PROTECT YOUR

LIFESTYLE

For Joe and Mary Anderson

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Important Notes

This report illustrates your financial lifestyle, or your hypothetical cash flow and its effects on your net worth. This analysis provides only broad, general guidelines, which may be helpful in shaping your thinking about your financial needs. It can serve as a guide for discussions with your professional advisors. Each of the needs illustrated in this analysis are calculated independently and are not intended to be a comprehensive financial plan.

Each scenario shown illustrates your current situation or an alternative strategy and its possible effects on the financial situation you provided. Inclusion of one or more of these strategies does not constitute a recommendation of that strategy over any other strategy.

Calculations contained in this analysis are estimates only based on the information you provided, such as the value of your assets today, and the rate at which the assets appreciate. The actual values, rates of growth, and tax rates may be significantly different from those illustrated. These assumptions are only a “best guess.” No guarantee can be made regarding values, as all rates are the hypothetical rates you provided. These computations are not a guarantee of future performance of any asset, including insurance or other financial products.

No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Nothing contained in this report is intended to be used on any tax form or to support any tax deduction. Unless indicated, the tax aspect of the federal Generation-Skipping Transfer Tax (GSTT) is not reflected. The GSTT is similar to an additional level of estate tax on certain transfers to grandchildren, or individuals two or more generations removed from the transferor. State laws vary regarding the distribution of property, and individual circumstances are unique and subject to change. You should discuss all strategies, transfers, and assumptions with your legal and tax advisors.

To implement a strategy, it may be necessary to restructure the ownership of property, or change designated beneficiaries before specific will or trust provisions, prepared by the client’s counsel, become effective. The transfer of a life insurance policy may not result in its removal from the estate of the prior owner for three years.

Strategies may be proposed to support the purchase of various products such as insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required, or an insurer provided policy illustration) will be provided for your review.

IMPORTANT: The projections or other information generated by this investment analysis tool (Financial Needs Analysis) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Protecting Your Family's Lifestyle

When you think of protection, you think of your family. You think about protecting the lifestyle you have and are continuing to build together. Protection is best achieved through preparation. The following report uses the information you have shared—your assets, your wishes, and your thoughts about the future.

This report uses estimated calculations based on this information so that you can better consider your options. Of course, the actual results may vary substantially from the figures shown. There are many areas of protection for your lifestyle. This report just considers the following:

- **Education Expenses**
- **Building and Preparing for Retirement**
- **Immediate Cash Needs if Death Occurs**
- **Survivor Income Needs if Death Occurs**
- **Family Income Needs if Disabled**
- **Long-Term Care**

Education Expenses

The education of your children continues to increase in importance. With educational costs increasing faster than inflation, it is necessary to prepare in advance in order to assure your children an education.

Building and Preparing for Retirement

A financially secure retirement requires careful preparation, as well as, coordination of your existing assets and qualified retirement plans.

Immediate Cash Needs if Death Occurs

Life can be unpredictable. If something were to happen to you, would your family have the ability to pay the expenses associated with your death? These expenses are immediate cash needs such as funeral expenses, legal fees, taxes, mortgages, and debts.

Survivor Income Needs if Death Occurs

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. Social Security benefits may provide a portion of the needed income, but usually this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

Family Income Needs if Disabled

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

Long-Term Care

Long-term care, whether it is nursing home or home health care, depletes your accumulation of wealth. The extremely high costs associated with these types of care are seldom covered by regular health insurance. Assets intended for retirement are often used to cover these expenses.

If any new life insurance is proposed, a complete illustration, including any required prospectus, should be attached.

Your Current Situation

Total Net Worth Today: $317,000

Your Assets	$477,000
Your Liabilities	- $160,000
Your Net Worth Today	$317,000

Your financial lifestyle is determined by (a) your financial goals and desires and (b) your saving and spending habits. This analysis examines your current assets and liabilities, reviews the cash flow necessary for you to maintain your lifestyle, and then shows you the results or consequences of various scenarios. Below is a summary of your current financial situation.

Your Assets

Liquid Assets	**$87,000**
Joint Family Checking Account (Joint)	$24,000
Mutual Fund (Joe)	$18,000
Diversified Stocks (Joe)	$45,000
Retirement Plans	**$105,000**
Joe's Retirement Plan (Joe)	$60,000
Mary's Retirement Plan (Mary)	$45,000
Residence	**$275,000**
Family Home (Joint)	$275,000
Educational Savings Plans	**$10,000**
Joe Jr's 529 Plan	$10,000
Total	**$477,000**

Your Liabilities

Mortgages	**$150,000**
Family Home (Joint)	$150,000
Other Loans	**$10,000**
Car loan (Joint)	$10,000
Total	**$160,000**

Education Funding

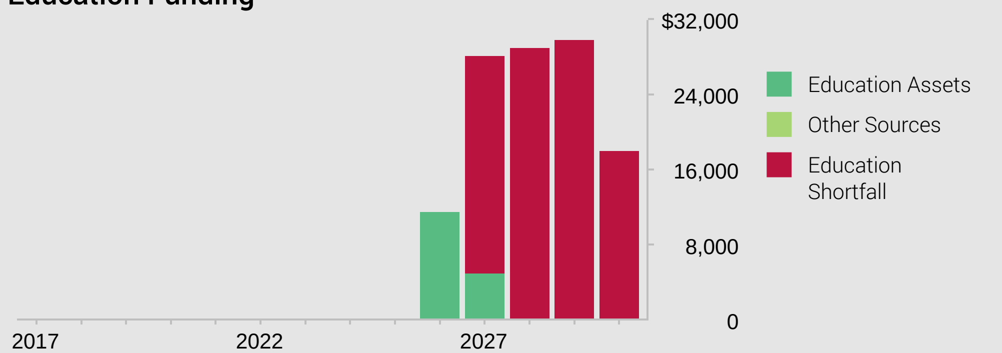
Education Funding Shortfall Today: **$67,884**	Education Description	Start in Year[1]	Annual Cost Today	Years
	Joe Jr – The University of North Carolina at Chapel Hill	2026	$20,935	4

Education costs have been rising faster than general inflation. In the past ten years, the average annual increase has been twice that of the average annual increase in the Consumer Price Index.[2] These annual education cost estimates consider an education inflation rate of 3.00%.

How Will You Pay For College?

- Hope for scholarships
- Pay as you go
- Use college loans
- Begin a savings and investment strategy

Education Funding



Lump Sum Needed Today to Fund Education Needs — $79,603

The amount needed today to fund all education goals invested at 3% provides the total costs for all years of education of $116,277 at the start of the individual education goal. This amount assumes inflation at 3.00% but does not consider your education assets or funding provided by other sources.

Lump Sum Education Funding Shortfall Today — $67,884

The remaining funds needed today consider your assets designated for education (current value $10,000) as well as anticipated funding from other sources. This amount is assumed to be invested until needed and with 3% growth would provide the additional money needed by the start of each education goal.

Monthly Savings Needed — $680

An alternative way to provide the additional funds needed today of $67,884 would be a savings fund. These monthly deposits invested at 3% would provide the money needed by the start of each individual education need. The monthly amount would reduce as each education need is started.

[1] Annual costs are assumed paid in 12 monthly payments.
[2] U.S. Bureau of Labor Statistics and "Trends in College Pricing 2016." The College Board (http://trends.collegeboard.org/college-pricing), 2016.

Summary of Education Needs

EDUCATION GOALS

Education Description	Annual Education Cost Today	Start in Year[1]	First Year Cost[2]	Number of Years	Total Projected Costs[2]	Amount Required Today[3,4]
Joe Jr – The University of North Carolina at Chapel Hill	$20,935	2026	$27,315	4	$116,277	$79,603
Total					$116,277	$79,603

EDUCATION ASSETS

Education Assets	Current Balance
Joe Jr's 529 Plan	$10,000

EDUCATION NEEDS

Education For	Amount Required Today[3,4]	Portion Funded from Other Sources[5]	Additional Funds Needed Today[6]	Additional Monthly Savings Required[4]	Time Monthly Savings Required
Joe Jr	$79,603	0.00%	$67,884	$680	9 yrs 7 mo.
Total	$79,603		$67,884	$680	

ANNUAL EDUCATION NEEDS

Year	Annual Education Cost	Paid from Other Sources	Balance of Assets for Education[7]	Education Shortage For the Year
2017	$0	$0	$10,500	$0
2018	0	0	11,025	0
2019	0	0	11,576	0
2020	0	0	12,155	0
2021	0	0	12,763	0
2022	0	0	13,401	0
2023	0	0	14,071	0
2024	0	0	14,775	0
2025	0	0	15,513	0
2026	11,381	0	4,814	0
2027	28,135	0	0	23,290
2028	28,979	0	0	28,979
2029	29,848	0	0	29,848
2030	17,934	0	0	17,934

1 Annual costs are assumed paid in 12 monthly payments.
2 Estimated costs based on Annual Cost Today and inflation rate of 3.00%. Total Projected Costs is the sum of these costs throughout the education years. Annual costs are assumed paid in 12 monthly payments from August through July. The graph reflects costs by calendar year.
3 The lump sum investment today that would grow to the amount needed at the start of the education need.
4 Values assume that interest is earned at the rate of 3.00% each year until needed.
5 Other sources may include scholarships, financial aid, gifts, or student work.
6 Additional Funds Needed Today reflects the Total Projected Costs less Education Assets and the Portion from Other Sources.
7 Balance includes any predetermined deposits to education assets.

Once Your Retirement Begins

Cash Flow Success

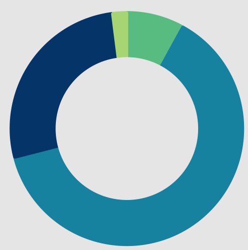
Estimated income and assets available for your retirement appear to be sufficient to provide for the retirement lifestyle.

This page considers your expenses during retirement and whether you are currently saving enough to meet your retirement goals. It does not consider your lifestyle prior to retirement.

- Retirement begins at Joe's age 65, Mary's age 65
- Social Security retirement benefits begin at age 66 for Joe and at 66 for Mary
- Retirement is illustrated for 16 years.

Sources of Retirement Income

Salary and Other Income	8%
Estimated Social Security[1]	63%
Retirement Plans	27%
Assets Used	2%
Shortfall	0%



For the purpose of this illustration, estimated income and assets are sufficient to provide for retirement lifestyle.

Retirement Income Needed

Instead of asking you to estimate income needed to pay your expenses at retirement, this analysis examines your lifestyle expenses. It then considers sources of income such as any continuing salaries, other income, Social Security benefits, and your retirement plans. Assets you have designated for use at retirement are also considered. Assets you designated as "Do Not Use," have not been used to pay retirement expenses. Estimated retirement income and available assets are compared to all retirement expenses. Retirement success is defined as:

- Paying all expenses
- Not using any of those assets you have designated not to use
- Not running out of money

[1] Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Joe's Social Security are estimates based on salary and Mary's Social Security are estimates based on salary. This is an estimate of the monthly benefit available. Actual retirement benefits may be greater or less than the amount shown.

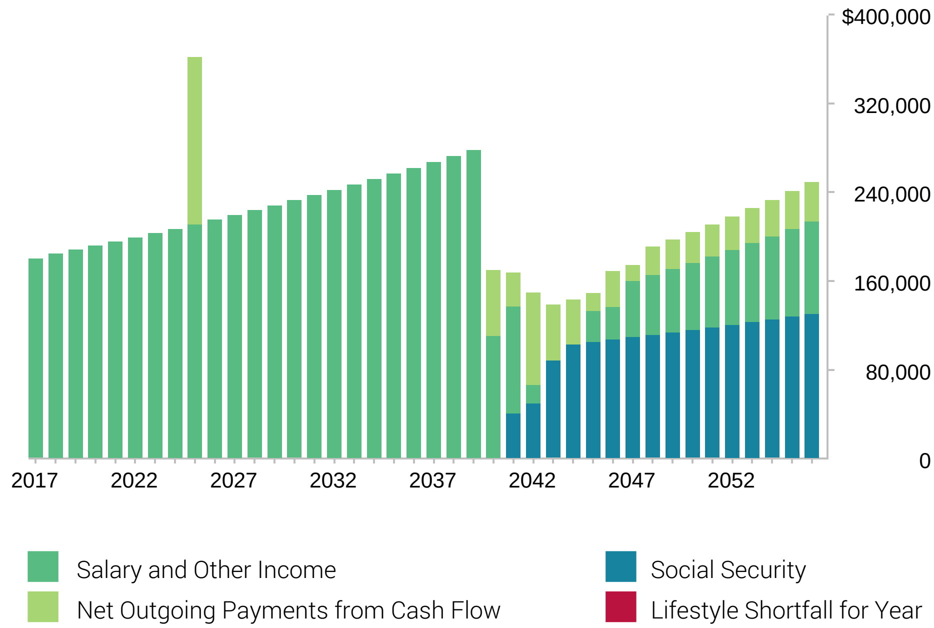
Preparing for Retirement

Cash Flow Success

Estimated income and assets available for your retirement appear to be sufficient to provide for the retirement lifestyle.

