

# Darren and Samantha Stevens

COMPREHENSIVE FINANCIAL PLAN October 02, 2024

**PREPARED BY:** 

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Financial Statements Analysis

## **Net Worth Statement**

In order to determine your current financial position, it is good to prepare a net worth estimation at least once per year. This report outlines the difference between the total value of your assets (which includes things like: your home, investments, savings accounts) and your liabilities (mortgages, credit cards, etc.). Net Worth equals Assets minus Liabilities.

Total Assets **\$1,959,179** 

Total Liabilities (\$44,363)

Total Net Worth **\$1,914,816** 

Assets	Darren	Samantha	Joint/ROS	Total
Portfolio Assets				
Cash Alternatives			\$142,965	\$142,965
Taxable Investments		\$178,702		\$178,702
Qualified Retirement		\$1,205,229	\$1,876	\$1,207,105
Roth IRAs	\$12,906	\$17,501		\$30,407
Life Insurance				
Property				
Real Estate			\$400,000	\$400,000
Total Assets	\$12,906	\$1,401,432	\$544,841	\$1,959,179
Liabilities	Darren	Samantha	Joint	Total
Mortgages			(\$44,363)	(\$44,363)
Total Liabilities	\$0	\$0	(\$44,363)	(\$44,363)
Total Net Worth	\$12,906	\$1,401,432	\$500,478	\$1,914,816



Net Worth

# Your Current Income

Managing your cash flow often starts with examining your sources of income. There are many reasons you may want to better understand your sources of income. Your financial situation has changed, your income is irregular, you plan to apply for a loan or you just want a better feel for where your money is coming from.

We are going to look at your sources of income in two distinct buckets. First, we are going to look at your Salary and Bonus income. These are commonly referred to as earned income.

Your current Salary and Bonus income for Darren and Samantha comes from the following sources:

- Samantha's Salary
- Darren's Salary

These flows in combination makeup your gross Salary and Bonus income which is **\$297,000** between the two of you.

In addition, you may also have other income streams from non-employment sources. Your current sources of income other than Salary and Bonus are as follows:

Those flows in combination contribute to an annual other income total of **\$0**.

When we combine your salary and bonus income sources with your "Other" income sources, this results in total current year income of **\$297,000** coming in through your door this year.

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Total Income \$297,000

Salary & Bonus

\$297,000

\$25,000 / yr \$162,000 / yr \$110,000 / yr

## **Net Worth Details**

Assets	Darren	Samantha	Joint	Total
Portfolio Assets				
Cash Alternatives				
3 IN 1 IO HELOC				
Adv Plus Banking - 0499			\$1,453	\$1,453
MONEY MARKET			\$130,096	\$130,096
PRIME SHARES			\$82	\$82
Regular Savings - 7658			\$5,775	\$5,775
YOUR WAY CHECKING			\$5,559	\$5,559
Taxable Investments				
Personal Account - Samantha (Ameriprise)		\$40,782		\$40,782
Personal Account - Samantha (Morgan Stanley)		\$137,920		\$137,920
Qualified Retirement				
401(K) - Samantha (Fidelity)		\$1,035,884		\$1,035,884
IRA - Samantha (Ameriprise)		\$169,345		\$169,345
Liberty Mutual Retirement Benefit Plan			\$1,876	\$1,876
Roth IRAs				
Roth IRA - Samantha		\$17,501		\$17,501
Roth IRA - Darren	\$12,906			\$12,906
Life Insurance				
Group Life Insurance - Samantha				
Group Life Insurance - Darren				
Term Life Insurance - Samantha (Legal & General)				
Total Portfolio Assets	\$12,906	\$1,401,432	\$144,841	\$1,559,179
Property Assets				
Real Estate				
Hookset			\$400.000	\$400.000
Total Property Assets	02	02	\$400.000	\$400.000
Total Property Assets	φυ	φυ	<b>φ</b> +00,000	φ+00,000
	\$12,006	¢1 401 422	¢511 011	¢1 050 170
IUTAL ASSETS	\$12,900	\$1,401,43Z	<b></b> ФЭ44,04 I	\$1,909,179
	Darren	Samantha	Joint	Total
Mortgages	24			
Mortgage Loan			(\$44,363)	(\$44,363)
	¢0	02	(\$11,000)	(\$11,000)
IVIAL LIADILITIES	φυ	φυ	(\$44,303)	(744,303)
	¢40.000	¢4 404 400	¢500.470	¢4.044.040
IUIAL NEI WURIH	\$12,906	<b>\$1,401,432</b>	\$ <b>300,</b> 478	\$1,914,816

**TOTAL NET WORTH: \$1,914,816** 

## **Emergency Reserves**

A financial hardship or crisis is closer than some would like to admit. A big part of your financial fitness is being prepared. Nothing can derail your financial plans more than not having adequate cash reserves. Those who are unprepared are then forced to borrow at high interest rates or liquidate investment assets or real estate at inappropriate times.

Think of the following scenarios and ask yourself if you are prepared:

- You are laid off or redeployed to a lower paying job Þ
- A serious accident has left you or your spouse unable to work Þ
- A loved one is hospitalized and you are forced to miss considerable work Þ
- An unexpected death or illness that requires time and money to handle b

Today, your total living expenses are \$6,188 per month (or \$74,250 each year). In case you need to access your emergency reserves, let's assume you will need enough in this fund to cover 80.0% of those living expenses or \$4,950 each month.

When determining how much to keep in an emergency reserve most experts agree that it depends on your unique circumstances. However, it is usually safe to earDarren at least 3-6 months of living expenses. In this scenario, let's assume you want to create an emergency reserve equal to 3 months of living expenses.

The primary investment objective for your emergency reserves is safety not return. You currently have \$142,965 of cash available to use in this type of an emergency fund.

### How prepared for an emergency are you?

According to what you told us, you have \$142,965 of cash available to handle a short term emergency. Looking at the \$4,950 worth of expenses you're going to face each month for 3 months, you're going to need a total emergency reserve fund of \$14,850. This means you have a surplus of \$128,115.

The chart below shows your reserves versus your total emergency need.

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**Emergency Reserves** \$142,965

**Total Emergency Need** \$14,850

**Emergency Reserve Surplus** \$128,115



Retirement Analysis



## The Power of Tax Deferred Growth

Why pay taxes now if you don't have to? Tax deferred vehicles allow you to make investments today and defer paying taxes on investment growth until the funds are withdrawn. Because it could be many years before you need to tap these funds, this allows for many years of potential investment growth. Contributions made on either a pre-tax or tax deductible basis reduce your current taxable income, potentially allowing you to invest more. As any growth is tax-deferred, your balance will increase more quickly than if you had placed your money in a taxable vehicle. This could result in more accumulation for you and your heirs. The following table and chart show the difference in taxable and tax-deferred growth for a person saving \$9,000 per year over 30 years\*:

	10 Years	20 Years	30 Years
Taxable Balance	\$128,434	\$366,708	\$808,758
Tax Deferred Balance	\$144,865	\$472,402	\$1,212,957
Difference	\$16,431	\$105,694	\$404,198
Tax Deferred Balance After Taxes	\$131,149	\$399,301	\$977,218

\*Assumes 8.5% Rate of Return, 25% federal tax rate on the growth of the asset. The taxdeferred values exclude the 10% penalty that would potentially be assessed if the values were withdrawn prior to age 59 ½. Lower tax rates on capital gains and dividends would make the return on the taxable investment more favorable, reducing the difference in performance between the two types of accounts. Historically, higher rates of return have been accompanied by higher volatility. Please consider your personal investment horizon and income tax brackets, both current and anticipated when making an investment decision.



### **Popular Tax Deferred Investment Vehicles**

There are many tax-deferred investment vehicles available to you. The table below lists some of the most popular:

401(k) Accounts	A defined contribution plan offered by a corporation to its employees affording three main advantages. First, contributions come out of your paycheck before taxes, lowering your taxable income. Second, tax deferred growth and third, the potential for an employer match on your contribution. All withdrawals are subject to ordinary income taxes and may be subject to a 10% federal tax penalty if taken prior to 59 1/2.
403(b) Accounts	Also, a defined contribution plan but made available to certain employees of certain non-profit and charitable organizations. Both a 401(k) and 403(b) have a maximum annual contribution in 2024 of \$23,000, and individuals over age 50 can contribute an additional 'catch-up' contribution of \$7,500. All withdrawals are subject to ordinary income taxes and may be subject to a 10% federal tax penalty if taken prior to 59 1/2. Withdrawals from 403(b) accounts are prohibited before the occurrence of certain events such as attaining age 59 1/2, severance from employment, disability or hardship.
Traditional Individual Retirement Account (IRA)	A Traditional IRA is a retirement investing tool for employed individuals and their non-working spouses that allows annual contributions up to a specified maximum amount. Tax deductions may be allowed on the contribution amount depending upon the individual's income and whether or not they participate in an employer-sponsored retirement plan. Any withdrawal of tax-deductible amounts is subject to ordinary income taxes, as well as a 10% federal tax penalty if taken before age 59 1/2.

Roth IRA	Similiar to a Traditional IRA, a Roth IRA allows individuals to contribute up to a specified maximum amount. Unlike a Traditional IRA, a Roth IRA cannot accept contributions if the owner has adjusted gross income over a certain amount. All contributions made to a Roth IRA are done on an after tax basis. However, if plan requirements are met, withdrawals of earnings are tax-free.
	An annuity is a contract, offered by an insurance company, between an investor and an insurance company, designed to provide payments to the holder at specific intervals, usually after retirement. Annuities are tax-deferred, meaning that the earnings grow tax-deferred until withdrawal. Money distributed from the annuity will be taxed as ordinary income in the year the money is received. Money withdrawn prior to age 59 1/2 may be subject to a 10% federal tax penalty. Annuities provide no additional tax advantages when used to fund a qualified plan.
	Annuities may have additional charges such as mortality and expense risk charges, annual administrative expenses, surrender charges, and fees associated with the subaccount such as the operating expenses of the investment portfolios.
Annuities	Variable annuities are long-term, tax-deferred investment vehicles designed for retirement purposes and contain both an investment and insurance component. Variable annuity contract holders are subject to investment risks, including the possible loss of principal invested. Investors should carefully consider the investment objectives, risks, charges and expenses of the variable annuity before investing. Variable annuities are sold only by prospectus, which contains more complete information about the investment company. Please request a prospectus from your financial representative and read it carefully before investing. Guarantees are based on the claims paying ability of the issuer. Withdrawals of taxable amounts made prior to age 59 ½ are subject to 10% federal penalty tax in addition to income tax and surrender charges. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. The investment returns and principal value of the available sub-account portfolios will fluctuate so that the value of an investor's unit, when redeemed, may be worth more or less than their original value.

# **IRA Rollover**

When you leave your employer for a new job, or to enter retirement, you must often decide what to do with any money you have in your employer-sponsored 401(k) or other retirement plan. Since funds in your retirement accounts are generally funded with pre-tax contributions, they will be subject to ordinary income tax upon distribution. Without proper planning, you could lose as much as  $40\%^1$  of this nest egg to taxes and penalties.

Depending upon your unique situation, you may have four different options to consider:

- Leave funds in your old employer's plan (if allowed by employer)
- Roll the money into your new employer's plan (if available; may be subject to waiting period)
- Withdraw your funds with a cash distribution
- Roll your funds into another Individual Retirement Account (IRA) or Individual Retirement Annuity

### Three ways of taking a \$100,000 plan distribution

#### **Direct Rollover to an IRA**

Keep 100% of value of your savings building for the future.

#### Indirect Rollover

20% mandatory federal tax withholding by your employer, and burden shifts to you to come up with an equal amount of funds to complete a full rollover within 60 days.

#### **Cash Distribution**

Have the check made out to you and keep the cash. Distribution is treated as taxable income and may be subject to early withdrawal penalty of an additional 10%. 20% withholding applies.



Assumes a 30% effective tax and additional 10% penalty due to withdrawals made prior to age 59%

### The Benefits of a Direct Rollover

#### **Reduced Taxation**

With a direct rollover, you avoid the 20% mandatory withholding imposed on cash distributions including indirect rollovers and there is no immediate federal income tax levied. This results in the entire balance continuing to grow tax deferred until you begin to make withdrawals from your account. Additionally, since the rollover is not considered a taxable distribution, the 10% penalty for early withdrawals (prior to age 59½) is also avoided.

#### **Increased Investment Choices**

Many employer sponsored plans are limited in the number and types of options available for investment. In an IRA, you can choose from among a range of investment options such as stocks, bonds, mutual funds, money Market accounts, fixed interest options or annuities.

#### Consolidation

The more accounts you have, the more difficult it is to keep track of everything. Consolidating into a single IRA can make tracking balances and monitoring withdrawals easier, while cutting down on paper-work.

#### **Important Notes**

#### **Differences in Investments**

When considering rolling over your investment funds, be aware of differences in features, fees and charges, and surrender charges between different investments. These fees and charges have not been included in the discussion above. Had fees and charges been deducted, the values reflected would have been lower.

# **Steps Toward Achieving Your Retirement**

### **Step 1 - Determine Your Cost of Retirement**

Achieving your retirement goals will not happen automatically. The first step to consider as retirement approaches is to determine your cost of retirement. Your cost of retirement will be affected by many factors. Three of the most significant are:

- Your monthly retirement living expenses A common rule of thumb is somewhere between 70% and 100% of your annual earned income prior to retirement.
- Your retirement age This is the age at which you plan to stop working full time and start accessing your retirement portfolio assets.
- Your life expectancy This will define how many years your retirement costs will continue to be incurred.

## Step 2 - Apply Your Income Sources

Once your cost of retirement assumptions have been defined, you can start to look at the income sources that will be available to you in retirement to help offset your retirement costs. Income sources may include among other things:

- Social Security
- Pensions
- Immediate annuity payments

### Step 3 - Withdraw from Your Portfolio Assets

Once your available income sources have been applied to your costs of retirement, you can take withdrawals against your portfolio assets to make up the difference. Portfolio assets commonly include:

- Brokerage accounts
- Money Market accounts
- 401(k)s, 403(b)s, and other employer-sponsored retirement accounts
- IRAs
- Annuities

### Step 4 - If Necessary, Consider Changes

If you determine that you are not on track to achieve your retirement objectives, you will need to consider making some changes. These changes may include:

- Saving more before you retire
- Redefining your retirement age
- · Considering part time employment during retirement
- Spending less during retirement
- Combination of above





## The Cost of Your Retirement

Thinking about retirement is often difficult. It is hard to be concerned about what will happen 20 to 30 years in the future, while you are stretching your resources to meet your needs today. It is, however, critical to think about how you will support yourself (and your spouse) during retirement. With people living longer, you may wind up spending as much as a third of your life in retirement. The first step is often looking at what your cost of retirement may be.

So, what level of expenses can you expect in retirement? Let's assume that you retire at age 55 (2025), have retirement living expenses of \$12,500 per month (or \$150,000 each year) and that those expenses grow at 3.00% each year from now until you are age 90 (2060). Over the 36 years of your retirement, your living expenses would total \$9,776,132.

Retirement lasts from 2025 - 2060 (36 years)

**Total Living Expenses** \$9,776,132

**Total Cost of Retirement** \$9,776,132

### How high will your expenses grow?

The chart below illustrates the mounting costs of your retirement, showing that you can expect an annual living expense of \$150,000 today to grow to \$154,500 in your first year of retirement (2025) and to \$434,742 in your last year (2060).



#### The Growing Cost of Living

#### Keep in Mind...

It does not necessarily cost less to live during retirement. While for some it may be true that they will need less money in retirement, it is not always the case. Health care costs, entertainment and travel expenses are examples of living expenses that can be expected to go up, not down, during your retirement years.

# Your Retirement Income

Although you may no longer be employed full-time during your retirement years, that doesn't mean your income will disappear entirely. Income sources like pension plans, annuities, social security or part-time employment can help offset your retirement living expenses.

During retirement, your income will come from the following sources:

•	Darren's Social Security	<b>\$25,284</b> /yr	2032-2060
•	Samantha's Social Security	<b>\$31,092</b> /yr	2032-2060
•	Deferred Income	<b>\$9,654</b> /yr	2028 - 2060
•	Deferred Income	<b>\$82,298</b> /yr	2025 - 2060
•	Samantha's Bonus	<b>\$25,000</b> /yr	2025 - 2028
▶	Samantha's Salary	<b>\$162,000</b> /yr	2025 - 2028

For this analysis, your retirement income will be indexed at an annual rate of 3.00% and be subject to an income tax rate of 25.0%.

### Will your income be enough?

The chart below compares your total retirement expenses to the total net income you expect to receive during the **36** years of your retirement. Based on the income assumptions above, your retirement income alone will not be enough to fully offset your retirement expenses.



#### Expenses vs. Income

#### Keep in Mind...

According to a Samanthauary 2014 update of AARP's report "Staying Ahead of the Curve 2013: The AARP Work and Career Study", 70% of experienced workers (ages 45-75) intend to keep working during their retirement years.

