(s)	IRAs	Roth IRAs
Distribution Date	0		
Current Value	0	2,394	0
Owner		Y	
Beneficiary		S	
pre 1974			
Years	0		
Amount	0		
John's Annual Contributions			
Before-Tax	0	0	
After-Tax		0	0
% Return on Investments	0.00%	11.50%	0.00%
Payout Option			

Scenario Three

RETIREMENT EXPENSES

PLANNING ASSUMPTIONS

	John		Jane
Age at Retirement	60		61
Life Expectancy after Retirement	18		22
Number of Years Until Retirement	22	Number of Retirement Years	22
Inflation until Retirement	5.75%	Inflation during Retirement	5.75%

ESTIMATED EXPENDITURES AT RETIREMENT

	Current Amount	Amount at Retirement (Today's \$)	Percent of Total
Lifestyle Expenditures			
Basic Lifestyle Expenditures			
Housing	0	0	0.0%
Transportation	0	0	0.0%
Food	0	0	0.0%
Clothing	0	0	0.0%
Other Basic Lifestyle Expenditures	0	100,000	100.0%
TOTAL Basic Lifestyle Expenditures		<u>100,000</u>	<u>100.0%</u>
TOTAL Discretionary Expenditures	0	<u>0</u>	<u>0.0%</u>
TOTAL Lifestyle Expenditures		<u><u>100,000</u></u>	<u><u>100.0%</u></u>

ESTIMATED RETIREMENT NEEDS

TOTAL Lifestyle Expenditures at Retirement	342,112
Income Taxes as % of Income	17.8%
REDUCTION IN INCOME NEEDS AT DEATH OF FIRST SPOUSE	0%

ESTIMATED RETIREMENT INCOME

	Annual Income		Annual %	Age	Age
	Today's \$	Retire \$	Increase	Payments	Payments
				Begin	End
FOR John					
Social Security					
Retirement	0	0	0.00%	62	0
Survivor	0	0	0.00%	0	0
Earnings	0	0	0.00%	0	0
Other Income	0	0	0.00%	0	0
Defined Benefit Plan					
	\$ at Retirement				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
Defined Benefit - Survivor Benefit					
	\$ When Benefit Begins				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
FOR Jane					
Employment Income before Retirement					
	0	0	0.00%	0	0
Social Security					
Retirement	0	0	0.00%	62	0
Survivor	0	0	0.00%	79	82
Earnings	0	0	0.00%	0	0
Other Income	0	0	0.00%	0	0
Defined Benefit Plan					
	\$ at Retirement				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0
Defined Benefit - Survivor Benefit					
	\$ When Benefit Begins				
First Plan		0	0.00%	0	0
Second Plan		0	0.00%	0	0
Third Plan		0	0.00%	0	0

RETIREMENT PLANNING - FUNDING
ESTIMATED FUNDS AVAILABLE FROM INVESTMENTS

	Current Value	Rate of Return	Annual Investment	Annual % Increase	Retirement \$
Investments	578,082	6.49%	9,500	5.75%	3,033,810
Business Interest	0	0.00%			0
Adjustments at Retirement					0
					3,033,810
TOTAL FUNDS AVAILABLE (Excluding Retirement Plans)					3,033,810

RETIREMENT PLANS

FOR John	Current Value	Rate of Return	Annual Investment	Annual % Increase	Retirement \$
IRAs	2,394	10.75%	0		22,630
Roth IRAs	0	0.00%	0		0
Defined Contribution	127,339	10.75%	10,000	3.00%	2,798,585
FOR Jane					
				When Jane Retires	
IRAs	0	0.00%	0		0
Roth IRAs	0	0.00%	0		0
Defined Contribution	0	0.00%	0	0.00%	0

USE OF TOTAL FUNDS AVAILABLE

	% of TOTAL Available	Amount Invested	Rate of Return	Amount of Income	Age Payments Begin	Age Payments End
Income Only	0.0%	0	0.00%	0	0	
% Incr						
Annuities	0.0%	0	0.00%	0	0	0
Remaining Capital	100.0%	3,033,810	9.75%			
IRAs (John)		22,630	9.75%		70	81
(Jane)		0	0.00%		0	0
Roth IRAs (John)		0	0.00%		0	0
(Jane)		0	0.00%		0	0
Distribution of Defined Contribution Plans						
Annuities	% Incr					
John	0.00%	0	0.00%	0	60	0
Jane	0.00%	0	0.00%	0	61	0
Amount Rolled Over into IRAs						
John		2,798,585				
Jane		0				
Amount not Rolled (Added to Cash Flow)						
John		0				
Jane		0				

	Amount Invested	Rate of Return	Annual Income	Age Payments Begin	Age Payments End
Life Insurance Available					
Survivor is Jane					
Lump-Sum	0			79	79
Annuity	0	7.00	0	79	82
Survivor is John					
Lump-Sum	0			0	0
Annuity	0	7.00	0	0	0

ADDITIONAL CAPITAL AVAILABLE DURING RETIREMENT

% Incr	Amount Invested	Rate of Return	Amount of Income	Age Payments Begin	Age Payments End
0.00%	0	0.00%	0	0	0

The table on the following pages shows a detailed analysis of your projected income and expenses after retirement. As applicable, the table considers each spouse's Social Security income, income from company retirement plans, and any income that one or both spouses may be earning after retirement (Pension & Earnings). It also takes into account your desires concerning capital that you may wish to pass on to your heirs (Income Only) and the projected amount of capital that you could have available at retirement from your current investments and retirement plans.

Ages are your age and your spouse's age. The Surplus is a cumulative amount showing a build-up of capital available from those years where your projected income is greater than your expenses. The Surplus, if available, is used to provide income in those years where your expenses are greater than your other income. The Shortage represents the additional amount of capital that is needed at retirement to cover the shortage.

ADDITIONAL FUNDS REQUIRED AT RETIREMENT

Assuming Capital is Invested at	9.75%	0
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ADDITIONAL INVESTMENT REQUIRED TODAY

Assuming Capital is Invested at	6.49%	
Lump-Sum		0
OR		
Additional Annual Investment Increasing at	5.75%	0
Additional Monthly		0

Age	Opening Balance	Proposed Payment	IRA Earnings
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

The table above shows the amount that you could receive each year of retirement from your IRAs. The Opening Balance is the amount of funds available at the Age indicated. The Proposed Payment is the suggested amount that you could take out each year. The IRA Earnings is the amount of interest earned for that year.

RETIREMENT PLANS

Current Defined Benefit Plan

plans for
John

Distribution Date	2019		
Current Value	0	Annual Contributions	0
Death Benefit	0	% Annual Increase	0.00%

Owner
Beneficiary

	Expected Monthly Benefit		Expected Lump Sum
Single Life	0	Lump-Sum?	
COLA %	0.00%	Amount	0
Survivor %	50%	pre-74 Years	0
John 's Amount	0	pre-74 Amount	0
Jane 's Amount	0	Total Contribution	0
Option	J		

Other Defined Benefit Plans (option already chosen)

Plan 1
Plan 2

	Plan 1	Plan 2
Distribution Date	0	0
Current Value	0	0
Death Benefit	0	0
Annual Contributions	0	0
% Annual Increase	0.00%	0.00%

Owner
Beneficiary

	John	John
Single/Joint Annuity	0	0
COLA %	0.00%	0.00%

	Jane	Jane
Survivor %	0%	0%
Survivor Amount	0	0

Defined Contribution Plans

Plan 1	Money Purchase Pension Plan (old)	Type
Plan 2	401(k) (new)	O
Plan 3		O

	Plan 1	Plan 2	Plan 3
Distribution Date	2019	2019	0
Current Value	127,339	0	0
Death Benefit	0	0	0
Owner	Y	Y	
Beneficiary	S	S	
Total After-Tax Contribution	0	0	0
pre 1974			
Years	0	0	0
Amount	0	0	0
John's Annual Contributions			
Before-Tax	0	10,000	0
After-Tax	0	0	0
% Annual Increase	0.00%	3.00%	0.00%
Employer			
Annual Contributions	0	6,400	0
% Annual Increase	0.00%	3.00%	0.00%
% Return on Investments	10.75%	10.75%	0.00%
Payout Option	L	L	

Keoghs, IRAs, and Roth IRAs

	Keogh Plan(s)	IRAs	Roth IRAs
Distribution Date	0		
Current Value	0	2,394	0
Owner		Y	
Beneficiary		S	
pre 1974			
Years	0		
Amount	0		
John's Annual Contributions			
Before-Tax	0	0	
After-Tax		0	0
% Return on Investments	0.00%	10.75%	0.00%
Payout Option			