Annual Retirement Income

Retirement is set to begin when Joe is age 65. Retirement is illustrated for 16 years. A successful retirement requires that all lifestyle expenses be satisfied before retirement. Otherwise, assets intended for retirement may be depleted.



Once Retirement Begins—Details

Retirement is set to begin when Joe is age 65. Retirement is illustrated for 16 years. A successful retirement requires that all lifestyle expenses be satisfied before retirement. Otherwise, assets intended for retirement may be depleted.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2017	$79,350	$0	$66,150	$180,000	$0	$0	-	$384,388
2018	82,380	0	66,374	184,699	0	0	-	454,984
2019	84,418	0	67,763	188,332	0	0	-	528,181
2020	86,517	0	69,286	191,922	0	0	-	603,979
2021	88,413	0	70,691	195,583	0	0	-	682,637
2022	88,501	0	72,123	199,318	0	0	-	764,208
2023	90,790	0	73,622	203,091	0	0	-	848,724
2024	93,147	0	75,207	206,882	0	0	-	936,251
2025	285,589	0	76,787	210,899	0	151,477	-	1,025,371
2026	98,071	11,381	77,861	215,306	0	0	-	1,106,543
2027	100,643	28,135	79,392	219,481	0	0	-	1,173,752
2028	103,290	28,979	81,033	223,807	0	0	-	1,243,411
2029	106,016	29,848	82,643	228,284	0	0	-	1,315,737
2030	108,822	17,934	84,280	232,849	0	0	-	1,403,705
2031	111,711	0	85,955	237,506	0	0	-	1,513,733
2032	114,685	0	87,740	242,256	0	0	-	1,628,068
2033	117,747	0	89,580	247,101	0	0	-	1,746,896
2034	120,899	0	91,457	252,043	0	0	-	1,870,435
2035	124,144	0	93,370	257,084	0	0	-	1,998,919
2036	122,436	0	95,320	262,226	0	0	-	2,132,571
2037	120,725	0	97,303	267,471	0	0	-	2,271,502
2038	124,267	0	99,281	272,820	0	0	-	2,415,995
2039	127,913	0	101,287	278,276	0	0	-	2,566,348
R 2040	126,463	0	43,431	110,383	0	59,511	-	2,605,105
2041	129,742	0	37,414	96,506	40,338	30,311	-	2,677,135
2042	131,144	0	18,122	16,406	49,373	83,486	-	2,696,976
2043	134,571	0	4,019	0	88,132	50,459	-	2,753,943
2044	138,608	0	4,524	0	102,736	40,396	-	2,826,547
2045	142,767	0	6,183	28,192	104,791	15,966	-	2,901,308
2046	147,050	0	21,878	29,835	106,887	32,205	-	2,962,911

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.
R-Retirement assumed to begin in this year.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2047	151,461	0	22,905	51,069	109,024	14,273	-	3,026,113
2048	156,005	0	34,793	54,040	111,205	25,553	-	3,079,090
2049	160,685	0	36,593	57,181	113,429	26,669	-	3,131,897
2050	165,506	0	38,481	60,500	115,698	27,789	-	3,184,422
2051	170,471	0	40,464	64,007	118,012	28,916	-	3,236,532
2052	175,585	0	42,550	67,515	120,372	30,248	-	3,288,079
2053	180,853	0	44,633	71,418	122,779	31,288	-	3,339,022
2054	186,278	0	46,931	75,163	125,235	32,811	-	3,389,081
2055	191,866	0	49,140	79,231	127,740	34,036	-	3,438,291
2056	197,622	0	51,523	83,333	130,294	35,519	-	3,486,404

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated “Do Not Use,” or restricted are not considered available.)
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Three Sources of Retirement Income

1 Social Security

Social Security provides retirement benefits to most workers who are age 62 or older. These benefits are based on their earnings history and their full retirement age. In addition, spouses are eligible for retirement benefits based on the worker's record. The full retirement age for full benefits is age 67 for those born in 1960 and later. (Full retirement age varies between age 65 and 67 for people born between 1937 and 1960.)

For most people, Social Security will provide for less than one third of their retirement.

The rest of their retirement income must come from other sources, such as an employer sponsored retirement plan and personal savings.

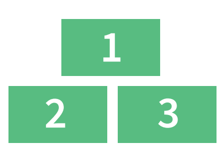
2 Qualified Retirement Plans

Your retirement plan is a major part of your retirement income, so before you can properly prepare for retirement, you must know what to expect from your plan. Most employer sponsored retirement plans are either defined benefit plans or defined contribution plans.

3 Savings and Individual Investments

Multiple investment vehicles can be established to help you save for retirement. Examples of personal savings may be CDs, mutual funds or stock. Also, the government provides for tax deferred growth through investments like IRAs and annuities. These tax deferred investments have strict regulations governing their use.

Build a retirement strategy based on all three of these sources of retirement income.



No one income source, such as Social Security or your retirement plan, is intended to provide all of your retirement nest egg.

Survivor Income Needs at Joe's Death

Cash Flow Failure
Occurs in 2024

Lump Sum to Provide Total Amount Needed Today:[1]
$1,424,168

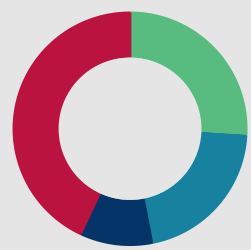
Estimated Social Security Survivor Benefit:[2]
$2,236

Survivor Income Needs

- Continuing lifestyle expenses to pay everyday expenses such as food, bills, insurance, mortgages and other debts, taxes, etc.

Mary's Income Sources

Salary and Other Income	26%
Estimated Social Security	21%
Retirement Plans	10%
Assets Used	0%
Shortfall	43%



Social Security Benefits

The estimated initial monthly Social Security survivor benefit is $2,236. In addition, there is a one-time lump sum death benefit of $255.

[1] Estimated lump sum needed today, invested at 3%, to provide for total shortfalls.
[2] Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Joe's Social Security are estimates based on salary and Mary's Social Security are estimates based on salary. This is an estimate of the monthly benefit available based on information provided by the client. Actual survivor benefits may be greater or less than the amount shown.

Survivor Income Needs at Joe's Death

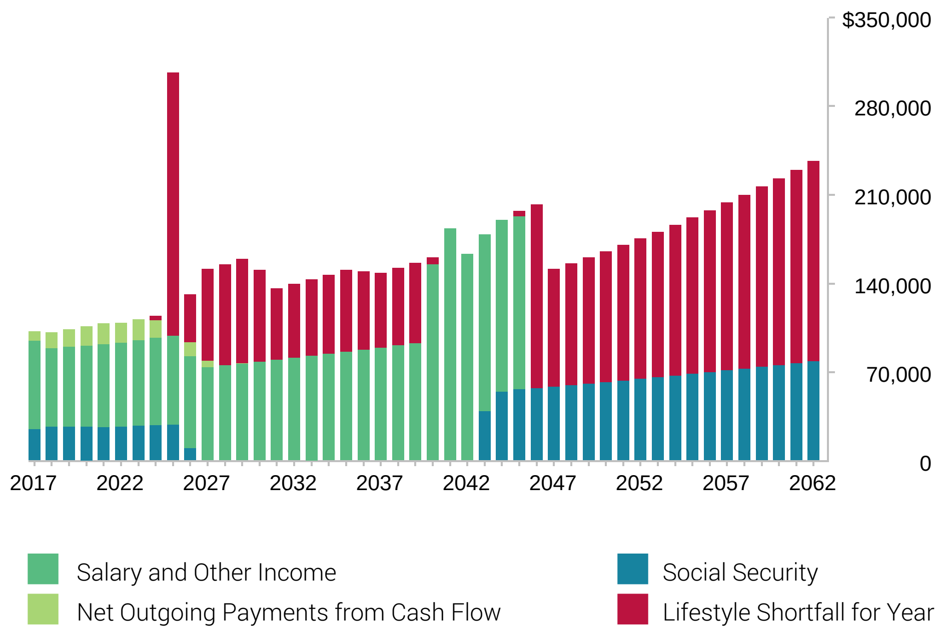
Lump Sum to Provide Total Amount Needed Today:[1]

$1,424,168

Period Considered	Amount Needed for Just this Period	Amount Needed Today to Fund through Period
With Children at Home (2017-2026)	$194,725	$194,725
Before Retirement (2027-2039)	$532,430	$727,155
During Retirement (2040-2063)	$697,013	$1,424,168

Replacing Your Income for Survivors

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. Social Security benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.



Life Insurance Can Protect Income Needs

Life insurance death proceeds can provide the monthly income needed to maintain your family's lifestyle and provide cash to pay immediate expenses at your death.

[1] Estimated lump sum needed today, invested at 3%, to provide for total shortfalls.

An Alternate Approach at Joe's Death

Rather than supplementing your survivors' income needs on a continuing basis, an alternative approach would be to use life insurance to relieve your survivors of the major financial burdens they would face in order to provide them with a head start on managing their own continuing income needs.

Objective

- Eliminate major financial burdens so that survivor income is less of a concern
- Use life insurance to provide cash immediately at death to pay the following expenses:

Immediate Cash Needs at Death

Present Debts:	**$160,000**
It may not be necessary to pay off all of your acquired debts. Although by doing so, Mary will not have to repay the loans plus the interest on these debts and less income will be needed for your family.	
Emergency Funds:[1]	**$45,000**
The best financial analyses can be ruined by unexpected emergencies. Adequate cash reserves can often protect the plans you put in place.	
Education Funds:[2]	**$67,884**
Amount needed to fund education today.	
Total Cash Needs at Joe's Death:	**$272,884**

Providing for these expenses at your death will reduce your survivor's income needs.

[1] Emergency funds are estimated at the greater of 5% of all liquid assets or three months salary.
[2] The amount needed today to fund total costs of education. This does not consider education assets and the portion that may be provided by other sources.

Income Details at Joe's Death

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. Social Security benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	**Living Expenses**[1]	**Education & Spending Goals**	**Tax Payments & Withholdings**[2]	**Salary & Other Income**[3]	**Social Security**[4]	**Payments from Available Assets**	**Shortfall**[5]	**Net Worth**[6]
2017	$75,960	$0	$25,815	$70,000	$24,590	$7,184	-	$336,778
2018	78,708	0	21,868	61,823	26,751	12,626	-	352,604
2019	80,673	0	22,220	63,145	26,649	13,820	-	368,367
2020	82,696	0	22,773	64,299	26,519	15,278	-	383,515
2021	84,516	0	23,313	65,501	26,361	16,522	-	397,639
2022	84,526	0	23,951	66,639	26,700	15,532	-	410,935
2023	86,736	0	24,517	67,884	27,234	16,450	-	423,570
2024	89,012	0	25,207	69,043	27,779	14,170	3,349	435,330
2025	281,371	0	25,676	70,458	28,334	0	208,413	447,119
2026	93,769	11,381	25,490	72,568	9,634	11,382	37,919	429,315
2027	96,255	28,135	26,084	73,935	0	4,845	72,488	384,263
2028	98,814	28,979	26,690	75,329	0	1	79,880	338,145
2029	101,450	29,848	27,309	76,750	0	1	82,513	290,986
2030	104,165	17,934	27,942	78,199	0	0	72,424	255,593
2031	106,961	0	28,588	79,676	0	0	56,379	238,010
2032	109,840	0	29,247	81,181	0	0	58,334	220,332
2033	112,805	0	29,921	82,716	0	0	60,358	202,589
2034	115,858	0	30,609	84,281	0	0	62,452	184,818
2035	119,003	0	31,311	85,877	0	0	64,619	167,054
2036	117,192	0	32,028	87,503	0	0	61,811	149,311
2037	115,376	0	32,752	89,170	0	0	58,971	131,411
2038	118,811	0	33,420	90,940	0	0	61,291	113,419
2039	122,348	0	34,089	92,759	0	0	63,678	95,399
2040	125,990	0	34,771	155,249	0	0	5,512	75,908
2041	129,742	0	53,656	183,398	0	0	-	33,214
2042	131,144	0	32,097	163,241	0	0	-	-78,053
2043	134,571	0	44,050	139,801	38,821	0	-	-191,037
2044	138,608	0	51,840	135,971	54,477	0	-	-307,169
2045	142,767	0	54,683	137,133	56,138	0	4,179	-436,198
2046	147,050	0	55,455	0	57,260	0	145,244	-571,675
2047	151,461	0	0	0	58,406	0	93,056	-654,768
2048	156,005	0	0	0	59,574	0	96,431	-741,038
2049	160,685	0	0	0	60,765	0	99,920	-830,593
2050	165,506	0	0	0	61,980	0	103,525	-923,546
2051	170,471	0	0	0	63,220	0	107,251	-1,020,013

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2052	175,585	0	0	0	64,484	0	111,101	-1,120,114
2053	180,853	0	36	0	65,774	0	115,115	-1,224,010
2054	186,278	0	133	0	67,090	0	119,322	-1,331,887
2055	191,866	0	232	0	68,431	0	123,667	-1,443,882
2056	197,622	0	332	0	69,800	0	128,155	-1,560,130
2057	203,551	0	435	0	71,196	0	132,790	-1,680,776
2058	209,658	0	540	0	72,620	0	137,577	-1,805,967
2059	215,947	0	646	0	74,072	0	142,522	-1,935,853
2060	222,426	0	755	0	75,554	0	147,627	-2,070,593
2061	229,099	0	867	0	77,065	0	152,900	-2,210,348
2062	235,972	0	980	0	78,606	0	158,345	-2,355,285

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Survivor Income Needs at Mary's Death

Cash Flow Failure
Occurs in 2048

Lump Sum to Provide Total Amount Needed Today:[1]
$533,720

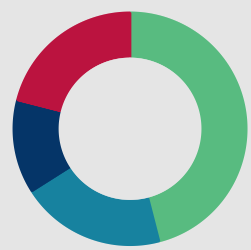
Estimated Social Security Survivor Benefit:[2]
$2,015

Survivor Income Needs

- Continuing lifestyle expenses to pay everyday expenses such as food, bills, insurance, mortgages and other debts, taxes, etc.