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Total Net Retirement Income \$7,340,116

Funding Gap **\$2,436,016** 

Percent Funded by Income 75%

# **Building a Nest Egg**

Often, the primary resource you have for offsetting the cost of retirement is the value of your accumulated capital resources. These resources are assumed to grow over time through regular savings and growth, resulting in a "nest egg" that may partially or completely offset your cost of retirement. With a total retirement cost of \$9,776,132, you would need to amass total capital resources of \$5,403,074 by the time you retire in 2025 (assuming a rate of return on assets of 5.00% prior to retirement and 5.00% during retirement and 25.0% tax on any withdrawals).

To get an idea of the size of the nest egg that you would need to accumulate before you retire, we'll take a look at your existing resources and your planned savings.

You currently have **\$1,237,512** in qualified savings and **\$321,667** in non-qualified savings. These savings are assumed to grow at an annual rate of **5.00%** before retirement and at an annual rate of **5.00%** after retirement. When withdrawals are made, those withdrawals will be taxed at a rate of **25.0%**.

From now until retirement you plan to save **\$0** each month in qualified funds and **\$0** in non-qualified funds. These contributions will increase each year by **3.00%**.

Total Cost of Retirement \$9,776,132

Nest Egg Needed at Retirement **\$5,403,074** 

Nest Egg Available **\$1,637,138** 

Percent of Needed Nest Egg 30%

### Will your nest egg be enough?

The chart below illustrates the difference between the nest egg you'd need at retirement in order to fully offset your expenses and the nest egg you are likely to accumulate. You can see that your assets alone are not likely to be sufficient to fund your entire retirement.



#### Comparing Nest Eggs

## **The Big Picture**

There are two main resources at your disposal with which you can offset the costs of retirement: income and your capital resources. You accumulate capital throughout your pre-retirement years through savings and growth. Additionally, various outside sources may provide you with a steady income during retirement. By comparing the combination of these resources with your expected retirement expenses, you can get a picture of how successful you will be in financing your retirement.

With a Total Retirement Cost of **\$9,776,132** and Total Net Retirement Income Sources of **\$7,340,116**, you will have a Remaining Need of **\$2,436,016**. Your projected nest egg of **\$1,637,138**, along with deposits from surplus income, will allow for Total Capital Withdrawals of **\$4,584,259** (after taxes). Together, your income and assets will cover **120%** of your total retirement costs.

Total Cost of Retirement **\$9,776,132** 

Total Retirement Income Sources \$7,340,116

Total Capital Withdrawals \$2,601,481

Remainder \$1,982,778

Percent Funded 120%

### Will you make it?

The chart below illustrates how your income sources and capital resources would be used to fund the annual expenses of your retirement. Years in which a shortfall exists (i.e. when you don't have enough funds to cover your living expenses), show a deficit value in red. Based on the assumptions made in this analysis, your current savings and expected income will be sufficient to fully fund your retirement expenses.



#### Your Retirement Living Expenses

# **Options for Meeting Your Retirement Needs**

#### **Congratulations!**

Based upon the assumptions made in this analysis, your current retirement goals are projected to be fully achieved. Before making changes to your current assumptions regarding savings, retirement spending, or your retirement date, you should consult with your financial professional.

### Save More Before You Retire

Based upon your assumptions, you will have **no funding shortfall** and your Total Cost of Retirement of **\$9,776,132** will be satisfied without the need for any additional pre-retirement savings.

### **Spend Less During Retirement**

Based upon your assumptions, you will have **no funding shortfall** and your Total Cost of Retirement of **\$9,776,132** will be satisfied without any reduction in your planned retirement living expenses.

# Increase Monthly Savings by

(to **\$0** per month)

Total Cost of Retirement \$9,776,132

Total Retirement Funding \$11,758,910

Percent Funded 120%

Reduce Monthly Expenses by \$0 (to \$12,500 per month)

Total Cost of Retirement \$9,776,132

Total Retirement Funding \$11,758,910

Percent Funded 120%

### **Retire Later**

Based upon your assumptions, you will have **no funding shortfall** and your Total Cost of Retirement of **\$9,776,132** will be satisfied without the need to delay your retirement beyond your planned retirement age of **55**.

Delay Retirement **0 years** (until **age 55**)

Total Cost of Retirement **\$9,776,132** 

Total Retirement Funding \$11,758,910

Percent Funded 120%

## **Retirement Income Details**

						Income	
		Darren's	Samantha's	Income	Total	Taxes	
Year	Age	SS Income	SS Income	from Flows	Income	@25.0%	Net Income
2025	55/55	\$0	\$0	\$277,377	\$277,377	\$69,344	\$208,033
2026	56/56	0	0	285,699	285,699	71,425	214,274
2027	57/57	0	0	294,269	294,269	73,567	220,702
2028	58/58	0	0	103,493	103,493	25,873	77,620
2029	59/59	0	0	106,598	106,598	26,650	79,948
2030	60/60	0	0	109,795	109,795	27,449	82,346
2031	61/61	0	0	113,089	113,089	28,272	84,817
2032	62/62	32,029	39,386	116,482	187,897	46,974	140,923
2033	63/63	32,990	40,568	119,976	193,534	48,384	145,150
2034	64/64	33,980	41,785	123,576	199,341	49,835	149,506
2035	65/65	34,999	43,039	127,283	205,321	51,330	153,991
2036	66/66	36,049	44,330	131,101	211,480	52,870	158,610
2037	67/67	37,130	45,660	135,034	217,824	54,456	163,368
2038	68/68	38,244	47,029	139,086	224,359	56,090	168,269
2039	69/69	39,392	48,440	143,259	231,091	57,773	173,318
2040	70/70	40,573	49,894	147,556	238,023	59,506	178,517
2041	71/71	41,791	51,390	151,983	245,164	61,291	183,873
2042	72/72	43,044	52,932	156,542	252,518	63,130	189,388
2043	73/73	44,336	54,520	161,238	260,094	65,024	195,070
2044	74/74	45,666	56,156	166,075	267,897	66,974	200,923
2045	75/75	47,036	57,840	171,058	275,934	68,984	206,950
2046	76/76	48,447	59,575	176,189	284,211	71,053	213,158
2047	77/77	49,900	61,363	181,475	292,738	73,185	219,553
2048	78/78	51,397	63,204	186,920	301,521	75,380	226,141
2049	79/79	52,939	65,100	192,527	310,566	77,642	232,924
2050	80/80	54,527	67,053	198,303	319,883	79,971	239,912
2051	81/81	56,163	69,064	204,252	329,479	82,370	247,109
2052	82/82	57,848	71,136	210,380	339,364	84,841	254,523
2053	83/83	59,583	73,270	216,691	349,544	87,386	262,158
2054	84/84	61,371	75,468	223,192	360,031	90,008	270,023
2055	85/85	63,212	77,732	229,888	370,832	92,708	278,124
2056	86/86	65,108	80,064	236,784	381,956	95,489	286,467
2057	87/87	67,062	82,466	243,888	393,416	98,354	295,062
2058	88/88	69,073	84,940	251,204	405,217	101,304	303,913
2059	89/89	71,146	87,489	258,740	417,375	104,344	313,031
2060	90/90	73,280	90,113	266,503	429,896	107,474	322,422
					9,786,826	2,446,710	7,340,116

## **Pre-Retirement Savings and Growth**

Non-Qualified Savings: Qualified Savings:	\$0/yr \$0/yr	Non-Qualified Capital Resources Today:	\$321,667
Employer Contributions:	\$0/yr	Qualified Capital Resources Today:	\$1,237,512
Total Annual Savings:	\$0/yr	Total Capital Resources Today:	\$1,559,179

		BOY Capital		Capital Resources	Growth	EOY Capital
Year	Age	Resources	Savings	after Savings	at 5.00%	Resources
2024	54/54	\$1,559,179	\$0	\$1,559,179	\$77,959	\$1,637,138

## **Capital Resources Details**

Total Resources at Retirement:	\$1,637,138
Pre-Retirement Growth and Savings:	\$77,959
Capital Resources Today:	\$1,559,179

			Net						
			Withdrawals	Taxation on	Total	Income	Total		
		BOY Capital	_ to fund	Withdrawals	Withdrawal	Added	Capital after	Growth	EOY Capital
Year	Age	Resources	Expenses	at 25.0%	of Capital	to Capital	Withdrawal	at 5.00%	Resources
2025	55/55	\$1,637,138	\$0	\$0	\$0	\$53,533	\$1,690,671	\$84,534	\$1,775,205
2026	56/56	1,775,205	0	0	0	55,139	1,830,344	91,517	1,921,861
2027	57/57	1,921,861	0	0	0	56,793	1,978,654	98,933	2,077,587
2028	58/58	2,077,587	91,206	30,402	121,608	0	1,955,979	97,799	2,053,778
2029	59/59	2,053,778	93,943	31,314	125,257	0	1,928,521	96,426	2,024,947
2030	60/60	2,024,947	96,762	32,254	129,016	0	1,895,931	94,797	1,990,728
2031	61/61	1,990,728	99,664	33,221	132,885	0	1,857,843	92,892	1,950,735
2032	62/62	1,950,735	49,093	16,364	65,457	0	1,885,278	94,264	1,979,542
2033	63/63	1,979,542	50,566	16,855	67,421	0	1,912,121	95,606	2,007,727
2034	64/64	2,007,727	52,081	17,360	69,441	0	1,938,286	96,914	2,035,200
2035	65/65	2,035,200	53,644	17,881	71,525	0	1,963,675	98,184	2,061,859
2036	66/66	2,061,859	55,254	18,418	73,672	0	1,988,187	99,409	2,087,596
2037	67/67	2,087,596	56,912	18,971	75,883	0	2,011,713	100,586	2,112,299
2038	68/68	2,112,299	58,619	19,540	78,159	0	2,034,140	101,707	2,135,847
2039	69/69	2,135,847	60,377	20,126	80,503	0	2,055,344	102,767	2,158,111
2040	70/70	2,158,111	62,189	20,730	82,919	0	2,075,192	103,760	2,178,952
2041	71/71	2,178,952	64,054	21,351	85,405	0	2,093,547	104,677	2,198,224
2042	72/72	2,198,224	65,977	21,992	87,969	0	2,110,255	105,513	2,215,768
2043	73/73	2,215,768	67,956	22,652	90,608	0	2,125,160	106,258	2,231,418
2044	74/74	2,231,418	69,994	23,331	93,325	0	2,138,093	106,905	2,244,998
2045	75/75	2,244,998	72,094	24,031	96,125	0	2,148,873	107,444	2,256,317
2046	76/76	2,256,317	74,258	24,753	99,011	0	2,157,306	107,865	2,265,171
2047	77/77	2,265,171	76,485	25,495	101,980	0	2,163,191	108,160	2,271,351
2048	78/78	2,271,351	78,778	26,259	105,037	0	2,166,314	108,316	2,274,630
2049	79/79	2,274,630	81,143	27,048	108,191	0	2,166,439	108,322	2,274,761
2050	80/80	2,274,761	83,577	27,859	111,436	0	2,163,325	108,166	2,271,491
2051	81/81	2,271,491	86,084	28,695	114,779	0	2,156,712	107,836	2,264,548
2052	82/82	2,264,548	88,666	29,555	118,221	0	2,146,327	107,316	2,253,643
2053	83/83	2,253,643	91,327	30,442	121,769	0	2,131,874	106,594	2,238,468
2054	84/84	2,238,468	94,066	31,355	125,421	0	2,113,047	105,652	2,218,699
2055	85/85	2,218,699	96,888	32,296	129,184	0	2,089,515	104,476	2,193,991
2056	86/86	2,193,991	99,795	33,265	133,060	0	2,060,931	103,047	2,163,978
2057	87/87	2,163,978	102,788	34,263	137,051	0	2,026,927	101,346	2,128,273
2058	88/88	2,128,273	105,873	35,291	141,164	0	1,987,109	99,355	2,086,464
2059	89/89	2,086,464	109,048	36,349	145,397	0	1,941,067	97,053	2,038,120
2060	90/90	2,038,120	112,320	37,440	149,760	0	1,888,360	94,418	1,982,778

## **Needs vs. Resources Details**

			Income	Capital			
		Living	Applied	Withdrawal	Remaining		
		Expenses	Toward	to Meet	Need		
Year	Age	@3.00%	Needs	Needs	(Deficit)		
2025	55/55	\$154,500	\$154,500	\$0	\$0		
2026	56/56	159,135	159,135	0	0		
2027	57/57	163,909	163,909	0	0		
2028	58/58	168,826	77,620	91,206	0		
2029	59/59	173,891	79,948	93,943	0		
2030	60/60	179,108	82,346	96,762	0		
2031	61/61	184,481	84,817	99,664	0		
2032	62/62	190,016	140,923	49,093	0		
2033	63/63	195,716	145,150	50,566	0		
2034	64/64	201,587	149,506	52,081	0		
2035	65/65	207,635	153,991	53,644	0		
2036	66/66	213,864	158,610	55,254	0		
2037	67/67	220,280	163,368	56,912	0		
2038	68/68	226,888	168,269	58,619	0		
2039	69/69	233,695	173,318	60,377	0		
2040	70/70	240,706	178,517	62,189	0		
2041	71/71	247,927	183,873	64,054	0		
2042	72/72	255,365	189,388	65,977	0		
2043	73/73	263,026	195,070	67,956	0		
2044	74/74	270,917	200,923	69,994	0		
2045	75/75	279,044	206,950	72,094	0		
2046	76/76	287,416	213,158	74,258	0		
2047	77/77	296,038	219,553	76,485	0		
2048	78/78	304,919	226,141	78,778	0		
2049	79/79	314,067	232,924	81,143	0		
2050	80/80	323,489	239,912	83,577	0		
2051	81/81	333,193	247,109	86,084	0		
2052	82/82	343,189	254,523	88,666	0		
2053	83/83	353,485	262,158	91,327	0		
2054	84/84	364,089	270,023	94,066	0		
2055	85/85	375,012	278,124	96,888	0		
2056	86/86	386,262	286,467	99,795	0		
2057	87/87	397,850	295,062	102,788	0		
2058	88/88	409,786	303,913	105,873	0		
2059	89/89	422,079	313,031	109,048	0		
2060	90/90	434,742	322,422	112,320	0		
		9,776,132	7,174,651	2,601,481	0		

Asset Allocation Analysis



## Asset Allocation Terminology

#### **Asset Allocation**

Asset allocation is the process of determining how to spread an investment between categories of financial assets. Asset allocation is generally driven by the desire to optimize the risk-return trade-off according to an investor's time horizon and risk tolerance. Asset allocation does not assure a profit and does not protect against loss in a declining Market.

#### **Asset Classes**

Asset classes are broad investment categories offering different levels of risk and return. Asset class typically refers to highly distinct types of investments. The major categories are generally agreed to be stocks, bonds, cash, real estate, and commodities. These broad categories are oftentimes further divided into sub-types. For example, stocks are oftentimes further defined by whether the issuer is domestic or international, whether they have growth or value characteristics and/or their Market capitalization. Bonds are often defined by whether the issuer is a municipality, corporation or government, and are also based upon their maturity length: short, intermediate and long.

#### Diversification

Diversification is designed to help reduce exposure to risk by investing in assets with different characteristics. The assets are unlikely to all move in the same direction because they react to Market conditions in different ways. The goal of diversification is to reduce the risk in a portfolio. Risk is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against Market risk.

#### **Risk Tolerance**

Risk tolerance is the level of risk you are willing to take on to achieve an investment goal. The higher your risk tolerance, the more risk you are willing to take on. Higher risk investments often have the potential for greater reward, but also a higher potential for greater loss. Risk tolerance may be assessed through the scoring of a risk tolerance questionnaire.

#### **Time Horizon**

Time horizon refers to the period of time a sum of money is expected to be invested. Your investment time horizon depends upon when and how much money will be needed. In general, the shorter the investment time horizon, the less risk an investor should be willing to accept. Time horizons are often stated as short term (1-3 years), medium term (3-5 years), and long term (10+ years).

#### **Portfolio Rebalancing**

Portfolio rebalancing is the process of making adjustments to counteract the fact that different assets perform differently over time. These adjustments are made to correct the asset allocation drift that results from performance differences in your asset selections. In general, you should consider rebalancing your portfolio at least once a year.

#### Correlation

Correlation is the technical term for comparing how different assets perform, relative to each other, during varying Market cycles. Analysts measure this on a scale ranging from 1.0 (meaning the two assets move precisely in tandem with each other) to -1.0 (meaning they move in opposite directions).

# **Asset Allocation Process**

#### Step 1:---Define your Goals and Time Horizon

The first step in the asset allocation process is to define your goals and the corresponding time horizon for those goals. Typical investment goals include:

- Funding your retirement
- Funding the educational needs of children and grandchildren
- Funding goals like a vacation home or wedding
- Creating an inheritance or other legacy fund

Generally accepted time horizons are:

- 1 to 3 years -- Immediate
- 3 to 5 years -- Short Term
- 5 to 10 years -- Intermediate Term
- Over 10 years -- Long Term



#### Step 3:---Identify Target Asset Allocation Model for Implementation

Often the net result of a risk tolerance questionnaire is a recommended allocation for you to implement. This recommended allocation may be represented as a model portfolio. Here are some examples of suggested model portfolios that are based upon an investor's risk tolerance:

- Income
- Income and Growth
- · Growth and Income
- Growth
- Aggressive Growth

#### Step 4:---Review and Rebalance Regularly



#### Step 2:---Assess your risk tolerance

Assessing your risk tolerance generally involves completing a risk tolerance questionnaire. There are many factors that are examined when assessing an investor's risk tolerance. These may include:

- Time horizon
- Financial resources
- Pursuit of multiple goals
- Investment experience
- · Liabilities or obligations of the investor
- Personality



No one should expect their investments to run on autopilot and monitor themselves. That is why the most important step in the asset allocation process may be making sure you continue to monitor your allocation. Different assets perform differently over time. This may result in the need to rebalance your portfolio on a regular basis. Additionally, changes in your life, like marriage, divorce, a new child, serious illness or injury, may change your tolerance for risk and therefore a change to your asset allocation.

