Using Distributions

FOR RETIREMENT

For Darrell and Diane Daniels

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Important Notes

These pages depict certain wealth preservation strategies concerning possible methods for taking distributions from your qualified retirement plan. For purposes of this analysis, several of your qualified retirement plans may be aggregated and shown as one single plan. This report provides only broad, general guidelines, which may be helpful in shaping your thinking about and discussing your wealth preservation needs with your professional advisors.

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

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. Rates of return will vary over time, particularly for long-term investments. The actual values, rates of growth, and tax rates may be significantly different from those illustrated. These assumptions are only a “best guess.” It is unlikely that any one rate of return will be sustainable over a long period of time.

The Setting Every Community Up for Retirement Enhancement (SECURE) Act became Public Law No. 116-94 on December 20, 2019.

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 contained in this report, and generated by this analysis tool (Qualified Plan Concepts) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual results and are not guarantees of future results.

This tool and support materials are designed to provide general information on the subjects covered. It is not intended to provide specific legal or tax advice. You should discuss all strategies with your legal, tax, and financial advisors.

Broker-Dealer disclosure go here!

Retirement Plan Distributions

Total Distributions

$ Beginning Account Balance March 22, 2016: **$1,000,000**

Year	Required Minimum Distributions[1]	Actual Distributions[2]	Account Balance	Income Taxes Paid[3]	Desired Annual Spending	Reinvested Distributions[4]	All Other Assets[5]
2020	0	60,000	1,265,085	0	60,000	0	2,084,000
2021	0	81,600	1,256,672	18,000	63,600	0	2,171,528
2022	0	91,896	1,236,999	24,480	67,416	0	2,262,732
2023	48,320	99,030	1,208,597	27,569	71,461	0	2,357,767
2024	48,931	105,458	1,171,863	29,709	75,749	0	2,456,793
2025	49,238	111,931	1,126,246	31,637	80,294	0	2,559,978
2026	49,181	118,690	1,070,922	33,579	85,111	0	2,667,498
2027	48,678	125,825	1,004,915	35,607	90,218	0	2,779,532
2028	47,402	133,378	927,150	37,747	95,631	0	2,896,273
2029	45,672	141,382	836,443	40,014	101,369	0	3,017,916
2030	42,895	149,866	731,513	42,415	107,451	0	3,144,669
2031	39,118	158,858	610,981	44,960	113,898	0	3,276,745
2032	34,133	168,389	473,351	47,657	120,732	0	3,414,368

[1] Life expectancy is based on the Uniform Lifetime Table. See the Assumptions page for additional information.
[2] Actual Distribution is the greater of the distribution required to generate the Desired Distributions (see Assumptions pages) or Required Minimum Distribution.
[3] Taxes and any applicable penalties are paid at the start of the calendar year following the tax liability. See the Assumptions pages for information on distributions from a Traditional IRA with an original after-tax amount of $0.
[4] Actual Distributions less Taxes and Penalties, and Spending.
[5] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 6.000% interest and are taxed at a 30.00% income tax rate.

Assumptions

General Assumptions

Darrell's DOB: March 2, 1951

Diane's DOB: March 2, 1951

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Calculations assume that the value of All Other Assets (excluding life insurance) is equal to $2,000,000. These assets are assumed to earn 6.000% interest. Hypothetical rates of return illustrated are not associated with any particular investment product.

Calculations assume an ordinary income tax rate of 30.00%.

The Account Balance and Other Assets are grown pro-rata based on the date entered.

Estate Assumptions

Assumes portability of any unused Applicable Exclusion Amount at first spouse's death.

Traditional IRA/Qualified Plan Assumptions

Current Traditional IRA/Qualified Plan amount is $1,000,000, which includes the employee cost basis amount of $0, and assumes a growth rate of 6.000%. Calculations assume all non-deductible and after-tax contributions (also known as basis, investment in the contract, and non-taxable portion) are included in the original after-tax amount of $0. Hypothetical rates of return illustrated are not associated with any particular investment product.

Traditional IRA/Qualified Plan Assumptions (Continued)

A portion of the distributions from the Traditional IRA/Qualified Plan that includes any after-tax amount may not be taxable. These illustrations assume there are no other Traditional IRA/Qualified Plan account balances for calculations that include any after-tax amount.

Elections: Distributions are at least the Required Minimum Distribution using the Uniform Lifetime Table.

Distribution Assumptions

Early retirement distributions are not exempt from the IRC Section 72(t) penalty.

Desired distributions from the Traditional IRA/Qualified Plan include:

$5,000 monthly of additional spending, increased annually by 6.000%.

Distributions from the Traditional IRA/Qualified Plan that does not include any after-tax amount are taxable. A portion of the distributions from the Traditional IRA/Qualified Plan that includes any after tax amount is not taxable. The non-taxable portion is the amount of the distribution that bears the same ratio to the total amount of the distribution received as the total remaining after-tax amount bears to the Traditional IRA/Qualified Plan account balance at the end of the year.

Distribution method illustrated is equal to spending, but not less than Required Minimum Distribution. Distribution calculations do not use a joint beneficiary. Required Minimum Distributions are based on the Uniform Lifetime Table.

Final Regulations

Required Minimum Distributions are calculated based on the Uniform Lifetime Table. If your beneficiary is your spouse (who is more than 10 years younger than you) distributions during your life may be calculated using the Joint and Last Survivor Table.

Compliance with Revenue Ruling 2002-62

Section 72(t) distributions are in compliance with the calculation methods stated in Revenue Ruling 2002-62. The following calculation methods may be illustrated under this ruling: 1) Extension of the existing Uniform Lifetime Table for use with the Life Expectancy Method. 2) Addition of annuity factor table for use with the Annuity Method. 3) Addition of interest rate (not more than 120% of the federal mid-term rate) for use with the Amortization and Annuity Methods.

Tax Cuts and Jobs Act of 2017

The Tax Cuts and Jobs Act of 2017 was signed into law on December 22, 2017 as P.L. 115-97, also known as TCJA 2017 in this presentation. TCJA applies to deaths and gifts made in 2018 and later. After December 31, 2025, the estate and gift tax rates and exclusions will revert to the amounts provided in the American Taxpayer Relief Act of 2012.

Setting Every Community Up for Retirement Enhancement (SECURE)

The Setting Every Community Up for Retirement Enhancement (SECURE) Act became Public Law No. 116-94 on December 20, 2019. Provisions of the Act apply to retirement plans in 2020 and later.