Joe's Income Sources

Salary and Other Income	46%
Estimated Social Security	20%
Retirement Plans	13%
Assets Used	0%
Shortfall	21%



Social Security Benefits

The estimated initial monthly Social Security survivor benefit is $2,015. In addition, there is a one-time lump sum death benefit of $255.

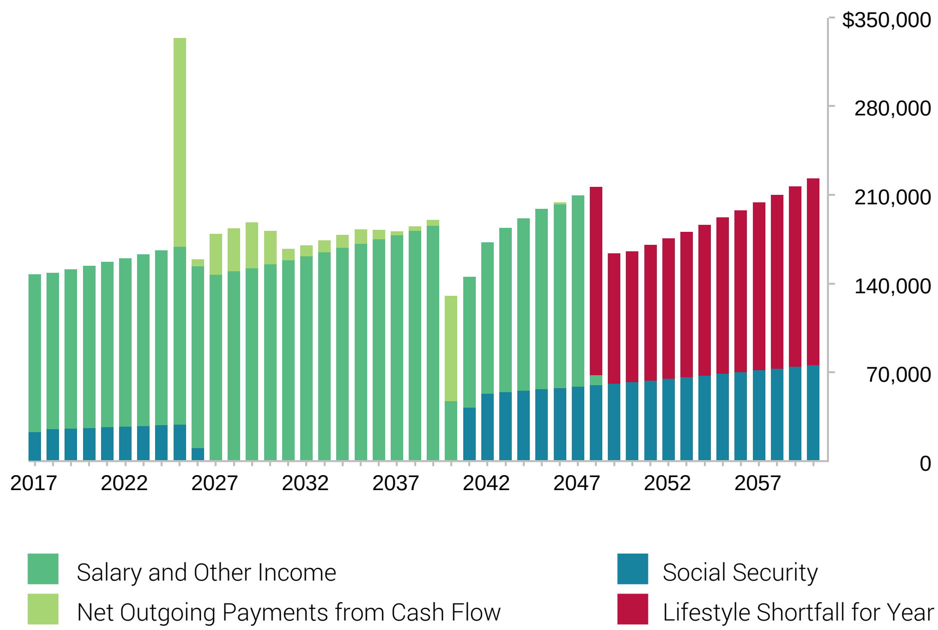
[1] Estimated lump sum needed today, invested at 3%, to provide for total shortfalls.
[2] Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Joe's Social Security are estimates based on salary and Mary's Social Security are estimates based on salary. This is an estimate of the monthly benefit available based on information provided by the client. Actual survivor benefits may be greater or less than the amount shown.

Survivor Income Needs at Mary's Death

Lump Sum to Provide Total Amount Needed Today:[1]	Period Considered	Amount Needed for Just this Period	Amount Needed Today to Fund through Period
$533,720	During Retirement (2040-2061)	$533,720	$533,720

Replacing Your Income for Survivors

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. Social Security benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.



Life Insurance Can Protect Income Needs

Life insurance death proceeds can provide the monthly income needed to maintain your family's lifestyle and provide cash to pay immediate expenses at your death.

[1] Estimated lump sum needed today, invested at 3%, to provide for total shortfalls.

An Alternate Approach at Mary's Death

Rather than supplementing your survivors' income needs on a continuing basis, an alternative approach would be to use life insurance to relieve your survivors of the major financial burdens they would face in order to provide them with a head start on managing their own continuing income needs.

Objective

- Eliminate major financial burdens so that survivor income is less of a concern
- Use life insurance to provide cash immediately at death to pay the following expenses:

Immediate Cash Needs at Death

Present Debts: **$160,000**

It may not be necessary to pay off all of your acquired debts. Although by doing so, Joe will not have to repay the loans plus the interest on these debts and less income will be needed for your family.

Emergency Funds:[1] **$45,000**

The best financial analyses can be ruined by unexpected emergencies. Adequate cash reserves can often protect the plans you put in place.

Education Funds:[2] **$67,884**

Amount needed to fund education today.

Total Cash Needs at Mary's Death:	**$272,884**

Providing for these expenses at your death will reduce your survivor’s income needs.

[1] Emergency funds are estimated at the greater of 5% of all liquid assets or three months salary.
[2] The amount needed today to fund total costs of education. This does not consider education assets and the portion that may be provided by other sources.

Income Details at Mary's Death

You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. Social Security benefits may provide a portion of the needed income. Usually, this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	**Living Expenses**[1]	**Education & Spending Goals**	**Tax Payments & Withholdings**[2]	**Salary & Other Income**[3]	**Social Security**[4]	**Payments from Available Assets**	**Shortfall**[5]	**Net Worth**[6]
2017	$77,655	$0	$45,982	$125,000	$22,168	$0	-	$370,498
2018	80,544	0	43,825	123,557	24,667	0	-	425,451
2019	82,546	0	44,772	125,958	25,160	0	-	482,365
2020	84,607	0	45,799	128,336	25,663	0	-	541,260
2021	86,465	0	46,697	130,763	26,176	0	-	602,370
2022	86,513	0	47,613	133,239	26,700	0	-	665,720
2023	88,763	0	48,551	135,760	27,234	0	-	731,348
2024	91,079	0	49,512	138,328	27,779	0	-	799,347
2025	283,480	0	50,491	140,948	28,334	165,037	-	868,229
2026	95,920	11,381	51,013	144,097	9,634	5,270	-	909,041
2027	98,449	28,135	51,915	146,939	0	32,219	-	924,636
2028	101,052	28,979	52,841	149,832	0	33,668	-	940,904
2029	103,733	29,848	54,705	152,189	0	36,097	-	956,100
2030	106,493	17,934	56,958	155,233	0	26,153	-	981,786
2031	109,336	0	58,037	158,337	0	9,036	-	1,026,357
2032	112,262	0	57,671	161,504	0	8,429	-	1,073,854
2033	115,276	0	58,721	164,734	0	9,262	-	1,122,917
2034	118,379	0	59,915	168,029	0	10,264	-	1,173,440
2035	121,574	0	61,150	171,390	0	11,334	-	1,225,416
2036	119,814	0	62,417	174,817	0	7,414	-	1,278,881
2037	118,051	0	63,340	178,314	0	3,077	-	1,334,536
2038	121,539	0	63,845	181,880	0	3,504	-	1,392,984
2039	125,130	0	65,007	185,518	0	4,620	-	1,453,658
2040	123,625	0	6,365	46,794	0	83,196	-	1,396,243
2041	126,846	0	18,246	103,634	41,459	0	-	1,343,758

[1] Basic expenses, loan payments, and retirement contributions.
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[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated “Do Not Use,” or restricted are not considered available.)
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	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2042	130,652	0	41,662	119,773	52,541	0	-	1,270,742
2043	134,571	0	49,330	129,943	53,958	0	-	1,182,335
2044	138,608	0	52,742	136,314	55,037	0	-	1,081,617
2045	142,767	0	54,929	142,780	56,138	0	-	969,033
2046	147,050	0	57,149	145,715	57,260	1,224	-	843,717
2047	151,461	0	58,316	151,372	58,406	0	-	705,911
2048	156,005	0	60,305	7,847	59,574	0	148,890	559,374
2049	160,685	0	3,199	0	60,765	0	103,119	466,620
2050	165,506	0	0	0	61,980	0	103,525	373,667
2051	170,471	0	0	0	63,220	0	107,251	277,200
2052	175,585	0	0	0	64,484	0	111,101	177,099
2053	180,853	0	36	0	65,774	0	115,115	73,204
2054	186,278	0	133	0	67,090	0	119,322	-34,674
2055	191,866	0	232	0	68,431	0	123,667	-146,668
2056	197,622	0	332	0	69,800	0	128,155	-262,917
2057	203,551	0	435	0	71,196	0	132,790	-383,563
2058	209,658	0	540	0	72,620	0	137,577	-508,753
2059	215,947	0	646	0	74,072	0	142,522	-638,640
2060	222,426	0	755	0	75,554	0	147,627	-773,380

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
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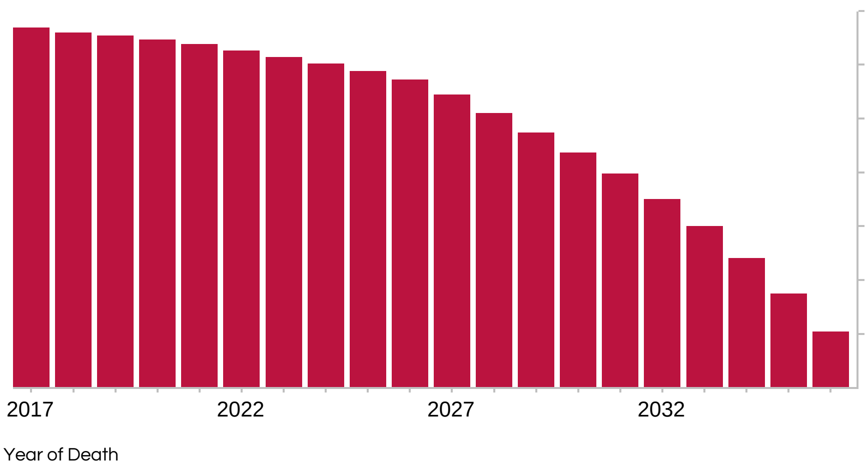
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Needs if Death in Various Years

Needs change over time—incomes change, bills are paid and new living expenses are established, and others increase, some assets are sold and others acquired and some assets just increase or decrease in value. The prior charts illustrate the income needs if death occurred today.

The charts below show the survivor income needs if death were to occur in any of the next 20 years. Analysis should consider the possibility of death in various years. The amount would need to be invested at 3% to provide for the shortages.

Value of all future needs at Joe's death.



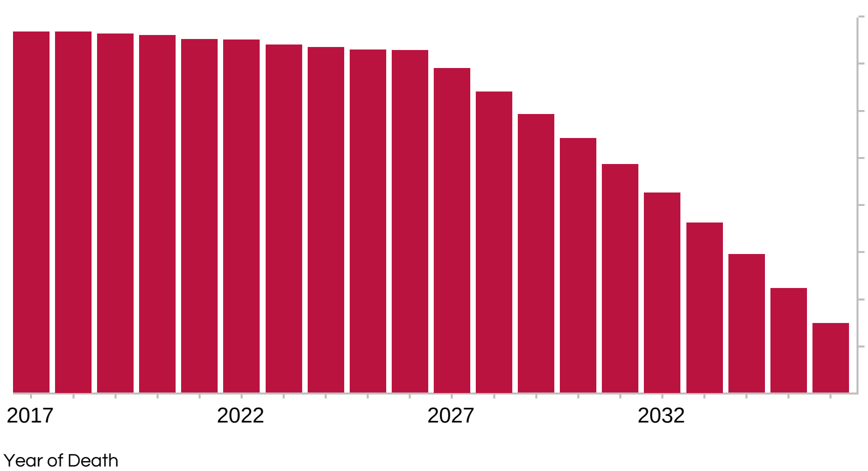
Total Need if Joe Died Today:

$1,341,967

Largest Need, if Joe Died in Year 1:

$1,341,967

Value of all future needs at Mary's death.



Total Need if Mary Died Today:

$615,922

Largest Need, if Mary Died in Year 2:

$616,239

Life insurance can provide for the needs caused by death.

Why Create a Will?

Distributions Your Way or Their Way

The most important reason to have a will is to avoid dying intestate! If you die intestate, your estate will be subject to intestacy laws. These are state laws that prescribe how your property will pass to your heirs if you die without a valid will. Creating your own will allows you to express how you want your remaining property to pass.

A will determines how probate assets (assets not jointly owned or distributed according to contract) pass to heirs. If you die without a valid will, your assets will pass to your heirs according to state law.

Law—Their Way

Each state writes its own intestacy laws that serve as a "generic will" for its residents. Lawmakers design the "wills" to pass property as they think most people would want and to make provisions for all contingencies. These laws vary from state to state.