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## **Your Current Asset Allocation**

Asset Allocation is a term used to define how an investor distributes their investments across multiple classes of assets, such as stocks, bonds, real estate and cash. Generally, the asset allocation that best suits your needs is determined with the help of a professional financial advisor. The table and chart below defines your allocation today based upon the data you provided.



Asset	Market	% of
Class	Value	Portfolio
Large-Cap Value	\$200,663.00	12.87%
Large-Cap Blend	\$427,512.00	27.42%
Mid-Cap Growth	\$52,676.00	3.38%
Mid-Cap Blend	\$311,005.00	19.95%
Balanced	\$40,782.00	2.62%
International	\$226,017.00	14.50%
Investment Grade Bonds	\$70,099.00	4.50%
Short Term Bonds	\$85,584.00	5.49%
Cash & Money Market Funds	\$142,965.00	9.17%
Unclassified	\$1,876.00	0.12%
Total	\$1,559,179.00	100.00%

The Blended Rate is the weighted average of the Market index rates of returns that underlie each asset class of a given model portfolio.

All investments involve risks that you will lose value including the amount of your initial investment. Investments that offer the potential for higher rates of return generally involve greater risk of loss. Note: reinvestment transactions that involve selling existing investments may involve transaction costs associated with the sale of those assets as well as transaction costs associated with the purchase of new investments.

**International investing**: There are special risks associated with international investing, such as political changes and currency fluctuations. These risks are heightened in emerging Markets.

**Small/Mid-Capitalization investing**: Investments in companies with small or mid-Market capitalization ("small/mid-caps") may be subject to special risks given their characteristic narrow Markets, limited financial resources, and less liquid stocks, all of which may cause price volatility.

**High-Yield investing**: Investments in high yielding debt securities are generally subject to greater Market fluctuations and risk of loss of income and principal, than are investments in lower yielding debt securities.

**Inflation Protected Bond investing**: Interest rate increases can cause the price of a debt security to decrease. Increases in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.

**Interest Rate Risk**: This risk refers to the risk that bond prices decline as interest rates rise. Interest rates and bond prices tend to move in opposite directions. Long-term bonds tend to be more sensitive to interest rate changes and therefore may be more volatile.

## **Your Recommended Asset Allocation**

Based upon the scoring of the risk tolerance questionnaire, a recommended asset allocation has been generated. This model portfolio is consistent with your time horizon and risk tolerance objectives. The table and chart below define this recommended portfolio across multiple asset classes.



Asset	Market	% of
Class	Value	Portfolio
Large-Cap Growth	\$233,877.00	15.00%
Large-Cap Value	\$311,836.00	20.00%
Mid-Cap Growth	\$77,959.00	5.00%
Mid-Cap Value	\$77,959.00	5.00%
International	\$77,959.00	5.00%
Investment Grade Bonds	\$311,836.00	20.00%
Short Term Bonds	\$389,795.00	25.00%
Cash & Money Market Funds	\$77,959.00	5.00%
Total	\$1,559,180.00	100.00%

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## **Current vs. Recommended Allocation**

This report compares your current allocation with the recommended model portfolio resulting from your answers to the risk tolerance questionnaire.



The Blended Rate is the weighted average of the Market index rates of returns that underlie each asset class of a given model portfolio.

All investments involve risks that you will lose value including the amount of your initial investment. Investments that offer the potential for higher rates of return generally involve greater risk of loss. Note: reinvestment transactions that

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# **Qualified vs. Non-Qualified Allocation**

When making investment choices, it may be important to understand your allocation in your Qualified accounts and your allocation in your Non-Qualified accounts. The taxation differences between these types of accounts may influence your investment objectives. The table and chart below compares your allocation in Qualified accounts and Non-Qualified accounts.



The Blended Rate is the weighted average of the Market index rates of returns that underlie each asset class of a given model portfolio.

All investments involve risks that you will lose value including the amount of your initial investment. Investments that offer the potential for higher rates of return generally involve greater risk of loss. Note: reinvestment transactions that involve selling existing investments may involve transaction costs associated with the sale of those assets as well as transaction costs associated with the purchase of new investments.

**International investing**: There are special risks associated with international investing, such as political changes and currency fluctuations. These risks are heightened in emerging Markets.

**Small/Mid-Capitalization investing**: Investments in companies with small or mid-Market capitalization ("small/mid-caps") may be subject to special risks given their characteristic narrow Markets, limited financial resources, and less liquid stocks, all of which may cause price volatility.

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**Interest Rate Risk**: This risk refers to the risk that bond prices decline as interest rates rise. Interest rates and bond prices tend to move in opposite directions. Long-term bonds tend to be more sensitive to interest rate changes and therefore may be more volatile.

# Your Asset Types

The multiple asset classes that define your asset allocation, can be grouped into 5 asset types; Equities, Tax-exempt bonds, Taxable bonds, Cash and Other. These higher level asset type categories contain multiple asset classes within each. The table and chart below defines how you are allocated across these asset types.



Market % of Asset Type/Class Value Portfolio Equities Large-Cap Value \$200,662.08 12.87% Large-Cap Blend \$427,511.96 27.42% Mid-Cap Growth \$52,676.38 3.38% Mid-Cap Blend \$311,005.01 19.95% Balanced \$40,781.83 2.62% International \$226,017.90 14.50% Total \$1,258,655.00 80.73% Tax Exempt Bonds Total \$0.00 0.00% Taxable Bonds Investment Grade Bonds \$70,098.50 4.50% Short Term Bonds \$85,584.39 5.49% Total \$155,683.00 9.98% Cash Cash & Money Market Funds \$142,965.00 9.17% \$142,965.00 Total 9.17% Other Unclassified \$1,876.00 0.12% Total \$1,876.00 0.12% \$1,559,179.00 100.00% Total

## **Current vs. Recommended Details**

#### **Current Asset Allocation**

	Large Growth	Large Value	Large Blend	Mid Growth	Mid Value	Mid Blend	Balanced I	nternational	Inv Grd Bnd	Sht Trm Bnd	Cash	Unclassified	Total
ALL ASSETS	- CURRENT AL	LOCATION											
3 IN 1 IO HELOC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
401(K) - Samantha (Fidelity)	0	0	397,105	0	0	311,005	0	172,091	70,099	85,584	0	0	1,035,884
Adv Plus Banking - 0499	0	0	0	0	0	0	0	0	0	0	1,453	0	1,453
Group Life Insurance - Samantha	0	0	0	0	0	0	0	0	0	0	0	0	0
Group Life Insurance - Darren	0	0	0	0	0	0	0	0	0	0	0	0	0
IRA - Samantha (Ameriprise)	0	62,743	0	52,676	0	0	0	53,926	0	0	0	0	169,345
Liberty Mutual Retirement Benefit Plan	0	0	0	0	0	0	0	0	0	0	0	1,876	1,876
MONEY MARKET	0	0	0	0	0	0	0	0	0	0	130,096	0	130,096
PRIME SHARES	0	0	0	0	0	0	0	0	0	0	82	0	82
Personal Account - Samantha (Ameriprise)	0	0	0	0	0	0	40,782	0	0	0	0	0	40,782
Personal Account - Samantha (Morgan Stanley)	0	137,920	0	0	0	0	0	0	0	0	0	0	137,920
Regular Savings - 7658	0	0	0	0	0	0	0	0	0	0	5,775	0	5,775
Roth IRA - Samantha	0	0	17,501	0	0	0	0	0	0	0	0	0	17,501

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Roth IRA - Darren	0	0	12,906	0	0	0	0	0	0	0	0	0	12,906
YOUR WAY CHECKING	0	0	0	0	0	0	0	0	0	0	5,559	0	5,559
Totals	0	200,663	427,512	52,676	0	311,005	40,782	226,017	70,099	85,584	142,965	1,876	1,559,179

RECOMMENDED	Portfolio	(ENHANCE	D INCOME)										
Recommended Portfolio (Enh Income)	15.00%	20.00%	0.00%	5.00%	5.00%	0.00%	0.00%	5.00%	20.00%	25.00%	5.00%	0.00%	100.00%
	Large Growth	Large Value	Large Blend	Mid Growth	Mid Value	Mid Blend	Balanced In	nternational	Inv Grd Bnd	Sht Trm Bnd	Cash U	nclassified	Total
All Assets	0.000/												
/ /	0.00%	12.87%	27.42%	3.38%	0.00%	19.95%	2.62%	14.50%	4.50%	5.49%	9.17%	0.12%	100.00%
Recommended Portfolio (Enh Income)	15.00%	12.87% 20.00%	27.42% 0.00%	3.38% 5.00%	0.00% 5.00%	19.95% 0.00%	2.62% 0.00%	14.50% 5.00%	4.50% 20.00%	5.49% 25.00%	9.17% 5.00%	0.12% 0.00%	100.00% 100.00%
Recommended Portfolio (Enh Income) % Disparity	15.00% 15.00%	12.87% 20.00% 7.13%	27.42% 0.00% -27.42%	3.38% 5.00% 1.62%	0.00% 5.00% 5.00%	19.95% 0.00% -19.95%	2.62% 0.00% -2.62%	14.50% 5.00% -9.50%	4.50% 20.00% 15.50%	5.49% 25.00% 19.51%	9.17% 5.00% -4.17%	0.12% 0.00% -0.12%	100.00% 100.00%

The Blended Rate is the weighted average of the Market index rates of returns that underlie each asset class of a given model portfolio.

All investments involve risks that you will lose value including the amount of your initial investment. Investments that offer the potential for higher rates of return generally involve greater risk of loss. Note: reinvestment transactions that involve selling existing investments may involve transaction costs associated with the sale of those assets as well as transaction costs associated with the purchase of new investments.

**International investing**: There are special risks associated with international investing, such as political changes and currency fluctuations. These risks are heightened in emerging Markets.

Small/Mid-Capitalization investing: Investments in companies with small or mid-Market capitalization ("small/mid-caps") may be subject to special risks given their characteristic narrow Markets, limited financial resources, and less liquid stocks, all of which may cause price volatility.

**High-Yield investing**: Investments in high yielding debt securities are generally subject to greater Market fluctuations and risk of loss of income and principal, than are investments in lower yielding debt securities.

**Inflation Protected Bond investing**: Interest rate increases can cause the price of a debt security to decrease. Increases in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable.

Interest Rate Risk: This risk refers to the risk that bond prices decline as interest rates rise. Interest rates and bond prices tend to move in opposite directions. Long-term bonds tend to be more sensitive to interest rate changes and therefore may be more volatile.

## **Holdings Details**

This report defines the individual holdings within each of the investment accounts. Additionally, the report outlines which asset class each holding falls into and their approximate percentage of the total portfolio.

					Market	Asset	% of
Holding	Ticker	CUSIP	Units	Price	Value	Class	Portfolio
401(K) - Samantha (Fidelity)							
DIVERSIFIED BOND			5,277.122	\$13.28	\$70,098.50	Inv Grd Bnd	4.96%
INTL EQ PORTFOLIO			11,281.266	\$15.25	\$172,091.43	International	12.17%
LARGE CAP EQ INDEX			2,492.013	\$159.35	\$397,105.11	Large Blend	28.08%
SM MD CAP EQ INDEX			14,050.462	\$22.13	\$311,005.01	Mid Blend	21.99%
US INTERM BOND INDEX			7,213.109	\$11.87	\$85,584.39	Sht Trm Bnd	6.05%
IRA - Samantha (Ameriprise)							
Allspring Special Large Cap Value Mutual Fund Class A	EIVAX		4,253.734	\$14.75	\$62,742.58	Large Value	4.44%
Columbia Acorn Fund;A	LACAX		6,316.113	\$8.34	\$52,676.38	Mid Growth	3.72%
Invesco Global Fund;A	OPPAX		514.026	\$104.91	\$53,926.47	International	3.81%
Personal Account - Samantha (Ameriprise)							
John Hancock Balanced Fund;A	SVBAX		1,400.956	\$29.11	\$40,781.83	Balanced	2.88%
Personal Account - Samantha (Morgan Stanley)							
Exxon Mobil Corp	XOM		1,150.000	\$119.93	\$137,919.50	Large Value	9.75%
Roth IRA - Samantha							
Goldman Sachs Balanced Strategy Portfolio;A	GIPAX		1,397.824	\$12.52	\$17,500.76	Large Blend	1.24%
Roth IRA - Darren							
Goldman Sachs Balanced Strategy Portfolio;A	GIPAX		1,030.838	\$12.52	\$12,906.09	Large Blend	0.91%
Total Holdings					\$1,414,338.05		100.00%

Asset Protection Analysis



## **Basics of Homeowners Insurance**

Homeowner's insurance is often times referred to as property insurance. This type of coverage protects you from damages to your:

### Dwelling

A dwelling (your home) is the structure you live in. For coverage purposes, your dwelling also includes your attached garages. A typical homeowner's policy may also cover damage to detached structures on your property, like a swimming pool or shed.

## **Personal Property**

Personal property includes your furnishings and other belongings that you use, wear or collect. A basic policy insures these items from theft or peril-related damages. Typically, jewelry or other collectibles require separate coverage.

## Liability

Liability coverage pays for accidents that occur on your property for which you are held responsible. This type of coverage protects you if you are sued for causing property damage or injury to someone. For example, if someone slips and falls on your stairway, your homeowner's insurance will pay the medical bills and legal costs that could be incurred.

## Living Expense

In the event you have to live elsewhere while your home is being repaired for a claim, a typical homeowner's policy will likely cover the additional living expenses that are incurred.

Whether you are looking in to a new homeowner's policy or simply renewing your existing coverage, you may want to consider a few other particulars in your coverage:

## **Replacement Cost vs. Actual Cash Value**

You can either insure your belongings for their actual cash value, which pays to replace your home or possessions minus a deduction for depreciation, generally up to a policy limit. You could also opt for a replacement cost coverage, which pays the actual cost of replacing your home or possessions (no depreciation) up to a policy limit. Generally, the prices on replacement cost coverage, is about 10% more than actual cash value coverage.

## **Your Personal Possessions**

Most homeowner's insurance policies provide coverage for your personal possessions for approximately 50 percent to 70 percent of the amount of insurance you have on your dwelling (home). Any limits on the policy typically appear on a declaration page. It is often suggested that you do a home inventory to determine if this amount of coverage is sufficient.

## **Additional Liability Coverage**

The liability coverage in a typical policy, helps protect you against lawsuits for bodily injury or property damage that you or family members cause to others, as described in the policy. It is recommended that homeowners consider purchasing adequate liability protection in their homeowners insurance. If you have significant assets that need protecting, you may

even consider a personal umbrella policy, which would cover additional liability exposure beyond the amount covered in your homeowner's policy.

### **Keep Good Records**

If something should happen and you need to file a major insurance claim, having up-to-date records of your home's contents and condition can become invaluable. Make a record of possessions, with pictures or video and store these records outside of the home, but in a secure, easily accessible location.

# Homeowners Insurance

Homeowners insurance provides financial protection for your home and personal property in the event of your home being damaged or destroyed. Your homeowners insurance should cover the following:

- The structure of your home
- Your personal possessions
- Your liability to others
- Living expenses should damages force you to live elsewhere

Your property value and your home value may be two entirely different amounts. Generally, you need enough homeowners coverage to replace 100% of your home's value. The value of the land is not insured. This analysis will look at the following properties: D. . . . . . . . .

	Real Estate		% of Real
Real Estate Property	Value	Home Value	Estate Value
Hookset	\$400,000	\$275,000	68.75%
Total Valuation	\$400,000	\$275,000	

The following is your current homeowner's insurance:

Homeowner's Insurance Policy	Real Estate Property	Coverage
Property/Casualty Policy	Hookset	\$271,200

Replacement cost is the amount it would take to replace or rebuild your home or repair damages with materials of a similar kind and quality. Many insurance companies require you to carry homeowners insurance equal to at least 80% of the replacement cost of your home or else they will not pay the full cost of repairing, rebuilding or replacing a partial loss. If you do have a serious or total loss, you will not be paid more than the total amount of the policy. For this analysis, we are suggesting you insure 80.00% of any home's value, which totals \$220,000 for the real estate you have defined.

	Value to Insure		Coverage
Real Estate Property	80.00%	Coverage	Shortfall
Hookset	\$220,000	\$271,200	\$0
Total Valuation	\$220,000		\$0

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Value to Insure \$220,000

**Coverage Shortfall \$0** 

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# **Umbrella Liability Coverage Basics**

The more your earning power and assets increase, the more you have at risk, and therefore, the more you need to protect. Without proper liability insurance to cover a claim or lawsuit, a judgment against you could allow the courts or person taking action, to go after your personal assets. Umbrella insurance protects you by covering damage claims that you and your dependent may cause, as described in the policy.