Usually, the distributions occur as follows:

- If your spouse survives you, and you have no children, your spouse inherits the estate. However, in some states, your parents and your spouse split the estate.
- If your spouse and children survive you, each inherits a portion of the estate
- If only your children survive you, they inherit the estate
- If you have no surviving spouse or descendants, your parents inherit the estate. If your parents are deceased, your siblings inherit the estate. If you have no surviving siblings, your next of kin inherits the estate.
- If you have no next of kin, your state of residence takes over possession of your estate

Will—Your Way

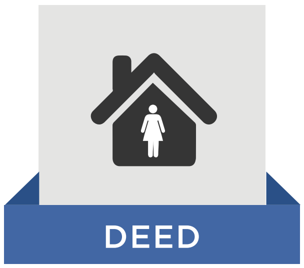
Creating a will allows you to express how you want your probate property to pass. Probate property consists of any assets not contractually promised or jointly owned.

Advantages of a Will:

- You choose who gets your remaining property
- You designate an executor of your choice to carry out your intentions
- You can design your will so that you actually reduce estate taxes
- You can appoint a trustee and/or guardian to manage your assets for your children
- You can amend or revoke the will at any time

How Property Passes at Death

Transfer of Assets



Deed

Property owned jointly with survivorship rights passes to the surviving joint owner

Contract

A life insurance policy is an example of a contract that pays death benefits to a named beneficiary

Will

All remaining property is distributed according to the terms of the will

Law

If you have no will, the remaining property is distributed according to state law

Gifts versus Bequests

During Lifetime or at Death

Gifts	Bequests
You give up control of gift	You retain full control until death
Donee's tax basis is the same as the donor's	Heir's tax basis is generally "stepped up" to the fair market value at the date of death
Your estate does not include the appreciation of the property after the date of the gift	Total appreciated value of the property is included in your estate
Any gift taxes are removed from your estate after three years	Bequests are generally net of estate taxes
You can observe and advise the donee about the management of the gift	Heirs must assume full management when bequests are received
Gifts of non-business assets can increase the percentage of business assets within the estate; thus, the business may qualify for favorable estate tax treatment	Family businesses and farms must meet minimum percentage tests for the estate to qualify for special tax treatment
Gifts of income producing property shift income, and thus income taxes (except for gifts to a child under a certain age).	You retain income from income producing property that you may need to maintain standard of living

Why Use a Trust?

How it Works

There are several types of trusts, including the revocable living trust and the irrevocable life insurance trust. Different trusts meet different needs. Consult with your legal/tax advisor to determine whether a particular type of trust would be beneficial for you.

Benefits of Using Trusts

Allows greater flexibility

May minimize probate expenses (at death)

May save the expense of guardians

- Trustee acts on behalf of minor beneficiaries
- May save expenses of guardianship, such as bonding requirements

May provide greater privacy (probate is a public record)

Can provide effective asset management

Can provide desired restrictions, limitations, and incentives

- Rules for use of trust funds
- May protect trust assets from the creditors of trust beneficiaries

May reduce or eliminate estate taxes

- May remove some assets (including life insurance proceeds) from the taxable estate
- May reduce or eliminate estate taxes at spouse's death

Revocable Living Trust

How it Works

A Revocable Living Trust is a flexible estate planning tool that can be used to help reduce probate and administrative costs. It is a trust created by the Grantor during lifetime in which the Grantor retains the right to terminate the trust, change its terms, or remove trust property. It may be funded during lifetime (to obtain potential probate avoidance benefits) or remain unfunded until the Grantor's death. Since the Grantor hasn't irrevocably disposed of the trust assets, the entire trust will be includable in the Grantor's gross estate for estate tax purposes. However, to the extent the trust is funded during lifetime, the formal probate process may be avoided with respect to the trust assets.

Major Characteristics of a Revocable Living Trust

- The Grantor establishes the terms and conditions by which assets in the trust will be managed and names the beneficiaries to whom the trust assets will ultimately be distributed.
- Property is transferred to the trust during the Grantor's lifetime or pours over to the trust under the terms of the Grantor's Will.
- The trust can reduce probate and administrative costs, simplify asset management and provide greater privacy for the distribution of assets at death.

Advantages of a Revocable Living Trust

- In the event of the mental or physical incapacity of the Grantor, the Trustee continues to manage trust assets without interruption or the need for a court-appointed guardian.
- By avoiding the formal probate process, the Grantor's family may be afforded privacy with respect to the nature and amount of trust assets and the identity of the beneficiaries.
- The Trustee can distribute or manage trust assets immediately upon the Grantor's death and does not need to wait for admission of the will or other time consuming probate delays. "Ancillary" probate proceedings for property located in another state can be avoided.
- Probate and administrative costs can be reduced.
- Some estate planning can be accomplished.

Disadvantages of a Revocable Living Trust

- All trust assets are includable in the Grantor's gross estate for estate tax purposes.
- Establishment of the trust may generate legal costs and trustee fees.
- If probate avoidance is desired, assets generally need to be transferred to the trust during the lifetime of the Grantor.

Life Insurance in Trust

How it Works

In general, the proceeds of a life insurance policy pass free of probate unless the beneficiary of the policy is the insured person or the insured's estate. If the insured or the insured's estate is the beneficiary, the proceeds of the policy are payable to the insured's estate and are subject to the probate process.

The value of any policies owned by an individual at death are subject to estate taxes. If an individual possesses certain rights (known as incidents of ownership) over a policy insuring his or her own life, the value of the policy is generally included in the individual's gross estate for estate tax purposes at the individual's death.

Frequently, a couple will think they are safe from estate taxes if they own policies on each other. They may not be. Take for example the husband who is the owner and beneficiary of a policy on his wife. The wife dies first. The husband generally receives the proceeds of the life insurance policy free of income and estate taxes, but the funds remaining at his death become part of his gross estate for estate tax purposes. If the husband dies first, the value (not the death benefit, but the interpolated terminal reserve) of the policy would be includible in his estate.

Life insurance policies are often transferred to an irrevocable life insurance trust, in order to avoid the estate taxes that may result from owning a policy or from holding incidents of ownership in one. Other objectives may also be accomplished by such a transfer.

Pitfalls of Life Insurance in a Trust

The grantor cannot terminate or change the terms of an irrevocable life insurance trust once it is established and he does not have access to the funds in it.

If the insured transfers an existing policy to the trustee and then dies within the next three years, the value of the policy is includible in the estate for estate tax purposes under the Three Year Rule of IRC Section 2035. To avoid this possible pitfall, the trustee of the life insurance trust often purchases a new policy using cash in the trust, so that the insured is not transferring a policy to the trust.

Frequently, the policy premiums for a policy in trust will be paid by the trustee with money received as a gift from the grantor. These transfers to the trust for premium payments may not qualify for the annual $14,000 gift tax exclusion because they are considered to be gifts of "future interest" rather than a "present interest." To avoid this possible pitfall, the beneficiaries of the trust are given a limited power to withdraw funds (known as a "Crummey power"). Proper withdrawal rights generally make the gift a present interest and may allow the gift to qualify for the annual gift tax exclusion. Gifts to an irrevocable trust which do not qualify for the annual gift tax exclusion may trigger a gift tax or a reduction in the available Unified Credit for federal estate tax purposes.

The $14,000 gift tax exclusion is adjusted annually for inflation. Adjustments will be rounded to the next lowest multiple of $1,000.

Disability

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

Before age 65, it is 2.82 times more likely that Joe will suffer a long-term disability than die![1]

Before age 65, it is 5.25 times more likely that Mary will suffer a long-term disability than die![1]

Long-term disability is another life uncertainty that prevents the accumulation of wealth.

- Salary stops
- Living expenses continue (medical care often increases)
- Retirement contributions stop

Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you are disabled for 6 months or longer prior to your normal retirement, you can receive a monthly benefit for you, your spouse and children under 18 years of age, subject to a family maximum benefit. To qualify for Social Security disability benefits, you must not be able to perform any substantial employment. Benefits begin after a full five-month waiting period and continue as long as you are disabled. The estimated initial monthly Social Security disability benefit is $4,030.

Disability Income Replacement

Long-term disability income coverage may be available through employer benefit programs and individual disability income plans. The maximum benefit available is usually limited to a portion of pre-disability earnings. Generally, group insurance has higher limits but must be coordinated with Social Security benefits and other employer disability plans. Individual coverage is normally limited to 60% of salary. Some policies pay benefits for a limited number of years, while others will pay benefits until retirement. The definition of disability is one of the most important features of any disability income policy.

[1] Based on the 1985 Commissioner's Individual Disability A Tables for occupation class 1 (white collar). Disability is expected to last more than 2 years following a 60-day elimination period.

Joe's Disability Income Needs

Cash Flow Failure
Occurs in 2025

Estimated Initial Social Security Disability Benefit:[1]
$4,030

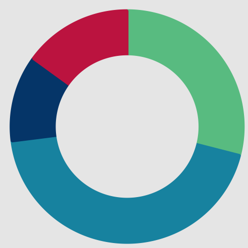
Reduction in Net Worth if Disabled Now until Retirement:
72.04%

Disability Income Needed

Joe, if you suffered a long-term disability today, most of your needs, or monthly lifestyle expenses, would continue. These needs may change in later years. This illustration assumes they will increase for inflation at 3.00% per year.

Income Sources

Income Sources	
Salary and Other Income	29%
Estimated Social Security[1]	44%
Retirement Plans	12%
Assets Used	0%
Shortfall	15%

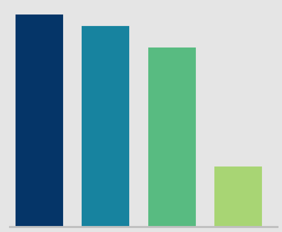


Assumes Joe is disabled today and remains disabled until retirement.

Protect Your Greatest Asset—Your Ability to Earn

Consider the effects of a long-term disability. What if you were out of work for two years? Five Years? Until Retirement? A disability before retirement may greatly reduce the amount of assets you will have available for retirement. You should consider disability income insurance based on the amount of benefits for which you qualify.

Condition Considered	Net Worth at Retirement	% Reduction in Net Worth
Not Disabled	$2,605,105	—
Disabled for Next 2 Years	$2,463,053	5.45%
Disabled for Next 5 Years	$2,198,246	15.62%
Disabled Now until Retirement	$728,366	72.04%



[1] Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Joe's Social Security are estimates based on salary and Mary's Social Security are estimates based on salary. This is an estimate of the monthly benefit available. Actual disability benefits may be greater or less than the amount shown.

Joe's Disability Income Details

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security benefits may provide a portion of needed income. How long would your present assets provide the necessary funds? This illustrates the estimated cash flow if Joe became disabled today and remained disabled until retirement.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2017	$75,750	$0	$22,050	$60,000	$28,214	$9,586	-	$333,846
2018	78,708	0	26,110	61,200	49,333	0	-	368,023
2019	80,673	0	30,087	62,424	50,320	0	-	399,962
2020	82,696	0	30,770	63,672	51,326	0	-	433,020
2021	84,516	0	31,464	64,946	52,353	0	-	467,253
2022	84,526	0	32,171	66,245	53,400	0	-	502,650
2023	86,736	0	32,896	67,570	54,468	0	-	539,208
2024	89,012	0	33,638	68,921	55,557	0	-	576,983
2025	281,371	0	34,393	70,300	56,668	132,196	56,600	609,643
2026	93,769	11,381	41,758	71,706	44,957	19,615	10,631	610,870
2027	96,255	28,135	35,920	73,140	39,305	4,845	43,020	595,232
2028	98,814	28,979	36,713	74,602	40,091	0	49,812	579,125
2029	101,450	29,848	37,533	76,095	40,893	0	51,843	562,575
2030	104,165	17,934	38,369	77,616	41,711	0	41,141	558,401
2031	106,961	0	39,224	79,169	42,545	0	24,471	572,659
2032	109,840	0	40,096	80,752	43,396	0	25,788	587,456
2033	112,805	0	40,987	82,367	44,264	0	27,160	602,835
2034	115,858	0	41,896	84,014	45,149	0	28,590	618,844
2035	119,003	0	42,824	85,695	46,052	0	30,080	635,535
2036	117,192	0	43,772	87,409	46,973	0	26,581	652,931
2037	115,376	0	44,730	89,157	47,913	0	23,036	670,869
2038	118,811	0	45,638	90,940	48,871	0	24,638	689,428
2039	122,348	0	46,551	92,759	49,849	0	26,291	708,687
R 2040	125,990	0	47,482	108,640	50,846	0	13,986	728,366
2041	129,742	0	52,640	130,519	51,862	0	-	742,762
2042	131,144	0	29,458	107,702	52,900	0	-	694,788
2043	134,571	0	40,878	83,721	91,728	0	-	649,473
2044	138,608	0	48,507	80,711	106,405	0	-	604,237
2045	142,767	0	48,941	83,175	108,533	0	-	553,367
2046	147,050	0	50,580	86,926	110,704	0	-	495,164

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.
R-Retirement assumed to begin in this year.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2047	151,461	0	52,939	91,482	112,918	0	-	428,333
2048	156,005	0	55,750	96,578	115,176	0	-	351,781
2049	160,685	0	58,343	101,549	117,480	0	-	265,051
2050	165,506	0	60,422	50,334	119,829	0	55,764	169,769
2051	170,471	0	33,794	0	122,226	0	82,039	98,514
2052	175,585	0	6,164	0	124,670	0	57,078	52,435
2053	180,853	0	6,475	0	127,164	0	60,164	3,490
2054	186,278	0	6,793	0	129,707	0	63,364	-48,431
2055	191,866	0	7,118	0	132,301	0	66,683	-103,441
2056	197,622	0	7,448	0	134,947	0	70,124	-161,659

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated "Do Not Use," or restricted are not considered available.)
[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

Mary's Disability Income Needs

Cash Flow Success

Estimated Initial Social Security Disability Benefit:[1]

$4,030

Reduction in Net Worth if Disabled Now until Retirement:

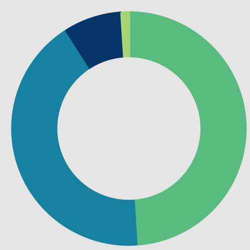
15.30%

Disability Income Needed

Mary, if you suffered a long-term disability today, most of your needs, or monthly lifestyle expenses, would continue. These needs may change in later years. This illustration assumes they will increase for inflation at 3.00% per year.

Income Sources

Salary and Other Income	49%
Estimated Social Security[1]	42%
Retirement Plans	8%
Assets Used	1%
Shortfall	0%

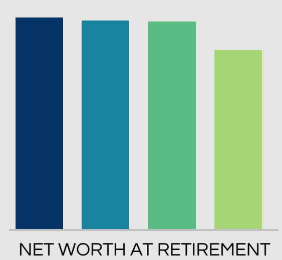


Assumes Mary is disabled today and remains disabled until retirement.

Protect Your Greatest Asset—Your Ability to Earn

Consider the effects of a long-term disability. What if you were out of work for two years? Five Years? Until Retirement? A disability before retirement may greatly reduce the amount of assets you will have available for retirement. You should consider disability income insurance based on the amount of benefits for which you qualify.

Condition Considered	Net Worth at Retirement	% Reduction in Net Worth
Not Disabled	$2,605,105	—
Disabled for Next 2 Years	$2,571,704	1.28%
Disabled for Next 5 Years	$2,554,804	1.93%
Disabled Now until Retirement	$2,206,480	15.30%



[1] Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on the information you provided, Joe's Social Security are estimates based on salary and Mary's Social Security are estimates based on salary. This is an estimate of the monthly benefit available. Actual disability benefits may be greater or less than the amount shown.

Mary's Disability Income Details

Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security benefits may provide a portion of needed income. How long would your present assets provide the necessary funds? This illustrates the estimated cash flow if Mary became disabled today and remained disabled until retirement.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	**Living Expenses**[1]	**Education & Spending Goals**	**Tax Payments & Withholdings**[2]	**Salary & Other Income**[3]	**Social Security**[4]	**Payments from Available Assets**	**Shortfall**[5]	**Net Worth**[6]
2017	$77,550	$0	$44,100	$120,000	$28,214	$0	-	$373,259
2018	80,544	0	48,650	122,400	49,333	0	-	448,137
2019	82,546	0	53,188	124,848	50,320	0	-	522,046
2020	84,607	0	54,434	127,345	51,326	0	-	598,391
2021	86,465	0	55,555	129,892	52,353	0	-	677,417
2022	86,513	0	56,698	132,490	53,400	0	-	759,159
2023	88,763	0	57,868	135,139	54,468	0	-	843,664
2024	91,079	0	59,066	137,842	55,557	0	-	931,037
2025	283,480	0	60,287	140,599	56,668	146,500	-	1,019,800
2026	95,920	11,381	61,057	143,411	44,957	0	-	1,087,452
2027	98,449	28,135	62,217	146,279	39,305	3,216	-	1,133,906
2028	101,052	28,979	63,429	149,205	40,091	4,164	-	1,182,001
2029	103,733	29,848	64,603	152,189	40,893	5,102	-	1,231,913
2030	106,493	17,934	65,797	155,233	41,711	0	-	1,296,578
2031	109,336	0	67,018	158,337	42,545	0	-	1,382,375
2032	112,262	0	68,332	161,504	43,396	0	-	1,471,515
2033	115,276	0	69,690	164,734	44,264	0	-	1,564,142
2034	118,379	0	71,074	168,029	45,149	0	-	1,660,428
2035	121,574	0	72,485	171,390	46,052	0	-	1,760,553
2036	119,814	0	73,923	174,817	46,973	0	-	1,864,692
2037	118,051	0	75,383	178,314	47,913	0	-	1,972,899
2038	121,539	0	76,825	181,880	48,871	0	-	2,085,401
2039	125,130	0	78,283	185,518	49,849	0	-	2,202,434
R 2040	123,625	0	19,869	15,769	50,846	76,879	-	2,206,480
2041	126,846	0	3,433	0	92,200	38,079	-	2,252,276

[1] Basic expenses, loan payments, and retirement contributions.
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[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.
R-Retirement assumed to begin in this year.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[6]
2042	130,652	0	4,484	0	102,273	32,863	-	2,307,578
2043	134,571	0	5,607	0	104,319	35,860	-	2,364,428
2044	138,608	0	5,694	0	106,405	37,898	-	2,424,058
2045	142,767	0	5,773	28,192	108,533	11,814	-	2,486,688
2046	147,050	0	21,491	29,835	110,704	28,002	-	2,535,354
2047	151,461	0	22,542	41,004	112,918	20,081	-	2,584,763
2048	156,005	0	28,869	43,389	115,176	26,308	-	2,629,174
2049	160,685	0	30,342	45,910	117,480	27,637	-	2,673,427
2050	165,506	0	31,884	48,574	119,829	28,987	-	2,717,439
2051	170,471	0	33,503	51,389	122,226	30,359	-	2,761,114
2052	175,585	0	35,201	54,165	124,670	31,951	-	2,804,348
2053	180,853	0	36,874	57,294	127,164	33,268	-	2,847,142
2054	186,278	0	38,871	60,293	129,707	35,149	-	2,888,681
2055	191,866	0	44,681	63,503	132,301	40,744	-	2,924,279
2056	197,622	0	47,483	66,784	134,947	43,375	-	2,956,729

[1] Basic expenses, loan payments, and retirement contributions.
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[6] Net Worth is equal to the estimated value of all assets less liabilities and cumulative annual shortfalls.

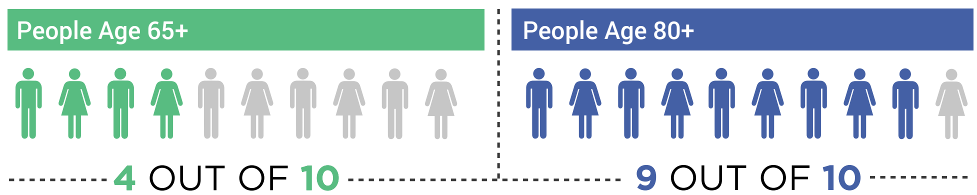
What if You Need Long-Term Care?

Preparing for long-term care means thinking ahead and being prepared for the consequences of needing long-term care. While almost all people face long-term care at some point in their lives, few adequately consider its financial burden.

Odds of Needing Long-Term Care

The possibility of needing long-term care is one of the greatest threats to your personal well-being, financial goals and financial security. As people live longer, these odds are likely to increase.

Who Will Need Long Term Care?[1]



Your Possible Cost[2]

- If Joe had a nursing home stay at age 70, the expected cost could be $106,622.
- If Mary had a nursing home stay at age 70, the expected cost could be $113,115.

$92,378
Median annual cost for a nursing home in a private room.[1]

4%
Average increase in cost of long term care over the past 5 years.[1]

Paying for Long-Term Care

- Medicare and Medicaid—These government benefits are occasionally available after you have depleted your assets.
- Use Retirement Savings—Will you risk your life-long savings? Will you run out of money?
- Depend on Family—What will be the total impact on your family?
- Long-Term Care Insurance—Insurance is available to protect you and your family, but it must be obtained before incurring the long-term care expense.

[1] "Genworth 2016 Cost of Care Survey," Genworth Financial, Inc. and National Eldercare Referral Systems, LLC (CareScout®), April 2016
[2] Based on the general inflation rate of 3.00%.

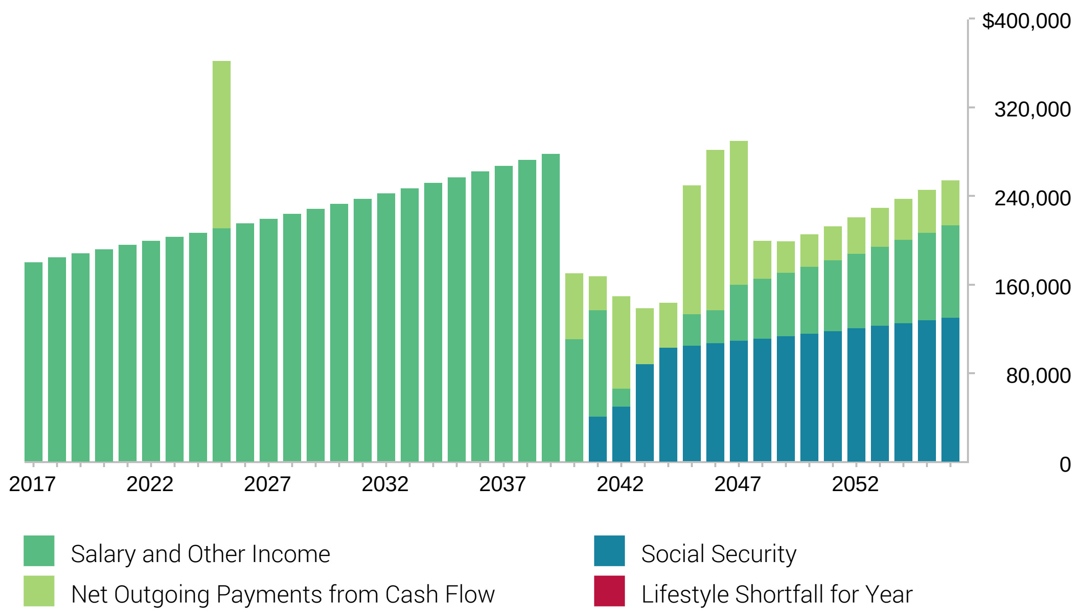
What if Joe Needs Long-Term Care

Cash Flow Success

Estimated income and assets appear to be sufficient to provide for Joe's long term care needs.

Long-Term Care Annual Needs

This illustration assumes that Joe has a nursing home stay starting at age 70 and ending after 3 years. Costs are estimated based on $4,000 per month today increased for the general inflation rate.



Don't let an unexpected expense ruin your plans

The best way to protect you from unexpected expenses like nursing home stays is through various forms of insurance. Long-term care insurance can provide additional funds to help cover the cost of a nursing home stay, but you cannot wait until you need it to get it.

Joe's Long-Term Care Details

This illustration assumes that Joe has a nursing home stay starting at age 70 and ending after 3 years. Costs are estimated based on $4,000 per month today increased for the general inflation rate.

		OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
	Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[5]
	2017	$79,350	$0	$66,150	$180,000	$0	$0	-	$384,388
	2018	82,380	0	66,374	184,699	0	0	-	454,984
	2019	84,418	0	67,763	188,332	0	0	-	528,181
	2020	86,517	0	69,286	191,922	0	0	-	603,979
	2021	88,413	0	70,691	195,583	0	0	-	682,637
	2022	88,501	0	72,123	199,318	0	0	-	764,208
	2023	90,790	0	73,622	203,091	0	0	-	848,724
	2024	93,147	0	75,207	206,882	0	0	-	936,251
	2025	285,589	0	76,787	210,899	0	151,477	-	1,025,371
	2026	98,071	11,381	77,861	215,306	0	0	-	1,106,543
	2027	100,643	28,135	79,392	219,481	0	0	-	1,173,752
	2028	103,290	28,979	81,033	223,807	0	0	-	1,243,411
	2029	106,016	29,848	82,643	228,284	0	0	-	1,315,737
	2030	108,822	17,934	84,280	232,849	0	0	-	1,403,705
	2031	111,711	0	85,955	237,506	0	0	-	1,513,733
	2032	114,685	0	87,740	242,256	0	0	-	1,628,068
	2033	117,747	0	89,580	247,101	0	0	-	1,746,896
	2034	120,899	0	91,457	252,043	0	0	-	1,870,435
	2035	124,144	0	93,370	257,084	0	0	-	1,998,919
	2036	122,436	0	95,320	262,226	0	0	-	2,132,571
	2037	120,725	0	97,303	267,471	0	0	-	2,271,502
	2038	124,267	0	99,281	272,820	0	0	-	2,415,995
	2039	127,913	0	101,287	278,276	0	0	-	2,566,348
R	2040	126,463	0	43,431	110,383	0	59,511	-	2,605,105
	2041	129,742	0	37,414	96,506	40,338	30,311	-	2,677,135
	2042	131,144	0	18,122	16,406	49,373	83,486	-	2,696,976
	2043	134,571	0	4,019	0	88,132	50,459	-	2,753,943
	2044	138,608	0	4,524	0	102,736	40,396	-	2,826,547
L	2045	243,436	0	6,183	28,192	104,791	116,635	-	2,800,219
	2046	260,165	0	21,644	29,835	106,887	145,087	-	2,747,406

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
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[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated “Do Not Use,” or restricted are not considered available.)
R-Retirement assumed to begin in this year.
L -Long-term care assumed to begin in this year.

	OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
Year	**Living Expenses**[1]	**Education & Spending Goals**	**Tax Payments & Withholdings**[2]	**Salary & Other Income**[3]	**Social Security**[4]	**Payments from Available Assets**	**Shortfall**[5]	**Net Worth**[5]
2047	267,970	0	22,054	51,069	109,024	129,930	-	2,692,259
2048	166,005	0	33,298	54,040	111,205	34,059	-	2,732,839
2049	160,685	0	38,172	57,181	113,429	28,247	-	2,779,157
2050	165,506	0	39,867	60,500	115,698	29,175	-	2,824,323
2051	170,471	0	42,173	64,007	118,012	30,625	-	2,867,541
2052	175,585	0	45,009	67,515	120,372	32,707	-	2,907,475
2053	180,853	0	48,241	71,418	122,779	34,896	-	2,943,045
2054	186,278	0	51,099	75,163	125,235	36,979	-	2,974,231
2055	191,866	0	53,791	79,231	127,740	38,687	-	3,000,803
2056	197,622	0	56,683	83,333	130,294	40,679	-	3,022,120

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated “Do Not Use,” or restricted are not considered available.)

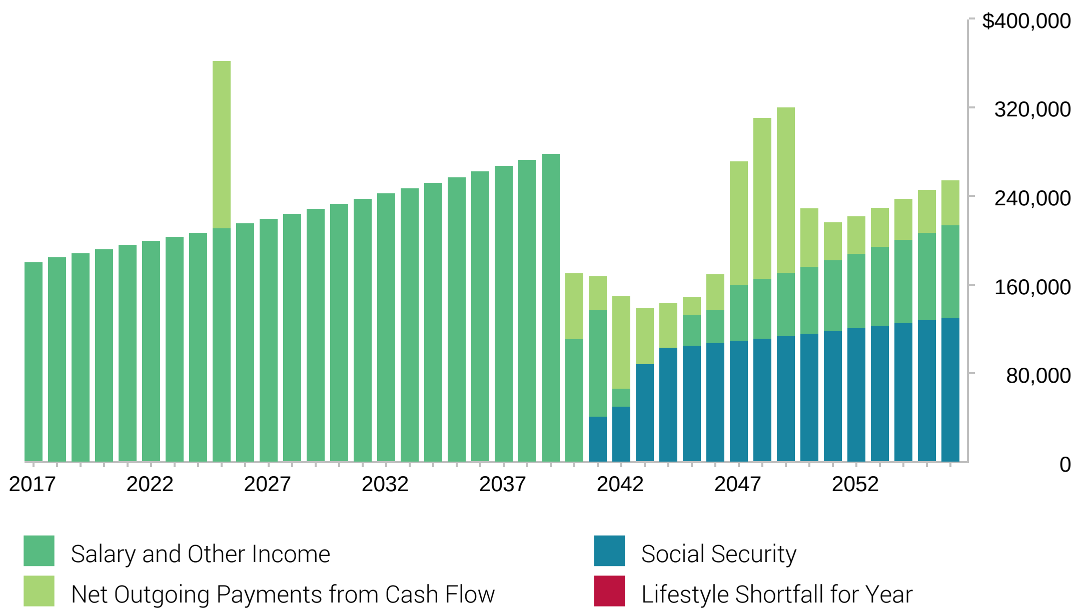
What if Mary Needs Long-Term Care

Cash Flow Success

Estimated income and assets appear to be sufficient to provide for Mary's long term care needs.

Long-Term Care Annual Needs

This illustration assumes that Mary has a nursing home stay starting at age 70 and ending after 3 years. Costs are estimated based on $4,000 per month today increased for the general inflation rate.



Don’t let an unexpected expense ruin your plans

The best way to protect you from unexpected expenses like nursing home stays is through various forms of insurance. Long-term care insurance can provide additional funds to help cover the cost of a nursing home stay, but you cannot wait until you need it to get it.

Mary's Long-Term Care Details

This illustration assumes that Mary has a nursing home stay starting at age 70 and ending after 3 years. Costs are estimated based on $4,000 per month today increased for the general inflation rate.

		OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
	Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[5]
	2017	$79,350	$0	$66,150	$180,000	$0	$0	-	$384,388
	2018	82,380	0	66,374	184,699	0	0	-	454,984
	2019	84,418	0	67,763	188,332	0	0	-	528,181
	2020	86,517	0	69,286	191,922	0	0	-	603,979
	2021	88,413	0	70,691	195,583	0	0	-	682,637
	2022	88,501	0	72,123	199,318	0	0	-	764,208
	2023	90,790	0	73,622	203,091	0	0	-	848,724
	2024	93,147	0	75,207	206,882	0	0	-	936,251
	2025	285,589	0	76,787	210,899	0	151,477	-	1,025,371
	2026	98,071	11,381	77,861	215,306	0	0	-	1,106,543
	2027	100,643	28,135	79,392	219,481	0	0	-	1,173,752
	2028	103,290	28,979	81,033	223,807	0	0	-	1,243,411
	2029	106,016	29,848	82,643	228,284	0	0	-	1,315,737
	2030	108,822	17,934	84,280	232,849	0	0	-	1,403,705
	2031	111,711	0	85,955	237,506	0	0	-	1,513,733
	2032	114,685	0	87,740	242,256	0	0	-	1,628,068
	2033	117,747	0	89,580	247,101	0	0	-	1,746,896
	2034	120,899	0	91,457	252,043	0	0	-	1,870,435
	2035	124,144	0	93,370	257,084	0	0	-	1,998,919
	2036	122,436	0	95,320	262,226	0	0	-	2,132,571
	2037	120,725	0	97,303	267,471	0	0	-	2,271,502
	2038	124,267	0	99,281	272,820	0	0	-	2,415,995
	2039	127,913	0	101,287	278,276	0	0	-	2,566,348
R	2040	126,463	0	43,431	110,383	0	59,511	-	2,605,105
	2041	129,742	0	37,414	96,506	40,338	30,311	-	2,677,135
	2042	131,144	0	18,122	16,406	49,373	83,486	-	2,696,976
	2043	134,571	0	4,019	0	88,132	50,459	-	2,753,943
	2044	138,608	0	4,524	0	102,736	40,396	-	2,826,547
	2045	142,767	0	6,183	28,192	104,791	15,966	-	2,901,308
	2046	147,050	0	21,878	29,835	106,887	32,205	-	2,962,911

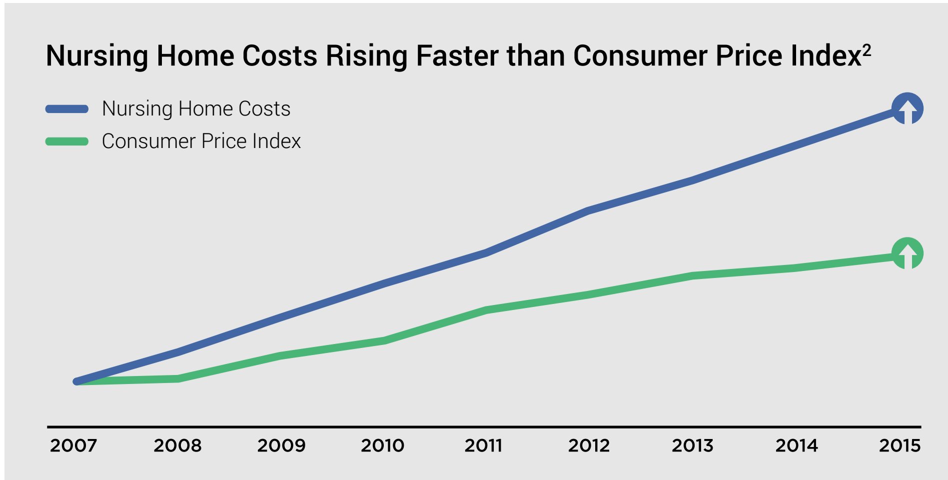
[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated “Do Not Use,” or restricted are not considered available.)
R-Retirement assumed to begin in this year.

		OUTGOING PAYMENTS			EXPECTED INCOME		ASSETS		
	Year	Living Expenses[1]	Education & Spending Goals	Tax Payments & Withholdings[2]	Salary & Other Income[3]	Social Security[4]	Payments from Available Assets	Shortfall[5]	Net Worth[5]
L	2047	248,552	0	22,905	51,069	109,024	111,363	-	2,928,658
	2048	276,009	0	34,590	54,040	111,205	145,354	-	2,860,304
	2049	284,289	0	35,745	57,181	113,429	149,424	-	2,787,316
	2050	186,724	0	41,952	60,500	115,698	52,478	-	2,808,754
	2051	170,471	0	45,502	64,007	118,012	33,954	-	2,847,663
	2052	175,585	0	45,933	67,515	120,372	33,631	-	2,885,236
	2053	180,853	0	48,363	71,418	122,779	35,019	-	2,919,121
	2054	186,278	0	51,116	75,163	125,235	36,996	-	2,948,615
	2055	191,866	0	53,793	79,231	127,740	38,690	-	2,973,392
	2056	197,622	0	56,684	83,333	130,294	40,679	-	2,992,789

[1] Basic expenses, loan payments, and retirement contributions.
[2] All payroll withholding taxes, including any FICA taxes, plus additional tax payments (income and capital gains tax). Refunds are shown as other income in the year received.
[3] Salary, other income, dividends, and other distributions from holdings, new loan proceeds, and retirement plan distributions
[4] Benefits may be reduced for earnings from current work prior to full retirement age (FRA). FRA for Joe is age 67 and FRA for Mary is age 67.
[5] The sum of the amount the monthly outgoing payments exceeded the expected income after using any assets available for the needed cash flow. (Assets designated “Do Not Use,” or restricted are not considered available.)
L -Long-term care assumed to begin in this year.

Historic Long-Term Care Costs

When predicting long-term care costs in the future, past average inflation rate is often sought. Historically, long-term care costs have increased at an average of 4% per year.[1] However, past experience is no assurance of what will happen in the future. Preparing for the anticipated future expenses of long-term care is an important step towards developing a realistic analysis.

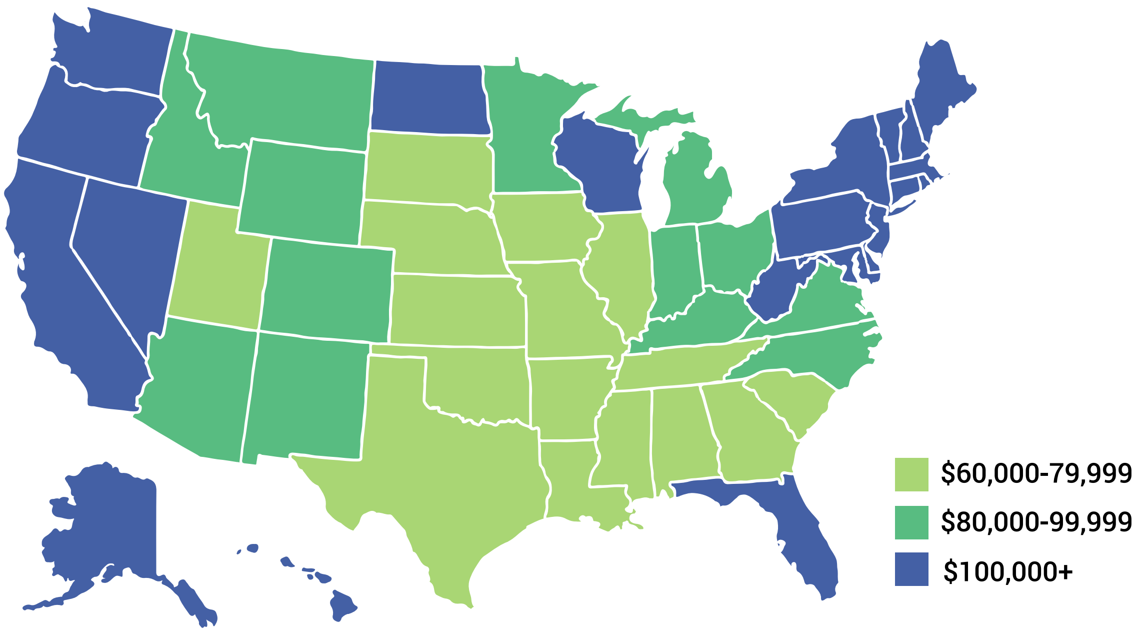


Even in this period of moderate inflation, the cost of long-term care increased twice the Consumer Price Index rate.

[1] "Genworth 2016 Cost of Care Survey," Genworth Financial, Inc. and National Eldercare Referral Systems, LLC (CareScout®), April 2016
[2] Source: US Consumer Price Index for Nursing Home Costs, 2007-2015

Median Long-Term Care Costs, By State

Long-term care expenses vary by state. Rather than receiving long-term care in your state of residence, you may choose to move to a different state so that you're closer to relatives. The median U.S. long-term care cost for 2016 was $92,378[1].