An umbrella liability policy, operates as its name implies. The policy acts as an umbrella to cover over and above the liability limits in your auto or homeowner's insurance.

For example, if there were a judgment against you for \$750,000, and your homeowner's or your auto policy only covered you up to \$300,000 of liability, a \$1,000,000 personal umbrella liability policy would pay the claim above the \$300,000

Without the umbrella policy, you would have to find the remaining \$450,000 on your own to pay the judgment.



A longstanding myth about umbrella insurance coverage is that it is only for the wealthy. Umbrella coverage may not cost as much as one would think. This is due in large part to the fact that it does not assume risk until after your primary insurance policy (homeowner's or auto) is exhausted. The exact pricing can vary, but in many areas of the country, you can purchase a \$1 million umbrella liability policy for \$300 to \$500 per year.

To help determine if your situation requires a personal umbrella liability policy, consider some of the following things that may create an additional liability exposure:

- Backyard Pool or Trampoline
- Aggressive driving habits
- Frequent visits to your home by clients or employees
- Frequent entertaining at your home
- Owning a personal watercraft

Many insurance companies will require you to raise your homeowner's and auto insurance liability coverage to \$250,000 to \$300,000 to be eligible for an umbrella policy. This ensures that the major risk is being held by your homeowner's and auto policies instead of the umbrella policy.

# **Umbrella Insurance**

The idea that a personal umbrella policy is only for the wealthy is really a myth in today's world.

An umbrella policy provides coverage when you reach the limit on your underlying liability coverage in a homeowners, auto or boat policy. Because a personal umbrella policy goes into effect after underlying coverage is exhausted, there are certain limits that usually must be met in order to purchase this type of coverage.

Umbrella coverage is your last protection against liability, not your first, so many insurers will require you to have at least **\$250,000** of liability coverage on an auto policy and at least **\$300,000** on your homeowners policy before selling you an umbrella policy. These required amounts are typical, though not universally used. For this analysis we will assume that the required liability coverage for each homeowners policy is **\$300,000**. For automobile policies the assumption is **\$250,000**.

Homeowner's Coverage Liability Requirement \$300,000

Total Qualification Shortfall (\$200,000)

Automobile Coverage Liability Requirement \$250,000

Total Qualification Shortfall **\$0** 

Total Liability Exposure (\$200,000)

These are your current policies and their corresponding liability coverage amounts. Any policy with a liability shortfall would need to have the coverage increased before an umbrella policy could be acquired.

Policy Type	Liability Coverage	Qualification Shortfall
Homeowner	\$100,000	(\$200,000)
Auto	\$500,000	\$0
	\$600,000	(\$200,000)
	<b>Policy Type</b> Homeowner Auto	LiabilityPolicy TypeCoverageHomeowner\$100,000Auto\$500,000\$600,000

#### **Umbrella Policy Example**

Here is an example of how a personal umbrella policy would work.

Let's assume that a neighbor dove into your pool and injured themselves. Let's further assume that this neighbor sued you for **\$800,000** in damages. After your homeowners policy pays out **\$300,000**, the policy is exhausted and a personal umbrella policy kicks in. If we assume you had a **\$1,000,000** umbrella policy, the remaining **\$500,000** in damages would be paid from your personal umbrella policy.

Total Liability Exposure	\$800,000
Liability amount covered by Homeowners Policy	\$300,000
Liability amount covered by Umbrella Policy	\$500,000
Total Liability Coverage Applied	\$800,000

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Estate Planning Analysis

## **Current Estate and Assumptions**

The first step in preparing the estate planning analysis is to determine the value in the estate. For this, we need to define the assets owned by **Darren** and **Samantha**, including portfolio assets, real estate, personal property, and any business interests.

## **Estate and Growth Assumptions**

Estate planning calculations are done to see impacts both in the case of imminent death, as well as some future death. In the case of imminent death, we assume Darren dies first. Any future analysis assumes that **Darren** dies in **5** years (2029) and that **Samantha** dies in **20** years (2044). During that time, your assets are expected to grow at a rate of **5.00%** from now until **2025**, after which they are expected to grow at a rate of **5.00%**.

## **Portfolio Assets**

		Current Estate Values					
	Asset Type	Current Value	Darren	Samantha			
•	Taxable Investments	\$178,702	\$0	\$178,702			
•	Cash Alternatives	\$142,968	\$71,484	\$71,484			
•	Qualified Retirement Plans	\$1,207,105	\$938	\$1,206,167			
•	Roth IRAs	\$30,407	\$12,906	\$17,501			
	Total Asset Value	\$1,559,182	\$85,328	\$1,473,854			

### **Real Estate and Personal Property**

	Assot Tuno	Current Value	Current Estate value	25 Samantha
				Samantila
•	Real Estate	\$400,000	\$200,000	\$200,000
	Total Property Value	\$400,000	\$200,000	\$200,000

Comment Fatata Values

#### **Mortgages and Loans**

	0 0		Current Estate Value	s
	Asset Type	Current Value	Darren	Samantha
•	Mortgages	\$44,364	\$22,182	\$22,182
	Total Liabilities Value	\$44,364	\$22,182	\$22,182

#### **Total Estate Values as of Today**

		Current Estate Values			
		Current Value	Darren	Samantha	
•	Totals	\$1,914,818	\$263,146	\$1,651,672	

# **Estate Plan Changes**

This report defines suggested changes to the current estate plan.

### Revocable Trust

#### New Revocable Trust

Darren's assets **do** pass through a Revocable Trust to avoid probate. Darren's percent of assets: **100.00%** 

Samantha's assets **do** pass through a Revocable Trust to avoid probate. Samantha's percent of assets: **100.00%** 

# Life Insurance and Estate Liquidity



Estate taxes are due 9 months from the estate-owner's death. The process of paying the estate tax is often more difficult and complicated than people expect.

For example, often the heirs prefer to receive the liquid investments from the estate as they are easier to divide and provide more flexibility for the ultimate recipients. Similarly, heirs often prefer to use illiquid assets or assets that they cannot agree on how to use or how to divide to pay the estate tax bill. In many cases a particular heir wants to keep the family vacation house while other heirs would prefer to sell it and receive cash.

Another example is the estate that is made up mostly of the successful family business. There may not be enough liquid assets to pay the estate bill but selling the business is out of the question. What is this family to do?

#### Life Insurance as a Potential Solution

Life insurance has several important features that make it an excellent solution when dealing with estate taxes.

#### Liquidity

Life Insurance can be owned outside of the estate (so as to not unnecessarily increase the estate value) and can be used by the heirs to provide liquidity to the estate. Estate administrators and heirs will find it much easier to divide up assets and possibly even allow certain heirs to purchase certain assets from the estate when it has a sizable pool of money.

If an heir really wants the family vacation home, they can use their share of insurance proceeds to purchase the other heirs' share of the house. Simply put, more liquid money means more options for heirs and the estate to achieve desired results.

#### **Cost Effective**

For example, a \$2,000,000 policy might cost \$20,000 per year. Over 30 years, a total of \$600,000 has been spent but at the clients' death \$2,000,000 is received. This can be a more effective use of money than relying on selling estate assets in which case you would need to sell one dollar to create one dollar. And there is no telling how long a sale could take.

#### **Guaranteed Benefits Provide Certainty**

Life insurance can be guaranteed\* to produce the stated benefit no matter when the estate owners pass away – even if that is just one year from now - providing the premiums are paid and the policy is in force at the time of death. No other savings program designed to accumulate money could guarantee results that quickly.

\*Guarantees are based on the financial strength and claims-paying ability of the issuing insurance company.

Client & Spouse Die Today

# **Estate Flow Chart - Current Plan**

One goal of estate planning is to distribute as much of your assets to your heirs and/or charity, rather than paying a larger percentage out as taxes. In this scenario, **Darren** dies first in **2024** and **Samantha** dies second in **2024**. The report shows how the assets of the estate are distributed to heirs, charity, trusts, and how much goes towards paying taxes and expenses associated with death.



# **Estate Distributions - Current Plan**

This report shows how assets are distributed. The report shows what you can expect to occur using **your current estate plan** in the scenario where **Darren** dies first in **2024** and **Samantha** dies second in **2024**. The report shows how the assets of the estate are distributed to heirs, charity, trusts, and how much goes towards paying taxes and expenses associated with death.

Note that distribution consists of the total amounts given to heirs and charity, including lifetime gifts, assets passed via beneficiary, life insurance benefits, and trust payouts. Trusts funded at first death but distributed in the future at second death take into account the assumed growth.

Distributions
To Children <b>\$3,251,818</b>
To Charity

\$0

Total Distributions \$3,251,818

## **Total Distributions - Current Plan**



## **Estate Details - Current Plan**

This report calculates estate distributions assuming **Darren** dies in **2024** and **Samantha** dies in **2024**. It shows how distributions are made at each death, as well as any distributions made during lifetime as gifts. It also provides the ultimate total distribution after second death.

#### Gifts Given During Life - Darren and/or Samantha

Recipient	Annual Exclusion	Lifetime Non-Exclusion	Lifetime Charitable	Total Gifts
Total to Children	\$0	\$0	\$0	\$0
Total to Non-child Heirs	\$0	\$0	\$0	\$0
Total to Charity	\$0	\$0	\$0	\$0
Total Gifts Distributed	\$0	\$0	\$0	\$0

Gifts are not processed in the year of death. Also, life insurance premium gifts made to an ILIT are not included based upon the assumption that the beneficiary will forgo withdrawal in exchange for the life insurance death benefit.

#### **Distributions at First Death - Darren**

Darren's Estate		\$653,145
Interim Distributions		
Recipient	From Estate	From ILIT
Spouse Total Interim Distributions	\$638,145 <b>\$638,145</b>	\$0 <b>\$0</b>
Ultimate Distributions	5	
Recipient	From Estate	From ILIT
Children Non-child Heirs		
Charity	\$0	\$0
Ultimate Distributions at First Death	\$0	\$0
Taxes, Fees, & Expense	es	
Estate Tax	\$0	
State Death Tax	\$0	
Probate Fees	\$0	
Final Expenses	\$15,000	
Taxes, Fees, & Expenses at First Death	\$15,000	

#### **Distributions at Second Death - Samantha**

#### Samantha's Estate

\$3,299,816

Ultimate Distributions	i		
Recipient	From Estate	From CST	From ILIT
Children			
Ashley Stevens	\$3,251,818	\$0	\$0
Non-child Heirs			
Ultimate Distributions at Second Death	\$3,251,818	\$0	\$0
Taxes, Fees, & Exp	enses		
Estate Tax	\$0		
State Death Tax	\$0		
Probate Fees	\$32,998		
Final Expenses	\$15,000		
Taxes, Fees, & Expenses at Second Death	\$47,998		

### **Total Distributions**

Recipient	Total Gifts	Total From Estate	Total From Trusts	Total Distributions
Children				
Ashley Stevens	\$0	\$3,251,818	\$0	\$3,251,818
Non-child Heirs				
Charity	\$0	\$0	\$0	\$0
Final Total Distributions	\$0	\$3,251,818	\$0	\$3,251,818

# **Estate Flow Chart - New Plan**

One goal of estate planning is to distribute as much of your assets to your heirs and/or charity, rather than paying a larger percentage out as taxes. In this scenario, **Darren** dies first in **2024** and **Samantha** dies second in **2024**. The report shows how the assets of the estate are distributed to heirs, charity, trusts, and how much goes towards paying taxes and expenses associated with death.



## **Estate Distributions - New Plan**

This report shows how assets are distributed. The report shows what you can expect to occur using **your new estate plan** in the scenario where **Darren** dies first in **2024** and **Samantha** dies second in **2024**. The report shows how the assets of the estate are distributed to heirs, charity, trusts, and how much goes towards paying taxes and expenses associated with death.

Note that distribution consists of the total amounts given to heirs and charity, including lifetime gifts, assets passed via beneficiary, life insurance benefits, and trust payouts. Trusts funded at first death but distributed in the future at second death take into account the assumed growth.

Distributions	
To Children <b>\$3,284,816</b>	
To Charity <b>\$0</b>	
Total Distributions \$3,284,816	

## **Total Distributions - New Plan**



## **Estate Details - New Plan**

This report calculates estate distributions assuming **Darren** dies in **2024** and **Samantha** dies in **2024**. It shows how distributions are made at each death, as well as any distributions made during lifetime as gifts. It also provides the ultimate total distribution after second death.

#### Gifts Given During Life - Darren and/or Samantha

Recipient	Annual Exclusion	Lifetime Non-Exclusion	Lifetime Charitable	Total Gifts
Total to Children	\$0	\$0	\$0	\$0
Total to Non-child Heirs	\$0	\$0	\$0	\$0
Total to Charity	\$0	\$0	\$0	\$0
Total Gifts Distributed	\$0	\$0	\$0	\$0

Gifts are not processed in the year of death. Also, life insurance premium gifts made to an ILIT are not included based upon the assumption that the beneficiary will forgo withdrawal in exchange for the life insurance death benefit.

#### **Distributions at First Death - Darren**

- . .

Darren's Estate	\$	653,145
Interim Distributi	ions	
Paginiant	From	From
	Estate	ILIT
Spouse	\$638,145	\$0
Total Interim Distributions	\$638,145	\$0
Ultimate Distribut	tions	
Desirient	From	From
Recipient	Estate	ILIT
Children		
Non-child Heirs		
Charity	\$0	\$0
Ultimate Distributions at First Death	\$0	\$0
Taxes, Fees, & Exp	enses	
Estate Tax	\$0	
State Death Tax	\$0	
Probate Fees	\$0	
Final Expenses	\$15,000	
Taxes, Fees, & Expenses at First Death	\$15,000	

#### Distributions at Second Death - Samantha

#### Samantha's Estate

\$3,299,816

\*\*\*\*

Ultimate Distributions			
Recipient	From Estate	From CST	From ILIT
Children			
Ashley Stevens	\$3,284,816	\$0	\$0
Non-child Heirs			
Ultimate Distributions at Second Death	\$3,284,816	\$0	\$0
Taxes, Fees, & Expe	enses		
Estate Tax	\$0		
State Death Tax	\$0		
Probate Fees	\$0		
Final Expenses	\$15,000		
Taxes, Fees, & Expenses at Second Death	\$15,000		

### **Total Distributions**

Recipient	Total Gifts	Total From Estate	Total From Trusts	Total Distributions
Children				
Ashley Stevens	\$0	\$3,284,816	\$0	\$3,284,816
Non-child Heirs				
Charity	\$0	\$0	\$0	\$0
Final Total Distributions	\$0	\$3,284,816	\$0	\$3,284,816

## **Current Plan vs. New Plan**

This report compares your current estate plan to the outcome of possible estate plan changes. It assumes that **Darren** dies in **2024** and **Samantha** dies in **2024**. It summarizes the differences in taxes and fees paid, and of amounts ultimately distributed to the heirs.



Life Insurance Analysis



## **Types of Life Insurance**

#### **Term Insurance**

This type of Life Insurance provides coverage on the insured for a specified period of time (5, 10, or 20 years for example) as long as the premiums are paid and the policy is not canceled.

#### Annual Renewable Term

Provides a fixed amount of coverage for one year and allows the policy owner to renew the coverage each year, without evidence of insurability.

#### Level Term

Provides a fixed amount of coverage with premiums that are fixed over a certain period of time, often in 10 year increments.

#### **Decreasing Term**

Provides for coverage that decreases throughout the term of coverage, while the premiums remain level. Often times used for a short term decreasing liability like a mortgage.

#### **Permanent Insurance\***

Permanent Life Insurance provides coverage for the insured's entire life - as long as premiums are paid on time and the policy is not canceled - and generally allows for a build up of cash value. The most common types of Permanent Insurance are:

#### Whole Life

The oldest kind of permanent insurance, where premiums are fixed and guaranteed and remain level throughout the policy's lifetime. Provided premiums are paid on time, this coverage also provides a guaranteed cash value and guaranteed death benefit. Guarantees are dependent upon the claims-paying ability of the issuing insurance company.

#### **Universal Life**

Universal Life allows the owner after the initial payment to pay flexible premiums. The owner may change the death benefit from time to time (increase in coverage may require evidence of insurability) and vary the amount and timing of premium payments subject to certain minimums and standards.

#### Variable Universal Life

A form of permanent coverage that combines premium and death benefit flexibility with allowing the policy owner to choose among different investment options. Values fluctuate based on Market volatility. The extent to which this form of coverage is permanent is also dependent on the performance of the underlying investments. Variable universal life insurance policy holders are subject to investment risks, including the possible loss of principal.

Variable universal life insurance is sold by prospectus. Before purchasing a variable universal life insurance policy, investors should carefully consider the investment objectives, risks, charges and expenses of the variable universal life insurance policy and its underlying investment choices. For this and other information, obtain the prospectuses for the

variable universal life insurance policy and its underlying investment choices from your registered representative. Please read the prospectuses carefully before investing or sending money.

\*Length of coverage is permanent for whole life as long as premiums are paid. This may not be true of universal life or variable universal life insurance.

Feature	Term	Permanent*
Length of Coverage	Specific Period of time as long as premiums are paid.	Lifetime as long as premiums are paid
Premiums	<ul> <li>Determined by age and health</li> <li>Typically lower than permanent coverage</li> </ul>	<ul> <li>Determined by age and health</li> <li>Initially higher than term coverage with portion to cash value</li> </ul>
Cash Value Not Available		Potential for cash value accumulation on a Tax Deferred Basis
Face Amount Typically Level		Level and/or Flexible
Key Advantage	Provides the highest death benefit for lowest premium when need is temporary.	Provides lifetime protection combined with the potential for cash value accumulation.

## A Feature Comparison of Term and Permanent Life Insurance

\*Length of coverage is permanent for whole life as long as premiums are paid. This may not be true of universal life or variable universal life insurance.

Most insurance policies contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your representative can provide you with costs and complete details.

# Q & A on Life Insurance

### How do I determine how much insurance I need?

The amount of coverage you need depends upon your individual circumstances. Things to consider include anticipated final expenses, ongoing living expenses for your spouse and children, any outstanding debts (like mortgages), anticipated education costs for children, and any expenses required for business continuity. Remember that needs will change over time and inflation can greatly impact future costs.



## How are life insurance cash values and death benefits taxed?

Under current tax law:

- Cash value growth in a life insurance policy is typically tax deferred.
- If policy is surrendered for cash value, the difference between the cash value and your basis in the policy is subject to income tax.
- Policy loans are typically not treated as a taxable distribution.
- Generally, death benefit proceeds are not subject to income tax.

Note: Policy loans and withdrawals reduce the policy's cash value and death benefit. While withdrawals up to the basis paid into the contract and loans thereafter will generally not create an immediate taxable event, substantial tax ramifications could result upon contract lapse or surrender. If the policy is a modified endowment contract (MEC), all withdrawals and loans are treated as coming first from the policy gain, are subject to ordinary income tax, and may incur an additional 10% penalty tax if the owner is under 59 1/2.

## What are some features to consider when purchasing an insurance policy?

- Accelerated benefits rider A life insurance rider that allows for the early payment of some portion of the policy face amount if the insured suffers from a terminal illness or injury.
- Accidental death benefit rider A life insurance rider providing for an additional benefit when death occurs by accidental means.
- **Convertible Term Insurance** Term insurance which can be exchanged (converted), at the option of the policy owner and without evidence of insurability, for a permanent policy.
- Waiver of premium A rider exempting the insured from paying premiums after they have been disabled for a specified period of time.

Note: The above features may be available for an additional charge.

## What is Cash Surrender Value?

This contract term refers to the amount payable to a permanent life policy owner upon surrender of the policy. It is equal to the current cash value of the policy, less any charges due upon surrender.

### What is an Irrevocable Life Insurance Trust (ILIT)?

An ILIT is a trust which holds a life insurance policy and in which the grantor has completely given up all rights in the property in the trust and retains no rights to revoke, terminate, or modify the trust in any way. This type of trust is often times utilized to remove the value of the life insurance from the insured's estate and provide tax free liquidity for an estate.

## The Need for Life Insurance



Do you need life insurance? Keep in mind that life insurance isn't for the people who die, it is for the people who live. If you have one or more people in your life that depend upon you financially – such as a spouse, children or other loved ones – you likely have a need for life insurance.

Ask yourself: when you die, will your family's financial security be protected?

Life insurance is used by most people to replace the income lost due to a premature death. Your ability to earn an income could be considered your family's biggest asset, and without it your family's standard of living and financial security could be lost. By supplying your loved ones with an income even after your death, you can help to ensure their financial future.

### What can Life Insurance Protect?

Life insurance can guard against the need for your family to make drastic changes to their plans should the unexpected occur. Death benefits are almost always free from income tax and can help protect their ability to meet:

- Final expenses
- Day to day living expenses
- Education expenses for your children
- Outstanding liabilities like mortgages
- Family business continuity needs
- A legacy for your grandchildren
- A comfortable retirement for your spouse

Remember: Your financial needs today may not be the same as your needs tomorrow. Changes in your life such as marriage, the birth of a child, a new job, starting a business or getting a divorce necessitate a re-evaluation of your life insurance needs.

Policy Insurance s Paid to Insurance Company Holder Company PREMATURE DEATH Policy Death Insured's Beneficiaries Benefit Children's Family's Mortgage Education Standard of Paid off Living FAMILY SECURITY

Premature Client Death

# The Cost of a Premature Death

When a person dies prematurely, they leave behind many expenses with which their dependents must cope. Everyday living expenses, ongoing liabilities such as mortgage payments, and the funding of education for children are just a few examples of the expenses that may need to be covered. Life Insurance can help provide a safety net by which you can ensure that those you leave behind are able to meet their expenses and enjoy the standard of living that you would want.

The first step in determining what the right level of protection is for you and your family is to get an idea of the expenses that will need to be funded in the event of your premature death.

Total Future Living Expenses \$9,926,132

Total Liabilities & Education \$44,363

Total Expenses **\$9,970,495** 

### What will your expenses be?

Based upon the anticipated expenses listed below, you can expect to incur **\$9,970,495** of total expenses over the **37** years following **Darren**'s premature death in **2024**. The chart below shows the portion of the total cost associated with each type of expense.



## Keep in Mind...

The cost of a premature death does not remain constant. As certain life events occur, it makes sense to review how these costs may change and whether you are properly protected. These life events may include purchasing a new home, the birth of a child, changing jobs, divorce or retirement.

# **Your Current Resources**

Your capital resources, insurance proceeds and continuing income sources can be used to offset the expenses that will occur after a premature death. But these resources may not be enough. Let's take a look at how your assets and income stack up against your projected expenses in the event that **Darren** dies prematurely in **2024**.

Samantha will have the following sources of income to help cover expenses until 2060:

•	Samantha's Social Security	<b>\$31,092</b> /yr	2032-2060
•	FD Pension	<b>\$82,298</b> /yr	2024-2060
•	Deferred Income	<b>\$9,654</b> /yr	2028-2060
•	Samantha's Bonus	<b>\$25,000</b> /yr	2024-2028
١.	Samantha's Salary	<b>\$162,000</b> /yr	2024-2028



You currently have **\$1,559,179** of available capital resources and **\$390,000** in existing life insurance coverage. Together, these assets provide a total of **\$1,949,179** to offset your projected expenses.

For purposes of this analysis, we'll assume that capital resources and insurance proceeds will grow at **5.00%** prior to **Samantha's** assumed retirement age and **5.00%** after retirement. Withdrawals from capital resources will be taxed at a rate of **25.0%**. Income will be indexed at **3.00%** and will be subject to a **25.0%** income tax.

#### How will you cover your expenses?

The chart below illustrates how your income, capital resources and insurance benefits would stack up against your projected expenses. Each column represents the total expenses in a given year, and the colors in each column indicate the resources used to meet those expenses.



Expenses After Premature Death

# **Survivor Income Details**

				Total	Income	Net Income	
		Income		Income	Taxes	Applied to	Surplus
Year	Age	from Flows	SS Income	Sources	@25.0%	Needs	Income
2024	54	\$269,298	\$0	\$269,298	\$67,325	\$194,363	\$7,610
2025	55	277,377	0	277,377	69,344	154,500	53,533
2026	56	285,699	0	285,699	71,425	159,135	55,139
2027	57	294,269	0	294,269	73,567	163,909	56,793
2028	58	103,493	0	103,493	25,873	77,620	0
2029	59	106,598	0	106,598	26,650	79,948	0
2030	60	109,795	0	109,795	27,449	82,346	0
2031	61	113,089	0	113,089	28,272	84,817	0
2032	62	116,482	39,386	155,868	38,967	116,901	0
2033	63	119,976	40,568	160,544	40,136	120,408	0
2034	64	123,576	41,785	165,361	41,340	124,021	0
2035	65	127,283	43,039	170,322	42,581	127,741	0
2036	66	131,101	44,330	175,431	43,858	131,573	0
2037	67	135,034	45,660	180,694	45,174	135,520	0
2038	68	139,086	47,029	186,115	46,529	139,586	0
2039	69	143,259	48,440	191,699	47,925	143,774	0
2040	70	147,556	49,894	197,450	49,363	148,087	0
2041	71	151,983	51,390	203,373	50,843	152,530	0
2042	72	156,542	52,932	209,474	52,369	157,105	0
2043	73	161,238	54,520	215,758	53,940	161,818	0
2044	74	166,075	56,156	222,231	55,558	166,673	0
2045	75	171,058	57,840	228,898	57,225	171,673	0
2046	76	176,189	59,575	235,764	58,941	176,823	0
2047	77	181,475	61,363	242,838	60,710	182,128	0
2048	78	186,920	63,204	250,124	62,531	187,593	0
2049	79	192,527	65,100	257,627	64,407	193,220	0
2050	80	198,303	67,053	265,356	66,339	199,017	0
2051	81	204,252	69,064	273,316	68,329	204,987	0
2052	82	210,380	71,136	281,516	70,379	211,137	0
2053	83	216,691	73,270	289,961	72,490	217,471	0
2054	84	223,192	75,468	298,660	74,665	223,995	0
2055	85	229,888	77,732	307,620	76,905	230,715	0
2056	86	236,784	80,064	316,848	79,212	237,636	0
2057	87	243,888	82,466	326,354	81,589	244,765	0
2058	88	251,204	84,940	336,144	84,036	252,108	0
2059	89	258,740	87,489	346,229	86,557	259,672	0
2060	90	266,503	90,113	356,616	89,154	267,462	0
				8,607,809	2,151,957	6,282,777	

# **Capital Resources Details**

Capital Resources Today:	\$1,559,179
Existing Life Insurance Benefits:	\$390,000
Total Capital Resources:	\$1,949,179
Pre-Retirement Growth Rate:	5.00%
Post-Retirement Growth Rate:	5.00%

			Withdrawals		Taxation on	Net				
			from	Withdrawals	Savings	Withdrawals	Income	Total		
		BOY Capital	Insurance	from	Withdrawals	Applied to	Added	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	to Capital	Withdrawals	Growth	Resources
2024	54	\$1,949,179	\$0	\$0	\$0	\$0	\$7,610	\$1,956,789	\$97,839	\$2,054,628
2025	55	2,054,628	0	0	0	0	53,533	2,108,161	105,408	2,213,569
2026	56	2,213,569	0	0	0	0	55,139	2,268,708	113,435	2,382,143
2027	57	2,382,143	0	0	0	0	56,793	2,438,936	121,947	2,560,883
2028	58	2,560,883	91,206	0	0	91,206	0	2,469,677	123,484	2,593,161
2029	59	2,593,161	93,943	0	0	93,943	0	2,499,218	124,961	2,624,179
2030	60	2,624,179	96,762	0	0	96,762	0	2,527,417	126,370	2,653,787
2031	61	2,653,787	99,664	0	0	99,664	0	2,554,123	127,706	2,681,829
2032	62	2,681,829	8,425	86,253	21,563	73,115	0	2,587,151	129,358	2,716,509
2033	63	2,716,509	0	100,411	25,103	75,308	0	2,616,098	130,805	2,746,903
2034	64	2,746,903	0	103,421	25,855	77,566	0	2,643,482	132,174	2,775,656
2035	65	2,775,656	0	106,525	26,631	79,894	0	2,669,131	133,457	2,802,588
2036	66	2,802,588	0	109,721	27,430	82,291	0	2,692,867	134,643	2,827,510
2037	67	2,827,510	0	113,013	28,253	84,760	0	2,714,497	135,725	2,850,222
2038	68	2,850,222	0	116,403	29,101	87,302	0	2,733,819	136,691	2,870,510
2039	69	2,870,510	0	119,895	29,974	89,921	0	2,750,615	137,531	2,888,146
2040	70	2,888,146	0	123,492	30,873	92,619	0	2,764,654	138,233	2,902,887
2041	71	2,902,887	0	127,196	31,799	95,397	0	2,775,691	138,785	2,914,476
2042	72	2,914,476	0	131,013	32,753	98,260	0	2,783,463	139,173	2,922,636
2043	73	2,922,636	0	134,944	33,736	101,208	0	2,787,692	139,385	2,927,077
2044	74	2,927,077	0	138,992	34,748	104,244	0	2,788,085	139,404	2,927,489
2045	75	2,927,489	0	143,161	35,790	107,371	0	2,784,328	139,216	2,923,544
2046	76	2,923,544	0	147,457	36,864	110,593	0	2,776,087	138,804	2,914,891
2047	77	2,914,891	0	151,880	37,970	113,910	0	2,763,011	138,151	2,901,162
2048	78	2,901,162	0	156,435	39,109	117,326	0	2,744,727	137,236	2,881,963
2049	79	2,881,963	0	161,129	40,282	120,847	0	2,720,834	136,042	2,856,876
2050	80	2,856,876	0	165,963	41,491	124,472	0	2,690,913	134,546	2,825,459
2051	81	2,825,459	0	170,941	42,735	128,206	0	2,654,518	132,726	2,787,244
2052	82	2,787,244	0	176,069	44,017	132,052	0	2,611,175	130,559	2,741,734

		BOY Capital	Withdrawals from Insurance	Withdrawals from	Taxation on Savings Withdrawals	Net Withdrawals Applied to	Income Added	Total Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	to Capital	Withdrawals	Growth	Resources
2053	83	2,741,734	0	181,352	45,338	136,014	0	2,560,382	128,019	2,688,401
2054	84	2,688,401	0	186,792	46,698	140,094	0	2,501,609	125,080	2,626,689
2055	85	2,626,689	0	192,396	48,099	144,297	0	2,434,293	121,715	2,556,008
2056	86	2,556,008	0	198,168	49,542	148,626	0	2,357,840	117,892	2,475,732
2057	87	2,475,732	0	204,113	51,028	153,085	0	2,271,619	113,581	2,385,200
2058	88	2,385,200	0	210,237	52,559	157,678	0	2,174,963	108,748	2,283,711
2059	89	2,283,711	0	216,543	54,136	162,407	0	2,067,168	103,358	2,170,526
2060	90	2,170,526	0	223,040	55,760	167,280	0	1,947,486	97,374	2,044,860
# **Survivor Needs Details**

					Income	Capital
			Living		Applied	Withdrawal
			Expenses	Total	Towards	to Meet
Year	Age	Liabilities	<b>.</b> @3.00%	Expenses	Needs	Needs
2024	54	\$44,363	\$150,000	\$194,363	\$194,363	\$0
2025	55	0	154,500	154,500	154,500	0
2026	56	0	159,135	159,135	159,135	0
2027	57	0	163,909	163,909	163,909	0
2028	58	0	168,826	168,826	77,620	91,206
2029	59	0	173,891	173,891	79,948	93,943
2030	60	0	179,108	179,108	82,346	96,762
2031	61	0	184,481	184,481	84,817	99,664
2032	62	0	190,016	190,016	116,901	73,115
2033	63	0	195,716	195,716	120,408	75,308
2034	64	0	201,587	201,587	124,021	77,566
2035	65	0	207,635	207,635	127,741	79,894
2036	66	0	213,864	213,864	131,573	82,291
2037	67	0	220,280	220,280	135,520	84,760
2038	68	0	226,888	226,888	139,586	87,302
2039	69	0	233,695	233,695	143,774	89,921
2040	70	0	240,706	240,706	148,087	92,619
2041	71	0	247,927	247,927	152,530	95,397
2042	72	0	255,365	255,365	157,105	98,260
2043	73	0	263,026	263,026	161,818	101,208
2044	74	0	270,917	270,917	166,673	104,244
2045	75	0	279,044	279,044	171,673	107,371
2046	76	0	287,416	287,416	176,823	110,593
2047	77	0	296,038	296,038	182,128	113,910
2048	78	0	304,919	304,919	187,593	117,326
2049	79	0	314,067	314,067	193,220	120,847
2050	80	0	323,489	323,489	199,017	124,472
2051	81	0	333,193	333,193	204,987	128,206
2052	82	0	343,189	343,189	211,137	132,052
2053	83	0	353,485	353,485	217,471	136,014
2054	84	0	364,089	364,089	223,995	140,094
2055	85	0	375,012	375,012	230,715	144,297
2056	86	0	386,262	386,262	237,636	148,626
2057	87	0	397,850	397,850	244,765	153,085
2058	88	0	409,786	409,786	252,108	157,678
2059	89	0	422,079	422,079	259,672	162,407
2060	90	0	434,742	434,742	267,462	167,280
				9,970,495	6,282,777	3,687,718

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#### (Continued)

# Your Resources plus Additional Insurance

Your capital resources, insurance proceeds and continuing income sources can be used to offset the expenses that will occur after a premature death. But these resources may not be enough. Let's take a look at how your assets and income stack up against your projected expenses in the event that **Darren** dies prematurely in **2024**.

Samantha will have the following sources of income to help cover expenses until 2060:

•	Samantha's Social Security	<b>\$31,092</b> /yr	2032-2060
•	FD Pension	<b>\$82,298</b> /yr	2024-2060
•	Deferred Income	<b>\$9,654</b> /yr	2028-2060
•	Samantha's Bonus	<b>\$25,000</b> /yr	2024-2028
١.	Samantha's Salary	<b>\$162,000</b> /yr	2024-2028

You currently have **\$1,559,179** of available capital resources and **\$390,000** in existing life insurance coverage. Together, these assets provide a total of **\$1,949,179** to offset your projected expenses. With additional life insurance benefits of **\$0** you will be able to fully offset your projected expenses.