State	Average Cost
Alabama	$75,190
Alaska	297,840
Arizona	86,742
Arkansas	70,343
California	112,055
Colorado	97,546
Connecticut	160,600
Delaware	118,808
DC	137,058
Florida	100,375
Georgia	74,095
Hawaii	141,310
Idaho	88,878
Illinois	74,825
Indiana	91,980
Iowa	73,000
Kansas	67,525

State	Average Cost
Kentucky	$83,768
Louisiana	61,663
Maine	108,223
Maryland	113,333
Massachusetts	144,175
Michigan	98,185
Minnesota	97,032
Mississippi	79,030
Missouri	63,171
Montana	83,220
Nebraska	76,833
Nevada	103,773
New Hampshire	123,370
New Jersey	133,835
New Mexico	86,742
New York	135,963
North Carolina	89,425

State	Average Cost
North Dakota	$129,276
Ohio	87,600
Oklahoma	60,225
Oregon	107,310
Pennsylvania	116,800
Rhode Island	114,975
South Carolina	79,147
South Dakota	78,110
Tennessee	75,719
Texas	71,175
Utah	76,650
Vermont	106,763
Virginia	89,060
Washington	107,675
West Virginia	104,390
Wisconsin	102,200
Wyoming	88,505

[1] "Genworth 2016 Cost of Care Survey," Genworth Financial, Inc. and National Eldercare Referral Systems, LLC (CareScout®), April 2016

Understanding the Costs of Long-Term Care

Home Health Care

One area of particular interest is being able to afford to have somebody come into your home and help out. Just about everybody would prefer to be able to stay in their own home as long as possible, and there are several health care options which can help you do this. But it can still hasten the erosion of your retirement assets. Home care costs, on a full time basis, can easily be equivalent to those costs in a nursing facility.

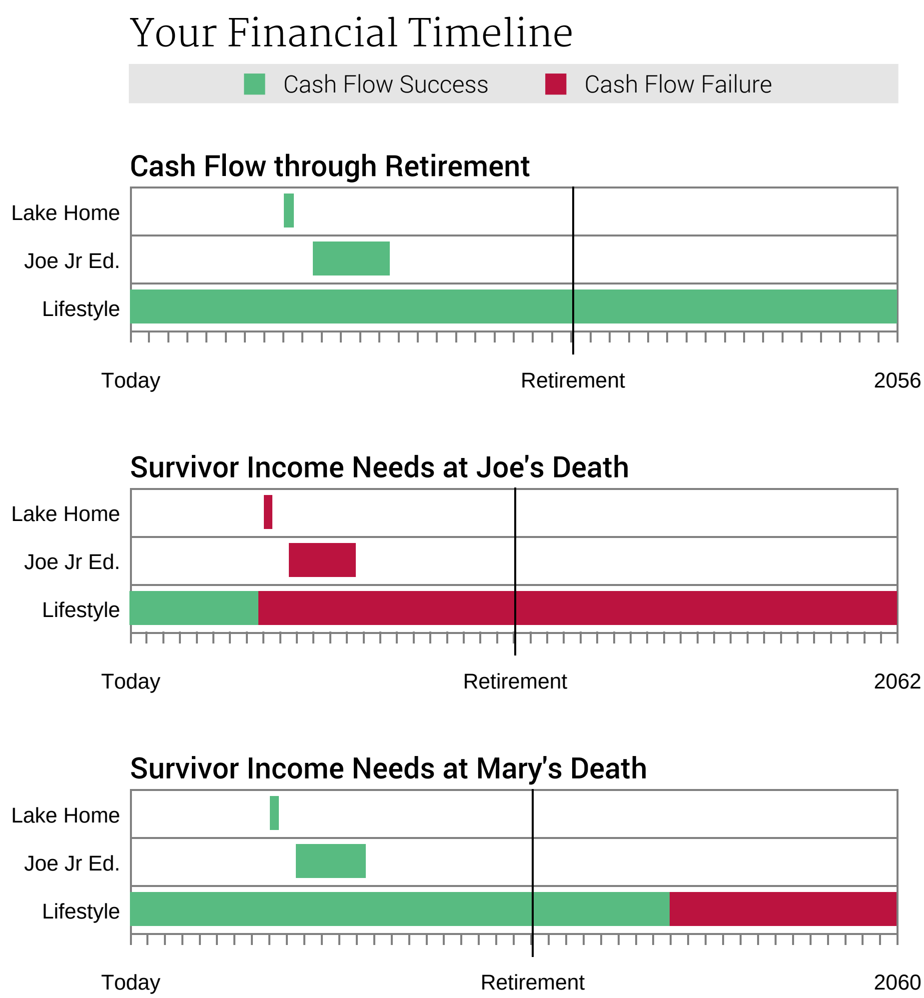
There are several issues that have been considered when evaluating your personal situation, and whether long-term care insurance is appropriate for you, long-term care insurance can:

- Protect assets from being eroded by health-care costs, in order to conserve them for future use
- Preserve an estate so that it may ultimately be passed to the next generation
- Protect against the catastrophic impact of a major long-term illness
- Provide you with the option of being able to stay in your home and receive the level of care needed

Financial Needs Summary

Will your present analyses provide the funds to meet your financial goals and maintain your lifestyle? Do your analyses work for different needs? Do your analyses consider death, disability, retirement, and long-term care?

Your financial timeline below assumes you pay for each need as it occurs. Funds designated for a specific need such as education or retirement are used for those needs. Some funds, such as your home, may be designated as "Do Not Use." The remaining assets supplement your income to provide the remaining needs and goals. These timelines show whether your cash flow is sufficient to meet your needs as they occur while using only those assets you have made available.



Cash Flow Failure
Occurs October, 2024

Value of Shortfall[1]
$1,424,168

Cash Flow Failure
Occurs January, 2048

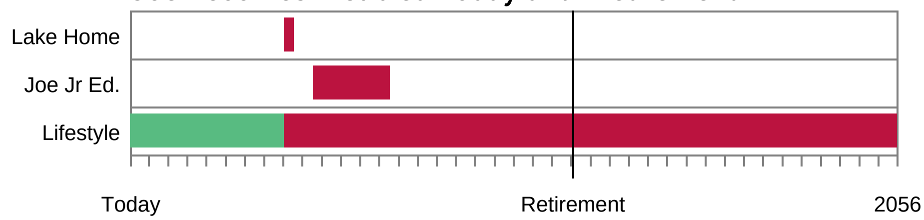
Value of Shortfall[1]
$533,720

[1] In Today's Dollars

Your Financial Timeline (Continued)

Cash Flow Success   Cash Flow Failure

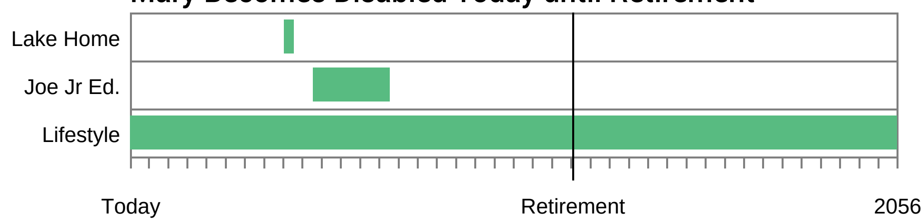
Joe Becomes Disabled Today until Retirement



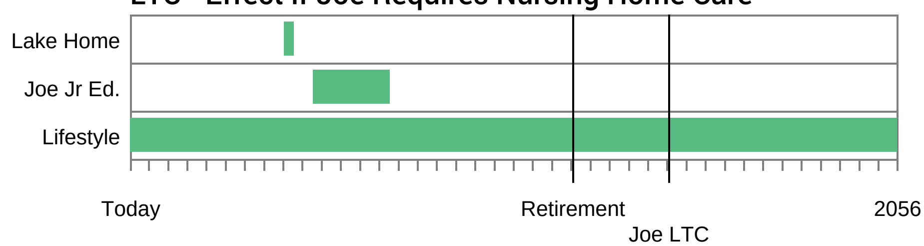
Cash Flow Failure
Occurs February, 2025

Value of Shortfall[1]
$483,394

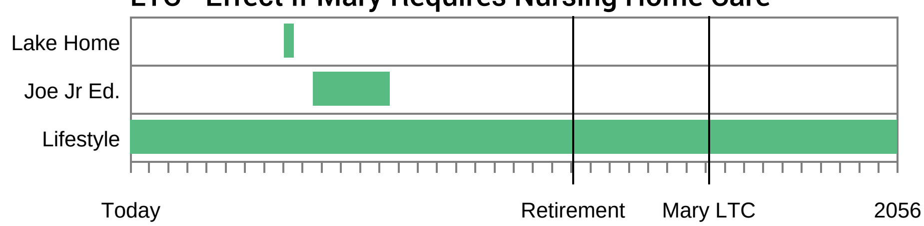
Mary Becomes Disabled Today until Retirement



LTC—Effect if Joe Requires Nursing Home Care



LTC—Effect if Mary Requires Nursing Home Care



[1] In Today's Dollars

Confirmation of Facts

PERSONAL INFORMATION

Joe Anderson

Age: 41 Male

Born: Feb. 02, 1975

Mary Anderson

Age: 39 Female

Born: Mar. 03, 1977

Joe and Mary are married.

Contact Info

Home Phone: 704-688-4000

Email Address:

Mailing Address

123 Charlotte St

Charlotte , NC 28204

CHILDREN AND DEPENDENTS

Name	Date of Birth	Gender	Relationship	Dependent of
Joe Jr	Apr. 04, 2008	Male	Child	Joe, Mary

SALARIES

Employer	Employee	Current Salary	Frequency	Inflation Rate
ABC Inc.	Joe	$10,000	Monthly	2.000%
XYZ Inc.	Mary	$5,000	Monthly	2.000%

CHECKING, SAVINGS, CDs

Account Name	Owner	Current Balance	Balance As Of	Interest Rate	
Joint Family Checking Account	Joe, Mary	$24,000	Jan. 20, 2017	1.000%	This asset is the Cash Account

MUTUAL FUNDS

					Rates		
Name/Symbol	Owner	Account Balance	Balance As Of	Basis	Qual. Div.	Cap. Gains	App.
Mutual Fund	Joe	$18,000	Jan. 20, 2017	$18,000	0.000%[1]	0.000%[1]	4.000%

STOCKS

Name/Symbol	Owner	Current Value	Balance As Of	Basis	Div. Rate	App. Rate
Diversified Stocks	Joe	$45,000	Jan. 20, 2017	$45,000	0.000%[1]	7.000%

EDUCATIONAL SAVINGS

Name	Owner	Account Balance	Balance As Of	Growth Rate	Type
Joe Jr's 529 Plan	Joe	$10,000	Jan. 20, 2017	5.000%	529

RETIREMENT PLANS

Name	Owner	Current Balance	Balance As Of	Growth Rate	Owner Contrib.	Employer Contrib.
Joe's Retirement Plan	Joe	$60,000	Jan. 20, 2017	6.000%	3.000%	2.000%
Mary's Retirement Plan	Mary	$45,000	Jan. 20, 2017	6.000%	3.000%	2.000%

[1] Dividends are assumed to be reinvested in similar investments.

RESIDENCES

Family Home

Owner	Current Value	Balance As Of	Cost Basis	Appreciation Rate
Joe, Mary	$275,000	Jan. 20, 2017	$275,000	2.000%

Personal Loan Secured by this Asset

Balance as of	Mortgage Balance	Payment	Frequency	Interest Rate
Jan. 20, 2017	$150,000	$850	Monthly	3.000%

ESSENTIAL LIVING EXPENSES

Description	Amount	Frequency	Inflation	Tax Deductible[1]	Percent Continuing after First Death	Percent Continuing after First Disability	Percent Continuing after First Retirement
Joint General Living Expenses	$4,200	Monthly	3%	No	100%	100%	100%
Already started and ending after the illustration.							
Joint Entertainment/Dining	$1,000	Monthly	3%	No	100%	100%	100%
Already started and ending after the illustration.							

EDUCATION EXPENSES

Description	Amount	Frequency	Percent of Estimated Aid
The University of North Carolina at Chapel Hill	$20,935	Annual	0%
Starting when Joe Jr turns 18 and ending after 4 years.			

DEBT

Liability Name	Owner	Payment Amount	Frequency	Current Balance	Balance As Of	Interest Rate
Family Home	Joe, Mary	$850	Monthly	$150,000	Jan. 20, 2017	3.000%
Car loan	Joe, Mary	$200	Monthly	$10,000	Jan. 20, 2017	6.000%

FUTURE PURCHASE

Description	Future Owners	Anticipated Cost	Growth	Start	Percent Financed	Interest Rate
Lake Home	Joe, Mary	$150,000	0.000%	Feb. 02, 2025		

CASH SOURCES

Cash Source	Restriction
Joint Family Checking Account	Unrestricted
Mutual Fund	Unrestricted
Diversified Stocks	Unrestricted
Joe's Retirement Plan	
Mary's Retirement Plan	

[1] Deductions for charitable contributions and medical/prescriptions are subject to limitations.

Assumptions

No one knows the future or the exact sequence of events that may occur. Your plan is built on all of the facts you have shared, but it is still necessary to make various assumptions to illustrate your financial situation. You should be sure that you understand all of the assumptions listed here and that they correctly reflect your situation and desires. Assumptions appear with the section that are applicable. The following assumptions are of a more general nature and apply throughout your plan. Also, some assumptions required additional explanations.