For purposes of this analysis, we'll assume that capital resources and insurance proceeds will grow at **5.00%** prior to **Samantha's** assumed retirement age and **5.00%** after retirement. Withdrawals from capital resources will be taxed at a rate of **25.0%**. Income will be indexed at **3.00%** and will be subject to a **25.0%** income tax.

### How will you cover your expenses?

The chart below illustrates how your income, capital resources and insurance benefits would stack up against your projected expenses. Each column represents the total expenses in a given year, and the colors in each column indicate the resources used to meet those expenses.

\$600,000 fotal Expenses \$400.000 \$200.000 \$0 2024 20'28 2032 2036 20'40 20'44 2048 2052 2056 2060 Income Life Insurance Withdrawals from Assets

Expenses After Premature Death



# **Capital Resources plus Insurance Details**

Capital Resources Today:	\$1,559,179
Existing Life Insurance Benefits:	\$390,000
Additional Life Insurance Benefits:	\$0
Total Capital Resources:	\$1,949,179
Pre-Retirement Growth Rate:	5.00%
Post-Retirement Growth Rate:	5.00%

			Withdrawals		Taxation on	Net				
			from	Withdrawals	Savings	Withdrawals	Income	Total		
		BOY Capital	Insurance	from	Withdrawals	Applied to	Added	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	to Capital	Withdrawals	Growth	Resources
2024	54	\$1,949,179	\$0	\$0	\$0	\$0	\$7,610	\$1,956,789	\$97,839	\$2,054,628
2025	55	2,054,628	0	0	0	0	53,533	2,108,161	105,408	2,213,569
2026	56	2,213,569	0	0	0	0	55,139	2,268,708	113,435	2,382,143
2027	57	2,382,143	0	0	0	0	56,793	2,438,936	121,947	2,560,883
2028	58	2,560,883	91,206	0	0	91,206	0	2,469,677	123,484	2,593,161
2029	59	2,593,161	93,943	0	0	93,943	0	2,499,218	124,961	2,624,179
2030	60	2,624,179	96,762	0	0	96,762	0	2,527,417	126,370	2,653,787
2031	61	2,653,787	99,664	0	0	99,664	0	2,554,123	127,706	2,681,829
2032	62	2,681,829	8,425	86,253	21,563	73,115	0	2,587,151	129,358	2,716,509
2033	63	2,716,509	0	100,411	25,103	75,308	0	2,616,098	130,805	2,746,903
2034	64	2,746,903	0	103,421	25,855	77,566	0	2,643,482	132,174	2,775,656
2035	65	2,775,656	0	106,525	26,631	79,894	0	2,669,131	133,457	2,802,588
2036	66	2,802,588	0	109,721	27,430	82,291	0	2,692,867	134,643	2,827,510
2037	67	2,827,510	0	113,013	28,253	84,760	0	2,714,497	135,725	2,850,222
2038	68	2,850,222	0	116,403	29,101	87,302	0	2,733,819	136,691	2,870,510
2039	69	2,870,510	0	119,895	29,974	89,921	0	2,750,615	137,531	2,888,146
2040	70	2,888,146	0	123,492	30,873	92,619	0	2,764,654	138,233	2,902,887
2041	71	2,902,887	0	127,196	31,799	95,397	0	2,775,691	138,785	2,914,476
2042	72	2,914,476	0	131,013	32,753	98,260	0	2,783,463	139,173	2,922,636
2043	73	2,922,636	0	134,944	33,736	101,208	0	2,787,692	139,385	2,927,077
2044	74	2,927,077	0	138,992	34,748	104,244	0	2,788,085	139,404	2,927,489
2045	75	2,927,489	0	143,161	35,790	107,371	0	2,784,328	139,216	2,923,544
2046	76	2,923,544	0	147,457	36,864	110,593	0	2,776,087	138,804	2,914,891
2047	77	2,914,891	0	151,880	37,970	113,910	0	2,763,011	138,151	2,901,162
2048	78	2,901,162	0	156,435	39,109	117,326	0	2,744,727	137,236	2,881,963
2049	79	2,881,963	0	161,129	40,282	120,847	0	2,720,834	136,042	2,856,876
2050	80	2,856,876	0	165,963	41,491	124,472	0	2,690,913	134,546	2,825,459
2051	81	2,825,459	0	170,941	42,735	128,206	0	2,654,518	132,726	2,787,244

			Withdrawals		Taxation on	Net				
			from	Withdrawals	Savings	Withdrawals	Income	Total		
		BOY Capital	Insurance	from	Withdrawals	Applied to	Added	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	to Capital	Withdrawals	Growth	Resources
2052	82	2,787,244	0	176,069	44,017	132,052	0	2,611,175	130,559	2,741,734
2053	83	2,741,734	0	181,352	45,338	136,014	0	2,560,382	128,019	2,688,401
2054	84	2,688,401	0	186,792	46,698	140,094	0	2,501,609	125,080	2,626,689
2055	85	2,626,689	0	192,396	48,099	144,297	0	2,434,293	121,715	2,556,008
2056	86	2,556,008	0	198,168	49,542	148,626	0	2,357,840	117,892	2,475,732
2057	87	2,475,732	0	204,113	51,028	153,085	0	2,271,619	113,581	2,385,200
2058	88	2,385,200	0	210,237	52,559	157,678	0	2,174,963	108,748	2,283,711
2059	89	2,283,711	0	216,543	54,136	162,407	0	2,067,168	103,358	2,170,526
2060	90	2,170,526	0	223,040	55,760	167,280	0	1,947,486	97,374	2,044,860

# **Survivor Needs plus Insurance Details**

					Income	Capital
			Living		Applied	Withdrawal
			Expenses	Total	Towards	to Meet
Year	Age	Liabilities	@3.00%	Expenses	Needs	Needs
2024	54	\$44,363	\$150,000	\$194,363	\$194,363	\$0
2025	55	0	154,500	154,500	154,500	0
2026	56	0	159,135	159,135	159,135	0
2027	57	0	163,909	163,909	163,909	0
2028	58	0	168,826	168,826	77,620	91,206
2029	59	0	173,891	173,891	79,948	93,943
2030	60	0	179,108	179,108	82,346	96,762
2031	61	0	184,481	184,481	84,817	99,664
2032	62	0	190,016	190,016	116,901	73,115
2033	63	0	195,716	195,716	120,408	75,308
2034	64	0	201,587	201,587	124,021	77,566
2035	65	0	207,635	207,635	127,741	79,894
2036	66	0	213,864	213,864	131,573	82,291
2037	67	0	220,280	220,280	135,520	84,760
2038	68	0	226,888	226,888	139,586	87,302
2039	69	0	233,695	233,695	143,774	89,921
2040	70	0	240,706	240,706	148,087	92,619
2041	71	0	247,927	247,927	152,530	95,397
2042	72	0	255,365	255,365	157,105	98,260
2043	73	0	263,026	263,026	161,818	101,208
2044	74	0	270,917	270,917	166,673	104,244
2045	75	0	279,044	279,044	171,673	107,371
2046	76	0	287,416	287,416	176,823	110,593
2047	77	0	296,038	296,038	182,128	113,910
2048	78	0	304,919	304,919	187,593	117,326
2049	79	0	314,067	314,067	193,220	120,847
2050	80	0	323,489	323,489	199,017	124,472
2051	81	0	333,193	333,193	204,987	128,206
2052	82	0	343,189	343,189	211,137	132,052
2053	83	0	353,485	353,485	217,471	136,014
2054	84	0	364,089	364,089	223,995	140,094
2055	85	0	375,012	375,012	230,715	144,297
2056	86	0	386,262	386,262	237,636	148,626
2057	87	0	397,850	397,850	244,765	153,085
2058	88	0	409,786	409,786	252,108	157,678
2059	89	0	422,079	422,079	259,672	162,407
2060	90	0	434,742	434,742	267,462	167,280
				9.970.495	6.282.777	3.687.718

Premature Spouse Death

# The Cost of a Premature Spouse Death

When a person dies prematurely, they leave behind many expenses with which their dependents must cope. Everyday living expenses, ongoing liabilities such as mortgage payments, and the funding of education for children are just a few examples of the expenses that may need to be covered. Life Insurance can help provide a safety net by which you can ensure that those you leave behind are able to meet their expenses and enjoy the standard of living that you would want.

The first step in determining what the right level of protection is for you and your family is to get an idea of the expenses that will need to be funded in the event of your premature death.

Total Future Living Expenses \$9,926,132

Total Liabilities & Education \$44,363

Total Expenses **\$9,970,495** 

### What will your expenses be?

Based upon the anticipated expenses listed below, you can expect to incur **\$9,970,495** of total expenses over the **37** years following **Samantha**'s premature death in **2024**. The chart below shows the portion of the total cost associated with each type of expense.



### Keep in Mind...

The cost of a premature death does not remain constant. As certain life events occur, it makes sense to review how these costs may change and whether you are properly protected. These life events may include purchasing a new home, the birth of a child, changing jobs, divorce or retirement.

# **Your Current Resources**

Your capital resources, insurance proceeds and continuing income sources can be used to offset the expenses that will occur after a premature death. But these resources may not be enough. Let's take a look at how your assets and income stack up against your projected expenses in the event that **Samantha** dies prematurely in **2024**.

Darren will have the following sources of income to help cover expenses until 2060:

Darren's Social Security \$25,284/yr
Deferred Income \$82,298/yr
Darren's Salary \$110,000/yr
2022-2060
2024-2025

You currently have **\$1,559,179** of available capital resources and **\$1,010,000** in existing life insurance coverage. Together, these assets provide a total of **\$2,569,179** to offset your projected expenses.

For purposes of this analysis, we'll assume that capital resources and insurance proceeds will grow at **5.00%** prior to **Darren's** assumed retirement age and **5.00%** after retirement. Withdrawals from capital resources will be taxed at a rate of **25.0%**. Income will be indexed at **3.00%** and will be subject to a **25.0%** income tax.

### How will you cover your expenses?

The chart below illustrates how your income, capital resources and insurance benefits would stack up against your projected expenses. Each column represents the total expenses in a given year, and the colors in each column indicate the resources used to meet those expenses.



#### Expenses After Premature Death



# **Survivor Income Details**

				Total	Income	Net Income
		Income		Income	Taxes	Applied to
Year	Age	from Flows	SS Income	Sources	@25.0%	Needs
2024	54	\$110,000	\$0	\$110,000	\$27,500	\$82,500
2025	55	84,767	0	84,767	21,192	63,575
2026	56	87,310	0	87,310	21,828	65,482
2027	57	89,929	0	89,929	22,482	67,447
2028	58	92,627	0	92,627	23,157	69,470
2029	59	95,406	0	95,406	23,852	71,554
2030	60	98,268	0	98,268	24,567	73,701
2031	61	101,216	0	101,216	25,304	75,912
2032	62	104,253	39,386	143,639	35,910	107,729
2033	63	107,380	40,568	147,948	36,987	110,961
2034	64	110,602	41,785	152,387	38,097	114,290
2035	65	113,920	43,039	156,959	39,240	117,719
2036	66	117,337	44,330	161,667	40,417	121,250
2037	67	120,857	45,660	166,517	41,629	124,888
2038	68	124,483	47,029	171,512	42,878	128,634
2039	69	128,218	48,440	176,658	44,165	132,493
2040	70	132,064	49,894	181,958	45,490	136,468
2041	71	136,026	51,390	187,416	46,854	140,562
2042	72	140,107	52,932	193,039	48,260	144,779
2043	73	144,310	54,520	198,830	49,708	149,122
2044	74	148,639	56,156	204,795	51,199	153,596
2045	75	153,099	57,840	210,939	52,735	158,204
2046	76	157,691	59,575	217,266	54,317	162,949
2047	77	162,422	61,363	223,785	55,946	167,839
2048	78	167,295	63,204	230,499	57,625	172,874
2049	79	172,314	65,100	237,414	59,354	178,060
2050	80	177,483	67,053	244,536	61,134	183,402
2051	81	182,808	69,064	251,872	62,968	188,904
2052	82	188,292	71,136	259,428	64,857	194,571
2053	83	193,941	73,270	267,211	66,803	200,408
2054	84	199,759	75,468	275,227	68,807	206,420
2055	85	205,752	77,732	283,484	70,871	212,613
2056	86	211,924	80,064	291,988	72,997	218,991
2057	87	218,282	82,466	300,748	75,187	225,561
2058	88	224,830	84,940	309,770	77,443	232,327
2059	89	231,575	87,489	319,064	79,766	239,298
2060	90	238,523	90,113	328,636	82,159	246,477
				7,254,715	1,813,685	5,441,030

# **Capital Resources Details**

Capital Resources Today:	\$1,559,179
Existing Life Insurance Benefits:	\$1,010,000
Total Capital Resources:	\$2,569,179
Pre-Retirement Growth Rate:	5.00%
Post-Retirement Growth Rate:	5.00%

			Withdrawals		Taxation on	Net			
			from	Withdrawals	Savings	Withdrawals	Total		
		BOY Capital	Insurance	from	Withdrawals	Applied to	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	Withdrawals	Growth	Resources
2024	54	\$2,569,179	\$111,863	\$0	\$0	\$111,863	\$2,457,316	\$122,866	\$2,580,182
2025	55	2,580,182	90,925	0	0	90,925	2,489,257	124,463	2,613,720
2026	56	2,613,720	93,653	0	0	93,653	2,520,067	126,003	2,646,070
2027	57	2,646,070	96,462	0	0	96,462	2,549,608	127,481	2,677,089
2028	58	2,677,089	99,356	0	0	99,356	2,577,733	128,887	2,706,620
2029	59	2,706,620	102,337	0	0	102,337	2,604,283	130,214	2,734,497
2030	60	2,734,497	105,407	0	0	105,407	2,629,090	131,455	2,760,545
2031	61	2,760,545	108,569	0	0	108,569	2,651,976	132,598	2,784,574
2032	62	2,784,574	82,287	0	0	82,287	2,702,287	135,114	2,837,401
2033	63	2,837,401	84,755	0	0	84,755	2,752,646	137,632	2,890,278
2034	64	2,890,278	34,386	70,548	17,637	87,297	2,785,344	139,267	2,924,611
2035	65	2,924,611	0	119,888	29,972	89,916	2,804,723	140,236	2,944,959
2036	66	2,944,959	0	123,485	30,871	92,614	2,821,474	141,074	2,962,548
2037	67	2,962,548	0	127,189	31,797	95,392	2,835,359	141,768	2,977,127
2038	68	2,977,127	0	131,005	32,751	98,254	2,846,122	142,306	2,988,428
2039	69	2,988,428	0	134,936	33,734	101,202	2,853,492	142,675	2,996,167
2040	70	2,996,167	0	138,984	34,746	104,238	2,857,183	142,859	3,000,042
2041	71	3,000,042	0	143,153	35,788	107,365	2,856,889	142,844	2,999,733
2042	72	2,999,733	0	147,448	36,862	110,586	2,852,285	142,614	2,994,899
2043	73	2,994,899	0	151,872	37,968	113,904	2,843,027	142,151	2,985,178
2044	74	2,985,178	0	156,428	39,107	117,321	2,828,750	141,438	2,970,188
2045	75	2,970,188	0	161,120	40,280	120,840	2,809,068	140,453	2,949,521
2046	76	2,949,521	0	165,956	41,489	124,467	2,783,565	139,178	2,922,743
2047	77	2,922,743	0	170,932	42,733	128,199	2,751,811	137,591	2,889,402
2048	78	2,889,402	0	176,060	44,015	132,045	2,713,342	135,667	2,849,009
2049	79	2,849,009	0	181,343	45,336	136,007	2,667,666	133,383	2,801,049
2050	80	2,801,049	0	186,783	46,696	140,087	2,614,266	130,713	2,744,979
2051	81	2,744,979	0	192,385	48,096	144,289	2,552,594	127,630	2,680,224
2052	82	2,680,224	0	198,157	49,539	148,618	2,482,067	124,103	2,606,170

			Withdrawals from	Withdrawals	Taxation on Savings	Net Withdrawals	Total		
		<b>BOY Capital</b>	Insurance	from	Withdrawals	Applied to	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	Withdrawals	Growth	Resources
2053	83	2,606,170	0	204,103	51,026	153,077	2,402,067	120,103	2,522,170
2054	84	2,522,170	0	210,225	52,556	157,669	2,311,945	115,597	2,427,542
2055	85	2,427,542	0	216,532	54,133	162,399	2,211,010	110,551	2,321,561
2056	86	2,321,561	0	223,028	55,757	167,271	2,098,533	104,927	2,203,460
2057	87	2,203,460	0	229,719	57,430	172,289	1,973,741	98,687	2,072,428
2058	88	2,072,428	0	236,612	59,153	177,459	1,835,816	91,791	1,927,607
2059	89	1,927,607	0	243,708	60,927	182,781	1,683,899	84,195	1,768,094
2060	90	1,768,094	0	251,020	62,755	188,265	1,517,074	75,854	1,592,928

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# **Survivor Needs Details**

					Income	Capital
			Living		Applied	Withdrawal
			Expenses	Total	Towards	to Meet
Year	Age	Liabilities	<b>.</b> @3.00%	Expenses	Needs	Needs
2024	54	\$44,363	\$150,000	\$194,363	\$82,500	\$111,863
2025	55	0	154,500	154,500	63,575	90,925
2026	56	0	159,135	159,135	65,482	93,653
2027	57	0	163,909	163,909	67,447	96,462
2028	58	0	168,826	168,826	69,470	99,356
2029	59	0	173,891	173,891	71,554	102,337
2030	60	0	179,108	179,108	73,701	105,407
2031	61	0	184,481	184,481	75,912	108,569
2032	62	0	190,016	190,016	107,729	82,287
2033	63	0	195,716	195,716	110,961	84,755
2034	64	0	201,587	201,587	114,290	87,297
2035	65	0	207,635	207,635	117,719	89,916
2036	66	0	213,864	213,864	121,250	92,614
2037	67	0	220,280	220,280	124,888	95,392
2038	68	0	226,888	226,888	128,634	98,254
2039	69	0	233,695	233,695	132,493	101,202
2040	70	0	240,706	240,706	136,468	104,238
2041	71	0	247,927	247,927	140,562	107,365
2042	72	0	255,365	255,365	144,779	110,586
2043	73	0	263,026	263,026	149,122	113,904
2044	74	0	270,917	270,917	153,596	117,321
2045	75	0	279,044	279,044	158,204	120,840
2046	76	0	287,416	287,416	162,949	124,467
2047	77	0	296,038	296,038	167,839	128,199
2048	78	0	304,919	304,919	172,874	132,045
2049	79	0	314,067	314,067	178,060	136,007
2050	80	0	323,489	323,489	183,402	140,087
2051	81	0	333,193	333,193	188,904	144,289
2052	82	0	343,189	343,189	194,571	148.618
2053	83	0	353,485	353,485	200,408	153,077
2054	84	0	364,089	364,089	206,420	157,669
2055	85	0	375,012	375,012	212,613	162,399
2056	86	0	386,262	386,262	218,991	167,271
2057	87	0	397,850	397,850	225,561	172,289
2058	88	0	409,786	409,786	232,327	177,459
2059	89	0	422,079	422,079	239,298	182,781
2060	90	0	434,742	434,742	246,477	188,265
				9,970,495	5,441,030	4,529,465

# Your Resources plus Additional Insurance

Your capital resources, insurance proceeds and continuing income sources can be used to offset the expenses that will occur after a premature death. But these resources may not be enough. Let's take a look at how your assets and income stack up against your projected expenses in the event that **Samantha** dies prematurely in **2024**.

Darren will have the following sources of income to help cover expenses until 2060:

Darren's Social Security \$25,284/yr
Deferred Income \$82,298/yr
Darren's Salary \$110,000/yr
2022-2060
2024-2025

You currently have **\$1,559,179** of available capital resources and **\$1,010,000** in existing life insurance coverage. Together, these assets provide a total of **\$2,569,179** to offset your projected expenses. With additional life insurance benefits of **\$0** you will be able to fully offset your projected expenses.

For purposes of this analysis, we'll assume that capital resources and insurance proceeds will grow at **5.00%** prior to **Darren's** assumed retirement age and **5.00%** after retirement. Withdrawals from capital resources will be taxed at a rate of **25.0%**. Income will be indexed at **3.00%** and will be subject to a **25.0%** income tax.

### How will you cover your expenses?

The chart below illustrates how your income, capital resources and insurance benefits would stack up against your projected expenses. Each column represents the total expenses in a given year, and the colors in each column indicate the resources used to meet those expenses.



#### Expenses After Premature Death



# **Capital Resources plus Insurance Details**

Capital Resources Today:	\$1,559,179
Existing Life Insurance Benefits:	\$1,010,000
Additional Life Insurance Benefits:	\$0
Total Capital Resources:	\$2,569,179
Pre-Retirement Growth Rate:	5.00%
Post-Retirement Growth Rate:	5.00%

			Withdrawals		Taxation on	Net			
			from	Withdrawals	Savings	Withdrawals	Total		
		BOY Capital	Insurance	from	Withdrawals	Applied to	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	Withdrawals	Growth	Resources
2024	54	\$2,569,179	\$111,863	\$0	\$0	\$111,863	\$2,457,316	\$122,866	\$2,580,182
2025	55	2,580,182	90,925	0	0	90,925	2,489,257	124,463	2,613,720
2026	56	2,613,720	93,653	0	0	93,653	2,520,067	126,003	2,646,070
2027	57	2,646,070	96,462	0	0	96,462	2,549,608	127,481	2,677,089
2028	58	2,677,089	99,356	0	0	99,356	2,577,733	128,887	2,706,620
2029	59	2,706,620	102,337	0	0	102,337	2,604,283	130,214	2,734,497
2030	60	2,734,497	105,407	0	0	105,407	2,629,090	131,455	2,760,545
2031	61	2,760,545	108,569	0	0	108,569	2,651,976	132,598	2,784,574
2032	62	2,784,574	82,287	0	0	82,287	2,702,287	135,114	2,837,401
2033	63	2,837,401	84,755	0	0	84,755	2,752,646	137,632	2,890,278
2034	64	2,890,278	34,386	70,548	17,637	87,297	2,785,344	139,267	2,924,611
2035	65	2,924,611	0	119,888	29,972	89,916	2,804,723	140,236	2,944,959
2036	66	2,944,959	0	123,485	30,871	92,614	2,821,474	141,074	2,962,548
2037	67	2,962,548	0	127,189	31,797	95,392	2,835,359	141,768	2,977,127
2038	68	2,977,127	0	131,005	32,751	98,254	2,846,122	142,306	2,988,428
2039	69	2,988,428	0	134,936	33,734	101,202	2,853,492	142,675	2,996,167
2040	70	2,996,167	0	138,984	34,746	104,238	2,857,183	142,859	3,000,042
2041	71	3,000,042	0	143,153	35,788	107,365	2,856,889	142,844	2,999,733
2042	72	2,999,733	0	147,448	36,862	110,586	2,852,285	142,614	2,994,899
2043	73	2,994,899	0	151,872	37,968	113,904	2,843,027	142,151	2,985,178
2044	74	2,985,178	0	156,428	39,107	117,321	2,828,750	141,438	2,970,188
2045	75	2,970,188	0	161,120	40,280	120,840	2,809,068	140,453	2,949,521
2046	76	2,949,521	0	165,956	41,489	124,467	2,783,565	139,178	2,922,743
2047	77	2,922,743	0	170,932	42,733	128,199	2,751,811	137,591	2,889,402
2048	78	2,889,402	0	176,060	44,015	132,045	2,713,342	135,667	2,849,009
2049	79	2,849,009	0	181,343	45,336	136,007	2,667,666	133,383	2,801,049
2050	80	2,801,049	0	186,783	46,696	140,087	2,614,266	130,713	2,744,979
2051	81	2,744,979	0	192,385	48,096	144,289	2,552,594	127,630	2,680,224

			Withdrawals		Taxation on	Net			
			from	Withdrawals	Savings	Withdrawals	Total		
		BOY Capital	Insurance	from	Withdrawals	Applied to	Capital after		EOY Capital
Year	Age	Resources	Proceeds	Savings	at 25.0%	Expenses	Withdrawals	Growth	Resources
2052	82	2,680,224	0	198,157	49,539	148,618	2,482,067	124,103	2,606,170
2053	83	2,606,170	0	204,103	51,026	153,077	2,402,067	120,103	2,522,170
2054	84	2,522,170	0	210,225	52,556	157,669	2,311,945	115,597	2,427,542
2055	85	2,427,542	0	216,532	54,133	162,399	2,211,010	110,551	2,321,561
2056	86	2,321,561	0	223,028	55,757	167,271	2,098,533	104,927	2,203,460
2057	87	2,203,460	0	229,719	57,430	172,289	1,973,741	98,687	2,072,428
2058	88	2,072,428	0	236,612	59,153	177,459	1,835,816	91,791	1,927,607
2059	89	1,927,607	0	243,708	60,927	182,781	1,683,899	84,195	1,768,094
2060	90	1,768,094	0	251,020	62,755	188,265	1,517,074	75,854	1,592,928

# **Survivor Needs plus Insurance Details**

					Income	Capital
			Living		Applied	Withdrawal
			Expenses	Total	Towards	to Meet
Year	Age	Liabilities	@3.00%	Expenses	Needs	Needs
2024	54	\$44,363	\$150,000	\$194,363	\$82,500	\$111,863
2025	55	0	154,500	154,500	63,575	90,925
2026	56	0	159,135	159,135	65,482	93,653
2027	57	0	163,909	163,909	67,447	96,462
2028	58	0	168,826	168,826	69,470	99,356
2029	59	0	173,891	173,891	71,554	102,337
2030	60	0	179,108	179,108	73,701	105,407
2031	61	0	184,481	184,481	75,912	108,569
2032	62	0	190,016	190,016	107,729	82,287
2033	63	0	195,716	195,716	110,961	84,755
2034	64	0	201,587	201,587	114,290	87,297
2035	65	0	207,635	207,635	117,719	89,916
2036	66	0	213,864	213,864	121,250	92,614
2037	67	0	220,280	220,280	124,888	95,392
2038	68	0	226,888	226,888	128,634	98,254
2039	69	0	233,695	233,695	132,493	101,202
2040	70	0	240,706	240,706	136,468	104,238
2041	71	0	247,927	247,927	140,562	107,365
2042	72	0	255,365	255,365	144,779	110,586
2043	73	0	263,026	263,026	149,122	113,904
2044	74	0	270,917	270,917	153,596	117,321
2045	75	0	279,044	279,044	158,204	120,840
2046	76	0	287,416	287,416	162,949	124,467
2047	77	0	296,038	296,038	167,839	128,199
2048	78	0	304,919	304,919	172,874	132,045
2049	79	0	314,067	314,067	178,060	136,007
2050	80	0	323,489	323,489	183,402	140,087
2051	81	0	333,193	333,193	188,904	144,289
2052	82	0	343,189	343,189	194,571	148,618
2053	83	0	353,485	353,485	200,408	153,077
2054	84	0	364,089	364,089	206,420	157,669
2055	85	0	375,012	375,012	212,613	162,399
2056	86	0	386,262	386,262	218,991	167,271
2057	87	0	397,850	397,850	225,561	172,289
2058	88	0	409,786	409,786	232,327	177,459
2059	89	0	422,079	422,079	239,298	182,781
2060	90	0	434,742	434,742	246,477	188,265
				9,970,495	5,441,030	4,529,465

# **Analysis Result Summary**

This report summarizes the results of the analyses for Darren and Samantha Stevens. It provides the information that is the basis for the "takeaway" message. All of the details concerning the process of how these results were arrived at are contained in the specific chapters for each selected analysis.

### **Family Information**

Children Ge	nder Age	Date of Birth
Client: Darren Stevens Date of Birth: 10/11/1970 Current Age: 53	Spouse: Samantha Stevens Date of Birth: 10/20/1970 Current Age: 53	
Client: Darren and Samantha Stev Address: 10 Morningside Drive Hookset, NH	ens SamanthamStevens@	comcast.net

Ashley Stevens	 22	7/27/2002

### **Analysis Performed**

- Financial Statements Analysis
- Retirement Analysis
- Asset Allocation Analysis
- Asset Protection Analysis
- Estate Planning Analysis
- Life Insurance Analysis for: *Premature Client Death* for: *Premature Spouse Death*

### **Financial Statements**

Financial statements help you to see your current financial situation at a glance. The net worth statement determines your current net worth once liabilities are subtracted from your assets. Cash flow compares your current year income to your current year expenses. Emergency reserves helps to show your "readily available" resources in the event something unforeseen occurs that may require quick access to cash.



### Asset Allocation

Asset Allocation is a term used to define how an investor distributes their investments across multiple classes of assets. Risk analysis, often through the use of a questionnaire, is used to determine an asset allocation that fits the investor's needs and willingness to take on risk for potentially better returns. The charts below define your allocation today as well as a recommended allocation based upon the answers you provided concerning risk tolerance.



There is no assurance that the recommended portfolio will perform any better than your current holdings. In fact, there could be unfavorable consequences for liquidating certain assets prior to maturity and no action should be taken prior to consulting with your financial advisors.

### **Asset Protection - Income Replacement: Life Insurance**

Life insurance is commonly used as a replacement for lost income in the event of a premature death. Life insurance provides a safety net by which you can ensure that those you leave behind are able to enjoy the standard of living that you would want.



### **Asset Protection - Income Replacement: Disability Income Insurance**

Disability income insurance is a financial tool that can protect you against the loss of income by providing a benefit that replaces all or part of your wages lost due to an illness or injury.

Darren Stevens	Samantha Stevens		
Darren's Lost Income	Samantha's Lost Income		
\$110,000	\$187,000		
Income Replacement Objective <b>\$77,000</b>	Income Replacement Objective \$130,900		
Existing Net Coverage	Existing Net Coverage		
<b>\$0</b>	<b>\$0</b>		
Shortfall	Shortfall		
<b>(\$77,000)</b>	<b>(\$130,900)</b>		

### **Asset Protection - Homeowners Insurance**



Value to Insure **\$220,000** 

Coverage Shortfall \$0

Homeowners insurance provides financial protection for your home and personal property in the event of your home being damaged or destroyed. This analysis reviews the value of your home(s), as compared to the total real estate value, looks at your current homeowner's insurance, and determines if more insurance is required.

### **Asset Protection - Umbrella Insurance**



\$0

Total Liability Exposure (\$200,000)

### **Result Summary**

Total Years to Fund <b>37</b>
Years Currently Funded <b>37</b>
Unfunded Years 0
Assets Remaining in Estate \$2,044,860

Homeowner's and automobile insurance policies typically include some amount of liability coverage. This, however, may not be enough to safeguard your assets from lawsuits. Umbrella insurance provides additional liability protection beyond the amount provided by other policies.

The life insurance analysis looks at the impact of an unexpected premature death to **Darren**. It compares the survivors' expected needs to the income and capital resources that may be available. If a shortfall exists, the required amount of life insurance needed to cover the shortfall is calculated.

Based upon the assumptions utilized in this analysis, the survivor needs in the event of a premature death to **Darren** are projected to be sufficient, funding all of the **37** required years. No additional life insurance is currently required to cover the survivors' needs.

Review with your financial professional, your life insurance needs on a regular basis. Your needs may change with certain life events; a new child, divorce, new marriage, job change, etc.

### **Result Summary**

Total Years to Fund **37** Years Currently Funded **37** Unfunded Years **0** Assets Remaining in Estate **\$1,592,928**  The life insurance analysis looks at the impact of an unexpected premature death to **Samantha**. It compares the survivors' expected needs to the income and capital resources that may be available. If a shortfall exists, the required amount of life insurance needed to cover the shortfall is calculated.

Based upon the assumptions utilized in this analysis, the survivor needs in the event of a premature death to **Samantha** are projected to be sufficient, funding all of the **37** required years. No additional life insurance is currently required to cover the survivors' needs.

Review with your financial professional, your life insurance needs on a regular basis. Your needs may change with certain life events; a new child, divorce, new marriage, job change, etc.

# **Information Summary**

The following financial information and assumptions were used in the preparation of this analysis.

### **Family Information**

Ashley Stevens	22	7/27/2002		
Children Geno	ler Age	Date of Birth		
Client: Darren Stevens Date of Birth: 10/11/1970 Current Age: 53	Spouse: Samantha Stevens Date of Birth: 10/20/1970 Current Age: 53			
Client: Darren and Samantha Steven Address: 10 Morningside Drive Hookset, NH	SamanthamStevens@comcast.net			

### **Financial Statements**

#### **Basic Assumptions**

Analysis for: Darren and Samantha Stevens Current Year: 2024 Current Income Sources

Income Source	Annual Amount
Samantha's Bonus Samantha's Salary Darren's Salary	\$25,000 \$162,000 \$110,000
Total Income	\$297,000
Current Expenses	
Expense	Annual Amount
Living Expenses	\$0
Liability Expenses <b>not included</b> in Living Expenses Mortgage Loan (\$44,363)	\$11,880
Insurance Premiums <b>not included</b> in Living Expenses Property/Casualty Policy Property/Casualty Policy Property/Casualty Policy Term Life Insurance - Samantha (Legal & General)	\$2,209 \$3,263 \$722 \$340
Tax Payments (25.0% of \$297,000)	\$74,250
Savings Toward Goals	\$0
Total Expenses	\$92,664

#### **Emergency Reserve Assumptions**

Months of Emergency Reserves: 3 months Amount of Living Expenses: \$6,188 per month Percent of Expenses to Fund: 80.0% Total Expenses to Fund: \$14,850 Cash Currently Available: \$142,965

### **Retirement Analysis**

Basic Assumptions		
Analysis for: Darren Stevens		
Date of Birth: 10/11/1970	Retirement Begins at Age: 55 (2025)	
Current Age: 53	Retirement Ends at Age: 90 (2060)	
Financial Assumptions		
Assets Grow at: 5.00%	Withdrawals are Taxed at: 25.0%	
Income is Indexed at: 3.00%	Income is Taxed at: 25.0%	
Expenses Grow at: 3.00%	Retirement Living Expenses: \$12,500/month	
Savings Increase by: 3.00%	(\$150,000/yr)	
Assets & Savings		
Qualified A	Assets Current Value	)
401(K) - Samantha (Fidelity) (Qualified Retireme	nt - Traditional 401(k)) \$1,035,88	4
IRA - Samantha (Ameriprise) (Qualified Retireme	ent - IRA) \$169,34	5
Liberty Mutual Retirement Benefit Plan (Qualifie	d Retirement - Pension) \$1,87	6
Roth IRA - Samantha (Roth IRA)	\$17,50	1
Roth IRA - Darren (Roth IRA)	\$12,90	6
Total	\$1,237,51	2
Non-Qualifie	d Assets Current Value	ł
	¢	~

3 IN 1 IO HELOC (Cash Alternative - Cash)	\$0
Adv Plus Banking - 0499 (Cash Alternative - Checking)	\$1,453
MONEY MARKET (Cash Alternative - Cash)	\$130,096
PRIME SHARES (Cash Alternative - Cash)	\$82
Personal Account - Samantha (Ameriprise) (Taxable Investment)	\$40,782
Personal Account - Samantha (Morgan Stanley) (Taxable Investment)	\$137,920
Regular Savings - 7658 (Cash Alternative - Savings)	\$5,775
YOUR WAY CHECKING (Cash Alternative - Cash)	\$5,559
Total	\$321,667

#### **Annual Pre-Retirement Savings**

#### None Income Sources

	From	Until	Annual Amount
Darren's Social Security	2032	2060	\$25,284
Samantha's Social Security	2032	2060	\$31,092
Deferred Income	2028	2060	\$9,654
Deferred Income	2025	2060	\$82,298
Samantha's Bonus	2025	2028	\$25,000
Samantha's Salary	2025	2028	\$162,000

### **Asset Allocation Analysis**

#### Assets

Asset	Туре	Current Value
3 IN 1 IO HELOC	Cash Alternative	\$0
401(K) - Samantha (Fidelity)	Qualified Retirement	\$1,035,884
Adv Plus Banking - 0499	Cash Alternative	\$1,453
Group Life Insurance - Samantha	Life Insurance	\$0
Group Life Insurance - Darren	Life Insurance	\$0
IRA - Samantha (Ameriprise)	Qualified Retirement	\$169,345
Liberty Mutual Retirement Benefit Plan	Qualified Retirement	\$1,876
MONEY MARKET	Cash Alternative	\$130,096
PRIME SHARES	Cash Alternative	\$82
Personal Account - Samantha (Ameriprise)	Taxable Investment	\$40,782
Personal Account - Samantha (Morgan Stanley)	Taxable Investment	\$137,920
Regular Savings - 7658	Cash Alternative	\$5,775
Roth IRA - Samantha	Roth IRA	\$17,501
Roth IRA - Darren	Roth IRA	\$12,906
YOUR WAY CHECKING	Cash Alternative	\$5,559

Total:

\$1,559,179

### **Asset Protection Analysis: Income Replacement - Life Insurance**

#### **Basic Assumptions** Analysis for: Darren and Samantha **Darren's Analysis** Income to be Replaced Darren's Salary \$110,000 Darren's Income to Replace: \$110,000 **Replacement Multiplier Existing Life Insurance** Group Life Insurance - Darren \$390,000 **Total Life Insurance Benefit:** \$390,000 Samantha's Analysis Income to be Replaced Samantha's Bonus \$25,000 Samantha's Salary \$162,000 Samantha's Income to Replace: \$187,000 Replacement Multiplier Existing Life Insurance Group Life Insurance - Samantha \$810,000 Term Life Insurance - Samantha (Legal & General) \$200,000 **Total Life Insurance Benefit:** \$1,010,000

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# Asset Protection Analysis: Income Replacement - Disability Income Insurance

Basic Assumptions Analysis for: Darren and Samantha Darren's Analysis

Income to be Replaced Darren's Salary Darren's Income to Replace:	\$110,000 <b>\$110,000</b>
Income Replacement Objective	70.00%
Taxable Benefit Effective Tax Rate	25.0%
Samantha's Analysis	
Income to be Replaced Samantha's Bonus Samantha's Salary Samantha's Income to Replace:	\$25,000 \$162,000 <b>\$187,000</b>
Income Replacement Objective	70.00%
Taxable Benefit Effective Tax Rate <b>Asset Protection Analysis: Homeowner's Insurance</b> <b>Basic Assumptions</b> Analysis for: Darren and Samantha Stevens % of Home's Value to Insure: 80.00% <b>Real Estate</b>	25.0%
Real Estate PropertyReal Estate ValueHome ValueHookset\$400,000\$275,000Total Valuation:\$400,000\$275,000	
Existing Homeowner's InsuranceInsurance PolicyReal Estate PropertyProperty CoverageProperty/Casualty PolicyHookset\$271,200Total Valuation:\$271,200	

### Asset Protection Analysis: Umbrella Insurance

#### **Basic Assumptions**

Analysis for: Darren and Samantha Stevens Required Homeowner's Liability Coverage: \$300,000 Required Auto Liability Coverage Per Accident: \$250,000

### **Existing Liability Coverage**

Insurance Policy	Policy Type	Liability Coverage
Property/Casualty Policy	Homeowner	\$100,000
Property/Casualty Policy	Auto	\$500,000
Total Liability Coverage:		\$600,000
atata Dianatan Anal	l	

### **Estate Planning Analysis**

Basic Assumptions

Client: Darren Stevens Date of Birth: 10/11/1970 Current Age: 53 Spouse: Samantha Stevens Date of Birth: 10/20/1970 Current Age: 53

#### **Estate Planning Assumptions**

Future Analysis for Darren Stevens: Death Occurs in 5 Years (2029) Future Analysis for Samantha Stevens: Death Occurs in 20 Years (2044) Assets Indexed at: 5.00% from Now Until 2025 Assets Indexed at: 5.00% from 2025

#### Assets & Savings

Non-Qualified Assets	Current Value
3 IN 1 IO HELOC	\$0
Adv Plus Banking - 0499	\$1,453
MONEY MARKET	\$130,096
PRIME SHARES	\$82
Personal Account - Samantha (Ameriprise)	\$40,782
Personal Account - Samantha (Morgan Stanley)	\$137,920
Regular Savings - 7658	\$5,775
Roth IRA - Samantha	\$17,501
Roth IRA - Darren	\$12,906
YOUR WAY CHECKING	\$5,559
Total:	\$352,074

Qualified Assets	Current Value
401(K) - Samantha (Fidelity)	\$1,035,884
IRA - Samantha (Ameriprise)	\$169,345
Liberty Mutual Retirement Benefit Plan	\$1,876
Total:	\$1,207,105

Life Insurance Assets	Death Benefit Value
Group Life Insurance - Samantha	\$810,000
Group Life Insurance - Darren	\$390,000
Term Life Insurance - Samantha (Legal & General)	\$200,000
Total:	\$1,400,000

Other Assets	Current Value
Hookset	\$400,000
Total:	\$400,000
Liabilities	
Mortgages	Current Value
Mortgage Loan	(\$44,363)
Total:	(\$44,363)
Other Liabilities	Current Value
Total:	\$0

Total: Estate Plan - Wills

#### Wills - Darren Stevens Dies First Darren Stevens's Current Will

Unified credit does not go to Credit Shelter Trust Retitling to fund CST is disabled Cap CST funding at: N/A No bequest to charity No bequest to heirs Remainder of estate to: Surviving Spouse

#### Samantha Stevens's Current Will

No bequest to charity No bequest to heirs Remainder of estate to: Equally To Children

#### Wills - Samantha Stevens Dies First

#### Samantha Stevens's Current Will

Unified credit does not go to Credit Shelter Trust Retitling to fund CST is disabled Cap CST funding at: N/A No bequest to charity No bequest to heirs Remainder of estate to: Surviving Spouse

#### Darren Stevens's Current Will

No bequest to charity No bequest to heirs Remainder of estate to: Estate Plan - Trusts

#### **Current Revocable Trust**

Client: Assets **do not** pass through a Revocable Trust Spouse: Assets **do not** pass through a Revocable Trust

#### Current ILIT

Insured: Survivorship Benefit Amount: \$0 Premium Gift: \$0

#### Darren Stevens's New Will

Unified credit does not go to Credit Shelter Trust No retitling necessary Cap CST funding at: N/A No bequest to charity No bequest to heirs Remainder of estate to: Surviving Spouse

#### Samantha Stevens's New Will

No bequest to charity No bequest to heirs Remainder of estate to: Equally To Children

#### Samantha Stevens's New Will

Unified credit does not go to Credit Shelter Trust No retitling necessary Cap CST funding at: N/A No bequest to charity No bequest to heirs Remainder of estate to: Surviving Spouse

#### Darren Stevens's New Will

No bequest to charity No bequest to heirs Remainder of estate to:

#### New Revocable Trust

Client: 100.00% of assets **do** pass through a Revocable Trust Spouse: 100.00% of assets **do** pass through a Revocable Trust

#### New ILIT

Insured: Survivorship New Benefit Amount: \$0 New Premium Gift: \$0

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Insured: Client Benefit Amount: \$0 Premium Gift: \$0

Insured: Spouse Benefit Amount: \$0 Premium Gift: \$0

#### **Annual Gift Plan**

Current Planned Annual Gifts Lifetime Non-Exclusion Gift Plan

#### **Current Plan Non-Exclusion Gifts**

Grantor: Darren Stevens No gift defined Grantor: Samantha Stevens No gift defined Lifetime Charitable Gift Plan

#### **Current Plan Charitable Gifts**

Gift Amount: \$0 Start: End: Suspend at Death?: No Transferred Benefit Amount: \$0 Transferred Premium Amount: \$0 Insured: Client New Benefit Amount: \$0 New Premium Gift: \$0 Transferred Benefit Amount: \$0 Transferred Premium Amount: \$0 Insured: Spouse New Benefit Amount: \$0 New Premium Gift: \$0 Transferred Benefit Amount: \$0 Transferred Premium Amount: \$0

#### **New Planned Annual Gifts**

#### **New Plan Non-Exclusion Gifts**

Grantor: Darren Stevens No gift defined Grantor: Samantha Stevens No gift defined

#### **New Plan Charitable Gifts**

Gift Amount: \$0 Start: End: Suspend at Death?: No

### **Information Summary**

Basic Assumptions				
Analysis for: Darren Stevens				
Date of Birth: 10/11/1970		Premature Death Occurs in: 2024		
Current Age: 53		Analys	sis Ends in: 2060	
Financial Assumptions				
Assets Grow at: 5.00% before ret	irement	Withdrawals are T	axed at: 25.0%	
5.00% after retire	ement	Income is T	axed at: 25.0%	
Income is Indexed at: 3.00%	Sur	vivor's Living Expenses:	\$12,500/month	
Expenses Grow at: 3.00%			(\$150,000/yr)	
Existing Life Insurance				
Policy Name	Туре	Insured	Death Benefit	
Group Life Insurance - Darren	Group Life	Darren Stevens	\$390,000	
Total			\$390,000	
Assets				
	Asset		Current Value	
3 IN 1 IO HELOC (Cash Alternative - Cas	sh)		\$0	
401(K) - Samantha (Fidelity) (Qualified F	\$1,035,884			
Adv Plus Banking - 0499 (Cash Alternativ	\$1,453			
IRA - Samantha (Ameriprise) (Qualified	\$169,345			
Liberty Mutual Retirement Benefit Plan	(Qualified Retirement - Pe	nsion)	\$1,876	
MONEY MARKET (Cash Alternative - Ca	sh)		\$130,096	
PRIME SHARES (Cash Alternative - Cash	h)		\$82	
Personal Account - Samantha (Ameripr	rise) (Taxable Investment)		\$40,782	
Personal Account - Samantha (Morgan	Stanley) (Taxable Investr	ment)	\$137,920	
Regular Savings - 7658 (Cash Alternative	e - Savings)		\$5,775	
Roth IRA - Samantha (Roth IRA)			\$17,501	
Roth IRA - Darren (Roth IRA)			\$12,906	
YOUR WAY CHECKING (Cash Alternati	ve - Cash)		\$5,559	
Total			\$1,559,179	
Income Sources	<b>F</b> rom	11		
Demosta Ossial Ossuvitu	From	Until		
Darren's Social Security	2035	2060	\$25,284 \$24,000	
Samantna's Social Security	2035	2060	\$31,092	
Surviving Unite Benefit per Child	0004	0000	\$26,436	
FD Pension	2024	2060	\$82,298	
Deterred Income	2028	2060	\$9,654	
Samantha's Bonus	2024	2028	\$25,000	
Samantha's Salary	2024	2028	\$162,000	

### **Information Summary**

<b>Basic Assumptio</b>	ons				
Analysis for: Sama	intha Stev	vens			
Date of Birth: 10/2	0/1970			Premature Death Occu	ırs in: 2024
Current Age: 53				Analysis En	ds in: 2060
<b>Financial Assum</b>	ptions				
Assets Grow at:	5.00%	before retirement	V	Vithdrawals are Taxed	at: 25.0%
	5.00%	after retirement		Income is Taxed	at: 25.0%
Income is Indexe	d at: 3.00	1%	Survivor's I	Living Expenses: \$12,5	00/month
Expenses Grow a	at: 3.00%		(\$150,000/yr)		50,000/yr)
<b>Existing Life Insu</b>	Irance				
-	Policy Na	ame	Туре	Insured	Death Benefit
Group Life Insuran	ce - Sam	antha	Group Life	Samantha Stevens	\$810,000
Term Life Insurance	e - Sama	antha (Legal &	Torm Life	Samantha	000 000
General)			Term Life	Stevens	\$200,000
Total					\$1,010,000

#### Assets

Α	sset		Current Value
3 IN 1 IO HELOC (Cash Alternative - Cash)			\$0
401(K) - Samantha (Fidelity) (Qualified Retire	ement - Traditional 401(k))		\$1,035,884
Adv Plus Banking - 0499 (Cash Alternative - 0	Checking)		\$1,453
IRA - Samantha (Ameriprise) (Qualified Retir	ement - IRA)		\$169,345
Liberty Mutual Retirement Benefit Plan (Qua	alified Retirement - Pension	ı)	\$1,876
MONEY MARKET (Cash Alternative - Cash)			\$130,096
PRIME SHARES (Cash Alternative - Cash)			\$82
Personal Account - Samantha (Ameriprise)	(Taxable Investment)		\$40,782
Personal Account - Samantha (Morgan Sta	nley) (Taxable Investment)		\$137,920
Regular Savings - 7658 (Cash Alternative - Savings - 7658)	avings)		\$5,775
Roth IRA - Samantha (Roth IRA)			\$17,501
Roth IRA - Darren (Roth IRA)			\$12,906
YOUR WAY CHECKING (Cash Alternative -	Cash)		\$5,559
Total			\$1,559,179
Income Sources			
	From	Until	Annual Amount
Darren's Social Security	2035	2060	\$25,284
Somenthe's Social Socurity	2025	2060	¢21 002

Darren's Social Security	2035	2060	\$25,284
Samantha's Social Security	2035	2060	\$31,092
Surviving Child Benefit per child			\$32,592
Deferred Income	2025	2060	\$82,298
Darren's Salary	2024	2025	\$110,000

# Disclaimer

The following report is a diagnostic tool intended to review your current financial situation and suggest potential planning ideas and concepts that may be of benefit. The purpose of the report is to illustrate how accepted financial and estate planning principles may improve your current situation.

This report is based upon information and assumptions provided by you (the client). This report provides broad and general guidelines on the advantages of certain financial planning concepts and does not constitute a recommendation of any particular technique. The consolidated report is provided for informational purposes as a courtesy to you. We recommend that you review your plan annually, unless changes in your personal or financial circumstances require more frequent review. All reports should be reviewed in conjunction with your fact summary and this Disclaimer page.

The term "plan" or "planning," when used within this report, does not imply that a recommendation has been made to implement one or more financial plans or make a particular investment. Nor does the plan or report provide legal, accounting, financial, tax or other advice. Rather, the report and the illustrations therein provide a summary of certain potential financial strategies. The reports provide projections based on various assumptions and are therefore hypothetical in nature, do not reflect actual investment results and are not guarantees of investment returns. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances.

Additionally, information that you provide about your assets, financial goals, and personal situation are key assumptions for the calculations and projections in this report. This report may not reflect all holdings or transactions, their costs, or proceeds received by you. It may contain information on assets that are not held at the broker/dealer with whom your financial representative is registered. As such, those assets will not be included on the broker/dealer's books and records. Prices that may be indicated in this report are obtained from sources we consider reliable but are not guaranteed. Past performance is no guarantee of future performance and it is important to realize that actual results may differ from the projections contained in this report. The presentation of investment returns set forth in this report does not reflect the deduction of any commissions, fees, or expenses that may be incurred by investing in specific products. Projected valuations and/or rates of return may not take into account surrender charges on product syou might own. They will reflect any fees or product charges when entered by the advisor/ representative. Deduction of such charges will result in a lower rate of return.

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I/We have received and read this Disclaimer page and understand its contents and, therefore, the limitations of the report. Furthermore, I understand that none of the calculations and presentations of investment returns are guaranteed.

Client(s):

**Darren Stevens** 

Samantha Stevens

Advisor:

Jeffrey Shank

Date

Date

Date