Social Security

Joe is eligible for Social Security benefits. Joe's Social Security benefits are estimated based on a ratio of salary to maximum benefits. Joe plans to take Social Security retirement benefits starting at age 66.

Mary is eligible for Social Security benefits. Mary's Social Security benefits are estimated based on a ratio of salary to maximum benefits. Mary plans to take Social Security retirement benefits starting at age 66.

Ages and Events

Ages illustrated are based on the age as of the last birthday.

Calculation Date

The starting date for the calculations in this report is January 20, 2017. Assets that were entered with a valuation date more than one month prior to this date have their value adjusted for appreciation to approximate the value of the asset on this calculation date.

Calendar Year Processing

Each year of the illustration ends with December. The current year will calculate from the month of the Calculation Date through December of that year.

Nature of Monthly Calculations

Calculations are made each month, based on the amounts available at the start of the month. No attempt is made to determine the exact date within a month various transactions occur.

Interest Rates and Earnings

Interest and earnings are credited for 1/12th of the annual amount requested for each month. This is for the purpose of helping to determine the applicable cash flow and does not represent a guarantee of this or any interest or earnings. All rates of return illustrated are hypothetical and are not associated with any particular investment product.

Qualified Retirement Plans

The estimated benefits of the qualified retirement plans are dependent upon the employer maintaining the present plan, continuing to make the illustrated contributions to the plan and that the government regulations concerning the plans remain unchanged. These assumptions are highly unlikely. The Plan Administrator of each qualified retirement plan should be consulted for specific details concerning that plan. Annual contributions are assumed to increase at the general inflation rate each year. This may or may not correspond to the annual limits adjusted by the U.S. Treasury each year and subject to future changes by Congress.

Insurance

The numbers produced by this analysis in no way guarantee the right to purchase life insurance in the amounts illustrated. If any new life insurance is illustrated, this presentation is not valid unless accompanied by a complete illustration of proposed policy values.

Probate and Expenses

	Joe	**Mary**
Final Expenses	$0	$0
Administrative Fees (% of Gross Estate)	0.00%	0.00%
Probate Fees (% of Probate Assets)	0.00%	0.00%
Administrative Fees	$0	$0
Estimated Probate Fees	$0	$0

Prior Taxable Gifts

	Joe	Mary
Taxable Gifts	$0	$0
Gift Taxes Paid	$0	$0
Unified Credit Used	$0	$0
DSUEA	$0	$0

Estate Assumptions

Not all property is transferred by your will. Property owned jointly with survivorship rights passes to the surviving joint owner. Life insurance proceeds are paid to your named beneficiary. This analysis applies the provisions below to the extent possible. State inheritance tax is based on the maximum federal credit for state death taxes.

Joe's Plan

Your will leaves everything outright to Mary after providing for any other planning options.

Mary's Plan

Your will leaves everything outright to Joe after providing for any other planning options.

Loans, Credit Cards, and Lines of Credit

Any form of credit illustrated is not a guarantee that such credit will be accepted by a lending institution. Different forms of credit may have a number of fees associated with various uses of the credit. Please consult the lending institution for details as well as all fees and rules for using that credit.

Restrictive Uses of Assets

Assets that are marked for restricted use will only be used to provide cash for that purpose.

Income Taxes

Income Tax Rates

Federal Income Tax Rate: 30%

State Income Tax Rate: 0%

Other Rates

Capital Gains Tax Rate: 15%

Income Tax Rate for Income in Respect of a Decedent: 30%

Inflation Rate for Federal Indexed Values: 2%

An IRC Sec. 7520 rate of 5.0% is used to calculate the remainder interests for trusts, annuities and income in respect of decedent.

Withholdings and FICA

Estimated withholdings and FICA taxes are deducted from each paycheck and applied toward the estimated taxes in January of the following year. Other estimated taxes are not paid from monthly cash flow, but are treated as a tax liability until January of the following year. Taxes are assumed paid in the monthly cash flow for January each year. Income designated as capital gains income is assumed to qualify for long-term capital gains treatment and has an effective tax rate of 15.00% applied. Calculations of short-term capital gains, adjusted net capital gain or qualified 5-year gain is beyond the scope of this analysis. Taxes are only calculated as an estimate to make cash flow analysis more realistic: You should consult your tax advisor concerning exact calculations of your taxes and for tax advice.

Assumed Retirement

Retirement is assumed to be when Joe reaches, or would have reached, age 65. Any change you indicated in the basic living expenses is applied at that time.

General Inflation Rate

A general inflation rate of 3% is used for all basic living expenses and where indicated.

Rate of Return for Measuring Time Shortfall

The rate of return for measuring shortfall is 3%. Value today is assumed invested at this rate to provide the amount needed for the shortages.

Education Payments

Education costs are stated as annual amounts but are assumed to be paid in 12 monthly payments. Payments are assumed to start in August of each year unless a specific starting date is stated.

Education Inflation Rate

An education inflation rate of 3% is used for all education funding expenses. Historically, the cost of education has experienced a rate different than the general inflation rate of all goods and services. Adjustments for the education inflation rate are made in January of each year.

Tax Act of 2012

The American Taxpayer Relief Act of 2012 was signed into law on January 2, 2013 as P.L. 112-240, also known as Tax Act of 2012 in this presentation. Tax Act of 2012 applies to deaths and gifts made in 2013 and later. Tax Act of 2012 provides for 'portability' of a deceased spouse's unused Applicable Exclusion Amount. Unused exclusion amounts may be passed to the surviving spouse (election must be made on timely filed estate tax return.)

Investment Risk Questionnaire

How tolerant are you to investment risk? Several factors can influence this—your age, net worth and the time frame for when you need your investments. This questionnaire will help quantify your investment risk tolerance level and guide you in recommending a suggested investment portfolio. If the questionnaire recommends more or less risk than you feel is appropriate, then you should allocate your investments based on your convictions. Answer the following questions by marking the appropriate letter.

Current Financial Situation

These first three questions will be automatically scored based on your fact finder results.

1. What is your household's gross annual income (before tax)?

- (A) Less than $50,000
- (B) $50,000 to $100,000
- (C) $100,001 to $200,000
- (D) $200,001 to $500,000
- (E) Greater than $500,000

2. What is your net worth (including your primary residence)?

- (A) Less than $50,000
- (B) $50,000 to $100,000
- (C) $100,001 to $200,000
- (D) $200,001 to $500,000
- (E) $500,001 to $750,000
- (F) $750,001 to $1,000,000
- (G) More than $1,000,000

3. What percent of net worth do your investment assets represent?

- (A) Less than 20%
- (B) 20% to 40%
- (C) 41% to 60%
- (D) 61% to 80%
- (E) 81% to 100%

Financial Goals, Investment Objective and Risk Tolerance

1. **Which statement best describes the type of products you have in your portfolio (both past and present)?**
   - (A) This is your first investment
   - (B) A mix of fixed-interest savings, high-quality bonds, or government backed bonds
   - (C) Primarily mutual funds
   - (D) A mix of mutual funds and individual stocks and/or bonds
   - (E) A mix of individual stocks and bonds

2. **What is your household's annual income requirement (if any) from your investment portfolio?**
   - (A) 0% (no income is required)
   - (B) 1% to 3%
   - (C) 4% to 6%
   - (D) 7% or 8%
   - (E) More than 8%

3. **Your major need for these investments is in?**
   - (A) Less than 2 years
   - (B) 2 to 5 years
   - (C) 5 to 7 years
   - (D) 7 to 9 years
   - (E) 10 or more years

4. **What is your primary investment objective?**
   - (A) To produce a steady income, even if the value of my capital is eroded over time.
   - (B) To produce moderate income, but preserve the value of my capital if possible.
   - (C) To generate long-term capital growth. I am not concerned about income from my investments.
   - (D) To generate maximum long-term capital growth. I don't need income from my investments at all.

5. **Will you need to withdraw any portion of your investment portfolio over the next 5 years?**
   - (A) I have no requirement to withdraw any portion of my portfolio within 5 years
   - (B) I will need to withdraw between 0% to 10% of my portfolio within 5 years
   - (C) I will need to withdraw between 11% to 20% of my portfolio within 5 years
   - (D) I will need to withdraw more than 20% of my portfolio within 5 years

6. **If you suddenly suffer a 20% loss in the market value on your portfolio, but the historical return over ten years is 9%, how would you react?**
   - (A) I would immediately pull out of the portfolio and cut my losses
   - (B) I would endure the current loss and hope for higher future returns
   - (C) I would invest more in the portfolio now that the price is lower

7. **The portfolios below describe the relationship between expected returns and volatility. Select the portfolio described below that best reflects your investment preference.**
   - (A) Portfolio A (minimal risk with lower expected returns)
   - (B) Portfolio B (increasing risk with a chance of higher returns)
   - (C) Portfolio C (greater risk with the highest possible returns)

8. **How often do you evaluate and consider changing your investments?**
   - (A) Monthly
   - (B) Quarterly
   - (C) Annually
   - (D) Less frequently than annually

9. **How would you define your investment knowledge?**
   - (A) You are completely new to investing
   - (B) You have a very low level of investment knowledge
   - (C) You have some investment knowledge
   - (D) You have a good understanding of investing
   - (E) You are an expert investor

10. **What do you expect the before-tax return on your investment portfolio to be over the long term (10+ years)?**
    - (A) 2% to 4%
    - (B) 4% to 6%
    - (C) 6% to 8%
    - (D) 8% to 10%
    - (E) 10% to 12%
    - (F) More than 12%

Documents Needed Checklist

As your unique situation is analyzed and a financial plan is developed it is helpful to have certain detailed planning records. The list below references many of these planning documents.

Personal Records and Estate Planning

- [ ] Income Tax Returns (Last 2 Years)
- [ ] Will(s) and Trust Documents(s)
- [ ] Real Estate Deeds
- [ ] Appraisals of Collectibles
- [ ] Ownership of automobiles, boats, etc.
- [ ] Any Recent Major Purchases
- [ ] Other: ____________________________

Information on Company Benefits

- [ ] Paycheck Stubs
- [ ] Employee Benefits Booklet
- [ ] Group Life Insurance Benefits
- [ ] Cafeteria Plan (Section 125 Information)
- [ ] Employer Sponsored Retirement Savings Plan
- [ ] Employee Stock Purchase Plans
- [ ] Stock Option Information
- [ ] Pension Plan
- [ ] Contact to verify and obtain benefit information: ________________________
- [ ] Other: ______________________________

Insurance Policies

- [ ] Life Insurance Contracts
- [ ] Annual Statements (UL, VUL, Annuities)
- [ ] Health Insurance
- [ ] Long-Term Care/Critical Care Insurance
- [ ] Home Owners Insurance
- [ ] Auto Policies
- [ ] Umbrella Policies
- [ ] Other: ____________________________

Liquid Accounts

- [ ] Checking Account Statements
- [ ] Savings Account Statements
- [ ] Money Market Account Statements
- [ ] CD Statements:
- [ ] Note Maturity Date: ________________
- [ ] Other: ______________________________

Investment Accounts

- [ ] Monthly Brokerage Statements
- [ ] Mutual Fund Statements
- [ ] IRA Account Statements
- [ ] Annuity Account Statements
- [ ] Other: _____________________________

Liability Information

- [ ] Mortgages (Last Refinancing Papers)
- [ ] Equity Loan or Equity Line Information
- [ ] Credit Card Statements
- [ ] Loans on Other Property
- [ ] Other: ______________________________

Business Planning

- [ ] Business Continuation Agreements
- [ ] Deferred Compensation Agreements
- [ ] Business Loans that are Personally Secured
- [ ] Other: ______________________________

Comments:

Planning Objectives and Profiles

Rank the importance of your planning objectives using the lists below:
(Rank assuming that 1 is the highest. Any blank objectives are assumed to be unimportant):

RANK 1-6 **Cash Flow & Investment Planning**

- [ ] Analyze ways to save more money for wealth accumulation
- [ ] Examine how money is being spent and identify cash flow problems
- [ ] Provide funding for education goals
- [ ] Determine how long your retirement funds will last
- [ ] Optimize the use of qualified retirement plans
- [ ] Debt consolidation and management

RANK 1-5 **If Death Were To Occur**

- [ ] Maintain desired standard of living for spouse's lifetime
- [ ] Establish a fund to pay for education needs
- [ ] Provide sufficient resources to pay off all debt at your death
- [ ] Provide funds for final expenses (funeral, medical and administrative fees)
- [ ] Review disability and long-term care needs

RANK 1-5 **Orderly Distribution of Estate**

- [ ] Minimize estate taxes at death
- [ ] Provide for estate liquidity at either death
- [ ] Ensure that qualified retirement plan distributions are maximized
- [ ] Annually gift money during your lifetime to family
- [ ] Develop a charitable gifting plan

RANK 1-5 **Fringe Benefits and Business Planning**

- [ ] Analyze fringe benefits (qualified plans, stock options, ESPPs, deferred compensation)
- [ ] Use money from business to fund personal planning goals
- [ ] Include continuation of business in considering financial plan
- [ ] Better coordination of business benefits and personal benefits
- [ ] Other________________________________

Comments: