

# **Easy Money**

Comprehensive plan preparation  
Goal Based Planning

Sample: For Display Only  
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***Personal  
Financial  
Analysis***

*for*

***Allen and Betty Abbett***

*Retire at 65*

***Asset Advisors  
A Registered Investment Advisor  
1600 SW Western Blvd. Ste 110  
Corvallis, OR 97333  
877-421-9815  
[www.moneytree.com](http://www.moneytree.com)***

IMPORTANT: The illustrations or other information generated by this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

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## *General*

A summary of the assumptions used in this analysis, description of the purpose of the reports and a listing of assets, insurance and other details. Includes net worth statement, cash flow report, liquidity and education funding if appropriate.

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## Personal Statistics

1/5/2006

**Allen Abbett and Betty M Abbett**

1234 Fifth St.  
 Corvallis, OR 97330  
 555-123-4567

| Family Member    | Birthdate  | Age | Social Sec # |
|------------------|------------|-----|--------------|
| Allen Abbett     | 3/5/1954   | 51  | 222-11-4444  |
| Betty M. Abbett  | 6/8/1958   | 47  | 999-88-7777  |
| Bonnie C. Abbett | 6/13/1992  | 13  | 333-44-5555  |
| Andy B. Abbett   | 12/28/1987 | 18  | 222-33-4444  |

## Employment

**Allen**

Walton Industries  
 General Manager  
 222 32nd St  
 Philomath, OR 97370  
 234-5678

**Betty**

KMart  
 Supervisor  
 Albany, OR

*This presentation provides a general overview of some aspects of your personal financial position. It is designed to provide educational and/or general information and is not intended for specific legal, accounting, investment, income tax or other professional advice. For specific advice on these aspects of your overall financial plan, consult with your professional advisors. Asset or portfolio earnings and/or returns shown, or used in the presentation, are not intended to predict nor guarantee the actual results of an investment product.*

## ***Introduction***

Retire at 65

Your Personal Financial Plan has been prepared using techniques and concepts proven over years of experience from the disciplines of banking, investments, insurance, economics and finance. The analysis is based on the information you provided in your confidential questionnaire.

As you review the Personal Financial Plan, you will find that some areas of your financial goals are in better shape than others. The areas that particularly need attention will be identified in the report that follows.

The objective of this analysis is to assist you in making proper plans and quality decisions that might help you to achieve your financial objectives.

Decisions you make about your financial future can be enhanced by an understanding of your personal situation as described in this report, and through careful review and discussion.

After you have reviewed this financial plan and noted areas that need attention, we will assist you in evaluating the various options available for addressing areas of need or opportunities for use of your financial resources.

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# Goal Based Planning

Retire at 65

This comprehensive financial analysis has been prepared with the objective of helping you determine whether there are possible shortfalls or problems that must be addressed in order to achieve your goals.

## Goal Based Planning

Goal based planning is designed to identify certain goals, and then determine if what you are now doing may enable you to accomplish your goals. This differs from a "cash flow" analysis which is used to measure all your cash inflows and outflows, and then integrate these items with your assets and a careful analysis of your income tax burden each year. Goal based planning uses a more conservative "worst case" scenario approach.

## What do we mean by "Worst Case"?

### Cash Flow

When we project your sources of income and expenses, an assumption is made that your income prior to retirement is adequate to cover your spending requirements. We do not illustrate investment of any surplus cash flows prior to retirement, or account for shortages prior to retirement. An exception to this rule applies to items you have indicated as being special income or expenses. These would include an inheritance, pension plans or social security starting prior to retirement age, or special expense items like education funding.

### Savings

If you indicate that you are making deposits to savings, investments or retirement accounts, we use only those deposit amounts that you specify. Even if there might be additional funds available to save or invest, we do not assume that they will be added to your accounts. The objective of Goal Based Planning is to help you evaluate whether what you ARE DOING NOW may come close to allowing you to accumulate the funds necessary to reach your goals. If your savings rate is not sufficient, the report provides an estimate of additional savings or investments or estimated rates of return that might be used to satisfy the shortfall. The suggested amounts may or may not prove to be sufficient depending on various future economic and personal conditions.

### Taxes

When managing your savings and investment portfolio, there will be taxable items such as interest, dividends, investment gains and retirement account distributions which will be subject to income tax. In a worst case analysis we make the assumption that the taxes due on these events will be paid out of the income source and the after-tax balance reinvested. In reality you may have enough earned income or other sources of funds to pay the taxes and reinvest the gross amount prior to retirement. However, if you fail to do this, then the "worst case" illustration will show the results if only the after-tax amounts are reinvested. We also make the assumption that any anticipated appreciation on invested assets is taxed each year as if you turned over your investment portfolio and paid capital gains tax on the realized appreciation. Again, this is illustrating the "worst case" approach to see if you might reach your goals under this type of scenario.

## Objectives

A1

Retire at 65

Your personal financial plan was prepared with concern for your specific goals and objectives. As you review this report, determine if your goals are obtainable or whether adjustments should be considered.

| <b>RETIREMENT OBJECTIVES:</b>                                      | <u>Age</u> | <u>Monthly expenses in today's dollars*</u> | <u>Inflation adjusted expenses*</u> |        |
|--|------------|---|-------------------------------------|--------|
| Your financial plan is based on the following income requirements. | 65         | \$4,799                                     | \$8,011                             | G4,G12 |
|  | 74         | \$9,346                                     | \$18,633                            |        |
|  | 84         | \$7,769                                     | \$23,184                            |        |

\* Includes basic personal expenses, itemized deductions, insurance, mortgage and debts, savings and investment deposits.

### SURVIVOR OBJECTIVES:

In the event of your premature death, you indicated that your heirs would need the following amounts of monthly income:\*

|                              |              |              |       |
|------------------------------|--------------|--------------|-------|
|                              | <u>Allen</u> | <u>Betty</u> |       |
| Initial income amount needed | \$4,503      | \$4,279      | F6,F4 |

\*Amount of expenses will vary. Refer to Survivor report for details. Includes basic personal expenses, insurance premiums, itemized deductions and loan payments.

### EDUCATION FUNDING:

Your financial analysis includes consideration of the cost of educating your children. Education costs now represent one of the most substantial expenses for a family. Unless careful planning and preparation is performed, these costs could seriously affect your ability to accumulate funds for your retirement.

| <u>Name</u> | <u>Cost / year</u> | <u>Inflated cost at 3.90%</u> |     |
|-------------|--------------------|-------------------------------|-----|
| Bonnie      | 10,000             | 49,413                        | A20 |
| Andy        | 10,000             | 31,185                        |     |

Total **\$80,598**

### OTHER

Estimates used in the reports are based on a life expectancy age for Allen of 91.

The life expectancy age for Betty is assumed to be 90.

You have indicated additional financial goals including:

|                 | <u>Age</u> | <u>Amount</u> | <u>Inflation rate</u> |     |
|-----------------|------------|---------------|-----------------------|-----|
| Retirement trip | 61         | \$15,000      | 6.00%                 | A17 |
| Sail boat       | 65         | \$20,000      | 4.00%                 |     |

# Personal Financial Summary

Retire at 65

A2

There are several areas of your financial affairs that can be compared to the goals you have set and to their probable achievement. The following areas will give you a brief overview of the progress you have made toward your goals or alert you to areas that may need attention.

## RETIREMENT:

|  | Income needed<br>and available |    |
|--|--------------------------------|----|
| Annual basic living expenses needed adjusted for inflation *           | \$96,127                       |    |
| Total amount of spendable income needed through life expectancy        | \$7,874,021                    |    |
| Total income expected from Social Security, pensions, etc.             | (\$2,489,249)                  |    |
| Additional income requirements to be satisfied by savings, investments | \$5,384,771                    | C3 |
| Estimated value of working assets at retirement age 65                 | \$1,661,105                    | C4 |

**Your working assets may last only until you reach age 87.**

*\*Includes basic living expenses, debt payments, insurance premiums and itemized deductions.*

## SURVIVOR (Insurance):

| Person to be insured                                   | <u>Allen</u>     | <u>Betty</u>     |       |
|--|------------------|------------------|-------|
| Insurance needed if death occurs now                   | \$883,588        | \$720,350        | F4,F6 |
| Maximum insurance needed if death occurs in the future | \$1,675,729      | \$1,155,602      |       |
| <b>Present Insurance Coverage</b>                      | <b>\$157,500</b> | <b>\$195,000</b> |       |

## DISABILITY:

In the event of long term disability, funds will be required to pay for living expenses, debts and insurance premiums.

| Person disabled                        | <u>Allen</u> | <u>Betty</u> |    |
|--|--------------|--------------|----|
| Monthly income needed                  | \$5,554      | \$5,591      | F8 |
| Monthly income available (long term)   | 6,083        | 3,995        |    |
| <b>Percent available - vs - needed</b> | <b>110%</b>  | <b>71%</b>   |    |

## INCOME TAXES:

|   |            |    |
|---|------------|----|
| Your estimated gross income this year                           | \$133,265  | D3 |
| Your estimated taxable income this year                         | 91,834     |    |
| Total income and social security taxes                          | 33,191     |    |
| <b>Marginal tax rate (highest Federal &amp; State tax rate)</b> | <b>32%</b> |    |

## ESTATE COSTS:

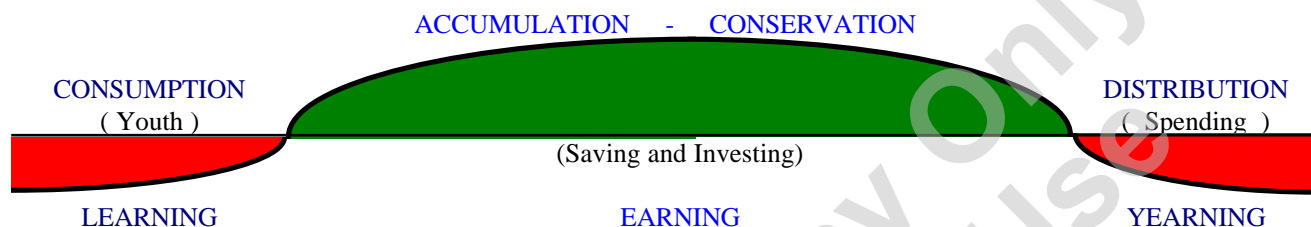
|  |            |    |
|--|------------|----|
| First death estimated estate expenses and debts now  | \$75,011   | E3 |
| Second death taxes & expenses after 10 years<br>(adjusted for estate growth)                             | \$159,767  | E6 |
| <b>Estate settlement costs as percent of future estate values</b><br>(assuming second death in 10 years) | <b>14%</b> |    |

## Financial Life Cycle

Retire at 65

Every person during his or her life goes through a similar economic life cycle. Your success in the final phase of the cycle is determined by your preparation and planning in the earlier phases.

The phases can be described as:



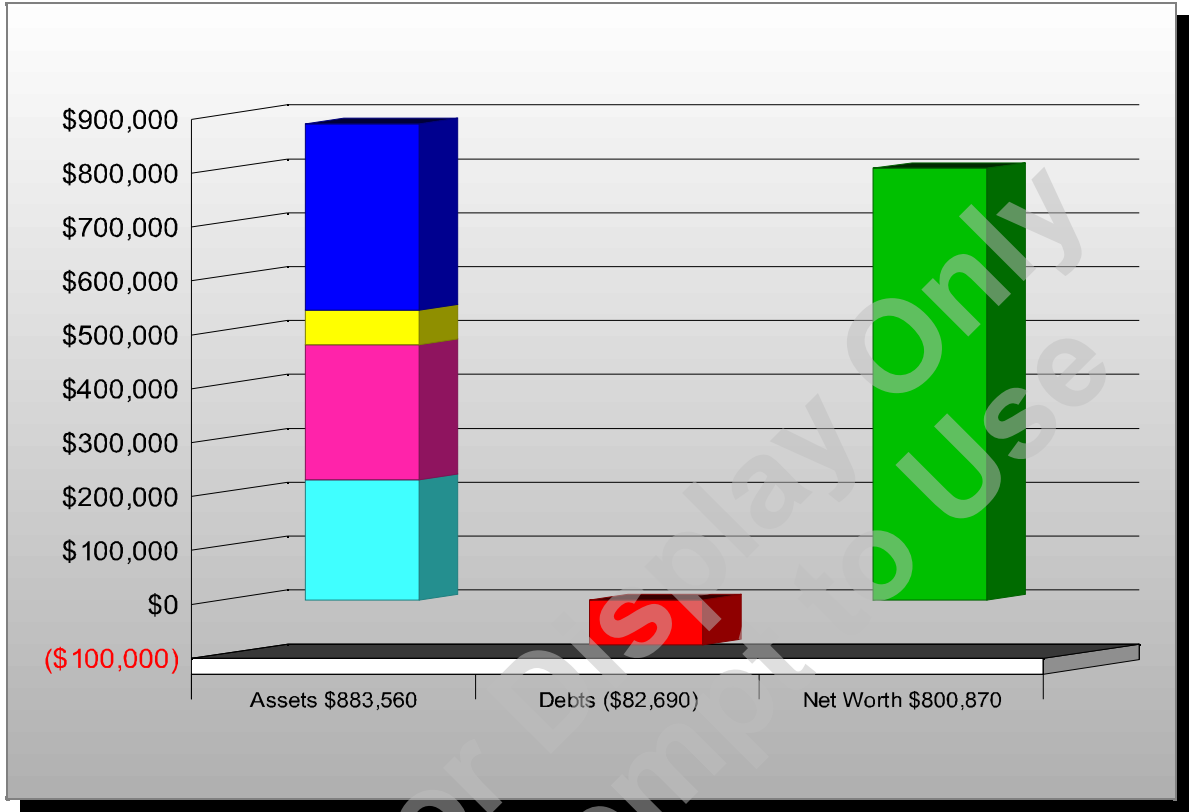
During the early years when you are a "consumer", depending on your parents for support and learning skills needed for the future, you have the opportunity to prepare yourself for the earning years. Successful preparation in the form of education and development of social skills and earning capability can be greatly responsible for the level of success in the "Earning" phase.

Interestingly enough, the amount of wages or income received in the second or "Earning" phase is not the factor that determines the results of the last phase - "Spending" or "Yearning". The key in this phase is how well a person has managed his/her income.

A person with low to medium income who regularly saves and prudently invests part of each paycheck can easily achieve a more successful financial result than high income earners who fail to set aside part of their wealth for the time when they can no longer work for a living.

# Net Worth

Retire at 65



The Net Worth graph illustrates the amount of your assets, including savings, investments, retirement accounts, and personal assets, less liabilities such as mortgages, loans, credit card balances, etc.

|                            |                |                                |
|----------------------------|----------------|--------------------------------|
| <b>Assets:</b>             |                | <b>\$883,560</b>               |
| Ordinary interest accounts | \$223,600      |                                |
| Investment accounts        | 250,560        |                                |
| Retirement accounts        | 63,300         |                                |
| Personal assets            | 346,100        |                                |
|                            | <u>883,560</u> |                                |
| <b>Less Debts</b>          |                | <b>(\$82,690)</b>              |
| <b>Net Worth</b>           |                | <b><u><u>\$800,870</u></u></b> |

Your objective should be to measure your net worth on a regular schedule in order to assure that you are improving your financial strength.

# Net Worth

Retire at 65

| <b>ASSETS</b>                        | <b>Allen</b>     | <b>Betty</b>     | <b>Joint /CP</b>  | <b>Trust/Oth.</b> | <b>Total</b>      |
|--------------------------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>Ordinary Income Accounts:</b>     |                  |                  |                   |                   |                   |
| Checking accounts, cash              |                  |                  | \$2,200           |                   | \$2,200           |
| Savings accounts                     |                  | 3,500            |                   |                   | 3,500             |
| Money Market Accounts                |                  |                  | 12,350            |                   | 12,350            |
| Certificate of Deposit               |                  |                  | 20,000            |                   | 20,000            |
| Gov't bonds, T-Bills, funds          |                  | 12,250           |                   |                   | 12,250            |
| Bonds, Corp. bond funds              | 10,000           |                  |                   |                   | 10,000            |
| Muni bonds, funds                    |                  |                  | 25,000            |                   | 25,000            |
| Annuities (fixed, variable)          | 30,000           |                  |                   |                   | 30,000            |
| Insurance Cash Value and Dividends   | 15,300           |                  |                   |                   | 15,300            |
| Mortgages, Notes                     |                  |                  | 93,000            |                   | 93,000            |
| <b>Total</b>                         | <b>\$55,300</b>  | <b>\$15,750</b>  | <b>\$152,550</b>  |                   | <b>\$223,600</b>  |
| <b>Equity (Investment) Accounts:</b> |                  |                  |                   |                   |                   |
| Stocks                               | \$23,500         |                  | \$37,528          |                   | \$61,028          |
| Mutual Funds                         | 89,214           | 13,505           | 29,063            |                   | 131,782           |
| Real Estate, REIT                    | 5,750            |                  |                   |                   | 5,750             |
| Limited partnerships                 |                  |                  | 27,500            |                   | 27,500            |
| Other ventures/businesses            |                  |                  | 19,500            |                   | 19,500            |
| Collectables                         |                  |                  | 5,000             |                   | 5,000             |
| <b>Total</b>                         | <b>\$118,464</b> | <b>\$13,505</b>  | <b>\$118,591</b>  |                   | <b>\$250,560</b>  |
| <b>Retirement Accounts:</b>          |                  |                  |                   |                   |                   |
| 401(k) accounts                      |                  | \$27,300         |                   |                   | \$27,300          |
| Profit Share, Keogh, 457, other      | 32,000           |                  |                   |                   | 32,000            |
| Roth accounts                        | 2,000            | 2,000            |                   |                   | 4,000             |
| <b>Total</b>                         | <b>\$34,000</b>  | <b>\$29,300</b>  |                   |                   | <b>\$63,300</b>   |
| <b>Personal Use Assets:</b>          |                  |                  |                   |                   |                   |
| Residence                            | \$307,000        |                  |                   |                   | \$307,000         |
| Personal Property                    | 15,000           |                  |                   |                   | 15,000            |
| Jewelry, furs                        |                  | 2,500            |                   |                   | 2,500             |
| Autos                                | 12,000           |                  | 9,600             |                   | 21,600            |
| <b>Total</b>                         | <b>\$334,000</b> | <b>\$2,500</b>   | <b>\$9,600</b>    |                   | <b>\$346,100</b>  |
| <b>Total Assets</b>                  | <b>\$541,764</b> | <b>\$61,055</b>  | <b>\$280,741</b>  |                   | <b>\$883,560</b>  |
| <b>LIABILITIES</b>                   |                  |                  |                   |                   |                   |
|                                      | <b>Allen</b>     | <b>Betty</b>     | <b>Joint/CP</b>   | <b>Trust/Oth.</b> | <b>Total</b>      |
| Residence mortgage                   |                  |                  | (\$72,000)        |                   | (\$72,000)        |
| Auto loans                           |                  |                  |                   | (4,300)           | (4,300)           |
| Credit Cards                         | (1,640)          | (2,250)          |                   |                   | (3,890)           |
| Life insurance loans                 | (2,500)          |                  |                   |                   | (2,500)           |
| <b>Total Liabilities</b>             | <b>(\$4,140)</b> | <b>(\$2,250)</b> | <b>(\$72,000)</b> | <b>(\$4,300)</b>  | <b>(\$82,690)</b> |
| <b>NET WORTH</b>                     | <b>\$537,624</b> | <b>\$58,805</b>  | <b>\$208,741</b>  | <b>(\$4,300)</b>  | <b>\$800,870</b>  |

**Asset Detail**

(Sorted by Name)

A6

Retire at 65

| <u>Name</u>           | <u>Account Value</u> | <u>Monthly Additions</u> | <u>Rate of Return</u> |             |              |              | <u>Owner</u> | <u>Liquid</u> | <u>Group</u> | <u>Class</u> | <u>Type</u> | <u>Ret</u> |
|-----------------------|----------------------|--------------------------|-----------------------|-------------|--------------|--------------|--------------|---------------|--------------|--------------|-------------|------------|
|                       |                      |                          | <u>Inter.</u>         | <u>Div.</u> | <u>CapG.</u> | <u>Appr.</u> |              |               |              |              |             |            |
| ABC Partners          | \$27,500             | 0 / 0                    |                       | 2.00        | 2.00         | 2.00         | Joint        | Non-Liquid    | LP-Energy    | Gr           | EqOther     | Yes        |
| Allens PS             | 32,000               | 0 / 150                  | 5.50                  |             |              |              | Allen        | Cash/Reser    | Savings      | Inc          | Retire      | Yes        |
| Allens Roth           | 1,000                | 233 / 0                  |                       |             |              |              | Allen        | Cash/Reser    | Savings      | Inc          | Retire      | Yes        |
| Allen's Roth 401K     | 1,000                | 0 / 0                    | 6.75                  |             |              |              | Allen        | Liquid        | Savings      | Gr           | Retire      | Yes        |
| Bettys 401k           | 27,300               | 200 / 130                | 6.50                  |             |              |              | Betty        | Liquid        | MF-Stock     | Gr           | Retire      | Yes        |
| Bettys Roth           | 1,000                | 233 / 0                  | 4.00                  |             |              |              | Betty        | Cash/Reser    | Savings      | Inc          | Retire      | Yes        |
| Betty's Roth 401K     | 1,000                | 0 / 0                    | 7.00                  |             |              |              | Betty        | Liquid        | Stock-Intl   | Gr           | Retire      | Yes        |
| BofA checking         | 2,200                | 0 / 0                    |                       |             |              |              | Joint        | Cash/Reser    | Checking     | Res          | Taxable     | Yes        |
| Coast Property note   | 93,000               | 0 / 0                    | 7.90                  |             |              |              | Joint        | Non-Liquid    | MortNote     | Inc          | Taxable     | Yes        |
| Corvallis CU          | 20,000               | 0 / 0                    | 5.12                  |             |              |              | Joint        | Liquid        | CD           | Inc          | Taxable     | Yes        |
| Dreyfus Cap Growth    | 29,063               | 75 / 0                   |                       |             | 3.50         | 4.00         | Joint        | Liquid        | MF-Stock     | AgGr         | EqOther     | Yes        |
| Gold coins            | 5,000                | 0 / 0                    |                       |             |              | 3.00         | Joint        | Other         | Collect      | Gr           | EqOther     |            |
| Home Fed Savings      | 3,500                | 0 / 0                    | 5.00                  |             |              |              | Betty        | Cash/Reser    | Savings      | Inc          | Taxable     | Yes        |
| IBM common            | 27,343               | 0 / 0                    |                       | 1.00        |              | 6.00         | Joint        | Liquid        | Stock-Comm   | Gr           | EqOther     | Yes        |
| Intel                 | 10,186               | 0 / 0                    |                       |             |              | 7.25         | Joint        | Liquid        | Stock-Comm   | AgGr         | EqOther     | Yes        |
| K Mart bond           | 10,000               | 0 / 0                    | 8.00                  |             |              |              | Allen        | Liquid        | Bond-Corp    | Inc          | Taxable     | Yes        |
| MFS Money Market      | 12,350               | 0 / 0                    | 3.10                  |             |              |              | Joint        | Cash/Reser    | MoneyMkt     | Inc          | Taxable     | Yes        |
| New World Life Ins    | 30,000               | 0 / 0                    | 7.25                  |             |              |              | Allen        | Liquid        | Annuity-Fx   | Inc/Gr       | TaxDef      | Yes        |
| Oregon '02 5.7%       | 25,000               | 0 / 0                    | 5.70                  |             |              |              | Joint        | Liquid        | MuniBond     | Inc          | TaxFree     | Yes        |
| Realty Partners       | 5,750                | 0 / 0                    |                       |             | 4.00         |              | Allen        | Non-Liquid    | RE           | Gr           | EqOther     | Yes        |
| T Rowe Price RE       | 13,505               | 66 / 0                   |                       | 2.00        | 2.25         | 2.00         | Betty        | Liquid        | MF-Intl      | AgGr         | EqOther     | Yes        |
| TBills                | 12,250               | 0 / 0                    | 5.17                  |             |              |              | Betty        | Liquid        | GovtBond     | Inc          | Taxable     |            |
| Templeton Dev Mkt     | 8,429                | 0 / 0                    |                       |             |              | 8.50         | Allen        | Liquid        | MF-Intl      | Gr           | EqOther     | Yes        |
| Vanguard Balanced     | 26,376               | 120 / 0                  | 1.50                  | 1.00        | 1.00         | 3.00         | Allen        | Liquid        | MF-Balanc    | Inc/Gr       | EqOther     | Yes        |
| Vanguard Windsor fund | 54,408               | 0 / 0                    |                       | 3.00        | 2.00         | 2.00         | Allen        | Liquid        | MF-Intl      | AgGr         | EqOther     | Yes        |
| Venture Inc.          | 19,500               | 0 / 0                    |                       |             |              | 4.00         | Joint        | Other         | OtherBus     | AgGr         | EqOther     | Yes        |
| Walton Ind.           | 15,000               | 0 / 0                    |                       |             |              | 6.00         | Allen        | Liquid        | Stock-Comm   | Gr           | EqOther     |            |
| Walton Stock Options  | 8,500                | 0 / 0                    |                       |             |              | 6.00         | Allen        | Liquid        | Stock-Comm   | AgGr         | EqOther     |            |

## Personal Property

A7

Retire at 65

| <u>Description</u> | <u>Value</u> | <u>Owner</u> | <u>Appreciation rate</u> |
|--------------------|--------------|--------------|--------------------------|
| Corvallis home     | \$307,000    | Allen        | 3.00                     |
| Ford Pickup        | 12,000       | Allen        | (8.00)                   |
| Furniture & etc.   | 15,000       | Allen        |                          |
| Jewelry            | 2,500        | Betty        |                          |
| Mazda 626          | 9,600        | Joint        | (5.00)                   |

**Total** \$346,100

Sample: For Display Only  
Do Not Attempt to Use

## Liabilities

A8

Retire at 65

| <u>Description</u> | <u>Owed to</u> | <u>Owed by</u>     | <u>Balance</u>  | <u>Monthly payment</u> | <u>Interest rate</u> | <u>Balloon age</u> |
|--------------------|----------------|--------------------|-----------------|------------------------|----------------------|--------------------|
| Corvallis home     | BofA           | Community Property | \$72,000        | \$840.00               | 8.37%                |                    |
| Mazda loan         | Corvallis CU   | Irrevocable Trust  | 4,300           | 205.00                 | 7.45%                | 52                 |
| Provident          |                | Betty              | 2,250           | 200.00                 | 12.99%               |                    |
| Wells Fargo        | Wells Fargo    | Allen              | 1,640           | 100.00                 | 13.75%               |                    |
| <b>Totals</b>      |                |                    | <b>\$80,190</b> | <b>\$1,345</b>         |                      |                    |

Sample: For Display Only  
Do Not Attempt to Use

## Life Insurance

Retire at 65

| <u>Insured</u> | <u>Description</u> | <u>Company</u> | <u>Owner</u> | <u>Beneficiary</u> | <u>Face amount</u> | <u>Annual premium</u> | <u>Cash value</u> | <u>Loan amount</u> |
|----------------|--------------------|----------------|--------------|--------------------|--------------------|-----------------------|-------------------|--------------------|
| Betty          | 5 year term        | ANLIC          |              |                    | \$175,000          | \$375                 |                   |                    |
| Betty          | Walton Group       | Aetna          |              |                    | 20,000             |                       |                   |                    |
| Allen          | Whole Life         | Met Life       |              |                    | 100,000            | 1,900                 | 12,450            | 2,500              |
| Allen          | WL                 | NWML           |              |                    | 60,000             | 650                   | 2,850             |                    |

| <u>Totals</u> | <u>Face amount</u> | <u>Premium</u> | <u>Cash Value</u> | <u>Loans</u> |
|---------------|--------------------|----------------|-------------------|--------------|
| Allen         | \$160,000          | \$2,550        | \$15,300          | \$2,500      |
| Betty         | \$195,000          | \$375          |                   |              |

Sample: For Display Only  
Do Not Attempt to Use

## Other Insurance

A10

Retire at 65

| <u>Company</u>         | <u>Type</u>            | <u>Insured</u> | <u>Description</u>        | <u>Annual Premium</u> |
|------------------------|------------------------|----------------|---------------------------|-----------------------|
|                        | Auto                   | Allen          | Indiv1 Auto Premium       | \$200                 |
|                        | Disability             | Allen          | Indiv1 Disability Premium | 450                   |
|                        | Homeowners, P&C, Other | Allen          | Indiv1 Other Premium      | 385                   |
|                        | Auto                   | Betty          | Indiv2 Auto Premium       | 200                   |
| <b>Total Premiums:</b> |                        |                |                           | <b>\$1,235</b>        |

Sample: For Display Only  
Do Not Attempt to Use

## Asset Summary

A11

Retire at 65

This view looks at your retirement assets by the way they are treated for income taxes (the retirement estimate report uses this grouping for illustrating future values).

| <b>Assets by TYPE:</b> | <b>Account value</b> | <b>Percent of total</b> | <b>Weighted average* rate of return</b> |    |
|------------------------|----------------------|-------------------------|---|----|
| Taxable                | \$141,050            | 29.30%                  | 6.90%                                   | C8 |
| Equity/Other           | 222,060              | 46.13%                  | 6.57%                                   |    |
| Tax Deferred           | 30,000               | 6.23%                   | 7.25%                                   |    |
| Tax-free               | 25,000               | 5.19%                   | 5.70%                                   |    |
| Retirement accounts    | 59,300               | 12.32%                  | 5.96%                                   |    |
| Roth IRA               | 4,000                | 0.83%                   | 6.31%                                   |    |
|                        | <b>\$481,410</b>     | <b>100%</b>             | <b>6.59%</b>                            |    |

\* Weighted average rate excludes assets which were not intended to be used for retirement.

Note: The Weighted Average Rate of Return is derived from the asset rates provided by you as shown on the Asset Detail report page. The effective return from each asset is computed and summed by type, and that sum is divided by the total value of that type asset. The resulting weighted average reflects an estimated portfolio rate of return for that asset type. The rates used are assumed to be net of all fees and expenses.

This view is focused on the asset classes. It should be used to help you determine if your assets are positioned in concert with your own goals.

| <b>Assets by CLASS:</b> | <b>Savings &amp; Investments</b> | <b>Retirement accounts</b> | <b>Percent of total</b> |    |
|-------------------------|----------------------------------|----------------------------|-------------------------|----|
| Reserves                | \$2,200                          |                            | 0.42%                   | B8 |
| Income                  | 176,100                          | 34,000                     | 40.24%                  |    |
| Growth and income       | 56,376                           |                            | 10.80%                  |    |
| Growth                  | 89,022                           | 29,300                     | 22.66%                  |    |
| Aggressive Growth       | 135,162                          |                            | 25.89%                  |    |
| Misc                    |                                  |                            |                         |    |
|                         | <b>\$458,860</b>                 | <b>\$63,300</b>            | <b>100%</b>             |    |

This view is concerned with the amount of liquid funds available. Refer to the Liquidity report for a more graphic illustration.

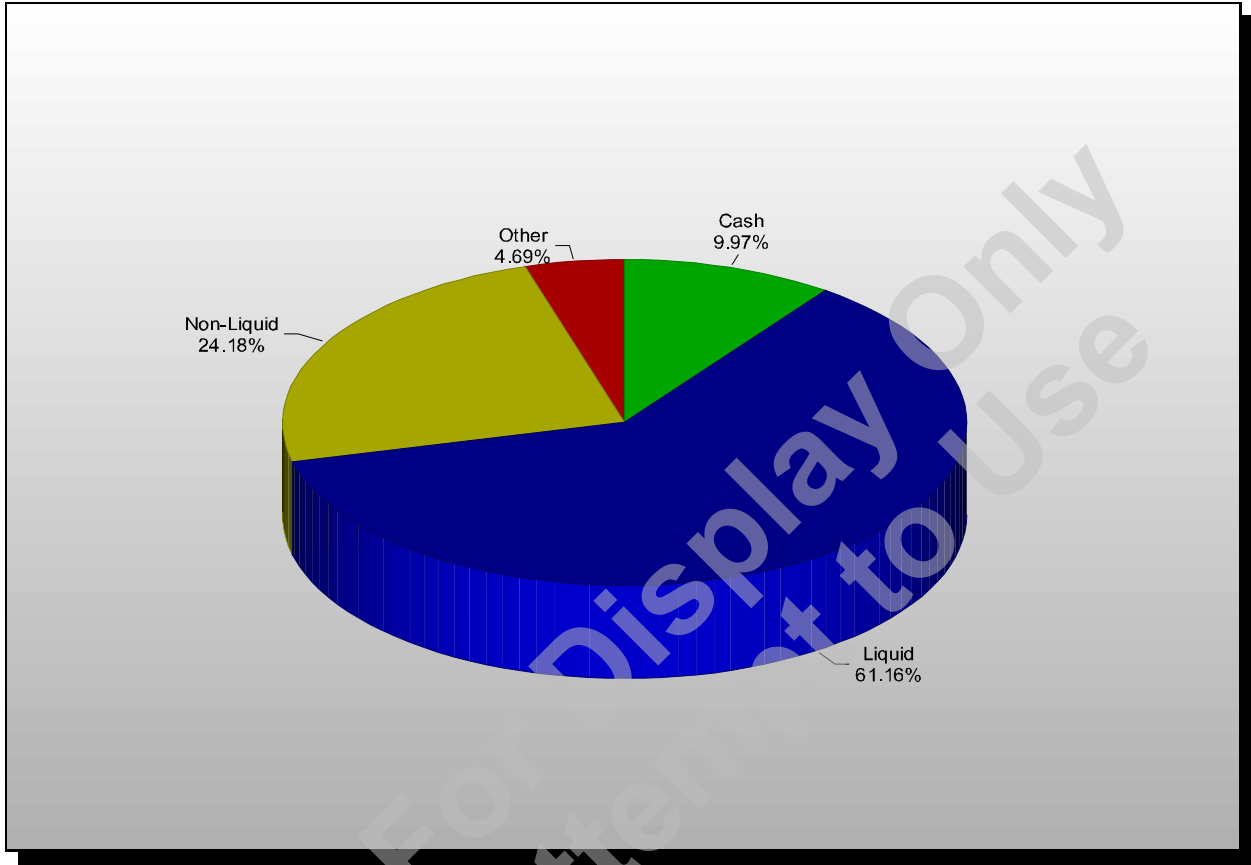
| <b>Assets by LIQUIDITY:</b> | <b>Savings &amp; Investments</b> | <b>Retirement accounts</b> | <b>Percent of total</b> |
|-----------------------------|----------------------------------|----------------------------|-------------------------|
| Cash and Reserves           | \$18,050                         | \$34,000                   | 9.97%                   |
| Liquid                      | 290,060                          | 29,300                     | 61.16%                  |
| Non-Liquid                  | 126,250                          |                            | 24.18%                  |
| Other                       | 24,500                           |                            | 4.69%                   |
|                             | <b>\$458,860</b>                 | <b>\$63,300</b>            | <b>100%</b>             |

Note: Some of the assets listed here may have been excluded from the retirement projection. Refer to the Asset Detail report for specifics. Assets listed include only "working" assets, not residence and personal property assets or insurance cash values.

# Liquidity

Retire at 65

A12



The above graph illustrates the liquidity level of your working assets, measuring the ability to convert working assets to cash if needed.

If you have too much of your money in "non-liquid" investments you may someday find yourself in a position where you need to have quick cash, but are unable to convert enough of your assets quickly.

|                            | <u>Total Assets**</u> | <u>Working assets*</u> |
|----------------------------|-----------------------|------------------------|
| <b>Cash &amp; Reserves</b> | \$52,050              | \$52,050               |
| <b>Liquid</b>              | 319,360               | 319,360                |
| <b>Non-Liquid</b>          | 487,650               | 126,250                |
| <b>Other</b>               | 24,500                | 24,500                 |

A13

Your total liquidity level including your residence and personal property is 42%.

Your working asset liquidity ratio (cash and liquid assets divided by all working\* assets) is 71%

This level of working asset liquidity should be adequate except in severe cases.

\* Excluding residence and personal assets. Includes retirement accounts.

\*\* Includes residence and personal assets in non-liquid category.

# Liquidity Analysis

Retire at 65

Liquidity is a measure of the ability to convert assets to cash. This can be important in two major instances ...

FIRST - In times of economic disruption, cash is king. If a substantial portion of your net worth is held in assets that are not readily convertible to cash, you may find their value rapidly fluctuating. This could severely hamper your ability to move them to a "safe haven" if needed.

SECOND - In the event of loss of income due to death or disability, there may be a need to reposition some of the assets to change from a growth oriented to a more income oriented asset position. If too much of your assets are positioned in non-liquid accounts, you may find it difficult or impossible to make the changes or impossible to make the changes required without paying substantial penalties or taxes.

|  | <u>All<br/>Assets*</u> | <u>Working<br/>Assets**</u> |
|--|------------------------|-----------------------------|
| <b>CASH and RESERVES</b>   | <b>\$64,850</b>        | <b>\$52,050</b>             |
| These are generally assets that can quickly be taken in cash without significant delay and without substantial loss of value. Included in this group are your checking, savings, US savings bond accounts, and money market funds.   |                        |                             |
| <b>LIQUID INVESTMENTS</b>  | <b>\$319,360</b>       | <b>\$319,360</b>            |
| These accounts can be converted to cash in a reasonable length of time, but they may suffer an unpredictable loss due to market fluctuations, liquidation penalties or other complications. Included are Gov't T-Bills and bonds, corporate bonds, tax free municipal bonds, fixed or variable annuities, variable life insurance, certificates of deposit, mutual funds, stocks and other securities. |                        |                             |
| <b>NON-LIQUID ASSETS</b>   | <b>\$487,650</b>       | <b>\$126,250</b>            |
| These accounts are considered non-liquid, meaning that even if you want to sell or dispose of them, there may not be a ready buyer for the asset. This includes real estate, partnerships, mortgages and notes. Residence, personal property and cash values are included in "All Assets" category.  |                        |                             |
| <b>OTHER ASSETS</b>  | <b>\$24,500</b>        | <b>\$24,500</b>             |
| Items in this category are most likely to be non-liquid or may suffer substantial loss if they must be sold quickly. They include business interests, other ventures, and tangibles.   |                        |                             |
| <b>Total of all assets</b>   | <b>\$896,360</b>       | <b>\$522,160</b>            |
| <b>Liquid assets (Cash, Reserves and Liquid investments)</b>   | <b>\$384,210</b>       | <b>\$371,410</b>            |
| <b>Liquidity ratio (Liquid assets divided by Total Assets)</b>   | <b>43%</b>             | <b>71%</b>                  |

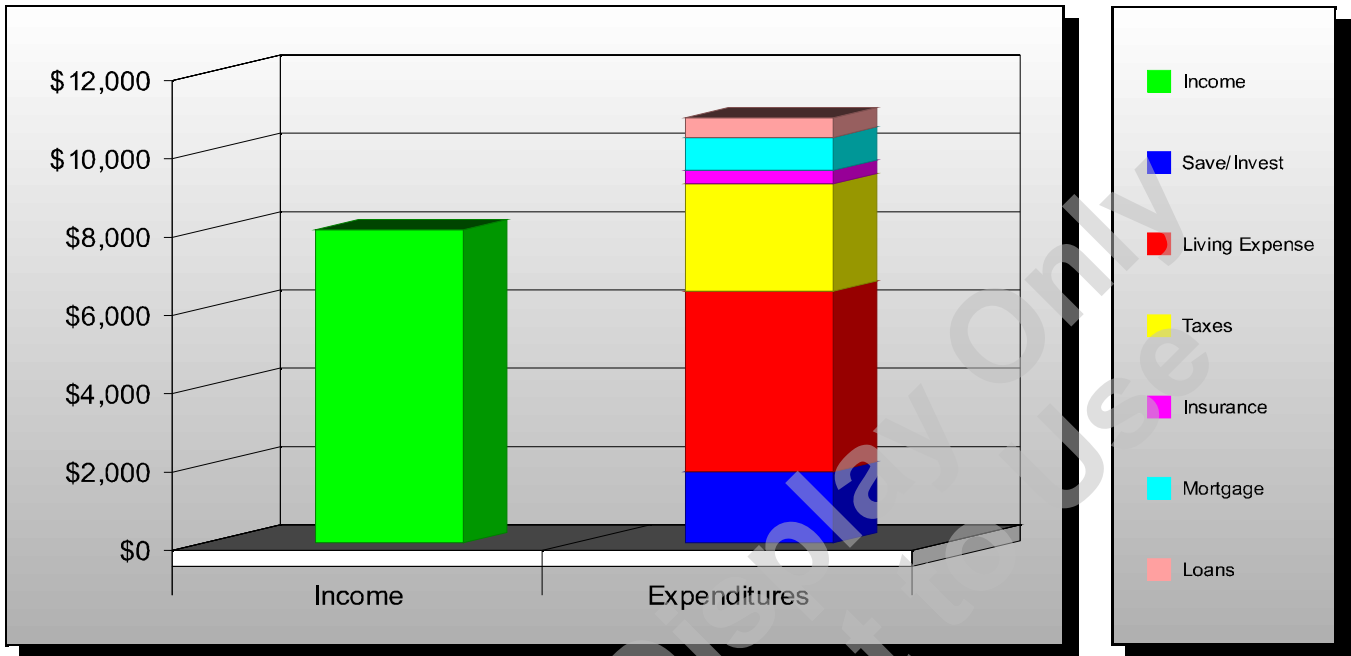
\*Includes residence, all types of personal property, insurance cash values, savings, investments and retirement assets.

\*\*Includes only savings, investment and retirement account assets.

# Cash Flow

A14

Retire at 65



The graph above shows the relationship of your expenditures to your available income. The expenditures group includes your personal expenses as well as taxes, insurance premiums, debt and mortgage payments, savings and investments deposits.

|                                  |                   |
|----------------------------------|-------------------|
| <b>Monthly income available</b>  | <b>\$7,994</b>    |
| Less: Savings and Investments    | (1,822)           |
| Living Expenses                  | (4,603)           |
| Taxes                            | (2,745)           |
| Insurance                        | (347)             |
| Mortgage                         | (840)             |
| Loan payments                    | (505)             |
| <b>Total spending</b>            | <b>(\$10,862)</b> |
| <b>Spendable income shortage</b> | <b>(\$2,868)</b>  |

A15

The information you provided for this analysis indicates that your expenses exceed your available income sources.

You should carefully evaluate your spending in order to reduce expenses where appropriate.

You should regularly review your cash flow to determine if there are changes required in your spending habits.

# Cash Flow

A15

Retire at 65

| <b>INCOME:</b>                       | <b>Monthly<br/>Amount</b> | <b>Percent<br/>of income</b> |         |
|--------------------------------------|---------------------------|------------------------------|---------|
| Salaries & Wages                     | \$8,333                   | 104.24%                      | D3      |
| Self employment income (Sch C)       | 83                        | 1.04%                        | H8      |
| Interest                             | 896                       | 11.21%                       | H1...H4 |
| Dividends                            | 251                       | 3.14%                        | H2      |
| Rent, Royalty & Partnerships (Sch E) | 167                       | 2.08%                        |         |
| Other net income or (expense)        | (1,736)                   | -21.72%                      | G8      |
| <b>Total income available</b>        | <b>\$7,994</b>            | <b>100.00%</b>               |         |

| <b>EXPENDITURES:</b>                                | <b>Amount</b>   | <b>Percent<br/>of income</b> |     |
|---|-----------------|------------------------------|-----|
| Federal and State income tax                        | \$2,096         | 26.22%                       | D3  |
| FICA taxes  | 649             | 8.12%                        | D3  |
| Residence mortgage                                  | 840             | 10.51%                       | K1  |
| Auto Loans  | 205             | 2.56%                        | K1  |
| Credit Cards  | 300             | 3.75%                        | K1  |
| Life insurance                                      | 244             | 3.05%                        | J1  |
| Homeowners & other insurance                        | 32              | 0.40%                        | G15 |
| Auto insurance                                      | 33              | 0.42%                        | G15 |
| Disability insurance                                | 38              | 0.47%                        | G15 |
| Saving and Investment additions                     | 261             | 3.26%                        | G12 |
| Retirement account additions (IRA, 401k, TSA, etc.) | 1,416           | 17.71%                       | G12 |
| Education fund deposits                             | 145             | 1.81%                        |     |
| Charitable contributions                            | 63              | 0.78%                        | D3  |
| Misc. itemized deductions                           | 729             | 9.12%                        | D3  |
| Property tax  | 292             | 3.65%                        | D3  |
| Miscellaneous Expense                               | 1,200           | 15.01%                       |     |
| Food and Household Expenses                         | 600             | 7.51%                        |     |
| Utilities   | 445             | 5.57%                        |     |
| Auto Operating and Maintenance                      | 367             | 4.59%                        |     |
| Holidays  | 125             | 1.56%                        |     |
| Domestic Help                                       | 150             | 1.88%                        |     |
| Clothing  | 300             | 3.75%                        |     |
| Property Improvements/Upkeep                        | 125             | 1.56%                        |     |
| Vacations   | 167             | 2.08%                        |     |
| Pet Expenses  | 17              | 0.21%                        |     |
| Books/Subscriptions                                 | 25              | 0.31%                        |     |
| <b>Total spending and savings</b>                   | <b>\$10,862</b> | <b>135.88%</b>               |     |

**Cash flow shortage (spending in excess of income) (\$2,868)**

Note: Items on this report represent only current year income and expenses. Amounts will vary in future years.

# Income Management

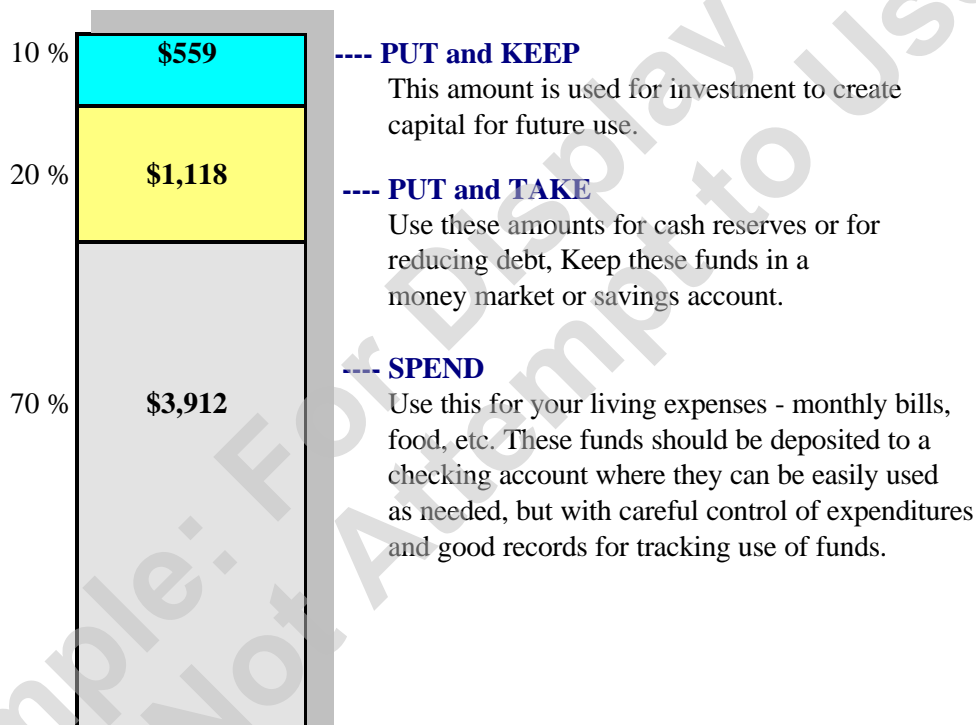
Retire at 65

The 10/20/70 Income Management Plan explained below will help you establish a system for current income management and for accumulation of capital for future financial independence.

|           |                                    |
|-----------|------------------------------------|
| \$8,417   | Gross income available per month.  |
| (\$2,766) | Less Income Tax and FICA.          |
| (\$63)    | Less charitable contributions.     |
| <hr/>     |                                    |
| \$5,589   | Amount left for the 10/20/70 plan. |

D3

## DISTRIBUTION OF FUNDS FOR 10/20/70 PROGRAM



The effectiveness of this plan can be enhanced by using automatic checking deposit and withdrawal programs where possible.

Check at your place of employment to see if you can have your paycheck automatically deposited to your checking account.

See if your bank will automatically transfer the 20% PUT and TAKE amount into a savings or money market account.

Consider investment programs like mutual funds or annuities which have automatic bank-draft plans for the 10% investment program each month.

This plan and the percents indicated above are general guidelines and may need to be adjusted to fit your particular situation.

## Financial Goals

A17

Retire at 65

It is important to plan ahead for financial goals like purchasing a home, a business opportunity or other special needs. If you indicated any special goals, the following table shows the amount of money needed for those items.

| <u>Description:</u> | <u>Age needed</u> | <u>Inflation rate %</u> | <u>Amount needed</u> | <u>Inflated amount needed</u> | <u>Funding methods at 8.00% after tax</u> |                        |
|---------------------|-------------------|-------------------------|----------------------|-------------------------------|---|------------------------|
|                     |                   |                         |                      |                               | <u>Lump sum deposit</u>                   | <u>Monthly deposit</u> |
| Retirement trip     | 61                | 6.00%                   | \$15,000             | \$26,863                      | \$12,443                                  | \$146                  |
| Sail boat           | 65                | 4.00%                   | 20,000               | 34,634                        | 11,791                                    | 112                    |

In order to achieve a future financial goal, such as a major purchase or investment, you should plan to have funds available at the right time. Two methods are illustrated: pre-funding with a lump sum of money dedicated to the future goal, or pre-funded with an accumulation account where funds are deposited each month.

### Lump Sum:

Using this method, a calculation is done to determine what amount of money would need to be set aside now at an after-tax rate of return that would grow to the required amount at the time the funds are needed. The initial lump sum deposit would be held in a separate account and then used to pay for the expense.

### Monthly deposits:

If a lump sum amount is not available to set aside for the future expense, you might consider using a separate account where monthly deposits are contributed to accumulate the funds required. The amount shown above as "Monthly Deposit" would be anticipated to grow at the after-tax rate shown, and when needed would be used to pay for the goal specified.

The above funding amounts and rates are used for illustration only and do not represent any particular investment program. Results are not guaranteed.

The expenditures for these items have been included in your retirement capital estimate.

## *Saving For College*

Retire at 65

Recent changes in income tax regulations have provided a variety of opportunities that should make saving for your child's education expenses more palatable. In some cases current education expenses can result in current tax savings, and putting aside money for future costs can be much more tax-friendly than in the past. (Note: Without specific action from Congress, some of the features described below are scheduled to terminate in the year 2011.)

### **529 Plans:**

Section 529 of the Revenue code has enabled states to establish special college savings funds where parents or grandparents can make deposits to an account to accumulate money for tuition and in some cases other expenses. The terms and benefits of each state vary, but generally include the following features:

- s Tax savings - starting in 2002 the earnings on the accounts will not only be accumulated without federal income tax, but withdrawals will also be tax free. Some states will also allow tax free withdrawals, and many states will even allow you to take a tax deduction for some portion of the money deposited.
- s Control - unlike other accounts sometimes used to accumulate money for the child, you, the donor, stay in control of the assets. You decide when withdrawals are taken and for what purpose. And in most cases you can even reclaim the funds, particularly if the child elects not to attend college. (There may be a penalty for "non-qualified" withdrawals.)
- s Simple - once you select which state plan to use, a simple enrollment form is completed, and deposits may even be made by automatic checking account withdrawals. The account is managed by the state or an investment manager hired by the state.
- s Everyone eligible - generally there are no special eligibility requirements, and the amounts you can contribute in many states are substantial (in some cases as much as \$200,000.)

### **Other education plans:**

The following items are effective with the 2001 tax act:

- s Deduction of higher education expenses - for the years 2004 and 2005 higher education expenses up to \$4,000 may be deductible (subject to income limitations.) Expires after 2005.
- s Coverdell Education Savings Accounts - the tax-deductible contribution may be used for "qualified higher education" or "qualified elementary and secondary education expenses", including private institutions. The maximum allowable contribution is \$2,000 subject to certain income limitations. The plan is integrated with the HOPE and Lifetime Learning Credit programs.
- s Employer provided assistance - the \$5,250 contribution level now extends the exclusion to graduate courses and makes the exclusion for undergraduate and graduate courses permanent.
- s Student Loan Interest Deduction - the availability for this benefit has been broadened and the earnings limits raised.

For more information about these plans or to compare your state 529 plan with other states, go on the internet to . . . [www.savingforcollege.com](http://www.savingforcollege.com)

# Education Funding

Retire at 65



The "Needed" bars indicate the annual expenditures for the years when each child is in school. The "monthly" line indicates the cumulative account value of monthly deposits to the education fund. The "Lump Sum" line represents the initial deposit of a single lump sum to an education fund and the projected growth of the account.

**Funding education costs with a lump sum investment now:**

|  |                 |
|--|-----------------|
| Lump sum needed today to fund future costs | \$65,250        |
| Funds now available for college expenses.  | 6,500           |
| <b>Additional lump sum needed now</b>      | <b>\$58,750</b> |

A21

**Monthly funding with level payments through the last year of college:**

|  |              |
|--|--------------|
| Total level monthly payments to fund costs                       | \$852        |
| Payments needed considering \$6,500 available now                | \$768        |
| <b>Additional needed with \$6,500 and \$145 current deposits</b> | <b>\$623</b> |

A21

# Education Costs

Retire at 65

Providing educational funds can be one of life's greatest financial burdens. Fortunately, it is an expense that can be planned. The following illustration uses a rate of return of 6.00% for computing both a lump-sum and a monthly deposit funding method.

| Student's Name | Age | Number of years | Starting year | Annual costs    | Parent's Total Costs |                   |                                  |           |
|----------------|-----|-----------------|---------------|-----------------|----------------------|-------------------|----------------------------------|-----------|
|                |     |                 |               |                 | Today's dollars      | Inflated at 3.90% | Funding amount required Lump Sum | Per month |
| Bonnie         | 13  | 4               | 2,010         | \$10,000        | \$40,000             | \$49,413          | \$35,840                         | \$468     |
| Andy           | 18  | 4               | 2,005         | 10,000          | 40,000               | 31,185            | 29,410                           | 893       |
| <b>Total</b>   |     |                 |               | <b>\$20,000</b> | <b>\$80,000</b>      | <b>\$80,598</b>   |                                  |           |

### Lump Sum:

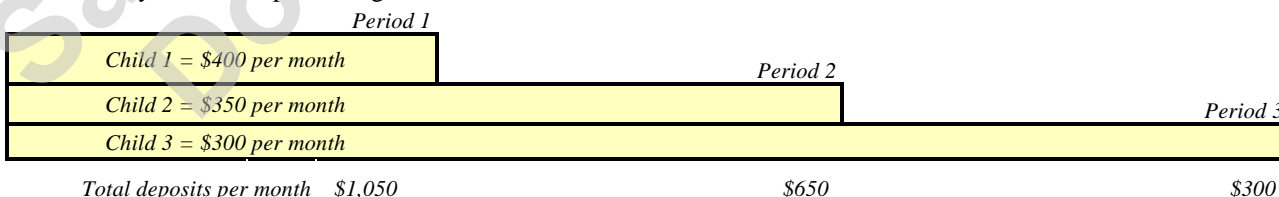
This is the amount of money that would need to be set aside immediately to cover all costs assuming that the funds are spent at the beginning of each year. It is assumed that interest is added each year on the unused balance.

### Monthly deposits:

Instead of pre-funding the education costs with a lump sum deposit, you could elect to accumulate funds by making monthly additions to a savings or investment account. In this case a required monthly deposit is computed that would provide enough funds to cover costs through the last year of education expenses.

### Method #1 - Separate accounts for each child:

The benefit of separate account funding method is that the funds may be segregated and identified for each child. The disadvantage is that this method generally will require a much larger monthly deposit in the early years and smaller deposits in the later years. For example, if there are three children starting school at different years, the deposits might look like this:



### Method #2 - A single level payment amount used for all children:

If you use a single monthly amount, then the payments would be level throughout the education years. This method is generally easier for most families to afford.

Funding for all children using level payments = \$625 per month

## Education Funding

A21

Retire at 65

The following schedules illustrate the education funds needed, using an after tax rate of return or a 529 education funding account. The options include separate accounts for each child, pre-funding with level monthly deposits through the last year, or a lump sum deposit. The results shown are not guarantees or estimates of future results but are for illustration purposes only.

| Year          | Annual Costs            |                          | Monthly deposit                         | Pre-Funded Accounts *  |                       |
|---------------|-------------------------|--------------------------|---|------------------------|-----------------------|
|               | Costs inflated at 3.90% | Parents share at 100.00% | Amount required using separate accounts | Lump Sum account 6.00% | Monthly** \$852 6.00% |
| 2006          | \$10,000                | \$10,000                 | \$1,361                                 | \$65,250               | (\$92)                |
| 2007          | 10,390                  | 10,390                   | 1,361                                   | 58,565                 | (604)                 |
| 2008          | 10,795                  | 10,795                   | 1,361                                   | 51,065                 | (1,575)               |
| 2009          |                         |                          | 468                                     | 42,686                 | 8,838                 |
| 2010          | 11,654                  | 11,654                   | 468                                     | 45,248                 | 7,523                 |
| 2011          | 12,108                  | 12,108                   | 468                                     | 35,610                 | 5,647                 |
| 2012          | 12,580                  | 12,580                   | 468                                     | 24,911                 | 3,158                 |
| 2013          | 13,071                  | 13,071                   | 468                                     | 13,071                 |                       |
| <b>Totals</b> | <b>\$80,598</b>         | <b>\$80,598</b>          |   |                        |                       |

### Funding education costs with a lump sum investment now:

|  |                 |
|--|-----------------|
| Lump sum needed today to fund future costs | \$65,250        |
| Funds now available for college expenses.  | 6,500           |
| <b>Additional lump sum needed now</b>      | <b>\$58,750</b> |

### Monthly funding with level payments through the last year of college:

|  |              |
|--|--------------|
| Total level monthly payments to fund costs                       | \$852        |
| Payments needed considering \$6,500 available now                | \$768        |
| <b>Additional needed with \$6,500 and \$145 current deposits</b> | <b>\$623</b> |

\* If the education funds do not earn at the rate illustrated, it would require either a larger amount of initial lump sum investment, larger monthly deposits to the education fund, or education loans to finance the costs.

\*\*A negative amount in this column indicates some loans will be required in the years indicated.

## Education - Separate Accounts

Retire at 65

If separate accounts are maintained for each child's education funding, then the following report will illustrate the amount of expenses in each year, and both the immediate lump sum required and the amount of monthly deposits required to create an education fund for each child.

The projection assumes use of a 529 college fund or an after tax rate of return on required funds at 6.00%.

| Child         | Bonnie          | Andy            | Totals          | Monthly deposits |
|---------------|-----------------|-----------------|-----------------|------------------|
| Per Year      | \$10,000        | \$10,000        | \$20,000        |                  |
| Lump sum*     | \$35,840        | \$29,410        | \$65,250        | by year          |
| Monthly**     | \$468           | \$893           |                 | \$1,361          |
| 2006          |                 | \$10,000        | \$10,000        | \$1,361          |
| 2007          |                 | 10,390          | 10,390          | 1,361            |
| 2008          |                 | 10,795          | 10,795          | 1,361            |
| 2009          |                 |                 |                 | 468              |
| 2010          | 11,654          |                 | 11,654          | 468              |
| 2011          | 12,108          |                 | 12,108          | 468              |
| 2012          | 12,580          |                 | 12,580          | 468              |
| 2013          | 13,071          |                 | 13,071          | 468              |
| <b>Totals</b> | <b>\$49,413</b> | <b>\$31,185</b> | <b>\$80,598</b> |                  |

Note: If existing education fund balances or monthly additions exist then the amounts shown above would be reduced accordingly.

\*Lump sum is the dollar amount needed today to fund the expenses assuming a 6.00% after tax or tax free return on education funds.

\*\*Monthly deposit needed from now through the last year of school to fund the expenses.

**Education Funding Sources**

A23

Retire at 65

| Allen<br>Age | Year | Education<br>fund balance<br>(begin year) | Annual<br>additions | Annual<br>costs | Annual<br>growth at<br>6.00% | Sources of funds    |                |
|--------------|------|---|---------------------|-----------------|------------------------------|---------------------|----------------|
|              |      |   |                     |                 |                              | From<br>educ. funds | From<br>Assets |
|              |      | <sup>1</sup>                              | <sup>2</sup>        | <sup>3</sup>    | <sup>4</sup>                 | <sup>6</sup>        | <sup>7</sup>   |
| 51           | 2005 | \$6,500                                   | \$1,740             | (\$10,000)      |                              | \$8,240             | \$1,760        |
| 52           | 2006 |   | 1,740               | (10,390)        |                              | 1,740               | 8,650          |
| 53           | 2007 |   | 1,740               | (10,795)        |                              | 1,740               | 9,055          |
| 54           | 2008 |   | 1,740               |                 | 104                          |                     |                |
| 55           | 2009 | 1,844                                     | 1,200               | (11,654)        |                              | 3,044               | 8,609          |
| 56           | 2010 |   | 1,200               | (12,108)        |                              | 1,200               | 10,908         |
| 57           | 2011 |   | 1,200               | (12,580)        |                              | 1,200               | 11,380         |
| 58           | 2012 |   | 1,200               | (13,071)        |                              | 1,200               | 11,871         |
| 59           | 2013 |   | 1,200               |                 | 72                           |                     |                |
| 60           | 2014 | 1,272                                     |                     |                 | 76                           |                     |                |
| 61           | 2015 | 1,348                                     |                     |                 | 81                           |                     |                |
| 62           | 2016 | 1,429                                     |                     |                 | 86                           |                     |                |
| 63           | 2017 | 1,515                                     |                     |                 | 91                           |                     |                |
| 64           | 2018 | 1,606                                     |                     |                 | 96                           |                     |                |
| 65           | 2019 | 1,702                                     |                     |                 | 102                          |                     |                |
| 66           | 2020 | 1,804                                     |                     |                 | 108                          |                     |                |
| 67           | 2021 | 1,913                                     |                     |                 | 115                          |                     |                |
| 68           | 2022 | 2,027                                     |                     |                 | 122                          |                     |                |
| 69           | 2023 | 2,149                                     |                     |                 | 129                          |                     |                |
| 70           | 2024 | 2,278                                     |                     |                 | 137                          |                     |                |
| 71           | 2025 | 2,415                                     |                     |                 | 145                          |                     |                |
| 72           | 2026 | 2,560                                     |                     |                 | 154                          |                     |                |
| 73           | 2027 | 2,713                                     |                     |                 | 163                          |                     |                |
| 74           | 2028 | 2,876                                     |                     |                 | 173                          |                     |                |
| 75           | 2029 | 3,048                                     |                     |                 | 183                          |                     |                |
| 76           | 2030 | 3,231                                     |                     |                 | 194                          |                     |                |
| 77           | 2031 | 3,425                                     |                     |                 | 206                          |                     |                |
| 78           | 2032 | 3,631                                     |                     |                 | 218                          |                     |                |
| 79           | 2033 | 3,849                                     |                     |                 | 231                          |                     |                |

Note: The parents share of education costs are included in personal expenses.

## *Investment*

A discussion of various considerations of your savings and investment status, potential risks, liquidity, financial attitudes and asset allocation.

Sample: For Display Only  
Do Not Attempt to Use

# *Asset Management*

B1

Retire at 65

**Asset Management has sometimes been defined as:**

**Managing assets and resources in relationship to  
your personal and financial goals, in order  
to most efficiently accomplish desired results.**

Achieving financial goals involves the use of many techniques, financial concepts and tools. Perhaps one of the most important is the proper use of savings, investments and retirement accounts. During your financial life you will accumulate funds from various sources including savings, your surplus income, inheritances, gifts, company contributions to retirement accounts, and other types of financial resources.

Since savings and investment accounts are acquired over a broad time frame, it is not unusual to find that the funds have been put into savings or investment accounts with inadequate thought as to how the various accounts relate to each other, or how they fit with your own long term goals for financial success.

One objective of any financial plan is to determine the proper mix of asset types, classes, or groups. In order to achieve the desired results for your financial future, it may be prudent to consider repositioning assets from an existing account to other accounts that more appropriately match your goals and comfort level.

As a result of our analysis of your financial goals and the resources available to achieve those goals, it may be determined that some changes to your assets or their management would enhance your potential for your future success. Any recommendations relating to changes will take into consideration:

- Your investment time horizon (time left to accumulate or use investments.)
- Your risk tolerance level.
- Your experience and training in investment management.
- The amount of time or interest you have for investment analysis or research.
- The amount of funds available relative to the amount required to achieve your goals.

Once a portfolio mix has been designed and assets positioned to accomplish your goals, you should plan for regular reviews of your accounts. At that time we will reevaluate your circumstances, economic and financial conditions, and determine whether any changes are in order to bring your asset mix or management back into proper balance.

## *Risk*

Retire at 65

In every aspect of life, we are faced with varying degrees of unknown outcomes. These uncertainties in life are sometimes referred to as areas of "Risk". In particular, financial matters are commonly described as either "Safe" or "Risky" or somewhere in between the two extremes.

It is important to recognize that the term "Risk" can refer to more than simply the loss of your money. Some of the different types of risk are described below.

### **Loss of Principal:**

If you have \$10,000 invested in a stock, the stock declines in value to \$5,000, and you sell the stock, then you have suffered a loss of principal. On the other hand, if you do NOT sell the stock while the value is down, and the stock recovers to \$10,000 then you have not suffered a loss. Time and diversification are keys to mitigating this type of loss.

### **Loss of Purchasing Power:**

If you own a \$10,000 certificate of deposit earning 5% interest, you will receive \$500 per year interest. Since the account is insured by the FDIC and the interest is guaranteed for a set time frame, this may seem like a "safe" investment. If we experience inflation at the rate of 3% per year, the purchasing power of the \$500 income will be reduced after the first year to \$485, and after 10 years to \$372. The purchasing power of the \$10,000 after 10 years will be reduced to \$7,441. This loss is a permanent one with no chance for recovery unless our economy goes into a protracted deflationary cycle.

### **Tax Loss:**

Using the same \$10,000 as above, and assuming you are in the 25% tax bracket, the \$500 interest would be reduced to \$375 after taxes. After 10 years, the \$500 interest after taxes and inflation would provide purchasing power of only \$277.

### **Illiquidity:**

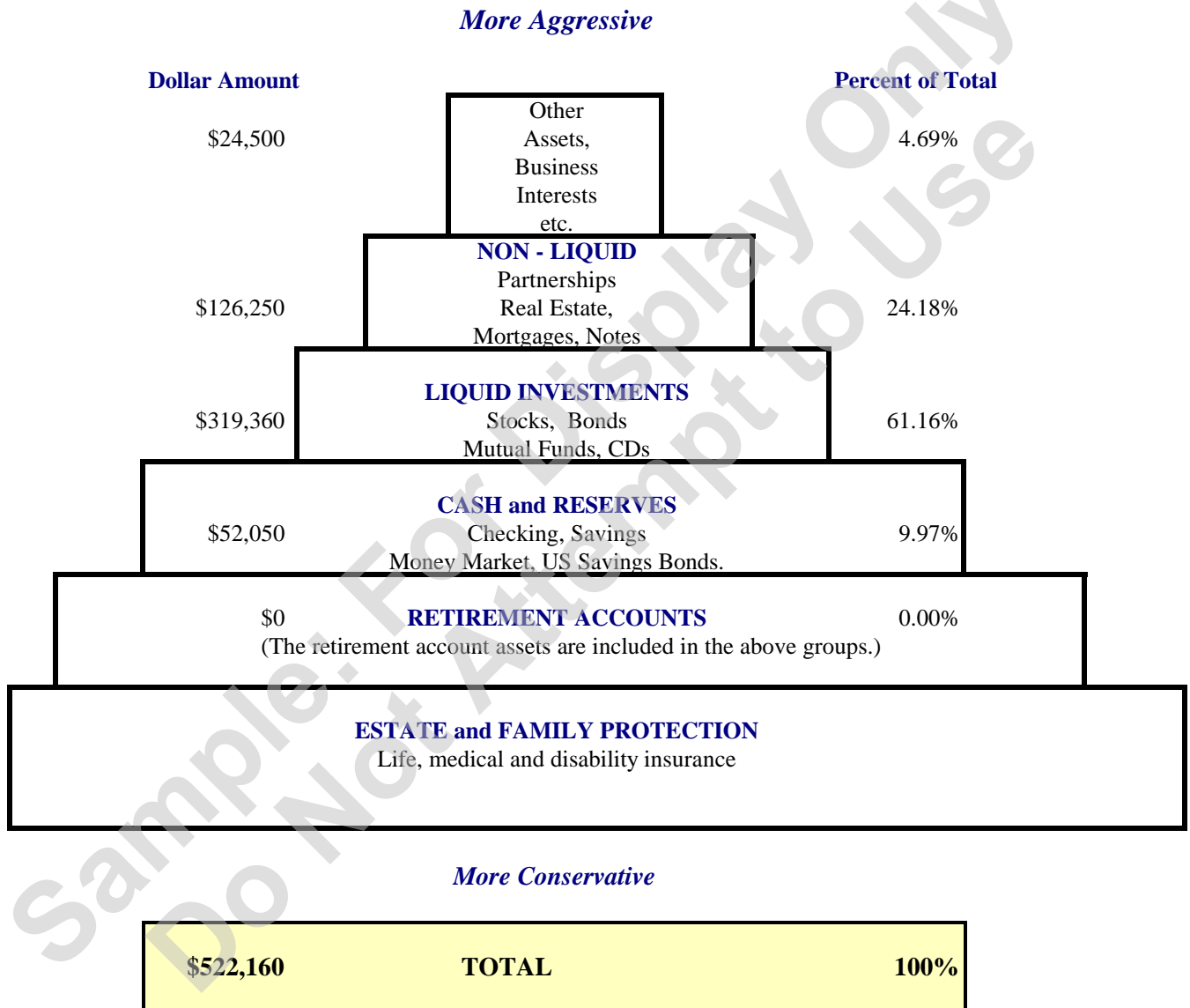
If you place all or most of your financial assets into illiquid assets like real estate, mortgages or notes, small business interests or even tax deferred retirement accounts with severe early withdrawal penalties, then you may find that you no longer have control of your financial future. If your personal financial affairs take a turn for the worse due to a disability, loss of employment, death in the family or other unforeseen event, and you cannot readily reposition your assets to meet your new needs, then you are exposed to the risk of not being in control of your financial well being.

Although there are other types of risk that could be considered, the above examples will illustrate that it is important to properly plan and balance your financial assets so that all possibilities are considered. As your financial plan is created, we take into consideration your levels of comfort with different type of assets and with attention to your personal situation and goals.

# Asset Pyramid Chart

Retire at 65

Proper management of your assets requires an understanding of the relationship between RISK and REWARD. The pyramid below illustrates the assets by levels, with the safest at the bottom and the risk generally increasing as you near the top of the pyramid.



## Financial Attitudes

B4

Retire at 65

You provided information about your attitudes and feelings relating to asset management and investments. The scale below reflects the information provided, with a score of "5" being most important and a "1" representing the least important.

| Area of Concern                     | Importance |
|-------------------------------------|------------|
| Maximum Investment Growth Potential | 5          |
| Protection from Inflation           | 4          |
| Reducing Income Taxes               | 4          |
| Liquidity (convert assets to cash)  | 2          |
| Current Spendable Income            | 1          |

### LIQUIDITY:

This does not appear to be an item of concern. You could consider investments that might take a longer period of time to mature and in turn might offer an opportunity for more attractive results.

### GROWTH:

Maximum growth of your asset base appears to be an important goal. Emphasize assets that have potential for rapid increase in value in response to inflationary pressures or economic opportunities.

### INCOME:

Current income should not be a significant factor in your selection of assets. Concentrate on the quality and potential of the asset regardless of whether the return is from growth or income.

### TAXES:

When making selection of assets within each group, watch for programs that allow you to earn on a "tax free" or "tax deferred" basis in order to minimize your current income taxes.

### INFLATION:

This can cause erosion of both your earning power and your capital base. Pay particular attention to investments that will respond positively in an inflationary environment.

## ***Asset Classes***

B5

Retire at 65

The task of managing your assets is a lifetime undertaking, and should be managed with careful regard to your present and future financial goals. Of particular importance is maintaining an appropriate mix of assets in respect to your current objectives and the constantly changing economic and market conditions.

### **ASSET CLASSES:**

There are many different types of assets available to which funds may be allocated. The characteristics of each asset will vary but will generally fit into one of the following categories.

**Reserves**  
**Income**  
**Growth and income**  
**Growth**  
**Aggressive Growth**  
**Misc**

The amount of funds you place in each of these categories will be determined by a number of factors including your need for income, growth, tax sensitivity, inflation expectations and other items.

As your goals and objectives change, and as the current economic and market outlook varies it is expected that your use of the various asset classes will also change, requiring a periodic review and repositioning of your saving and investment assets.

Asset allocation does not guarantee a profit or protect against loss in a declining market.

## Asset Allocation

B6

Retire at 65

As you manage your portfolio of savings and investment assets, it is important that you consider how the characteristics of each asset matches your overall level of risk tolerance and your current financial goals. The chart below illustrates a suggested percentage of assets for various risk tolerance levels.

**At your age 51 we have prepared this plan for a Conservative investor.**

| <u>Asset Class</u> | <u>Typical percent of assets allocated for various risk levels.</u> |              |             |             |                 | <u>Your custom allocation</u> |
|--------------------|---|--------------|-------------|-------------|-----------------|-------------------------------|
|                    | Very Conservative   | Conservative | Moderate    | Aggressive  | Very Aggressive |                               |
| Reserves           | 20  | 20           | 15          | 5           | 5               | 20%                           |
| Income             | 30  | 25           | 20          | 10          | 10              | 25%                           |
| Growth and income  | 40  | 25           | 20          | 20          | 15              | 25%                           |
| Growth             | 10  | 25           | 30          | 35          | 25              | 25%                           |
| Aggressive Growth  |   | 5            | 15          | 30          | 45              | 5%                            |
| Misc               |   |              |             |             |                 |                               |
|                    | <u>100%</u>   | <u>100%</u>  | <u>100%</u> | <u>100%</u> | <u>100%</u>     | <u>100%</u>                   |

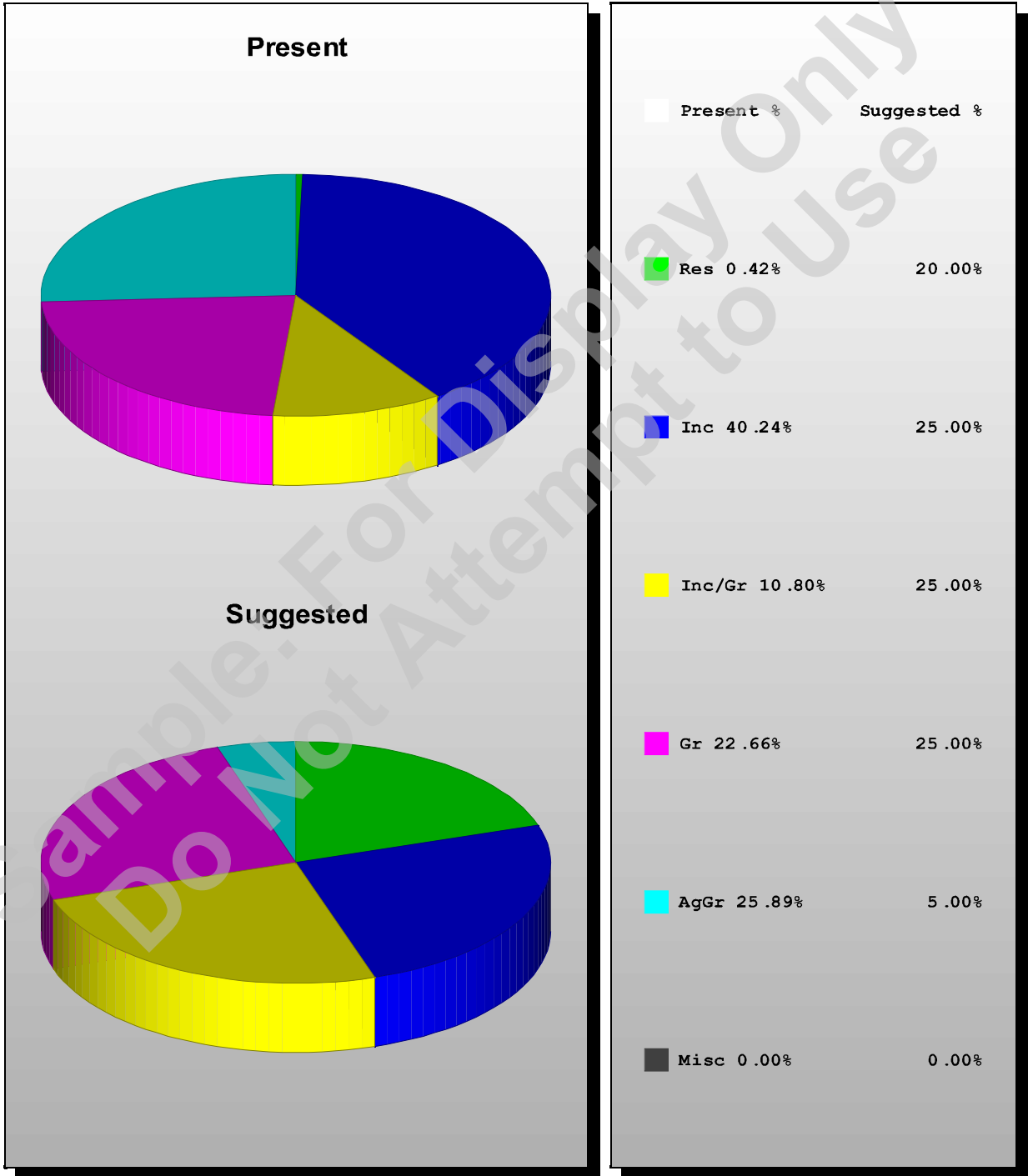
The allocation percentages illustrated above are only suggestions for your consideration, and are not intended to be a permanent allocation. As time passes and your goals change, it will be important that you review your portfolio to assure that the current mix of your assets is appropriate for your goals and for current economic and market conditions.

This Asset Allocation does not guarantee a profit or protect against loss in declining markets.

# Asset Allocation

Retire at 65

The following graph is provided to help you more easily visualize your present and suggested asset allocation. This suggested mix is intended only for the current period, and you are encouraged to return regularly to review your personal goals and resources, the financial environment and to determine whether changes to the suggested mix is appropriate. The percentages shown on the label area indicate the "Present / Suggested" percent for each asset class.



B8

*Asset allocation does not guarantee a profit or protect against loss in declining markets.*

## Allocation Worksheet

B8

Retire at 65

The following worksheet compares your present assets to the percentages suggested for your particular goals and risk tolerance level. If the amount in a class is too large or small, then the amount you might consider moving into or out of a category is shown in the "Amount To Move" column.

| <u>Asset Class</u> | <u>Present</u>   |                | <u>Suggested</u> |                | <u>Amount To Move in (or out)</u> |
|--------------------|------------------|----------------|------------------|----------------|-----------------------------------|
|                    | <u>Amount</u>    | <u>Percent</u> | <u>Amount</u>    | <u>Percent</u> |                                   |
| Reserves           | \$2,200          | 0.42%          | \$104,432        | 20.00%         | \$102,232                         |
| Income             | 210,100          | 40.24%         | 130,540          | 25.00%         | (79,560)                          |
| Growth and income  | 56,376           | 10.80%         | 130,540          | 25.00%         | 74,164                            |
| Growth             | 118,322          | 22.66%         | 130,540          | 25.00%         | 12,218                            |
| Aggressive Growth  | 135,162          | 25.89%         | 26,108           | 5.00%          | (109,054)                         |
| Misc               |                  |                |                  |                |                                   |
| <b>TOTAL*</b>      | <b>\$522,160</b> |                | <b>\$522,160</b> |                |                                   |

It will be important to re-evaluate your asset mix on a regular basis and determine which assets should be further increased or decreased. As you make changes to your portfolio you should carefully review your current lifestyle needs and goals.

Please recognize that the asset mix suggested above is not intended as a guarantee or assurance of future results. The suggested asset classes and their percentages do not represent an offer to sell or a solicitation of a purchase of any particular security, but are provided only as an illustration of a possible portfolio mix based on your stated goals and risk level.

Asset allocation does not guarantee a profit or protect against loss in declining markets.

*\* The asset category amounts shown do not include your residence and personal property.*

# Stock Options Summary

Retire at 65

| Year | Options Exercised |          | Cash from sale of shares | Reportable for taxes |               |     | Income Tax Due            |                   |                | Net cash realized after tax |
|------|-------------------|----------|--------------------------|----------------------|---------------|-----|---------------------------|-------------------|----------------|-----------------------------|
|      | ISO               | NQSO     |                          | Ordinary Income*     | Capital Gains | AMT | Ordinary<br>28.0% / 20.0% | Cap Gain<br>15.0% | AMT**<br>22.0% |                             |
| 2006 | \$23,500          | \$37,425 | (\$19,075)               | \$18,350             |               |     | \$5,138                   |                   |                | (\$24,213)                  |
| 2007 |                   |          | 38,560                   | 31,210               |               |     | 8,739                     |                   |                | 29,822                      |
| 2008 | 28,120            |          | 13,120                   | 13,120               |               |     | 3,674                     |                   |                | 9,446                       |
| 2009 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2010 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2011 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2012 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2013 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2014 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2015 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2016 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2017 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2018 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2019 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2020 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2021 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2022 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2023 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2024 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2025 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2026 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2027 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2028 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2029 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2030 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2031 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2032 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2033 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2034 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2035 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2036 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2037 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2038 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2039 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2040 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2041 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2042 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2043 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2044 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2045 |                   |          |                          |                      |               |     |                           |                   |                |                             |
| 2046 |                   |          |                          |                      |               |     |                           |                   |                |                             |

\* Includes ISO prematurely exercised or sold, or disqualified portion of ISO not eligible for CG treatment (vested in excess of \$100,000 in a given year).

\*\* Actual AMT tax amount may be substantially different based on the relationship with other income and deductions items for each year.

\*\* Estimated ordinary tax rate before retirement is 28.0%, after retirement is 20.0%. Estimated capital gain rate is 15.0%. AMT rate used is 22.0%.

# Stock Options Worksheet

As of: 1/10/2006

Allen and Betty Abbott

Retire at 65

## Incentive Stock Options

### Grant information:

|                                   | Walton          | Walton          | Walton          |
|-----------------------------------|-----------------|-----------------|-----------------|
| Current price / appreciation rate | \$23.50 / 9.00% | \$23.50 / 9.00% | \$23.50 / 9.00% |
| Grant date                        | 1/15/2000       | 2/1/2003        | 8/15/2004       |
| Vest date                         | 1/15/2001       | 2/1/2004        | 2/1/2005        |
| Number of shares                  | 1,000           | 1,000           | 2,000           |
| Grant (strike) price              | <u>\$15.00</u>  | <u>\$12.50</u>  | <u>\$17.75</u>  |
| <b>Exercise cost</b>              | <b>\$15,000</b> | <b>\$12,500</b> | <b>\$35,500</b> |

### Exercise Information:

|                                     |                 |                 |                 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Anticipated Exercise date           | 1/15/2008       | 2/1/2006        | 2/1/2005        |
| \$ per share                        | <u>\$28.12</u>  | <u>\$23.50</u>  | <u>\$23.50</u>  |
| <b>Exercise value</b>               | <b>\$28,120</b> | <b>\$23,500</b> | <b>\$47,000</b> |
| Bargain element                     | \$13,120        | \$11,000        | \$11,500        |
| Exercise method*                    | Sell all.       | Sell all.       | Sell all.       |
| # shares sold                       | 1,000           | 1,000           | 2,000           |
| Amount realized from sale           | \$28,120        | \$23,500        | \$47,000        |
| Less payment for grant              | <u>\$15,000</u> | <u>\$12,500</u> | <u>\$35,500</u> |
| <b>Net cash results at exercise</b> | <b>\$13,120</b> | <b>\$11,000</b> | <b>\$11,500</b> |
| Alternative Minimum Tax Income      |                 |                 |                 |
| Ordinary income**                   | \$13,120        | \$11,000        | \$11,500        |

\*\* Ordinary income from premature exercise or disqualified ISO from vested amounts exceeding \$100,000 in a given year.

### Future Sale of Stock (shares that were held):

Date of sale  
# shares sold  
\$ per share

### Net cash results at future sale

AMTI recapture  
Ordinary income (STCG)  
Long term capital gain

## Non Qualified Stock Options\*

### Grant information:

|                                   | DG Board        | DG Board        | Walton          |
|-----------------------------------|-----------------|-----------------|-----------------|
| Current price / appreciation rate | \$45.00 / 8.00% | \$45.00 / 8.00% | \$23.50 / 9.00% |
| Grant date                        | 6/15/2000       | 5/5/2003        | 1/15/2002       |
| Vest date                         | 6/15/2000       | 5/5/2001        | 1/15/2003       |
| Number of shares                  | 500             | 500             | 1,500           |
| Grant (strike) price              | <u>\$5.00</u>   | <u>\$7.25</u>   | <u>\$20.05</u>  |
| <b>Exercise cost</b>              | <b>\$2,500</b>  | <b>\$3,625</b>  | <b>\$30,075</b> |

### Exercise Information:

|                                     |                 |                 |                   |
|-------------------------------------|-----------------|-----------------|-------------------|
| Anticipated Exercise date           | 10/15/2004      | 5/5/2005        | 9/15/2006         |
| \$ per share                        | <u>\$40.73</u>  | <u>\$42.39</u>  | <u>\$24.95</u>    |
| <b>Exercise value</b>               | <b>\$20,365</b> | <b>\$21,195</b> | <b>\$37,425</b>   |
| Bargain element                     | \$17,865        | \$17,570        | \$7,350           |
| Exercise method*                    | Sell part.      | Sell all.       | Hold all.         |
| # shares sold                       | 62              | 500             |                   |
| Amount realized from sale           | \$2,525         | \$21,195        |                   |
| Payment for grant                   | <u>\$2,500</u>  | <u>\$3,625</u>  | <u>\$30,075</u>   |
| <b>Net cash results at exercise</b> | <b>\$25</b>     | <b>\$17,570</b> | <b>(\$30,075)</b> |
| Ordinary income at exercise         | \$17,865        | \$17,570        | \$7,350           |

### Future Sale of Stock:

|  |                 |                 |
|--|-----------------|-----------------|
| Date of sale                           | 10/15/2004      | 1/15/2007       |
| # shares sold                          | 438             | 1,500           |
| \$ per share                           | <u>\$40.73</u>  | <u>\$25.71</u>  |
| <b>Net cash results at future sale</b> | <b>\$17,840</b> | <b>\$38,560</b> |
| Ordinary income (STCG)                 |                 | \$31,210        |
| Long term capital gain                 |                 |                 |

Company 1 = DG Board  
Company 2 = Walton

\* Sell all = sell all shares immediately.

\*Sell part = sell enough shares to pay cost of exercise.

\*Hold all = pay exercise cost out of pocket.

\*Interim guidance provided by the I.R.S. in notice 2005-1 indicates that certain limited types of nonqualified stock options may be subject to the new deferred compensation rules under I.R.C 409A. Consult your professional tax advisor for guidance.

## Stock Options

Retire at 65

A stock option is a right to buy or sell a particular stock, at a specified price, until that option expires at a certain date. Many companies with publicly traded shares award or grant stock purchase options to some employees as an employment benefit, or as a part of the employee's compensation package. Stock options of this kind can allow the employee to significantly benefit from increases in the value of the underlying stock.

While there exists significant potential gains from employee stock option programs, it is important to consider various tax implications connected to the exercise of these options. Knowing in advance the tax rules and consequences connected to employee stock option plans may allow participants to actively maximize the results of exercising an option.

### Terms:

- Grant Date - The date on which the employee received an option.
- Vest Date - The date when the option is first exercisable (unless an early exercise is allowed.)
- Exercise Date - Date when the employee elects to purchase the stock.
- Grant (Strike) Price - The price the employee will pay to purchase the stock (usually paid in cash.)
- Exercise cost - Total cost of the shares purchased (Grant Price times number of shares.)
- Bargain Element - Difference between the market price of the stock and the grant price.
- Exercise Value - Value of the shares when the employee makes the purchase.
- Cashless sale - Upon exercise, immediate sale of enough shares to pay the exercise cost.
- Total Sale - Value of shares when sold (number of shares times current market price.)
- AMTI - Alternate Minimum Taxable Income.

### Incentive Stock Options:

An option which complies with certain IRS regulations. When the shares are sold, all or a portion of the values in excess of the Exercise Cost may be treated as a Capital Gain, which may allow the gain to be taxed at a rate lower than the ordinary tax rates. The sale must take place more than 24 months after the grant date and 12 months after the exercise date. Grants that vest or become exercisable in a single year in excess of \$100,000 will be "disqualified" or treated as ordinary income.

When the shares are purchased, the employee will report the bargain element as AMT Income. When the shares are sold, the difference between the Total Sale and the Exercise Cost (depending on the timing of the sale) will be taxed as long term capital gain if held more than 12 months, or, if held less than 12 months or disqualified, then taxed as short term capital gain or ordinary income.

### Non-Qualified Stock Options:\*

These options are generally more flexible than the Incentive Stock Options\*. One advantage is that the "Grant" price may be set by the company at a price lower than the current market price.

When the option is exercised, the employee will report ordinary income equal to the difference between the exercise cost and the exercise value. The exercise value then becomes the cost basis.

When the shares are sold, the difference between the exercise value and the total sale will be reported as capital gain or loss (long or short term.)

*\*Interim guidance provided by the I.R.S. in notice 2005-1 indicates that certain limited types of nonqualified stock options may be subject to the new deferred compensation rules under I.R.C 409A. Consult your professional tax advisor for guidance.*

# Stock Option Report Notes

B12

Retire at 65

## The stock options are presented in two formats:

- The Stock Option Worksheet reports deal with each option in a single column on each page. The Grant, Exercise, Sale, Tax and Net Cash Results may occur in several different years for a particular option
- The Stock Option Summary report combines the various events in the year that the event takes place. By combining the various events into a yearly projection you may see more clearly the effect on your cash flow and taxable events for each year.

## Tax Rates

In some cases, a different ordinary income tax rate will be used before and after retirement age. In addition, long term capital gains may be taxed at a lower rate. The report will use the rates to apply to the different types of income to be reported.

## Cashless Exercise

An election to use a cashless exercise is common when the participant does not have cash available to use to purchase the shares. In this case an arrangement will be made (usually with a stockbroker) to immediately sell enough shares upon exercise to pay for the cost of the shares.

## Tax treatment

When an ISO is exercised, no ordinary income tax is due. When the shares are ultimately sold, then the participant will owe taxes on the amount of funds realized in excess of the cost of the shares (the exercise cost.) If the shares have been held for more than 12 months, the gain will be treated as long term and qualify for the lower LTCG rate. If the shares were held for less than 12 months, taxes will be paid at the short term gain, or ordinary tax rate.

When a NQSO is exercised\*, the value of the shares acquired (exercise value) in excess of the cost (the bargain element) will be taxed at the ordinary tax rates. If the stock is held for later resale, then the appreciation of the shares from the time of purchase until the time of sale will be treated either as a long term or short term capital gain, depending on whether the holding period was more or less than 12 months.

*\*Interim guidance provided by the I.R.S. in notice 2005-1 indicates that certain limited types of nonqualified stock options may be subject to the new deferred compensation rules under I.R.C 409A. Consult your professional tax advisor for guidance.*

## Timing of cash and tax events

The exercise and the sale in many cases will take place in different years. As a result you need to recognize that the net cash results of a particular grant will appear different in the Worksheet than in the Summary report.

For example, an ISO option exercised in 2003 with the stock then sold in 2005 will show taxes due in 2005, and cash realized in the same year. On the other hand, a NQSO exercised in 2003 will show ordinary tax paid on the bargain element in 2003, then if the shares are held and later sold in 2005, a capital gain tax will be paid at that time, with the cash from the sale realized in 2005.

## Alternate Minimum Tax

When exercising an ISO, the amount of the bargain element will be reported as AMT Income (AMTI), and may require payment of alternate minimum tax. When the stock shares are sold an AMTI adjustment will be available, potentially offsetting the original AMTI. Due to the complicated nature of the AMT tax calculations, the actual AMT tax due may be dramatically different than the amount illustrated. The illustrated amount should be considered a "worst case" scenario.

## *Retirement*

Reviewing your retirement goals and objectives, assets available to use for retirement and an estimate of how long your funds might last based on various assumptions.

A Monte Carlo Simulation report may be included to illustrate the fact that the results of any retirement projection will vary based on market conditions and other factors that are not possible to accurately predict.

Please be aware that this retirement illustration is not guaranteed, does not represent use of any particular investment securities, asset classes or investment style. The rates of return used are hypothetical and are used for educational and illustration purposes.

Sample: For Display Only  
Do Not Attempt to Use

# Retirement Planning

C1

Retire at 65

At some time we all reach a point where we are ready to "slow down" from the pressures of earning a living and would prefer to enjoy taking life as we want it instead of continuing with the daily work routine.

In recent years we have seen several trends that will affect your plans and how they are achieved.

In many cases an "early" retirement is desired - resulting in a difficult challenge to assure that adequate funds are available to last for a significant number of years.

In other cases, the thought of exiting the work place is difficult, resulting in what could be described as a "slow down" mode where instead of leaving the work force, the decision is made to work on a reduced schedule. This allows for a gradual change, as well as providing some continued income while the adjustment is made.

The "new retirement" mode also requires a different approach to income and expense planning. Where in the past, a retirement plan estimated that a specific dollar amount of income would be required from retirement age through life expectancy, we now recognize that the "retirement" years may actually consist of several different stages. For example:

## Typical "New Retirement" phases:

First 5 years - you may actually have an increased need for income as you now have time to travel to all the places you wanted to see but just couldn't get away from the daily grind in order to really enjoy yourself.

Next 5 to 10 years - a moderated level of expenses as you now have the extra play time out of your system. Perhaps you still enjoy various activities, but find them less expensive than in the earlier retirement years.

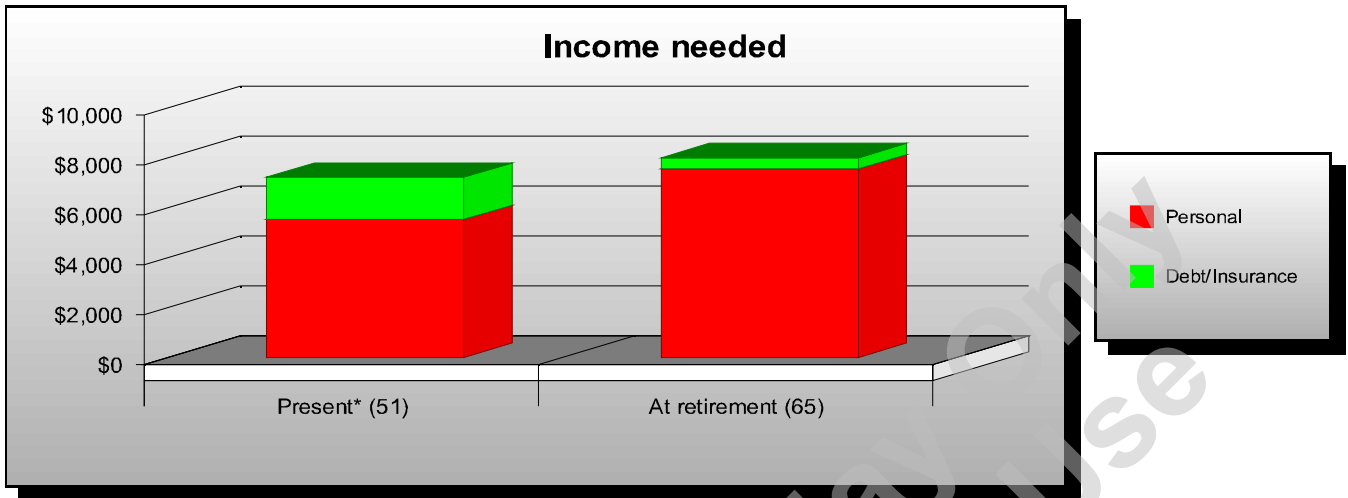
Additional years when your expenses actually decline as you reach an age where your energy level is now lower, and you spend less money on items subject to higher levels of inflation, like clothing, eating out, etc.

The later years when health conditions start to take an additional toll and your expenses again increase as medical costs become a more significant part of your living expenses.

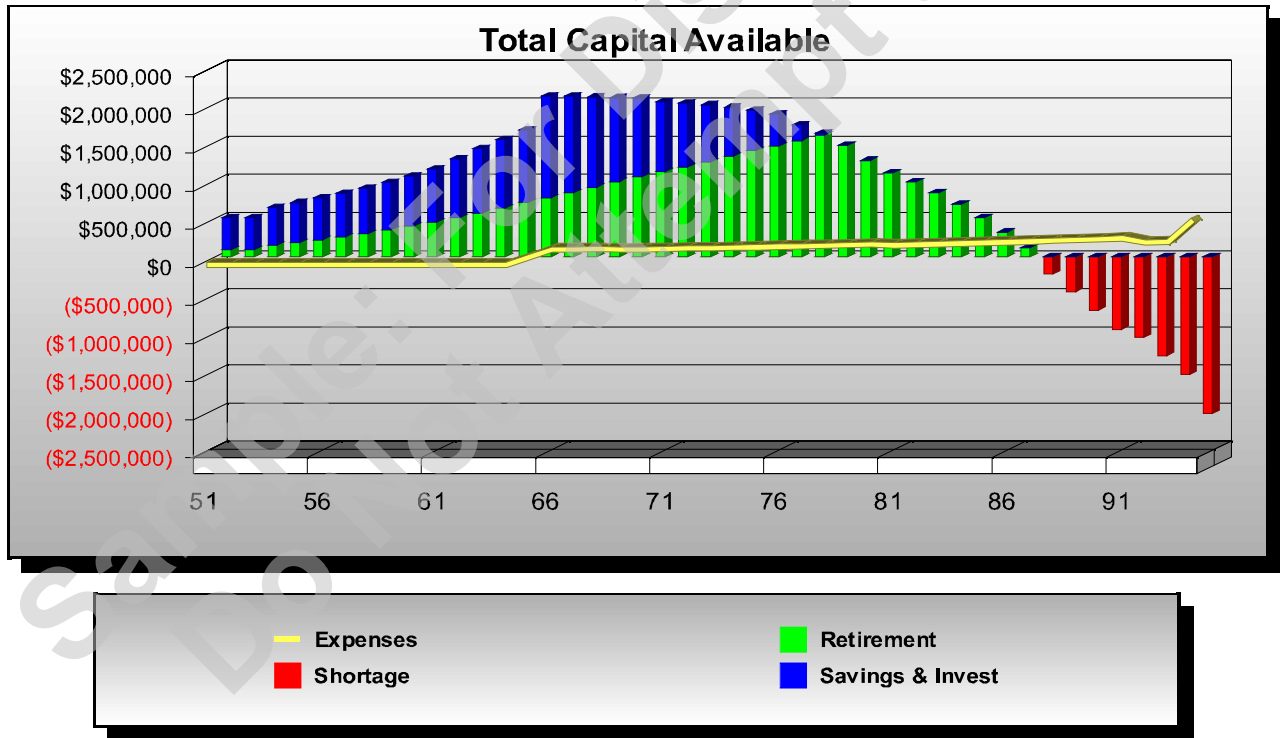
As we have prepared your financial analysis we have tried to anticipate your needs and take into consideration how you might most effectively prepare for the golden years of your life.

# Retirement

Retire at 65



The amount of monthly income needed for retirement can increase dramatically when inflation is considered. The above graph illustrates the impact of inflation on your desired income at present and at the beginning of your retirement years.



If you have not accumulated enough capital to last through your lifetime, you could then find yourself dependent on others during the years when you most desire your financial independence. The graph above illustrates the amount of your capital available each year, or the amount of cumulative income shortage when your capital runs out.

\* Personal includes basic living expenses, itemized deductions, and savings/investments. Debt/Ins. includes insurance premiums and mortgage and loan payments. Taxes not included.

## Retirement Needs Analysis

C3

Retire at 65

In order to determine whether you will have adequate income and capital to fund your retirement, a number of factors must be evaluated:

- Income needed for basic living expense and number of years required.
- Income available from Social Security, pensions or other sources.
- Extraordinary income or expense items that will affect your retirement capital.
- Existing savings, investment and retirement funds and annual additions to the accounts.
- The effect of inflation on income and expenses.
- The rate of return you are able to earn on your accounts.
- The effect of income taxes on your income sources and accounts.

You are now age 51 and plan to retire at age 65. That leaves you 14 years to prepare for your financial independence.

The anticipated expenses and various income streams available are illustrated below. In order to help you visualize the relative value of the income streams, we have shown the total amount of payments needed or received over your retirement years through life expectancy, as well as the value of the streams of income at retirement.

| <b>Income needed:</b>   | <b>Total monthly amounts in today's \$ (a)</b>                         | <b>Inflation rate</b> | <b>Inflation adjusted amounts (b)</b> | <b>Cumulative Income/Expense</b> | <b>In today's dollars at 6.00% NPV discount</b> |                    |
|---|--|-----------------------|---------------------------------------|----------------------------------|---|--------------------|
| Current living expenses   | \$7,222  | 3.71%                 | \$7,222                               |                                  |   |                    |
| Living expenses at age 65   | 4,799  | 3.17%                 | 8,011                                 | \$7,874,021                      | (c)   | \$1,505,859 G4,G12 |
| Expenses at age 74  | 9,346  | 3.17%                 | 18,633                                |                                  |   |                    |
| Expenses at age 84  | 7,769  | 3.17%                 | 23,184                                |                                  |   |                    |
| <b>Sources of income:</b>   |  |                       |                                       | <b>Total income</b>              | (d)   |                    |
| Social Security - Allen at age 65   | 1,709  | 2.00%                 | 2,255                                 | 956,388                          |   | 204,900 G11        |
| Social Security - Betty at age 65   | 1,210  | 2.00%                 | 1,729                                 | 739,781                          |   | 125,332 G11        |
| Pension - Allen at age 65   | 550  |                       | 550                                   | 159,209                          |   | 49,977 G9          |
| Other income items & insurance  |  |                       |                                       | 734,437                          |   | 315,862 G8         |
| <b>Miscellaneous expenses:</b>  |  |                       |                                       | <b>Misc inc./exp.</b>            | (e)   |                    |
| Education funding and other goals   |  |                       |                                       | (34,633)                         |   | (15,318) G8        |
| Other expense items   |  |                       |                                       | (65,932)                         |   | (23,137) G8        |
|   |  |                       | Total income or expenses              | <b>\$2,489,249</b>               |   |                    |
| <b>Income shortfall - amount needed compared to amount available</b>      |  |                       |                                       | <b>\$5,384,771</b>               |   |                    |
| <b>Estimated capital required at retirement to satisfy this shortfall</b> |  |                       |                                       | <b>\$2,100,000</b>               |   |                    |
|   | <i>Including an assumed 6.00% after-tax rate of return on capital.</i> |                       |                                       |                                  |   |                    |

(a) Total expense = personal expense, itemized deductions, insurance premiums, debts and mortgages, saving and investments. (G4)

(b) Inflation adjustments apply only to those items exposed to inflation (not debts, life insurance, etc.)

(c) Cumulative living expense is the total of all expense payments needed during retirement through life expectancy.

(d) The "Sources of income" represents the sum of all monthly or annual income expected from Social Security, pensions (after tax) or other anticipated post-retirement income sources. Any life insurance benefit shown is received at life expectancy.

(e) Total of all post-retirement expense items from education, goals and other income and expense report.

Note: Income taxes are not included as part of expenses as the taxes are paid out of the sources of taxable income.

# Retirement Capital Analysis

C4

Retire at 65

The remaining expense anticipated as described on the Retirement Needs Analysis is . . . . . **\$5,384,771** C3

(This amount was carried forward from the Retirement Needs Analysis page.)

At age 65 the remaining expense could require capital of approximately . . . . . **\$2,100,000**

(This assumes an after tax rate of return of 6.00% on assets used to fund shortage. The actual amount of capital needed will vary depending on the type of savings and investments used and their tax treatment.)

| Estimate of future asset account values | Current year annual additions | Current value used for retirement estimate | Current weighted average rate | Current average after tax rate* | Future Value at age 65 |          |
|---|-------------------------------|--|-------------------------------|---------------------------------|------------------------|----------|
| Taxable accounts                        |                               | \$141,050                                  | 6.90%                         | 4.71%                           | \$179,932              | H1       |
| Equity & other accounts                 | 3,132                         | 222,060                                    | 6.57%                         | 5.55%                           | 587,039                | H2       |
| Tax free accounts                       |                               | 25,000                                     | 5.70%                         | 5.70%                           | 78,170                 | H3       |
| Tax deferred annuity or govt bonds.     |                               | 30,000                                     | 7.25%                         | 7.25%                           | 107,845                | H4       |
| Deductible retirement - Allen           | 1,800                         | 32,000                                     | 5.50%                         | 5.50%                           | 114,957                | H5...H6d |
| Deductible retirement - Betty           | 3,960                         | 27,300                                     | 6.50%                         | 6.50%                           | 177,353                | H6...H6d |
| Roth accounts - Allen                   | 7,796                         | 2,000                                      | 7.13%                         | 7.13%                           | 222,555                | H7       |
| Roth accounts - Betty                   | 6,796                         | 2,000                                      | 5.50%                         | 5.50%                           | 193,255                | H8       |
| <b>Total Asset values</b>               |                               | <b>\$481,410</b>                           | <b>6.59%</b>                  | <b>5.48%</b>                    | <b>\$1,661,105</b>     |          |

\*The after-retirement rate may differ substantially from the pre-retirement rate, particularly on deductible retirement accounts. Tax rate on interest is 31.75% before retirement, 31.75% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.

**You might have as much as \$1,661,105 capital available at retirement.**

**These funds could last until your age 87 at which time your funds will be depleted.**

The above results are hypothetical, based on the assumptions used, and are not guaranteed. The illustration is provided for educational purposes and does not represent any specific investment, class of investments or investment style.

In order to make up this shortage of capital required for your retirement, you have several choices:

1. Increase the before-tax "weighted average" rate of return on all your existing asset accounts to . . .

**Average rate**

**7.40%** C5

2. Increase the amount of money being added to your savings and investments.

You would have to make the following additional monthly deposits at a return of ...

|       |             |         |                    |
|-------|-------------|---------|--------------------|
| 5.00% | after tax = | \$1,820 | (Assuming deposits |
| 7.00% | after tax = | \$930   | are increased by   |
| 9.00% | after tax = | \$470   | 3.50% per year.)   |

C5

Note: The monthly additions are made into a side fund and computed to assure that asset account balances are never less than \$0.

3. Use some combination of the two methods shown above.

## Retirement Capital Notes

Retire at 65

The Retirement Capital Analysis report lists existing savings and investment accounts and shows hypothetical values at retirement age. The analysis is based on assumed rates of return information supplied by you and is not an estimate or guarantee of future performance. The assumptions used are detailed below.

### Income taxes

The tax rate used for ordinary income items prior to retirement is 31.75% and after retirement is 31.75%. The taxable income includes interest, non-qualified dividends, tax deferred and retirement accounts distributions.

Tax on qualified dividends, capital gains and appreciation is computed at the rate of 15.00% before retirement and 15.00% after retirement.

The rates used are estimates based on your current tax bracket and may or may not reflect the rates that might be in effect at any time in the future. These rates are used for illustration purposes only and future changes in the tax laws or in your taxable income level may significantly affect the tax results of this analysis.

### Future Values at Retirement Age

Each type of asset illustrated in the previous page uses a different assumed rate of return and tax treatment for estimating the future result. The assumed rates of return are derived from the asset and rate information you provided and may not actually reflect future results and are used for illustration purposes. The Current Weighted Average Rates come from the Asset Summary report. The Current After Tax Rates reflect the effective tax treatment of each asset type as described below.

### Taxable Accounts

Interest earned on this asset type is taxed at the ordinary tax rate each year, both before and after retirement. As interest is earned, the estimated tax is deducted and the remaining interest is reinvested.

### Equity and Other Accounts

The appropriate income tax effect is applied to the portfolio return based on the sources of income (interest, dividend, capital gain and appreciation). The after-tax return is reinvested.

### Tax Free Accounts

The income on this asset type is assumed to be fully exempt from tax and the entire return is reinvested each year.

### Tax Deferred Accounts

In years when there are no distributions from the accounts, the entire return is reinvested with no tax effect. In any year when a distribution is made, the distribution is assumed to come first from the accumulated tax deferred returns. When all the accumulated tax deferred returns have been distributed, the annual earnings are then taxed when distributed. The balance of distributions are treated as non-taxable distribution of the original capital. All taxable distributions are taxed at the ordinary income tax rate.

### Deductible Retirement Accounts

Annual returns on these accounts are reinvested each year with no income tax. When distributions are made, the entire amount is taxed at the ordinary income tax rate. If distributions are made prior to age 59 1/2 they may be subject to an additional 10% excise tax penalty. Distributions must begin by age 70 1/2 unless special conditions apply.

### Roth IRA Accounts

The earnings and withdrawals in these accounts are exempt from tax, both during the accumulation and distribution years.

# Retirement Estimate Solution

Retire at 65

| Age | Original Capital Estimate | Revised estimate with all assets at 7.40% | Original estimate plus monthly additions into side fund.<br>(Monthly deposits increase at 3.50% per year. Annual deposit amounts shown.) |             |             |             |             |             |
|-----|---------------------------|---|--|-------------|-------------|-------------|-------------|-------------|
|     |                           |   | \$1,820 5.00%  | Total Value | \$930 7.00% | Total Value | \$470 9.00% | Total Value |
| 51  | 47                        | \$505,611                                 | \$21,840   | \$527,958   | \$11,160    | \$517,136   | \$5,640     | \$511,489   |
| 52  | 48                        | 580,382                                   | 22,604   | 627,003     | 11,551      | 604,669     | 5,837       | 592,896     |
| 53  | 49                        | 641,728                                   | 23,396   | 714,673     | 11,955      | 680,116     | 6,042       | 661,713     |
| 54  | 50                        | 706,814                                   | 24,214   | 808,268     | 12,373      | 760,756     | 6,253       | 735,192     |
| 55  | 51                        | 767,488                                   | 25,062   | 899,777     | 12,806      | 838,555     | 6,472       | 805,274     |
| 56  | 52                        | 830,073                                   | 25,939   | 995,672     | 13,255      | 919,965     | 6,699       | 878,385     |
| 57  | 53                        | 896,610                                   | 26,847   | 1,098,152   | 13,718      | 1,007,167   | 6,933       | 956,680     |
| 58  | 54                        | 967,355                                   | 27,787   | 1,207,641   | 14,199      | 1,100,568   | 7,176       | 1,040,540   |
| 59  | 55                        | 1,055,231                                 | 28,759   | 1,337,238   | 14,696      | 1,213,251   | 7,427       | 1,143,022   |
| 60  | 56                        | 1,149,016                                 | 29,766   | 1,475,908   | 15,210      | 1,334,166   | 7,687       | 1,253,054   |
| 61  | 57                        | 1,283,741                                 | 30,807   | 1,658,881   | 15,742      | 1,498,533   | 7,956       | 1,405,831   |
| 62  | 58                        | 1,418,174                                 | 31,886   | 1,845,133   | 16,293      | 1,665,319   | 8,234       | 1,560,299   |
| 63  | 59                        | 1,535,729                                 | 33,002   | 2,018,301   | 16,864      | 1,818,156   | 8,522       | 1,700,070   |
| 64  | 60                        | 1,661,105                                 | 34,157   | 2,203,317   | 17,454      | 1,981,973   | 8,821       | 1,850,056   |
| 65  | 61                        | 2,104,965                                 |  | 2,674,918   |             | 2,449,029   |             | 2,311,641   |
| 66  | 62                        | 2,102,815                                 |  | 2,701,927   |             | 2,471,751   |             | 2,328,878   |
| 67  | 63                        | 2,091,018                                 |  | 2,720,781   |             | 2,486,624   |             | 2,338,287   |
| 68  | 64                        | 2,082,825                                 |  | 2,744,809   |             | 2,507,030   |             | 2,353,290   |
| 69  | 65                        | 2,077,874                                 |  | 2,773,726   |             | 2,532,745   |             | 2,373,711   |
| 70  | 66                        | 2,028,279                                 |  | 2,759,732   |             | 2,516,032   |             | 2,351,867   |
| 71  | 67                        | 2,011,952                                 |  | 2,780,827   |             | 2,534,965   |             | 2,365,895   |
| 72  | 68                        | 1,991,304                                 |  | 2,799,517   |             | 2,552,126   |             | 2,378,450   |
| 73  | 69                        | 1,957,651                                 |  | 2,807,214   |             | 2,559,015   |             | 2,381,113   |
| 74  | 70                        | 1,918,239                                 |  | 2,811,267   |             | 2,563,075   |             | 2,381,425   |
| 75  | 71                        | 1,867,317                                 |  | 2,806,034   |             | 2,558,769   |             | 2,373,953   |
| 76  | 72                        | 1,728,699                                 |  | 2,715,442   |             | 2,470,136   |             | 2,282,861   |
| 77  | 73                        | 1,616,095                                 |  | 2,653,322   |             | 2,411,130   |             | 2,222,241   |
| 78  | 74                        | 1,455,630                                 |  | 2,545,924   |             | 2,308,139   |             | 2,118,637   |
| 79  | 75                        | 1,259,749                                 |  | 2,405,824   |             | 2,173,886   |             | 1,984,951   |
| 80  | 76                        | 1,098,217                                 |  | 2,302,928   |             | 2,078,437   |             | 1,891,448   |
| 81  | 77                        | 976,279                                   |  | 2,242,625   |             | 2,027,359   |             | 1,843,920   |
| 82  | 78                        | 838,379                                   |  | 2,169,513   |             | 1,965,441   |             | 1,787,411   |
| 83  | 79                        | 683,121                                   |  | 2,082,359   |             | 1,891,659   |             | 1,721,178   |
| 84  | 80                        | 509,179                                   |  | 1,980,004   |             | 1,805,082   |             | 1,644,613   |
| 85  | 81                        | 319,246                                   |  | 1,865,322   |             | 1,708,830   |             | 1,561,192   |
| 86  | 82                        | 111,170                                   |  | 1,736,346   |             | 1,601,207   |             | 1,469,619   |
| 87  | 83                        |   |  | 1,433,293   |             | 1,371,026   |             | 1,259,155   |
| 88  | 84                        |   |  | 1,291,983   |             | 1,235,421   |             | 1,142,556   |
| 89  | 85                        |   |  | 1,134,646   |             | 1,081,749   |             | 1,006,754   |
| 90  | 86                        |   |  | 956,769     |             | 908,421     |             | 849,667     |
| 91  | 87                        |   |  | 920,486     |             | 871,224     |             | 826,505     |
| 92  | 88                        |   |  | 737,567     |             | 693,058     |             | 662,890     |
| 93  | 89                        |   |  | 532,585     |             | 493,821     |             | 475,735     |
| 94  | 90                        |   |  | 43,372      |             | 21,717      |             | 12,560      |
| 95  | 91                        |   |  |             |             |             |             |             |

C6

Monthly deposits are computed to assure that assets never fall below \$0 prior to last life expectancy.

\*An asterisk (\*) indicates that the monthly deposits would exceed 1/3 of your income and this option is not practical.

NA - The "N/A" sign in the monthly amount area indicates that no monthly deposits are required.

# Retirement Capital Estimate

Retire at 65

| Age | Annual expenses<br>(\$7,874,021) | Income available / Other expenses |                 |                 |                   |              | Annual surplus (shortage) | Savings and investment | Retirement accounts & Roth | Total acct values (end of year) |
|-----|----------------------------------|-----------------------------------|-----------------|-----------------|-------------------|--------------|---------------------------|------------------------|----------------------------|---------------------------------|
|     |                                  | Pension & Min dist.               | Scheduled dist. | Social Security | Education & other | Other Income |                           |                        |                            |                                 |
|     |                                  | \$268,100                         |                 | \$1,696,169     | (\$123,730)       | \$768,908    |                           | \$418,110              | \$63,300                   | <b>\$481,410</b>                |
| 51  | 47                               |                                   |                 |                 | (\$1,760)         | (\$24,213)   | (\$25,973)                | \$417,463              | \$88,148                   | \$505,611                       |
| 52  | 48                               |                                   |                 |                 | (8,650)           | 29,822       | 21,172                    | 465,394                | 114,988                    | 580,382                         |
| 53  | 49                               |                                   |                 |                 | (9,055)           | 9,446        | 391                       | 494,662                | 147,066                    | 641,728                         |
| 54  | 50                               |                                   |                 |                 |                   |              |                           | 525,194                | 181,620                    | 706,814                         |
| 55  | 51                               |                                   |                 |                 | (8,609)           |              | (8,609)                   | 548,665                | 218,823                    | 767,488                         |
| 56  | 52                               |                                   |                 |                 | (10,908)          |              | (10,908)                  | 571,211                | 258,862                    | 830,073                         |
| 57  | 53                               |                                   |                 |                 | (11,380)          |              | (11,380)                  | 594,675                | 301,935                    | 896,610                         |
| 58  | 54                               |                                   |                 |                 | (11,871)          |              | (11,871)                  | 619,100                | 348,255                    | 967,355                         |
| 59  | 55                               |                                   |                 |                 |                   |              |                           | 657,185                | 398,046                    | 1,055,231                       |
| 60  | 56                               |                                   |                 |                 |                   |              |                           | 697,465                | 451,551                    | 1,149,016                       |
| 61  | 57                               |                                   |                 |                 | (26,863)          | 60,476       | 33,613                    | 774,715                | 509,026                    | 1,283,741                       |
| 62  | 58                               |                                   |                 |                 |                   | 24,867       | 24,867                    | 847,426                | 570,748                    | 1,418,174                       |
| 63  | 59                               |                                   |                 |                 |                   |              |                           | 898,721                | 637,008                    | 1,535,729                       |
| 64  | 60                               |                                   |                 |                 |                   |              |                           | 952,985                | 708,120                    | 1,661,105                       |
| 65  | 61                               | (96,127)                          | 4,505           | 27,059          | (34,634)          | 416,526      | 317,328                   | 1,334,658              | 770,307                    | 2,104,965                       |
| 66  | 62                               | (201,971)                         | 4,595           | 27,600          |                   | 27,300       | (142,476)                 | 1,266,020              | 836,795                    | 2,102,815                       |
| 67  | 63                               | (201,405)                         | 4,686           | 28,152          |                   | 14,599       | (153,968)                 | 1,183,149              | 907,869                    | 2,091,018                       |
| 68  | 64                               | (208,055)                         | 4,780           | 28,715          |                   | 23,484       | (151,074)                 | 1,098,991              | 983,834                    | 2,082,825                       |
| 69  | 65                               | (196,920)                         | 4,876           | 50,036          |                   | 13,108       | (128,900)                 | 1,032,561              | 1,045,313                  | 2,077,874                       |
| 70  | 66                               | (202,362)                         | 4,973           | 51,037          |                   | (26,460)     | (172,811)                 | 917,595                | 1,110,684                  | 2,028,279                       |
| 71  | 67                               | (207,976)                         | 9,155           | 52,058          |                   | 13,987       | (132,777)                 | 837,920                | 1,174,032                  | 2,011,952                       |
| 72  | 68                               | (213,768)                         | 9,469           | 53,099          |                   | 14,448       | (136,753)                 | 750,181                | 1,241,123                  | 1,991,304                       |
| 73  | 69                               | (217,430)                         | 9,794           | 54,161          |                   | 4,491        | (148,984)                 | 645,458                | 1,312,193                  | 1,957,651                       |
| 74  | 70                               | (223,596)                         | 10,132          | 55,244          |                   | 4,670        | (153,550)                 | 530,753                | 1,387,486                  | 1,918,239                       |
| 75  | 71                               | (229,958)                         | 20,286          | 56,349          |                   | 4,857        | (148,466)                 | 414,932                | 1,452,385                  | 1,867,317                       |
| 76  | 72                               | (236,522)                         | 21,259          | 57,476          |                   |              | (157,788)                 | 208,542                | 1,520,157                  | 1,728,699                       |
| 77  | 73                               | (243,295)                         | 22,257          | 58,625          |                   |              | (162,413)                 | 25,138                 | 1,590,957                  | 1,616,095                       |
| 78  | 74                               | (250,283)                         | 23,334          | 59,798          |                   |              | (167,152)                 |                        | 1,455,630                  | 1,455,630                       |
| 79  | 75                               | (257,494)                         | 17,304          | 60,994          |                   |              | (179,196)                 |                        | 1,259,749                  | 1,259,749                       |
| 80  | 76                               | (264,920)                         | 9,683           | 62,214          |                   |              | (193,023)                 |                        | 1,098,217                  | 1,098,217                       |
| 81  | 77                               | (253,684)                         | 6,184           | 63,458          |                   |              | (184,043)                 |                        | 976,279                    | 976,279                         |
| 82  | 78                               | (261,605)                         | 6,307           | 64,727          |                   |              | (190,570)                 |                        | 838,379                    | 838,379                         |
| 83  | 79                               | (269,777)                         | 6,434           | 66,022          |                   |              | (197,322)                 |                        | 683,121                    | 683,121                         |
| 84  | 80                               | (278,210)                         | 6,562           | 67,342          |                   |              | (204,306)                 |                        | 509,179                    | 509,179                         |
| 85  | 81                               | (286,911)                         | 6,693           | 68,689          |                   |              | (211,529)                 |                        | 319,246                    | 319,246                         |
| 86  | 82                               | (295,889)                         | 6,827           | 70,063          |                   |              | (218,999)                 |                        | 111,170                    | 111,170                         |
| 87  | 83                               | (305,154)                         | 6,964           | 71,464          |                   |              | (226,726)                 |                        |                            |                                 |
| 88  | 84                               | (314,713)                         | 7,103           | 72,893          |                   |              | (234,717)                 |                        |                            |                                 |
| 89  | 85                               | (324,577)                         | 7,245           | 74,351          |                   |              | (242,981)                 |                        |                            |                                 |
| 90  | 86                               | (334,756)                         | 7,390           | 75,838          |                   |              | (251,528)                 |                        |                            |                                 |
| 91  | 87                               | (345,259)                         | 7,538           | 77,355          |                   | 157,500      | (102,866)                 |                        |                            |                                 |
| 92  | 88                               | (291,179)                         | 3,844           | 46,187          |                   |              | (241,147)                 |                        |                            |                                 |
| 93  | 89                               | (300,370)                         | 3,921           | 47,111          |                   |              | (249,338)                 |                        |                            |                                 |
| 94  | 90                               | (559,855)                         | 4,000           | 48,053          |                   |              | (507,802)                 |                        |                            |                                 |
| 95  | 91                               |                                   |                 |                 |                   |              |                           |                        |                            |                                 |

Note: All incomes/expenses are represented in after-tax values with the exception of Social Security. Tax rate on income and interest is 31.75% before retirement, 31.75% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.

## Asset Illustrations

Retire at 65

The assets that you have identified to be used for retirement have been divided into groups representing their different tax treatments. Each group will illustrate the effect of paying taxes each year as required, and reinvesting the balance of the return into the account, showing an "after-tax" growth result. The hypothetical rate of return used for each group in the asset reports are assumed to be net of all fees and expenses.

### **Taxable:**

These are savings and investments where the return is fully taxable each year at ordinary tax rates. Included in this are savings accounts, certificates of deposit, money market funds and accounts, bonds, notes, mortgages and similar accounts.

### **Equity and Other:**

Assets that receive part or all of their return in the form of appreciation and qualify for favorable tax treatment on gains and dividends would be included in this group. Such assets include stocks, equity mutual funds, real estate, business interests, partnerships, etc. No specific investment is illustrated in this report and results are hypothetical.

### **Tax Free:**

Interest earned on certain bonds issued by federal, state or local municipalities is exempt from federal and in some cases state income tax. These are referred to as "tax exempt" securities and may be purchased individually or as municipal bond investment trusts or mutual funds.

### **Tax Deferred:**

Some assets allow you to accumulate money without current taxation on interest or other returns. The most common are fixed or variable annuities issued by insurance companies. When withdrawals are made from these accounts the untaxed interest that has accumulated will be considered the first dollars out and taxed upon withdrawal. No specific fixed or variable annuity is used in this illustration. If investment in an annuity is anticipated, you will receive an illustration from the issuing company detailing all fees, costs and assumed guaranteed and hypothetical results.

### **Qualified plans:**

These plans are unique in the fact that the contributions you make may be excluded from your taxable income each year, allowing you to put aside more money than regular savings or investment accounts. In addition, the earnings on the accounts are not reported for tax purposes during the pre-retirement accumulation period. When withdrawals are made the entire amount withdrawn is taxed at your ordinary income tax rate. Any withdrawals prior to age 59 1/2 may be subject to a 10% early distribution penalty tax. Starting at age 70 1/2 the IRS requires that you begin making distributions using a "Required Minimum Distribution" life expectancy formula.

Included in these accounts are IRAs, profit sharing, 401(k), 403(b) (tax sheltered annuities), Keogh, SEP, Simple and some other arrangements.

### **Roth IRA:**

This is a plan where you may accumulate funds with tax-free growth and tax-free withdrawals. Certain restrictions apply to the amount of contributions allowed.

### **Order of Distribution:**

In years when withdrawals of capital are required to meet spending needs, the funds are taken in the order shown above, starting at the top of the list.

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*The asset reports do not represent any specific investments and are for illustration purposes only. The values shown are not estimates or guarantees of any performance results. The rates of return used are hypothetical and do not represent actual rates that might be achieved. Additional details for each asset type may be found in the appendix section of the presentation. Future tax conditions are unknown. The tax treatment and tax rates used are for illustration purposes only and may not represent actual future tax results.*

# Asset Accounts

Retire at 65

| Age | Taxable           |                               | Equity            |                               | Tax Free          |                              | Tax Deferred      |                              | Retirement accts  |                              | Roth IRA          |                             | Total working assets (eoy)<br>\$481,410 |           |
|-----|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|-----------------------------|---|-----------|
|     | Deposits or draws | Balance<br>\$141,050<br>6.90% | Deposits or draws | Balance<br>\$222,060<br>6.56% | Deposits or draws | Balance<br>\$25,000<br>5.70% | Deposits or draws | Balance<br>\$30,000<br>7.25% | Deposits or draws | Balance<br>\$59,300<br>5.96% | Deposits or draws | Balance<br>\$4,000<br>6.31% |   |           |
| 51  | 47                | (\$25,973)                    | \$121,144         | \$3,132                       | \$237,609         |                              | \$26,462          |                              | \$32,248          | \$5,760                      | \$68,791          | \$14,592                    | \$19,357                                | \$505,611 |
| 52  | 48                | 4,234                         | 131,173           | 11,628                        | 262,776           | 4,234                        | 32,377            | 4,234                        | 39,069            | 5,984                        | 79,094            | 14,787                      | 35,894                                  | 580,383   |
| 53  | 49                | 78                            | 137,427           | 3,346                         | 280,806           | 78                           | 34,351            | 78                           | 42,078            | 6,218                        | 90,270            | 17,990                      | 56,796                                  | 641,728   |
| 54  | 50                |                               | 143,895           | 3,220                         | 299,707           |                              | 36,360            |                              | 45,232            | 6,460                        | 102,381           | 18,199                      | 79,239                                  | 706,814   |
| 55  | 51                | (8,609)                       | 141,869           | 3,250                         | 319,688           |                              | 38,487            |                              | 48,622            | 6,712                        | 115,495           | 18,416                      | 103,328                                 | 767,489   |
| 56  | 52                | (10,908)                      | 137,398           | 3,281                         | 340,810           |                              | 40,738            |                              | 52,266            | 6,974                        | 129,683           | 18,641                      | 129,178                                 | 830,073   |
| 57  | 53                | (11,380)                      | 132,235           | 3,313                         | 363,136           |                              | 43,121            |                              | 56,183            | 7,246                        | 145,024           | 18,873                      | 156,910                                 | 896,610   |
| 58  | 54                | (11,871)                      | 126,327           | 3,346                         | 386,736           |                              | 45,644            |                              | 60,394            | 7,528                        | 161,600           | 19,114                      | 186,656                                 | 967,356   |
| 59  | 55                |                               | 132,273           | 3,379                         | 411,678           |                              | 48,314            |                              | 64,921            | 7,822                        | 179,496           | 19,363                      | 218,550                                 | 1,055,232 |
| 60  | 56                |                               | 138,499           | 3,412                         | 438,040           |                              | 51,140            |                              | 69,787            | 8,127                        | 198,808           | 19,621                      | 252,743                                 | 1,149,016 |
| 61  | 57                | 6,722                         | 151,888           | 16,892                        | 479,752           | 6,722                        | 61,065            | 6,722                        | 82,010            | 8,444                        | 219,635           | 19,888                      | 289,391                                 | 1,283,741 |
| 62  | 58                | 4,973                         | 164,119           | 13,428                        | 520,210           | 4,973                        | 69,767            | 4,973                        | 93,330            | 8,773                        | 242,084           | 20,164                      | 328,663                                 | 1,418,174 |
| 63  | 59                |                               | 171,844           | 3,518                         | 552,704           |                              | 73,849            |                              | 100,325           | 9,116                        | 266,269           | 20,449                      | 370,739                                 | 1,535,730 |
| 64  | 60                |                               | 179,932           | 3,554                         | 587,039           |                              | 78,170            |                              | 107,845           | 9,471                        | 292,310           | 20,745                      | 415,810                                 | 1,661,105 |
| 65  | 61                | 79,332                        | 269,478           | 80,124                        | 702,167           | 79,332                       | 164,568           | 79,332                       | 198,446           | 6,765                        | 317,168           | 10,525                      | 453,140                                 | 2,104,966 |
| 66  | 62                | (142,475)                     | 136,554           | 792                           | 741,949           |                              | 174,197           |                              | 213,321           | 7,029                        | 343,852           | 10,684                      | 492,943                                 | 2,102,816 |
| 67  | 63                | (139,904)                     |                   | (13,271)                      | 769,450           |                              | 184,389           |                              | 229,311           | 7,303                        | 372,487           | 10,848                      | 535,381                                 | 2,091,018 |
| 68  | 64                |                               |                   | (150,282)                     | 657,315           |                              | 195,178           |                              | 246,499           | 7,588                        | 403,210           | 11,017                      | 580,624                                 | 2,082,825 |
| 69  | 65                |                               |                   | (128,899)                     | 560,988           |                              | 206,598           |                              | 264,976           |                              | 427,993           |                             | 617,320                                 | 2,077,875 |
| 70  | 66                |                               |                   | (172,811)                     | 414,072           |                              | 218,686           |                              | 284,838           |                              | 454,310           |                             | 656,374                                 | 2,028,279 |
| 71  | 67                |                               |                   | (132,776)                     | 300,252           |                              | 231,481           |                              | 306,188           | (5,981)                      | 476,092           |                             | 697,939                                 | 2,011,952 |
| 72  | 68                |                               |                   | (136,752)                     | 176,018           |                              | 245,025           |                              | 329,139           | (6,292)                      | 498,944           |                             | 742,179                                 | 1,991,305 |
| 73  | 69                |                               |                   | (148,984)                     | 32,287            |                              | 259,362           |                              | 353,810           | (6,617)                      | 522,923           |                             | 789,270                                 | 1,957,652 |
| 74  | 70                |                               |                   | (33,215)                      |                   | (120,334)                    | 150,423           |                              | 380,330           | (6,958)                      | 548,088           |                             | 839,398                                 | 1,918,239 |
| 75  | 71                |                               |                   |                               |                   | (148,466)                    | 6,094             |                              | 408,838           | (21,677)                     | 559,623           |                             | 892,762                                 | 1,867,317 |
| 76  | 72                |                               |                   |                               |                   | (6,254)                      |                   | (151,533)                    | 208,542           | (22,942)                     | 570,584           |                             | 949,573                                 | 1,728,699 |
| 77  | 73                |                               |                   |                               |                   |                              |                   | (162,412)                    | 25,138            | (24,241)                     | 580,898           |                             | 1,010,058                               | 1,616,095 |
| 78  | 74                |                               |                   |                               |                   |                              |                   | (25,712)                     |                   | (232,887)                    | 381,172           |                             | 1,074,458                               | 1,455,630 |
| 79  | 75                |                               |                   |                               |                   |                              |                   |                              |                   | (279,201)                    | 116,718           |                             | 1,143,031                               | 1,259,749 |
| 80  | 76                |                               |                   |                               |                   |                              |                   |                              |                   | (122,023)                    |                   | (113,362)                   | 1,098,217                               | 1,098,217 |
| 81  | 77                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (184,042)                   | 976,279                                 | 976,279   |
| 82  | 78                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (190,570)                   | 838,379                                 | 838,379   |
| 83  | 79                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (197,321)                   | 683,121                                 | 683,121   |
| 84  | 80                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (204,305)                   | 509,179                                 | 509,179   |
| 85  | 81                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (211,528)                   | 319,246                                 | 319,246   |
| 86  | 82                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (218,999)                   | 111,170                                 | 111,170   |
| 87  | 83                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   | (111,171)                   |   |           |
| 88  | 84                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 89  | 85                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 90  | 86                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 91  | 87                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 92  | 88                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 93  | 89                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 94  | 90                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |
| 95  | 91                |                               |                   |                               |                   |                              |                   |                              |                   |                              |                   |                             |   |           |

Note: Rate of return shown for the asset groups are for the first year only. Refer to asset reports for future rates.

# Total Asset Accounts

C8a

Retire at 65

| Age | Personal deposits | Company deposits | Personal with-drawals | Cash flow (shortage) | Tax due each year 31.75% 31.75% | Minimum distribution ** | Return on Assets | Account balance \$481,410 |
|-----|-------------------|------------------|-----------------------|----------------------|---------------------------------|-------------------------|------------------|---------------------------|
| 51  | \$20,124          | \$3,360          |                       | (\$25,973)           | (\$5,093)                       |                         | \$31,783         | \$505,611                 |
| 52  | 20,442            | 3,491            |                       | 21,170               | (5,171)                         |                         | 34,841           | 580,383                   |
| 53  | 23,771            | 3,627            |                       | 390                  | (5,557)                         |                         | 39,114           | 641,728                   |
| 54  | 24,112            | 3,769            |                       |                      | (5,875)                         |                         | 43,082           | 706,814                   |
| 55  | 24,465            | 3,916            |                       | (8,609)              | (6,121)                         |                         | 47,026           | 767,489                   |
| 56  | 24,829            | 4,068            |                       | (10,908)             | (6,256)                         |                         | 50,852           | 830,073                   |
| 57  | 25,207            | 4,227            |                       | (11,380)             | (6,368)                         |                         | 54,853           | 896,610                   |
| 58  | 25,598            | 4,392            |                       | (11,871)             | (6,476)                         |                         | 59,103           | 967,356                   |
| 59  | 26,002            | 4,563            |                       |                      | (6,708)                         |                         | 64,021           | 1,055,232                 |
| 60  | 26,421            | 4,741            |                       |                      | (7,091)                         |                         | 69,715           | 1,149,016                 |
| 61  | 26,854            | 4,926            |                       | 33,611               | (7,638)                         |                         | 76,972           | 1,283,741                 |
| 62  | 27,302            | 5,118            |                       | 24,865               | (8,318)                         |                         | 85,465           | 1,418,174                 |
| 63  | 27,767            | 5,318            |                       |                      | (8,890)                         |                         | 93,363           | 1,535,730                 |
| 64  | 28,247            | 5,525            |                       |                      | (9,389)                         |                         | 100,994          | 1,661,105                 |
| 65  | 15,418            | 2,665            |                       | 317,328              | (11,151)                        |                         | 119,601          | 2,104,966                 |
| 66  | 15,737            | 2,769            |                       | (142,475)            | (11,570)                        |                         | 133,389          | 2,102,816                 |
| 67  | 16,067            | 2,877            |                       | (153,967)            | (9,011)                         |                         | 132,237          | 2,091,018                 |
| 68  | 16,409            | 2,989            |                       | (151,074)            | (6,973)                         |                         | 130,456          | 2,082,825                 |
| 69  |                   |                  |                       | (128,899)            | (5,954)                         |                         | 129,903          | 2,077,875                 |
| 70  |                   |                  |                       | (172,811)            | (4,734)                         |                         | 127,949          | 2,028,279                 |
| 71  |                   |                  |                       | (132,776)            | (3,465)                         | (5,981)                 | 125,895          | 2,011,952                 |
| 72  |                   |                  |                       | (136,752)            | (2,289)                         | (6,292)                 | 124,686          | 1,991,305                 |
| 73  |                   |                  |                       | (148,984)            | (961)                           | (6,617)                 | 122,909          | 1,957,652                 |
| 74  |                   |                  |                       | (153,549)            | (144)                           | (6,958)                 | 121,095          | 1,918,239                 |
| 75  |                   |                  |                       | (148,466)            |                                 | (21,677)                | 119,222          | 1,867,317                 |
| 76  |                   |                  |                       | (157,787)            | (70,493)                        | (22,942)                | 112,603          | 1,728,699                 |
| 77  |                   |                  |                       | (162,412)            | (28,940)                        | (24,241)                | 102,989          | 1,616,095                 |
| 78  |                   |                  |                       | (167,151)            | (66,064)                        | (25,651)                | 89,944           | 1,455,630                 |
| 79  |                   |                  |                       | (179,195)            | (83,362)                        | (16,645)                | 83,321           | 1,259,749                 |
| 80  |                   |                  |                       | (193,023)            | (37,058)                        | (5,305)                 | 68,548           | 1,098,217                 |
| 81  |                   |                  |                       | (184,042)            |                                 |                         | 62,104           | 976,279                   |
| 82  |                   |                  |                       | (190,570)            |                                 |                         | 52,670           | 838,379                   |
| 83  |                   |                  |                       | (197,321)            |                                 |                         | 42,063           | 683,121                   |
| 84  |                   |                  |                       | (204,305)            |                                 |                         | 30,363           | 509,179                   |
| 85  |                   |                  |                       | (211,528)            |                                 |                         | 21,595           | 319,246                   |
| 86  |                   |                  |                       | (218,999)            |                                 |                         | 10,923           | 111,170                   |
| 87  |                   |                  |                       | (226,725)            |                                 |                         |                  |                           |
| 88  |                   |                  |                       | (234,716)            |                                 |                         |                  |                           |
| 89  |                   |                  |                       | (242,980)            |                                 |                         |                  |                           |
| 90  |                   |                  |                       | (251,527)            |                                 |                         |                  |                           |
| 91  |                   |                  |                       | (102,866)            |                                 |                         |                  |                           |
| 92  |                   |                  |                       | (241,147)            |                                 |                         |                  |                           |
| 93  |                   |                  |                       | (249,338)            |                                 |                         |                  |                           |
| 94  |                   |                  |                       | (507,802)            |                                 |                         |                  |                           |
| 95  |                   |                  |                       |                      |                                 |                         |                  |                           |

Note: This report is a summary of all the asset illustration pages (H1 - H8).

# Monte Carlo Retirement Simulation

Retire at 65

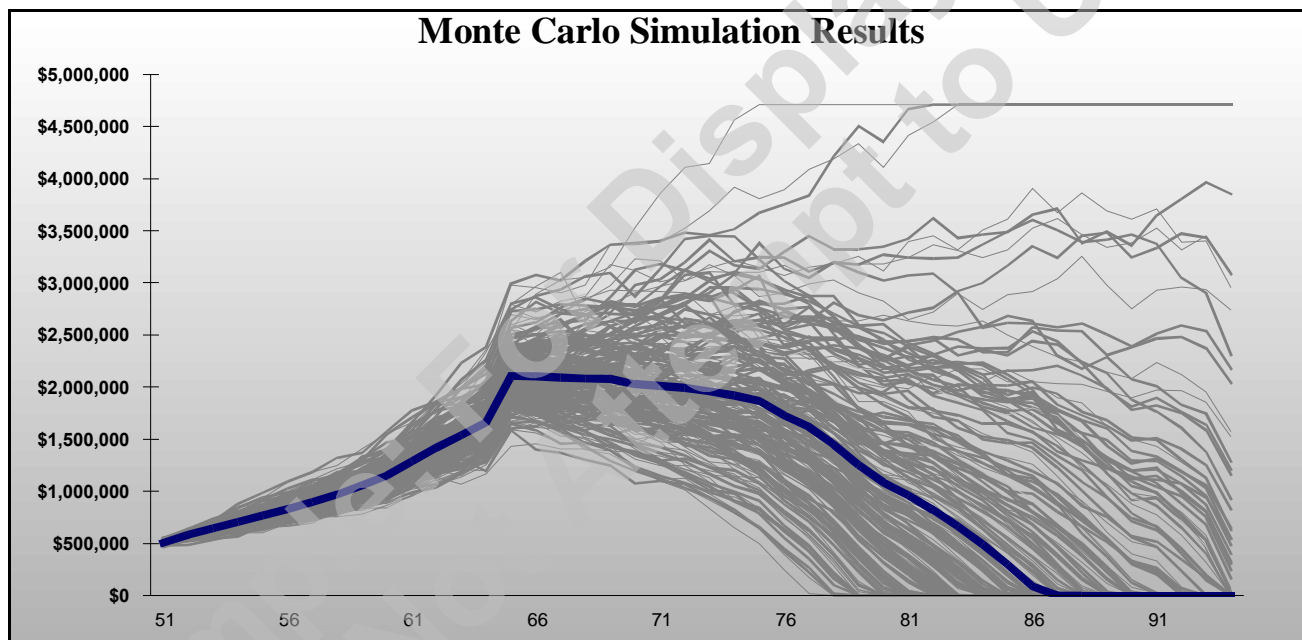
The Monte Carlo Simulation illustrates possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. The simulation introduces uncertainty by fluctuating annual rates of return on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of market volatility and possible effects on your financial plans. This is not a projection, but an illustration of uncertainty.

The simulations begin in the current year and model potential asset level changes over time. Included are all capital assets, both tax advantaged and taxable, all expenses, including education funding if applicable, pension benefits and Social Security benefits. Observing results from these large number of simulations may offer insight into the shape trends, and potential range of future retirement plan outcomes under volatile market conditions.

### Results from 5,000 Monte Carlo Simulations:

|                                      |              |  |     |
|--------------------------------------|--------------|--|-----|
| Original Retirement Capital estimate | \$0          | <b>Percentage of results above zero*</b>       | 15% |
| Minimum (worst case) result          | \$0          | Percentage with \$ remaining at Allen's age 89 | 32% |
| Average Monte Carlo result           | \$237,222    | Percentage with \$ remaining at Allen's age 84 | 63% |
| Maximum Monte Carlo result           | \$13,678,645 | Percentage with \$ remaining at Allen's age 79 | 95% |

*\*Percent of times money is remaining at last life expectancy.*



The bold line is the estimated retirement capital value over time using fixed rates.

*Current rate of return is 6.59% in the original estimate and varies from 5.48% to 10.90%, with portfolio changes. This simulation used a 4.50% standard deviation to create five thousand sets of normally distributed random rates of return based on the annual rates of return in the original estimate (95% of the rates fall between -3.52% and 19.90%). A standard deviation rate of 2.00% was applied to the inflation rate used on personal expenses.*

**The Monte Carlo illustration above points out the uncertainty of future retirement capital outcomes. It is important that you return regularly for a review of your goals and financial condition, in order to assure that appropriate periodic adjustments are made to your financial affairs.**

IMPORTANT: The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment products or results and are not guarantees of future results. Results may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future results. Information is for illustrative purposes only. Do not rely on this report to predict actual performance of any investment or investment strategy.

## Monte Carlo Details

Retire at 65

The financial planning process can help you evaluate your status in relationship to your financial goals and objectives. In preparing a hypothetical financial illustration for discussion, a series of representative fixed assumptions are made, such as inflation rates, rates of return, retirement benefits and tax rates. While such static hypothetical illustrations are useful for education and discussion purposes, they are based on unchanging long-term assumptions. In fact, economic and financial environments are unpredictable and constantly changing.

Monte Carlo Simulation is one way to visualize the effect of unpredictable financial market volatility on your retirement plans. Monte Carlo Simulation introduces random uncertainty into the annual assumptions of a retirement capital illustration model, and then runs the model a large number of times. Observing results from all these simulations can offer a view of trends, patterns and potential ranges of future outcomes illustrated by the randomly changing conditions. While Monte Carlo Simulations cannot and does not predict your financial future, it may help illustrate for you some of the many different possible hypothetical outcomes.

### Monte Carlo Simulation Technique

Based upon the assumed portfolio rates of return used in your hypothetical financial presentation, the simulation process uses a different random rate of return for each year for a new hypothetical illustration. Five thousand full simulations are performed utilizing the volatile rates of return. The result is five thousand new hypothetical financial results illustrating possible financial market environments.

By using random rates of return as described on the following Standard Deviation report page, and repeating the process thousands of times, the resulting collection can be viewed as a representative set of potential future results. The tendencies within the group of Monte Carlo Simulation results; the highs, lows and averages, offer insight into potential plan performance which may occur under various combinations of broad market conditions.

*NOTE: No investment products, investment strategy or particular investment style is projected or illustrated by this process. Simulation results demonstrate effects of volatility on rate of return assumptions for education and discussion purposes only.*

### The Bold Line

The bold line in the Monte Carlo Simulation Results graph tracks the value of the entire portfolio over the length of the illustration if all rates are held stable at the assumed rates of return. The estimate uses annual expected portfolio rates of return and inflation rates to model the growth and use of assets as computed in the original retirement illustration. The bold line represents the values shown in the Retirement Capital Estimate. Note - the "current" rate on the Monte Carlo report is for the current year only. This rate will generally vary since the amount of funds of each type is increasing or decreasing each year, causing the weighted average rate to change each year.

### Percentage of Monte Carlo Results Above Zero at Selected Ages

These results represent the percentage of Monte Carlo Simulation outcomes that show positive retirement values remaining at different ages. A percentage above 70% at the age shown is an indication that the underlying retirement plan offers a substantial probability of success even under volatile market conditions.

### Monte Carlo Simulation Minimum, Average and Maximum Dollar Results

These values indicate the best, worst and average dollar results at the end of the five thousand Monte Carlo Simulations. These show the range of results (high and low), and the average of all Monte Carlo results. All values are based on results at the life expectancy of the last to die or the ages shown.

- Minimum Monte Carlo represents the lowest return of the 5,000 simulations. In most cases this will be "0" as some of the simulations will likely run out of money prior to the last life expectancy.
- The average Monte Carlo result represents the average of all positive Monte Carlo Simulations and may or may not be similar to the Original Retirement Capital Estimate if the Original value is a positive number.
- The maximum Monte Carlo result represents the highest accumulation result of the 5,000 simulations.

*IMPORTANT: The projections or other information generated in the reports regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each Monte Carlo Simulation is unique; results vary with each use over time.*

# Standard Deviation

Retire at 65

## Standard Deviation

Standard deviation is a measure of volatility, the mathematical expression of how closely a set of data, like annual retirement portfolio returns, tends to cluster around the data's average. Consistent, predictable portfolio returns, tend to cluster around the data's average and have smaller standard deviation. Inconsistent, changeable or erratic portfolio returns relate to larger standard deviations. Standard deviations quantify volatility in an easy to communicate single value that can help describe the statistical range and spread of data.

## Portfolio Return Volatility

In broad terms, assets and portfolios with low rates of return usually demonstrate lower volatility than assets and portfolios with high rates of return. Historically, higher volatility has been associated with higher rates of return. While future financial returns cannot be predicted, we can illustrate and work to understand the concepts related to investment volatility by associating a standard deviation with a portfolio based on the relationship of weighted average return and volatility we have seen for similar portfolios.

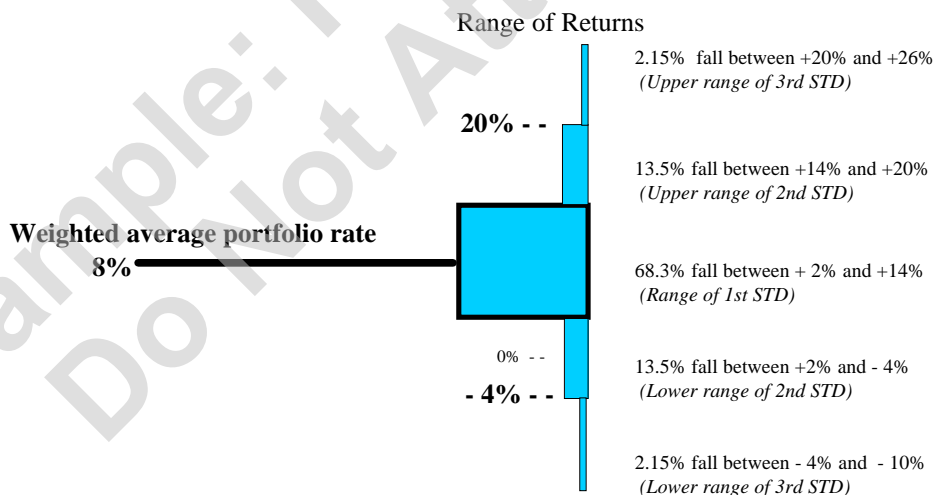
The process does not attempt to predict future performance or volatility, but helps demonstrate concepts of risk and graphically illustrate the lack of predictability inherent in financial markets.

In this presentation, a single standard deviation is assigned to represent the volatility of all portfolio assets over time. The standard deviation used does not relate to any specific group of investment or asset classes because, over the length of time covered by this presentation, individual investments and assets will change. The standard deviation used should be seen only as a placeholder for an unknown, and unknowable, future level of retirement investment volatility.

## Estimating Standard Deviation

The standard deviation used in the Monte Carlo Simulation is based on an average volatility of wealth over an extended period of time, and does not necessarily relate to standard deviation rates derived from statistics covering recent short term index or asset performance. The chart below illustrates the distribution of potential returns for a hypothetical portfolio with a weighted average return of 8% and a standard deviation of 6%.

### Frequency of returns for a portfolio rate of 8% and a normal standard deviation of 6%.



In a normal distribution of returns, most of the rates will fall near the average ( 8%), and only a few will fall in the outer ranges. In the graphic shown above, for a portfolio rate of 8%, 95% of the results, representing 2 standard deviations from the mean, fall between +20 and - 4%. Only 99.9% of the possible results are used in the presentation, ignoring the top and bottom extreme results beyond the fifth standard deviation.

## *Income Tax*

Analysis of your taxable income sources, exemptions, deductions and Federal and State taxes due.

The analysis includes phaseouts of itemized deductions and exemptions, where required, special dividend and capital gain rates, AMT and other items affecting your income tax and financial results.

These reports are estimates only and should not be relied on for preparation of your income tax return.

Sample: For Display Only  
Do Not Attempt to Use

## Income Tax Planning

Retire at 65

An important factor in any financial plan is consideration of the effect of income taxes, both now and in the future. Unfortunately there is a great deal of uncertainty about the nature of the income tax codes when it comes to planning for the future. In recent years a number of tax changes have been passed by congress.

**EGTRRA** In 2001 the Economic Growth and Tax Relief Reconciliation Act provided a \$1.35 Trillion tax cut. Although this was a welcome event, it was accompanied by a "now you see it, now you don't" disappearing act.

- New 10% rate introduced.
- Remaining tax table rates reduced gradually until 2006.
- Itemized deduction and exemption phaseout repealed gradually.
- Child tax credit gradually increased from \$500 to \$1,000.
- Marriage tax penalty gradually repealed.
- Education incentives gradually improved.
- Estate taxes gradually reduced and then finally repealed in 2010.
- Retirement plan contributions liberalized over several years.

The bad news was that effective in 2011, all these benefits are scheduled to revert back to the rules in effect in 2001 unless Congress decides to make them permanent.

**JGTRRA** Next came the Jobs and Growth Tax Relief Reconciliation Act of 2003. This further enhanced many of the EGTRRA changes (but did not make anything permanent.)

- Increased the child tax credit to \$1,000 immediately.
- Provided accelerated tax relief for married couples.
- Increased the AMT exemption amounts (but not by much.)
- Reduced the tax rates on dividends and capital gains to 5% or 15%.

**AJCA & WFTRA** Some of the temporary provisions have been extended by the American Jobs Creation Act (AJCA 2004) and the Working Families Tax Relief Act (WFTRA 2004).

- The "phase-in" of the lower tax rates were accelerated to take effect in 2005.
- The \$1,000 child tax credit was extended through 2010.
- The standard deduction was enhanced to equalize married and joint filers.
- Tax rate brackets were expanded to allow additional savings.
- AMT relief extended through 2005 (but still offering minimum benefit.)

2006 tax rates including extension under WFTRA

| Single Rates |     | Joint Rates |     |
|--------------|-----|-------------|-----|
|              | 10% |             | 10% |
| \$7,550      | 15% | \$15,100    | 15% |
| \$30,650     | 25% | \$61,300    | 25% |
| \$74,200     | 28% | \$123,700   | 28% |
| \$145,800    | 33% | \$188,450   | 33% |
| \$336,550    | 35% | \$336,550   | 35% |

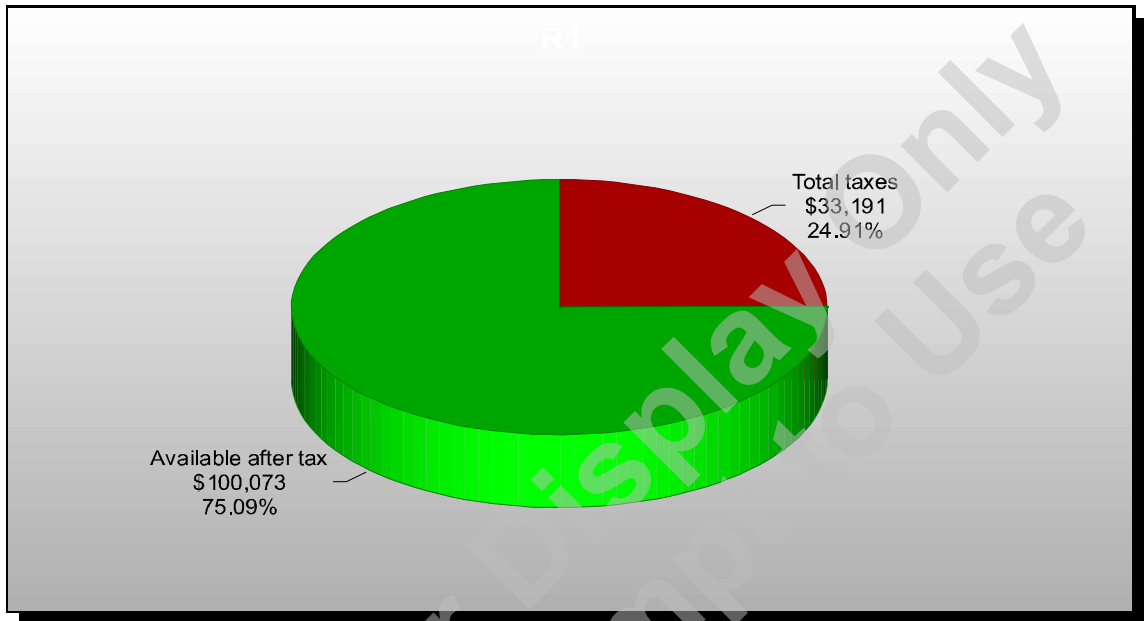
Of course, the flip side of these benefits is that they are still not permanent. Without specific action by Congress, in 2011 these will all revert back to the 2001 rules. In fact the highly popular dividend and capital gains rates of 5% for taxpayers at or below the 15% tax bracket or 15% rate for those in the 25% bracket or higher (0% in 2008), are scheduled to disappear after 2008.

As we work with you to help achieve your personal and financial goals, we will consider the present and future tax implications and their effect on the suggestions we might make for you. The hard part is the anticipation that there will undoubtedly be additional future changes that cannot be accurately predicted now.

# Income Tax

Retire at 65

Income taxes can consume a substantial portion of your income. One of your objectives should be to control the amount of taxes you must pay through careful management of your income and investment portfolio. The tax calculations are based on the 2006 tax tables.



## Estimated income and taxes for the current year:

|                                 |                  |
|---------------------------------|------------------|
| <b>Gross income</b>             | \$133,265        |
| Adjustments                     | (2,471)          |
| <b>Adjusted Gross Income</b>    | <b>\$130,794</b> |
| Itemized or Standard deductions | (25,760)         |
| Personal exemptions             | (13,200)         |
| <b>Taxable income</b>           | <b>\$91,834</b>  |
| Federal Income Tax & AMT        | 15,891           |
| FICA (social security) tax      | 7,791            |
| Other tax or credits            | 9,509            |
| <b>Total Tax</b>                | <b>\$33,191</b>  |

## Tax Rates:

|   |
|---|
| <b>Marginal tax rate = 31.75%</b><br>(Combined Federal and State tax rates)     |
| <b>Effective tax rate = 25.38%</b><br>(Taxes divided by Adjusted Gross Income.) |

D3

# Income Taxes

D3

Retire at 65

The following calculations give an idea of the amount of taxes you might pay based on the income and asset information provided. These amounts are approximations only and the actual tax amounts may be higher or lower than illustrated.

| <b>INCOME:</b>  | <u>Gross</u>              | <u>Taxable</u>   |                 |
|---|---------------------------|------------------|-----------------|
| Salaries and Wages                                      | \$100,000                 | \$100,000        | <i>G16,17</i>   |
| Interest  | 10,751                    | 9,289            | <i>H1...H4</i>  |
| Dividends*  | 3,012                     | 3,012            | <i>H2</i>       |
| Schedule C (self employment)                            | 1,000                     | 1,000            | <i>G16</i>      |
| Schedule D (net capital gain/loss)*                     | 3,248                     | 3,248            | <i>H2</i>       |
| Schedule E (passive gain/loss)                          | (2,800)                   | (1,634)          |                 |
| Other taxable income (loss) & stock options             | 18,350                    | 18,350           |                 |
| <b>GROSS INCOME</b>                                     |                           | <b>\$133,265</b> |                 |
| <br>  |                           |                  |                 |
| <b>Adjustments:</b>                                     |                           |                  |                 |
| Retirement account deposits - Betty                     | 2,400                     | (2,400)          | <i>H6...H6d</i> |
| Self Employment FICA                                    | 141                       | (71)             |                 |
| <b>ADJUSTED GROSS INCOME</b>                            |                           | <b>\$130,794</b> |                 |
| <br>  |                           |                  |                 |
| <b>Itemized Deductions:</b>                             |                           |                  |                 |
|   | <u>Gross</u>              | <u>Allowed</u>   |                 |
| Mortgage interest                                       |                           | 5,867            | <i>K1</i>       |
| Charitable contributions                                | 750                       | 750              | <i>G14</i>      |
| Medical expenses & premiums                             |                           | 0                | <i>G14</i>      |
| Property taxes  | 3,500                     | 3,500            | <i>G14</i>      |
| State taxes   | 9,509                     | 9,509            |                 |
| Misc Itemized deductions                                | 8,750                     | 6,134            | <i>G14</i>      |
|   | Itemized deductions       | \$25,760         | (25,760)        |
|   | or Standard deduction     | \$10,300         | 0               |
|   | Personal exemptions ( 4 ) |                  | (13,200)        |
| <b>TAXABLE INCOME</b>                                   |                           |                  | <b>\$91,834</b> |
| <br>  |                           |                  |                 |
| <b>TAX SUMMARY:</b>                                     |                           |                  |                 |
| Federal Income Tax (Joint)                              |                           | \$15,447         |                 |
| FICA (Social Security) & HI Tax                         |                           | 7,791            |                 |
| State Income Tax ( <i>Adjusted for pension or SS.</i> ) |                           | 9,509            |                 |
| Alternative Minimum Tax                                 |                           | 444              |                 |
| <b>TOTAL TAXES</b>                                      |                           |                  | <b>\$33,191</b> |

Your combined Federal & net State marginal tax bracket is 31.75 % .

Your total taxes equal 25.38 % of your Adjusted Gross Income, and 36.14% of your Taxable income.

\*Dividend and Capital Gains taxed at 15.00 %.

## Income Taxes Paid

D4

Retire at 65

| Age | Amount of tax paid on: |          |       | Assets  |         |              |               |               | Total Taxes |          |          |             |
|-----|------------------------|----------|-------|---------|---------|--------------|---------------|---------------|-------------|----------|----------|-------------|
|     | Earned Income          | Pensions | RMDs  | Taxable | Equity  | Tax Deferred | Ind. 1 Retire | Ind. 2 Retire |             |          |          |             |
| 51  | 47                     | \$32,068 |       |         | \$2,823 | \$2,270      |               |               |             | \$37,161 |          |             |
| 52  | 48                     | 32,687   |       |         | 2,696   | 2,475        |               |               |             | 37,858   |          |             |
| 53  | 49                     | 33,324   |       |         | 2,873   | 2,684        |               |               |             | 38,881   |          |             |
| 54  | 50                     | 37,451   |       |         | 3,009   | 2,866        |               |               |             | 43,326   |          |             |
| 55  | 51                     | 38,231   |       |         | 3,063   | 3,058        |               |               |             | 44,352   |          |             |
| 56  | 52                     | 39,035   |       |         | 2,995   | 3,261        |               |               |             | 45,291   |          |             |
| 57  | 53                     | 11,430   |       |         | 2,892   | 3,476        |               |               |             | 17,798   |          |             |
| 58  | 54                     | 11,430   |       |         | 2,774   | 3,702        |               |               |             | 17,906   |          |             |
| 59  | 55                     | 41,759   |       |         | 2,766   | 3,942        |               |               |             | 48,467   |          |             |
| 60  | 56                     | 43,275   |       |         | 2,896   | 4,195        |               |               |             | 50,366   |          |             |
| 61  | 57                     | 44,868   |       |         | 3,101   | 4,537        |               |               |             | 52,506   |          |             |
| 62  | 58                     | 46,540   |       |         | 3,377   | 4,941        |               |               |             | 54,858   |          |             |
| 63  | 59                     | 48,295   |       |         | 3,593   | 5,297        |               |               |             | 57,185   |          |             |
| 64  | 60                     | 50,138   |       |         | 3,763   | 5,626        |               |               |             | 59,527   |          |             |
| 65  | 61                     | 11,113   | 2,096 |         | 4,752   | 6,399        |               |               |             | 24,359   |          |             |
| 66  | 62                     | 11,113   | 2,137 |         | 4,443   | 7,127        |               |               |             | 24,820   |          |             |
| 67  | 63                     | 11,113   | 2,180 |         | 1,558   | 7,453        |               |               |             | 22,304   |          |             |
| 68  | 64                     | 11,113   | 2,224 |         |         | 6,973        |               |               |             | 20,309   |          |             |
| 69  | 65                     |          | 2,268 |         |         | 5,954        |               |               |             | 8,222    |          |             |
| 70  | 66                     |          | 2,314 |         |         | 4,734        |               |               |             | 7,048    |          |             |
| 71  | 67                     |          | 2,360 | 1,899   |         | 3,465        |               |               |             | 7,724    |          |             |
| 72  | 68                     |          | 2,407 | 1,998   |         | 2,289        |               |               |             | 6,694    |          |             |
| 73  | 69                     |          | 2,455 | 2,101   |         | 961          |               |               |             | 5,517    |          |             |
| 74  | 70                     |          | 2,504 | 2,209   |         | 144          |               |               |             | 4,857    |          |             |
| 75  | 71                     |          | 2,554 | 6,882   |         |              |               |               |             | 9,437    |          |             |
| 76  | 72                     |          | 2,605 | 7,284   |         |              | 70,493        |               |             | 80,383   |          |             |
| 77  | 73                     |          | 2,658 | 7,697   |         |              | 28,940        |               |             | 39,294   |          |             |
| 78  | 74                     |          | 2,711 | 8,144   |         |              | 267           | 54,515        | 11,282      | 76,919   |          |             |
| 79  | 75                     |          | 2,765 | 5,285   |         |              |               |               | 83,362      | 91,412   |          |             |
| 80  | 76                     |          | 2,820 | 1,684   |         |              |               |               | 37,058      | 41,563   |          |             |
| 81  | 77                     |          | 2,877 |         |         |              |               |               |             | 2,877    |          |             |
| 82  | 78                     |          | 2,934 |         |         |              |               |               |             | 2,934    |          |             |
| 83  | 79                     |          | 2,993 |         |         |              |               |               |             | 2,993    |          |             |
| 84  | 80                     |          | 3,053 |         |         |              |               |               |             | 3,053    |          |             |
| 85  | 81                     |          | 3,114 |         |         |              |               |               |             | 3,114    |          |             |
| 86  | 82                     |          | 3,176 |         |         |              |               |               |             | 3,176    |          |             |
| 87  | 83                     |          | 3,240 |         |         |              |               |               |             | 3,240    |          |             |
| 88  | 84                     |          | 3,304 |         |         |              |               |               |             | 3,304    |          |             |
| 89  | 85                     |          | 3,370 |         |         |              |               |               |             | 3,370    |          |             |
| 90  | 86                     |          | 3,438 |         |         |              |               |               |             | 3,438    |          |             |
| 91  | 87                     |          | 3,507 |         |         |              |               |               |             | 3,507    |          |             |
| 92  | 88                     |          | 1,788 |         |         |              |               |               |             | 1,788    |          |             |
| 93  | 89                     |          | 1,824 |         |         |              |               |               |             | 1,824    |          |             |
| 94  | 90                     |          | 1,861 |         |         |              |               |               |             | 1,861    |          |             |
| 95  | 91                     |          |       |         |         |              |               |               |             |          |          |             |
| 96  | 92                     |          |       |         |         |              |               |               |             |          |          |             |
| 97  | 93                     |          |       |         |         |              |               |               |             |          |          |             |
| 98  | 94                     |          |       |         |         |              |               |               |             |          |          |             |
| 99  | 95                     |          |       |         |         |              |               |               |             |          |          |             |
| 100 | 96                     |          |       |         |         |              |               |               |             |          |          |             |
| 101 | 97                     |          |       |         |         |              |               |               |             |          |          |             |
| 102 | 98                     |          |       |         |         |              |               |               |             |          |          |             |
| 103 | 99                     |          |       |         |         |              |               |               |             |          |          |             |
| 104 | 100                    |          |       |         |         |              |               |               |             |          |          |             |
| 105 | 101                    |          |       |         |         |              |               |               |             |          |          |             |
| 106 | 102                    |          |       |         |         |              |               |               |             |          |          |             |
| 107 | 103                    |          |       |         |         |              |               |               |             |          |          |             |
| 108 | 104                    |          |       |         |         |              |               |               |             |          |          |             |
| 109 | 105                    |          |       |         |         |              |               |               |             |          |          |             |
| 110 | 106                    |          |       |         |         |              |               |               |             |          |          |             |
| 111 | 107                    |          |       |         |         |              |               |               |             |          |          |             |
| 112 | 108                    |          |       |         |         |              |               |               |             |          |          |             |
| 113 | 109                    |          |       |         |         |              |               |               |             |          |          |             |
| 114 | 110                    |          |       |         |         |              |               |               |             |          |          |             |
| 115 | 111                    |          |       |         |         |              |               |               |             |          |          |             |
| 116 | 112                    |          |       |         |         |              |               |               |             |          |          |             |
| 117 | 113                    |          |       |         |         |              |               |               |             |          |          |             |
| 118 | 114                    |          |       |         |         |              |               |               |             |          |          |             |
| 119 | 115                    |          |       |         |         |              |               |               |             |          |          |             |
| 120 | 116                    |          |       |         |         |              |               |               |             |          |          |             |
| 121 | 117                    |          |       |         |         |              |               |               |             |          |          |             |
|     |                        |          | G9    | G11     | G11     |              | H1            | H2            | H4          | H5...H6d | H6...H6d | \$1,116,821 |

# Tax Favored Investing

D5

Retire at 65

This illustration assumes that each account has an existing balance of \$20,000. The illustration is used to compare the future accumulation and income potential of various types of investments.

|                          | <u>Taxable</u> | <u>Tax Deferred</u> | <u>Tax Free</u> | <u>Tax Ded.</u> | <u>Capital Gains</u> |
|--------------------------|----------------|---------------------|-----------------|-----------------|----------------------|
| Initial account balance  | \$20,000       | \$20,000            | \$20,000        | \$20,000        | \$20,000             |
| Annual deposit available | 2,000          | 2,000               | 2,000           | 2,000           | 2,000                |
| Less taxes at 31.75%*    | (635)          | (635)               | (635)           |                 | (635)                |
| Net deposits             | \$1,365        | \$1,365             | \$1,365         | \$2,000         | \$1,365              |
| Annual interest rate     | 5.00%          | 5.00%               | 5.00%           | 5.00%           | 5.00%                |
| Net interest after tax*  | 3.41%          | 5.00%               | 5.00%           | 5.00%           | 4.25%                |

| <u>Age</u>                  | <u>Taxable account</u> | <u>Tax Deferred</u> | <u>Tax Free</u> | <u>Tax Deductible</u> | <u>Capital Gains</u> |
|-----------------------------|------------------------|---------------------|-----------------|-----------------------|----------------------|
| 51                          | 20,000                 | 20,000              | 20,000          | 20,000                | 20,000               |
| 52                          | 22,094                 | 22,433              | 22,433          | 23,100                | 22,273               |
| 53                          | 24,260                 | 24,988              | 24,988          | 26,355                | 24,643               |
| 54                          | 26,499                 | 27,671              | 27,671          | 29,773                | 27,113               |
| 55                          | 28,815                 | 30,488              | 30,488          | 33,361                | 29,688               |
| 56                          | 31,210                 | 33,445              | 33,445          | 37,129                | 32,373               |
| 57                          | 33,686                 | 36,551              | 36,551          | 41,086                | 35,172               |
| 58                          | 36,248                 | 39,812              | 39,812          | 45,240                | 38,090               |
| 59                          | 38,896                 | 43,235              | 43,235          | 49,602                | 41,132               |
| 60                          | 41,635                 | 46,830              | 46,830          | 54,182                | 44,303               |
| 61                          | 44,467                 | 50,605              | 50,605          | 58,991                | 47,609               |
| 62                          | 47,396                 | 54,569              | 54,569          | 64,041                | 51,055               |
| 63                          | 50,425                 | 58,730              | 58,730          | 69,343                | 54,648               |
| 64                          | 53,558                 | 63,100              | 63,100          | 74,910                | 58,393               |
| 65                          | 56,797                 | 67,688              | 67,688          | 80,756                | 62,298               |
| 66                          | 60,147                 | 72,506              | 72,506          | 86,894                | 66,369               |
| 67                          | 63,611                 | 77,565              | 77,565          | 93,338                | 70,612               |
| 68                          | 67,193                 | 82,876              | 82,876          | 100,105               | 75,036               |
| 69                          | 70,898                 | 88,453              | 88,453          | 107,210               | 79,648               |
| 70                          | 74,729                 | 94,309              | 94,309          | 114,671               | 84,457               |
| 71                          | 78,690                 | 100,458             | 100,458         | 122,504               | 89,469               |
| Average monthly income**    | \$480                  | \$613               | \$613           | \$748                 | \$546                |
| Less average tax at 31.75%* | (62)                   | (140)               |                 | (237)                 | (33)                 |
| <b>Spendable income</b>     | <b>\$418</b>           | <b>\$473</b>        | <b>\$613</b>    | <b>\$511</b>          | <b>\$513</b>         |

Annual Interest Rate = This hypothetical rate is used to show the effect of tax treatments on various account types.

TAXABLE = Bank savings, CDs, corporate or govt. bonds, or other accounts where earnings are fully taxed each year.

TAX DEFERRED = Annuities or US Savings Bonds where interest accumulates without tax and is then taxed when drawn out of the account.

TAX FREE = Municipal bonds or funds and Roth IRA where all interest is always tax free.

TAX DEDUCTIBLE = Regular IRAs, 401(k), 403(b), etc. where deposits are deductible, tax on interest is deferred, then all withdrawals are fully taxed.

CAPITAL GAINS = Stocks, mutual funds, real estate or other investments qualified for capital gain treatment.

*Note: This report is not intended to apply to any specific savings or investment product. The results illustrated are not estimates or guarantees of future results, and are intended for educational purposes only.*

\* Capital gains column uses tax rate of 15.00%. Assumes taxes are paid each year on gain.

\*\* Assuming entire balance is paid in level annual distributions over an age 71 life expectancy period of 23.0 years

## *Estate*

This section evaluates your financial estate with an illustration of potential estate taxes and settlement costs. It highlights the potential savings that might be realized through use of certain trust and estate planning tools.

You may want to consult with an estate planning attorney for a more detailed analysis of the options available and for additional evaluation of other techniques that might be of benefit.

Sample: For Display Only  
Do Not Attempt to Use

## *Estate Planning*

E1

Retire at 65

The Estate Planning section of this analysis will provide you with information that can help you understand your exposure to estate taxes and to visualize some of the potential techniques that could be considered.

**As part of your estate planning you should consider the following:**

- Are your wills and other estate documents current with the existing legal conditions?
- Have you recently reviewed your desires regarding final disposition of your remainder estate?
- Is your estate large enough now or is it anticipated that it will grow to an extent that your exposure to estate taxes could be costly to your heirs?
- Have you considered the various trust planning techniques available that could help reduce costs and taxes?
- Could charitable gifting assist in reducing your estate costs and at the same time provide a benefit to others, instead of the IRS?
- Have you taken advantage of Living Wills and other pre-planning techniques that might help your survivors avoid trauma and indecision at a time when they are already under stress?

The following analysis of your estate situation is developed to illustrate your potential exposure now and in the future. The estate flow charts are prepared using two assumptions:

- The first illustration shows the costs as if you did not have any trust planning in effect, particularly in the form of Credit Shelter Trust or Life Insurance Trust planning.
- The second illustration shows the benefit of using the Credit Shelter Trust and an Irrevocable Life Insurance Trust.

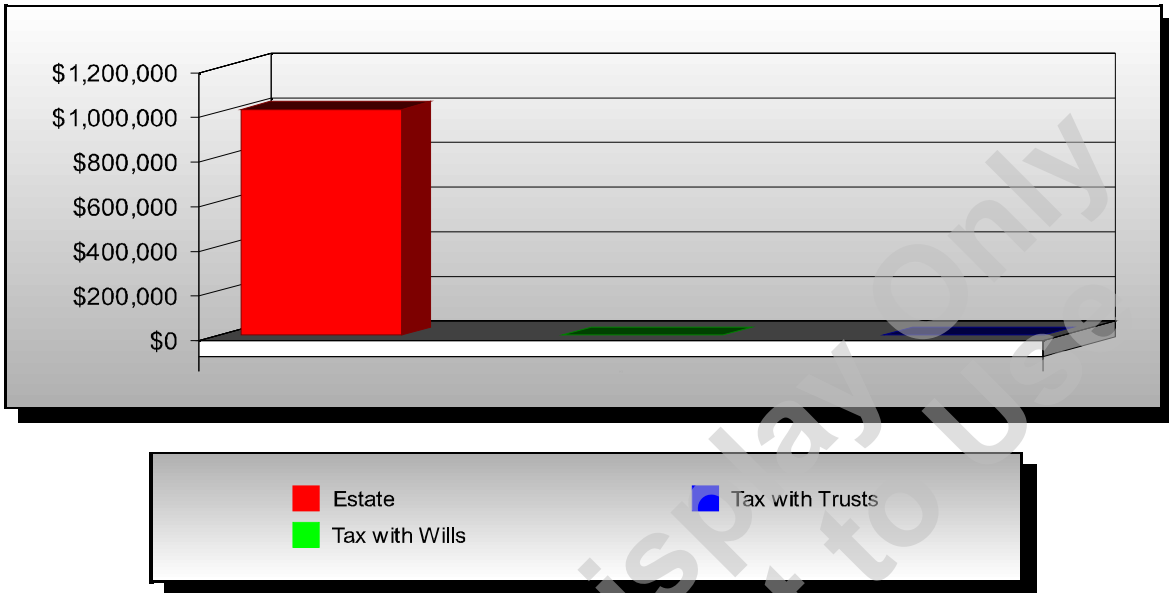
By comparing the two results you will be able to understand the impact of estate planning using just these two trust arrangements. Additional techniques are described in the "Estate Concept" illustration pages.

# Estate Taxes

E2

Retire at 65

## Allen dies first



## Betty dies first



All assets including life insurance  
 Debts and expenses  
 Net estate

### Allen dies first

\$1,180,010  
 (170,331)  
 \$1,009,679

### Betty dies first

\$1,180,010  
 (158,313)  
 \$1,021,697

|              |               |
|--------------|---------------|
| Simple       | With          |
| <u>wills</u> | <u>trusts</u> |
| \$0          | \$0           |

|              |               |
|--------------|---------------|
| Simple       | With          |
| <u>wills</u> | <u>trusts</u> |
| \$0          | \$0           |

**Gain using trust**

\$29,858

\$14,100



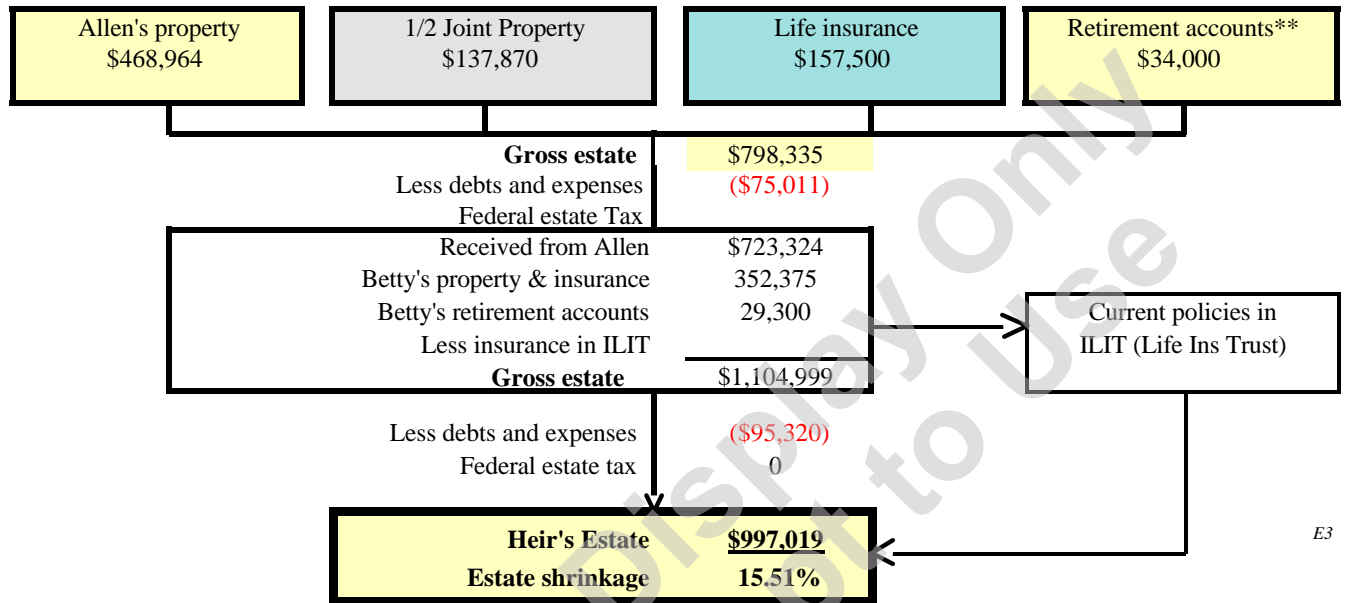
# Estate Taxes - Simple Wills

E4

Retire at 65

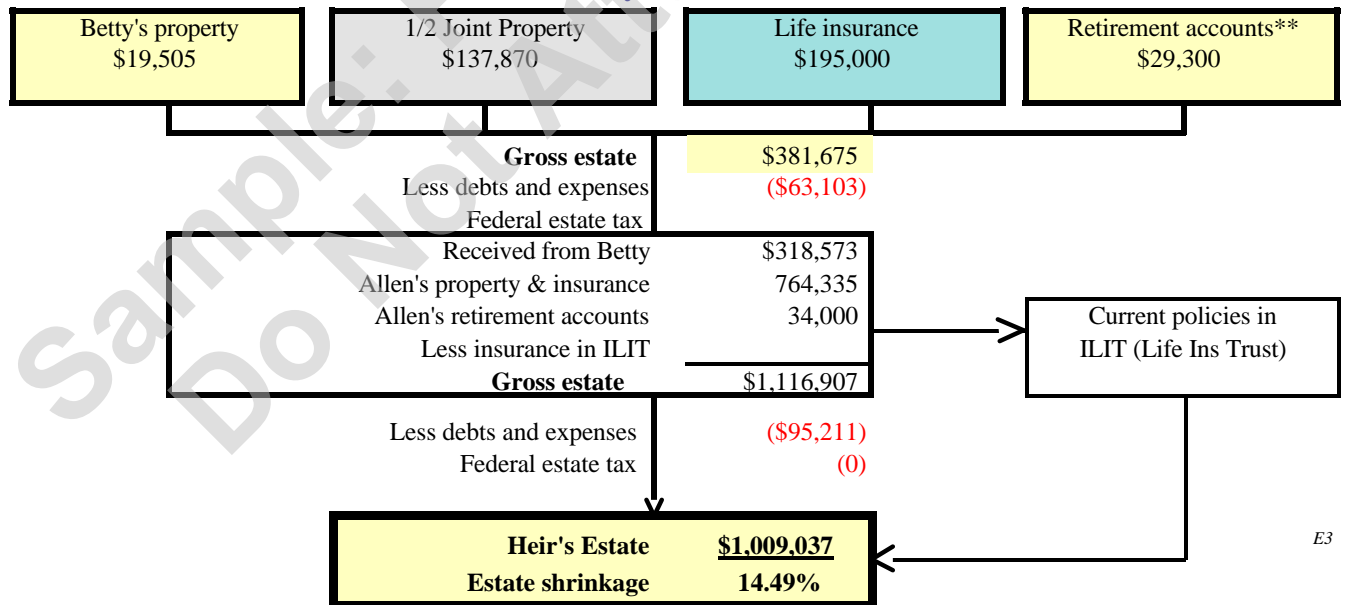
When assets are passed to heirs by simple wills (or by State statutes when no wills exist), the estate will probably be subject to the maximum amount of Federal Estate taxes. The illustration assumes only life insurance currently owned in an Irrevocable Life Insurance Trust is exempt from estate tax.

### Allen dies first\*



While estate taxes may not be a serious problem for smaller estates, time, combined with the growth of successful investments or inflation can result in a substantial estate tax liability.

### Betty dies first\*



You may want to consider various types of trust or estate planning techniques to help assure that all aspects of your estate disposition are handled according to your wishes and with the minimum estate taxation. This report is an estimate and does not constitute legal advice. You should always obtain legal counsel before taking action affecting your estate planning.

\*The above results are based on both deaths occurring in the current year. Under EGTRRA results will vary in future years.

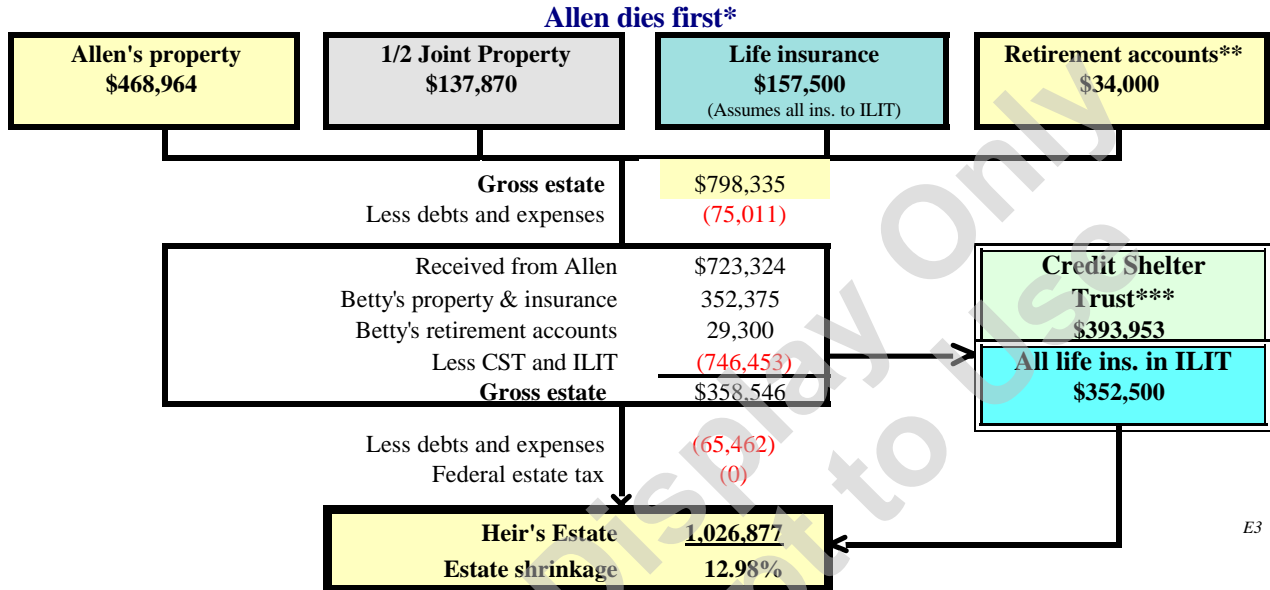
\*\* Retirement accounts will be subject to additional income taxes.

## Estate Taxes - With Trust

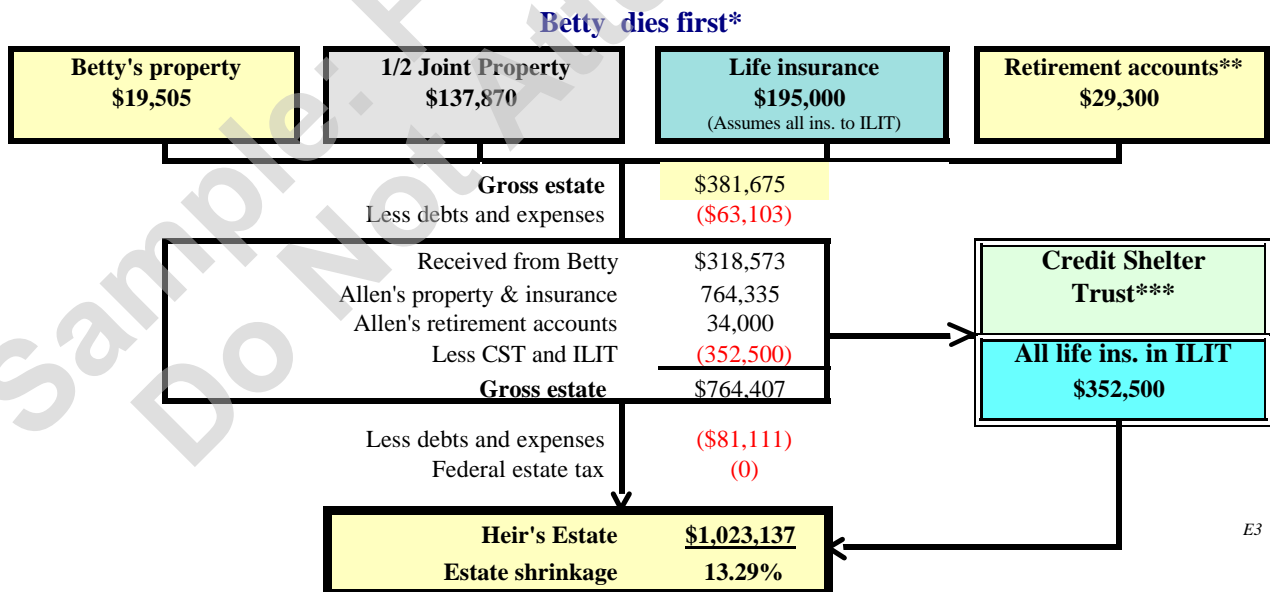
E5

Retire at 65

You might consider using a Credit Shelter Trust to minimize the cost of passing your assets to your heirs. This is accomplished by arranging to have a portion of your assets placed into trust upon the first death. The income from the trust may be made available to the surviving spouse, allowing the remaining trust assets to pass to the heirs without ever being included in the second spouse's estate. This illustration assumes all life insurance is held in an Irrevocable Life Insurance Trust (ILIT) and protected from estate taxes.



In order to take advantage of a Credit Shelter Trust, your assets must be owned in a manner that will enable the assets to flow into the trust, such as separately owned or community property assets. Jointly held assets may be placed in the trust only if the surviving spouse makes a special election. An Irrevocable Life Insurance Trust would need be in force with all policies properly owned within the trust.



If you decide to use these techniques, you should coordinate the process with all appropriate legal and financial advisors to evaluate the benefits of the trusts. Implementation would require preparation of will and trust documents and possible re-titling of some assets and insurance policies in order to maximize the effect of the trust planning.

*\*Retirement accounts will be subject to additional income tax.*

*\*\*The above results are based on both deaths occurring in the current year. Under EGTRRA results will vary in future years.*

*\*\*\*The Credit Shelter Trust is funded with the smaller of the current year Unified Credit exclusion or separate property plus 1/2 community property. (Less expenses) Amounts available for CST will vary in future years.*

# Future Estate Costs

Deaths in Same year - Allen dies first.

E6

Retire at 65

| Age | Assets & insurance* | Debts & expenses** (after both deaths) | Net Estate  | Without trusts |              | Credit Shelter Trust and Irrev. Life Insur Trust *** |          | Gain with Trusts |          |
|-----|---------------------|--|-------------|----------------|--------------|--|----------|------------------|----------|
|     |                     |  |             | Estate tax     | To Heirs (1) | Estate tax   | To Heirs |                  |          |
| 51  | 47                  | \$1,180,010                            | (\$170,331) | \$1,009,679    | (\$0)        | \$1,009,679  | (\$0)    | \$1,039,537      | \$29,858 |
| 52  | 48                  | 1,211,986                              | (164,804)   | 1,047,181      |              | 1,047,181  |          | 1,066,576        | 19,395   |
| 53  | 49                  | 1,294,919                              | (165,900)   | 1,129,019      |              | 1,129,019  |          | 1,149,495        | 20,476   |
| 54  | 50                  | 1,364,811                              | (166,421)   | 1,198,389      |              | 1,198,389  |          | 1,219,676        | 21,286   |
| 55  | 51                  | 1,438,829                              | (166,814)   | 1,272,015      |              | 1,272,015  |          | 1,294,147        | 22,132   |
| 56  | 52                  | 1,508,822                              | (166,580)   | 1,342,242      |              | 1,342,242  |          | 1,365,237        | 22,995   |
| 57  | 53                  | 1,581,114                              | (166,050)   | 1,415,064      |              | 1,415,064  |          | 1,438,958        | 23,895   |
| 58  | 54                  | 1,557,749                              | (161,297)   | 1,396,452      |              | 1,396,452  |          | 1,421,290        | 24,839   |
| 59  | 55                  | 1,638,989                              | (160,293)   | 1,478,696      |              | 1,478,696  |          | 1,504,524        | 25,828   |
| 60  | 56                  | 1,737,760                              | (159,767)   | 1,577,992      |              | 1,577,992  |          | 1,604,895        | 26,903   |
| 61  | 57                  | 1,842,843                              | (158,936)   | 1,683,907      |              | 1,683,907  |          | 1,711,938        | 28,031   |
| 62  | 58                  | 1,989,279                              | (160,618)   | 1,828,661      |              | 1,828,661  |          | 1,858,412        | 29,751   |
| 63  | 59                  | 2,135,840                              | (170,641)   | 1,965,199      |              | 1,965,199  |          | 1,996,626        | 31,427   |
| 64  | 60                  | 2,265,950                              | (179,723)   | 2,086,227      |              | 2,086,227  |          | 2,119,024        | 32,797   |
| 65  | 61                  | 2,404,313                              | (189,201)   | 2,215,112      |              | 2,215,112  |          | 2,249,349        | 34,237   |
| 66  | 62                  | 2,609,212                              | (365,130)   | 2,244,082      |              | 2,244,082  |          | 2,274,617        | 30,535   |
| 67  | 63                  | 2,613,371                              | (360,838)   | 2,252,533      |              | 2,252,533  |          | 2,284,227        | 31,694   |
| 68  | 64                  | 2,608,117                              | (355,408)   | 2,252,709      |              | 2,252,709  |          | 2,285,396        | 32,686   |
| 69  | 65                  | 2,586,706                              | (348,295)   | 2,238,411      |              | 2,238,411  |          | 2,270,146        | 31,734   |
| 70  | 66                  | 2,588,779                              | (342,059)   | 2,246,720      |              | 2,246,720  |          | 2,277,833        | 31,113   |
| 71  | 67                  | 2,546,453                              | (332,650)   | 2,213,804      |              | 2,213,804  |          | 2,243,496        | 29,692   |
| 72  | 68                  | 2,537,647                              | (324,621)   | 2,213,027      |              | 2,213,027  |          | 2,241,932        | 28,906   |
| 73  | 69                  | 2,449,778                              | (312,736)   | 2,137,042      |              | 2,137,042  |          | 2,165,057        | 28,015   |
| 74  | 70                  | 2,424,164                              | (302,433)   | 2,121,732      |              | 2,121,732  |          | 2,148,602        | 26,870   |
| 75  | 71                  | 2,393,059                              | (291,749)   | 2,101,311      |              | 2,101,311  |          | 2,129,027        | 27,716   |
| 76  | 72                  | 2,350,720                              | (280,116)   | 2,070,603      |              | 2,070,603  |          | 2,099,808        | 29,204   |
| 77  | 73                  | 2,220,964                              | (259,654)   | 1,961,309      |              | 1,961,309  |          | 1,982,861        | 21,551   |
| 78  | 74                  | 2,117,509                              | (240,029)   | 1,877,481      |              | 1,877,481  |          | 1,892,066        | 14,585   |
| 79  | 75                  | 1,966,490                              | (217,241)   | 1,749,249      |              | 1,749,249  |          | 1,763,210        | 13,961   |
| 80  | 76                  | 1,780,355                              | (197,812)   | 1,582,543      |              | 1,582,543  |          | 1,596,898        | 14,355   |
| 81  | 77                  | 1,628,880                              | (175,415)   | 1,453,466      |              | 1,453,466  |          | 1,468,226        | 14,761   |
| 82  | 78                  | 1,517,318                              | (169,396)   | 1,347,921      |              | 1,347,921  |          | 1,363,100        | 15,179   |
| 83  | 79                  | 1,390,120                              | (162,335)   | 1,227,784      |              | 1,227,784  |          | 1,243,394        | 15,610   |
| 84  | 80                  | 1,245,900                              | (154,137)   | 1,091,763      |              | 1,091,763  |          | 1,107,817        | 16,054   |
| 85  | 81                  | 1,083,340                              | (149,549)   | 933,791        |              | 933,791  |          | 950,304          | 16,512   |
| 86  | 82                  | 905,144                                | (145,622)   | 759,522        |              | 759,522  |          | 776,507          | 16,985   |
| 87  | 83                  | 709,169                                | (141,086)   | 568,083        |              | 568,083  |          | 585,554          | 17,471   |
| 88  | 84                  | 610,474                                | (140,548)   | 469,927        |              | 469,927  |          | 487,899          | 17,972   |
| 89  | 85                  | 623,335                                | (144,581)   | 478,754        |              | 478,754  |          | 497,243          | 18,489   |
| 90  | 86                  | 636,591                                | (148,742)   | 487,849        |              | 487,849  |          | 506,871          | 19,021   |
| 91  | 87                  | 650,255                                | (153,036)   | 497,219        |              | 497,219  |          | 516,789          | 19,570   |
| 92  | 88                  | 506,838                                | (146,631)   | 360,207        |              | 360,207  |          | 380,342          | 20,135   |
| 93  | 89                  | 521,352                                | (151,203)   | 370,149        |              | 370,149  |          | 390,866          | 20,718   |
| 94  | 90                  | 536,309                                | (155,920)   | 380,388        |              | 380,388  |          | 401,706          | 21,318   |
| 95  | 91                  |  |             |                |              |  |          |                  |          |

\*Assets & Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

\*\*Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

\*\*\*The Credit Shelter Trust is funded with the smaller of the current year Unified Credit exclusion or separate property plus 1/2 community property. Expenses reduced on trust assets.

Note: This illustration assumes the 2001 tax law changes are continued after 2010 (estate tax is repealed.)

It is assumed that both deaths occur at each age illustrated.

# Future Estate Costs

Deaths in same year - Betty dies first.

E7

Retire at 65

| Age | Assets & insurance* | Debts & expenses** (after both deaths) | Net Estate  | Without trusts |              | Credit Shelter Trust and Irrev. Life Ins. Trust *** |              | Gain with Trusts |          |
|-----|---------------------|--|-------------|----------------|--------------|---|--------------|------------------|----------|
|     |                     |  |             | Estate tax     | To Heirs (1) | Estate tax  | To Heirs (1) |                  |          |
| 51  | 47                  | \$1,180,010                            | (\$158,313) | \$1,021,697    | (\$0)        | \$1,021,697   | (\$0)        | \$1,035,797      | \$14,100 |
| 52  | 48                  | 1,211,986                              | (152,392)   | 1,059,594      |              | 1,059,594   |              | 1,060,392        | 798      |
| 53  | 49                  | 1,294,919                              | (152,795)   | 1,142,124      |              | 1,142,124   |              | 1,142,994        | 869      |
| 54  | 50                  | 1,364,811                              | (152,835)   | 1,211,976      |              | 1,211,976   |              | 1,212,895        | 920      |
| 55  | 51                  | 1,438,829                              | (152,726)   | 1,286,103      |              | 1,286,103   |              | 1,287,075        | 972      |
| 56  | 52                  | 1,508,822                              | (151,978)   | 1,356,845      |              | 1,356,845   |              | 1,357,863        | 1,019    |
| 57  | 53                  | 1,581,114                              | (150,910)   | 1,430,204      |              | 1,430,204   |              | 1,431,269        | 1,065    |
| 58  | 54                  | 1,557,749                              | (142,713)   | 1,415,037      |              | 1,415,037   |              | 1,416,151        | 1,115    |
| 59  | 55                  | 1,638,989                              | (141,116)   | 1,497,873      |              | 1,497,873   |              | 1,499,039        | 1,166    |
| 60  | 56                  | 1,737,760                              | (139,952)   | 1,597,808      |              | 1,597,808   |              | 1,599,041        | 1,233    |
| 61  | 57                  | 1,842,843                              | (138,450)   | 1,704,394      |              | 1,704,394   |              | 1,705,697        | 1,303    |
| 62  | 58                  | 1,989,279                              | (139,069)   | 1,850,210      |              | 1,850,210   |              | 1,851,628        | 1,418    |
| 63  | 59                  | 2,135,840                              | (148,062)   | 1,987,778      |              | 1,987,778   |              | 1,989,306        | 1,528    |
| 64  | 60                  | 2,265,950                              | (156,321)   | 2,109,629      |              | 2,109,629   |              | 2,111,244        | 1,615    |
| 65  | 61                  | 2,404,313                              | (164,932)   | 2,239,381      |              | 2,239,381   |              | 2,241,087        | 1,707    |
| 66  | 62                  | 2,609,212                              | (344,306)   | 2,264,906      |              | 2,264,906   |              | 2,266,982        | 2,076    |
| 67  | 63                  | 2,613,371                              | (339,707)   | 2,273,665      |              | 2,273,665   |              | 2,275,705        | 2,040    |
| 68  | 64                  | 2,608,117                              | (334,106)   | 2,274,012      |              | 2,274,012   |              | 2,275,983        | 1,972    |
| 69  | 65                  | 2,586,706                              | (327,543)   | 2,259,163      |              | 2,259,163   |              | 2,260,862        | 1,699    |
| 70  | 66                  | 2,588,779                              | (321,702)   | 2,267,077      |              | 2,267,077   |              | 2,268,541        | 1,465    |
| 71  | 67                  | 2,546,453                              | (313,177)   | 2,233,276      |              | 2,233,276   |              | 2,234,383        | 1,107    |
| 72  | 68                  | 2,537,647                              | (305,812)   | 2,231,836      |              | 2,231,836   |              | 2,232,666        | 830      |
| 73  | 69                  | 2,449,778                              | (292,508)   | 2,157,270      |              | 2,157,270   |              | 2,157,798        | 528      |
| 74  | 70                  | 2,424,164                              | (283,115)   | 2,141,050      |              | 2,141,050   |              | 2,141,228        | 179      |
| 75  | 71                  | 2,393,059                              | (272,125)   | 2,120,935      |              | 2,120,935   |              | 2,121,035        | 100      |
| 76  | 72                  | 2,350,720                              | (259,376)   | 2,091,344      |              | 2,091,344   |              | 2,091,444        | 100      |
| 77  | 73                  | 2,220,964                              | (244,349)   | 1,976,615      |              | 1,976,615   |              | 1,976,715        | 100      |
| 78  | 74                  | 2,117,509                              | (229,629)   | 1,887,881      |              | 1,887,881   |              | 1,887,981        | 100      |
| 79  | 75                  | 1,966,490                              | (211,048)   | 1,755,442      |              | 1,755,442   |              | 1,755,542        | 100      |
| 80  | 76                  | 1,780,355                              | (183,301)   | 1,597,055      |              | 1,597,055   |              | 1,597,155        | 100      |
| 81  | 77                  | 1,628,880                              | (160,182)   | 1,468,699      |              | 1,468,699   |              | 1,468,799        | 100      |
| 82  | 78                  | 1,517,318                              | (159,106)   | 1,358,212      |              | 1,358,212   |              | 1,358,312        | 100      |
| 83  | 79                  | 1,390,120                              | (157,533)   | 1,232,587      |              | 1,232,587   |              | 1,232,687        | 100      |
| 84  | 80                  | 1,245,900                              | (155,413)   | 1,090,486      |              | 1,090,486   |              | 1,090,586        | 100      |
| 85  | 81                  | 1,083,340                              | (147,860)   | 935,480        |              | 935,480   |              | 935,580          | 100      |
| 86  | 82                  | 905,144                                | (138,123)   | 767,021        |              | 767,021   |              | 767,121          | 100      |
| 87  | 83                  | 709,169                                | (127,245)   | 581,924        |              | 581,924   |              | 582,024          | 100      |
| 88  | 84                  | 610,474                                | (126,106)   | 484,369        |              | 484,369   |              | 484,469          | 100      |
| 89  | 85                  | 623,335                                | (129,865)   | 493,470        |              | 493,470   |              | 493,570          | 100      |
| 90  | 86                  | 636,591                                | (133,744)   | 502,848        |              | 502,848   |              | 502,948          | 100      |
| 91  | 87                  | 650,255                                | (137,747)   | 512,508        |              | 512,508   |              | 512,608          | 100      |
| 92  | 88                  | 506,838                                | (135,579)   | 371,259        |              | 371,259   |              | 371,359          | 100      |
| 93  | 89                  | 521,352                                | (139,843)   | 381,509        |              | 381,509   |              | 381,609          | 100      |
| 94  | 90                  | 536,309                                | (144,243)   | 392,066        |              | 392,066   |              | 392,166          | 100      |
| 95  | 91                  |  |             |                |              |   |              |                  |          |

(1) Plus value of life insurance outside of the estate, irrevocable trusts and other assets (\$0) if applicable.

\*Assets & Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

\*\*Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

\*\*\*The Credit Shelter Trust is funded with the smaller of the current year Unified Credit exclusion or separate property plus 1/2 community property.

Note: This illustration assumes the 2001 tax law changes are continued after 2010 (estate tax is repealed.)

It is assumed that both deaths occur at each age illustrated.

## *Estate Planning Concept Illustrations*

Retire at 65

The following Estate Planning report pages are provided to illustrate various conceptual planning techniques that might be considered for present or future use.

**EGTRRA** In 2001 the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) was passed, resulting in some substantial changes to estate planning.

At the present time the estate tax scenario is rather confusing. The tax rates and exclusions are in the process of change, particularly relating to the amount of an estate that may be passed to heirs without estate taxes being levied. Since there is a substantial amount of uncertainty relating to the future of the estate tax situation, we have not attempted at this point to give definitive suggestions about alternative estate planning possibilities. Instead, the attached reports illustrate several techniques that might be considered in a more extensive analysis. Although these concepts have been used in the past, their applicability will be subject to the results of possible changes in estate taxation decisions made by Congress in the next few years.

**The present estate tax situation under EGTRRA is described below:**

| <u>Year</u> | <u>Exemption amount</u> | <u>Highest rate</u> |
|-------------|-------------------------|---------------------|
| 2004        | \$1,500,000             | 48%                 |
| 2005        | \$1,500,000             | 47%                 |
| 2006        | \$2,000,000             | 46%                 |
| 2007        | \$2,000,000             | 45%                 |
| 2008        | \$2,000,000             | 45%                 |
| 2009        | \$3,500,000             | 45%                 |
| 2010        | Estate tax repealed     | 0%                  |
| 2011        | \$1,000,000             | 55%                 |

As you can see from the above table, both the amount of the maximum exclusion allowance and the maximum tax rate will gradually change until 2009. Then in 2010 the estate tax is entirely repealed unless Congress makes changes the estate tax will reappear in 2011 using the amounts and rates that were in effect in 2001.

At present when an heir receives property from an estate, the property takes a "stepped up basis", protecting the heir from income tax on appreciation that occurred prior to the estate settlement.

Under the new scenario in 2010, when there is no estate tax, the heirs will receive property with the same basis that it had for the deceased. This means that instead of estate taxes when the estate is settled the new owner may be subject to capital gains tax on appreciation that occurred before it was received. A variable "step-up" in basis may provide some relief from the capital gains tax.

It is not only possible, but likely, that prior to 2010 Congress will make additional changes to the situation described above. For this purpose, it is suggested that a separate analysis of your estate planning be considered only if it appears that your situation might benefit from more in-depth analysis and planning. Please recognize that any estate suggestions made now could require total revision depending on future changes in the estate tax laws enacted in the next few years.

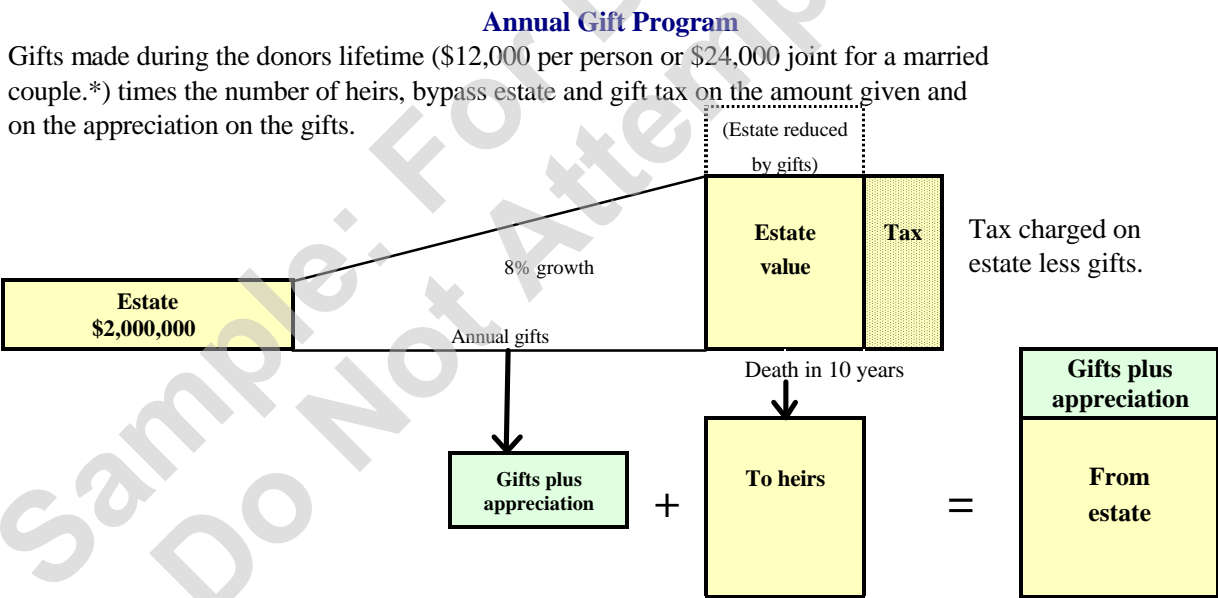
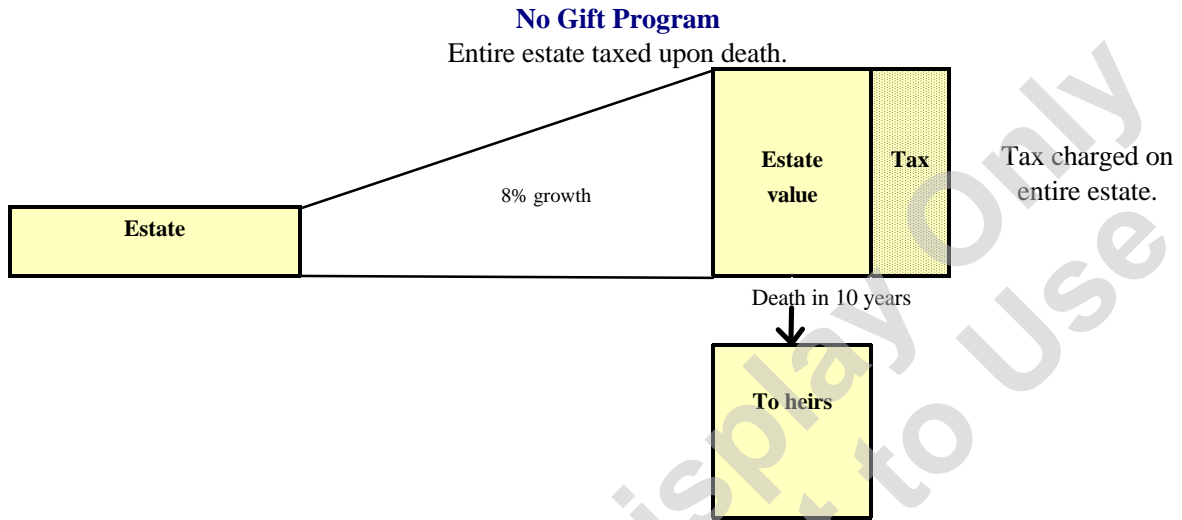
# Gift Program

(Concept illustration)

E9

Retire at 65

A significant benefit of making tax free gifts from your estate is the ability to avoid estate taxes on the future appreciation of the property gifted.



The ability to gift assets to donees without payment of gift or estate taxes can substantially increase the future values available to heirs. When the \$2,000,000 estate described above is compared without and with a program of giving \$12,000 per year for 10 years, the savings in estate taxes increases the future benefit to heirs from \$3,390,839 to \$3,550,473, an increase of \$159,634.

Note: The current estate tax rules and probable future changes could dramatically affect a gifting program either positively or negatively.

\*2006 amounts are shown. Allowable amount for gifting is scheduled to increase in future years.

# Life Insurance Trust

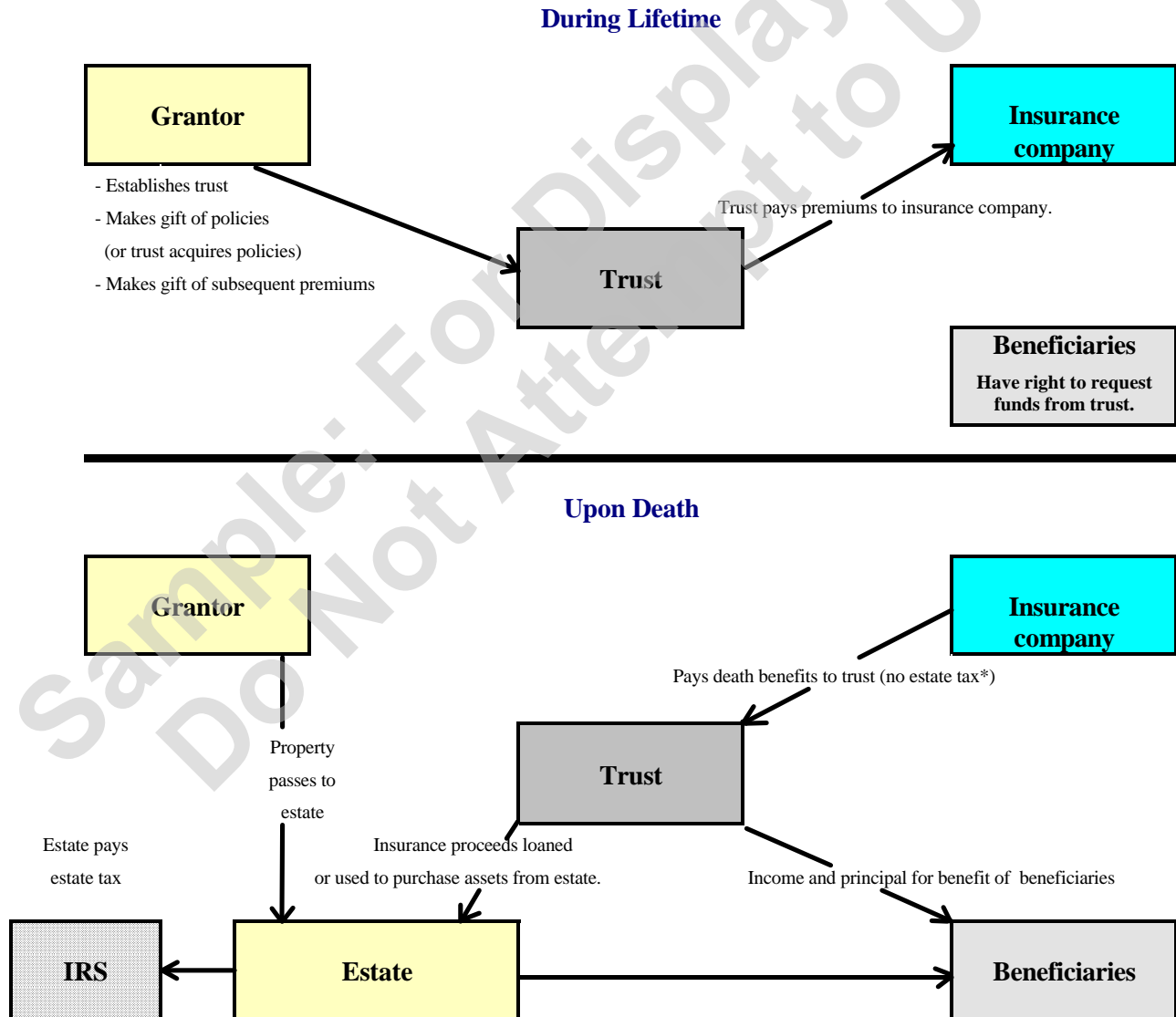
(Concept illustration)

E10

Retire at 65

The Irrevocable Life Insurance Trust (ILIT) is a basic and useful tool for estate planning. When an ILIT is funded with life insurance it may accomplish multiple objectives.

- Provide income for a family
- Provide funds for estate settlement costs
- Avoid increasing estate taxes
- Avoid probate costs
- Provide for management of assets
- Maintain confidentiality
- Take advantage of gift tax laws
- Help provide a minimal drain on present funds



\* If existing policies are gifted to trust, insured must live 3 years to avoid tax.

# Charitable Remainder Trust

(Concept illustration)

E11

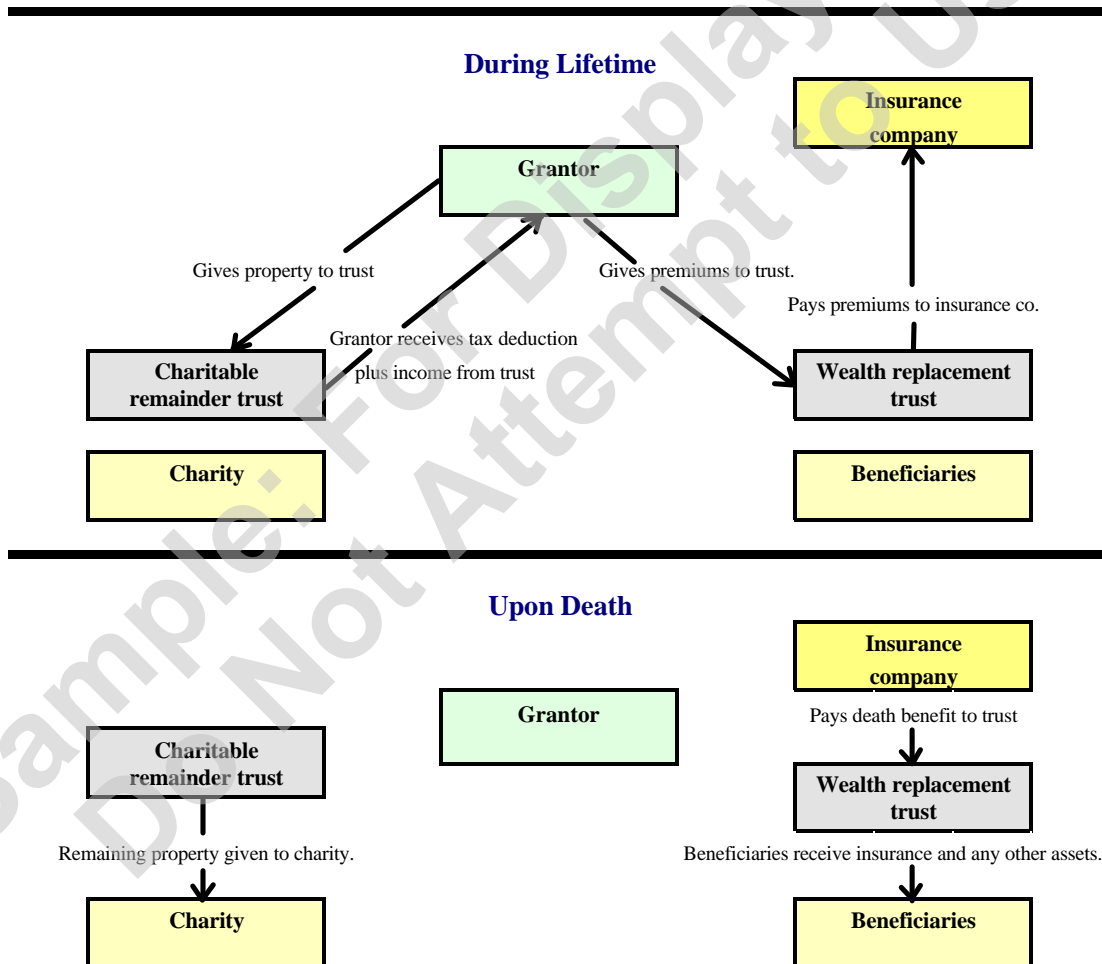
Retire at 65

Using a charitable remainder trust, an individual makes a substantial deferred gift to a charity while retaining the right to receive payments from the trust. The use of such a trust can have multiple tax and non-tax advantages, particularly when the gift is in the form of appreciated property.

Some of the potential benefits:

- Immediate reduction in income taxes
- Increased cash flow
- Avoidance of capital gains upon sale of the asset
- Eventual reduction of estate taxes
- Satisfaction of benefiting a favored charity

When combined with a wealth replacement trust, the full value of the estate may still be preserved for heirs.



The charitable trust is sometimes referred to as a triple win trust. The grantor wins by receiving an immediate tax deduction based on the present value of the charity's remainder interest. The grantor also receives income, either as a fixed annual amount in the form of an "annuity trust" or as a percent of the trust value as a "unitrust". The beneficiaries win when a wealth replacement trust is established and life insurance is used to replace the value of the property placed into the trust. The charity wins by receiving the remainder of the property when the trust is terminated.

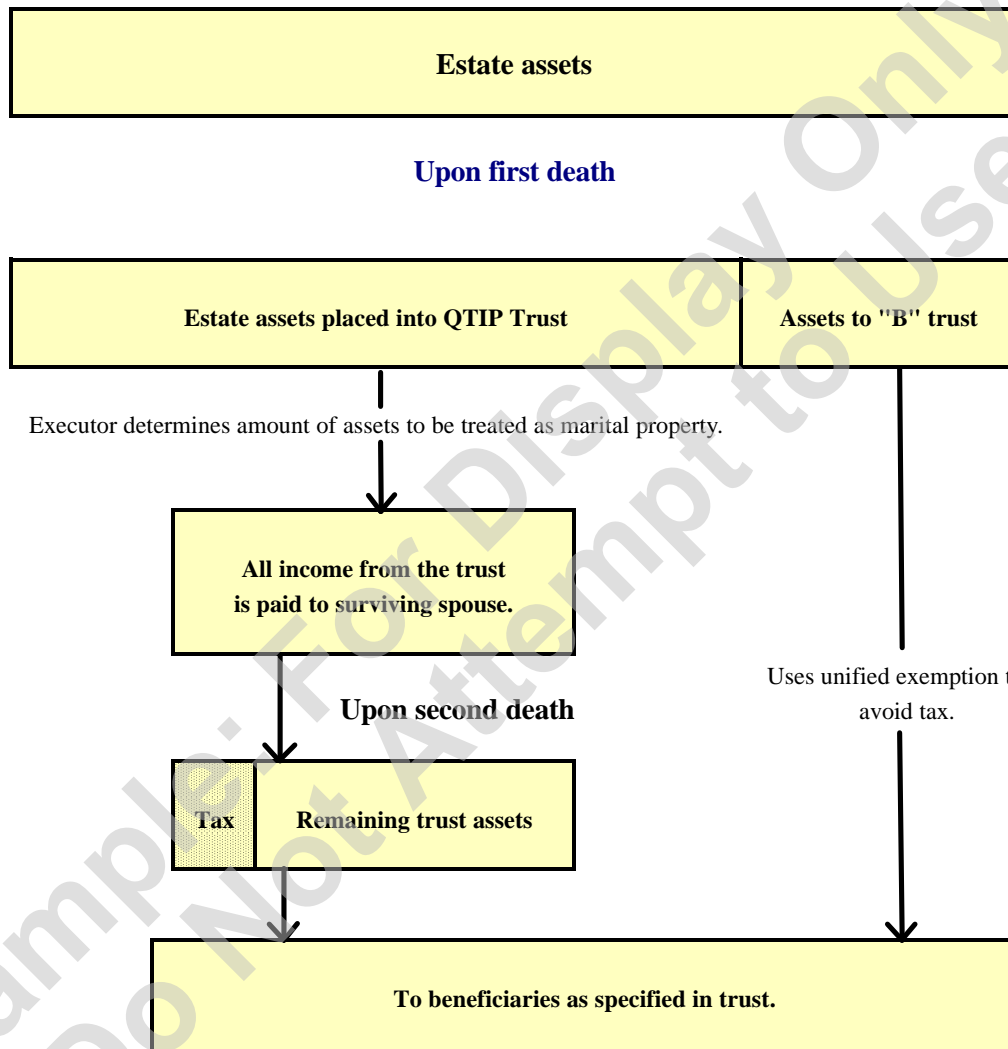
# QTip Trust

Retire at 65

(Concept illustration)

E12

The Qualified Terminable Interest Trust (QTIP) is designed to reduce taxes through the use of the marital deduction, yet control who will eventually receive the property upon the death of the surviving spouse.



In order to qualify for this treatment the executor must make an irrevocable election to have the marital deduction apply to property placed in the trust. This gives the executor the power to determine how much, if any, of the estate will be taxed at the first death, and also provides flexibility for post death planning.

Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws may impact the above illustration either positively or negatively.

# Generation-Skipping Transfers

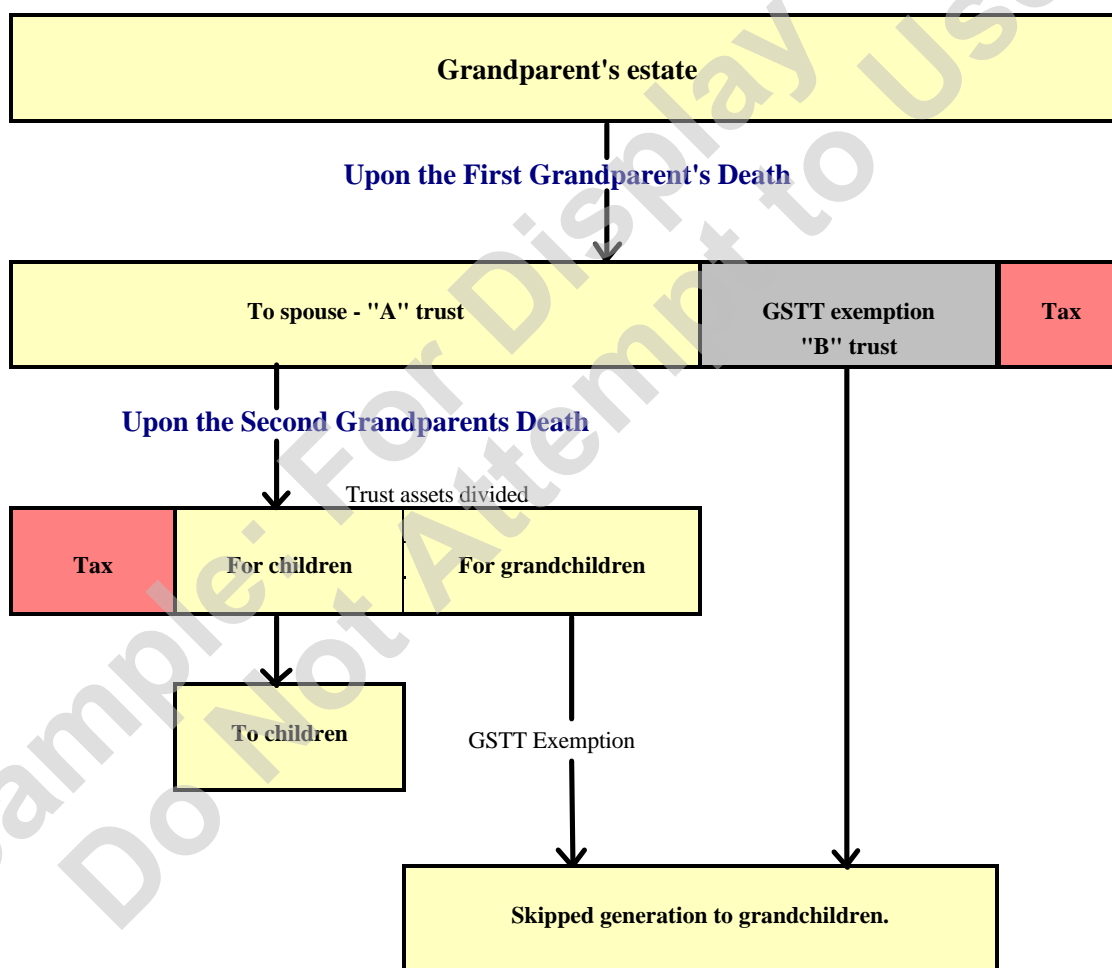
(Concept illustration)

E13

Retire at 65

The Federal estate tax system is designed to tax property as it is passed from one generation to the next. The generation-skipping transfer tax (GSTT) is intended to prevent wealthy families from reducing estate taxes by skipping one or more generations in the passage of their assets.

The GSTT is paid in addition to the normal estate or gift tax, and is applied when property is transferred to a person two or more generations younger than the transferor.



Although the benefits of using the GSTT transfer techniques can be substantial for larger estates, its complexity would indicate that careful and thorough planning with qualified counsel is required in order to avoid unexpected tax consequences.

Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws may impact the above illustration either positively or negatively.

## *Insurance*

An important consideration for your financial security is your need for funds in the event of premature death, or estate liquidity. This section provides details regarding the need for insurance protection for a death occurring now or in the future.

Also included in this section is a discussion of disability income replacement, property and casualty and long term care needs insurance.

Sample: For Display Only  
Do Not Attempt to Use

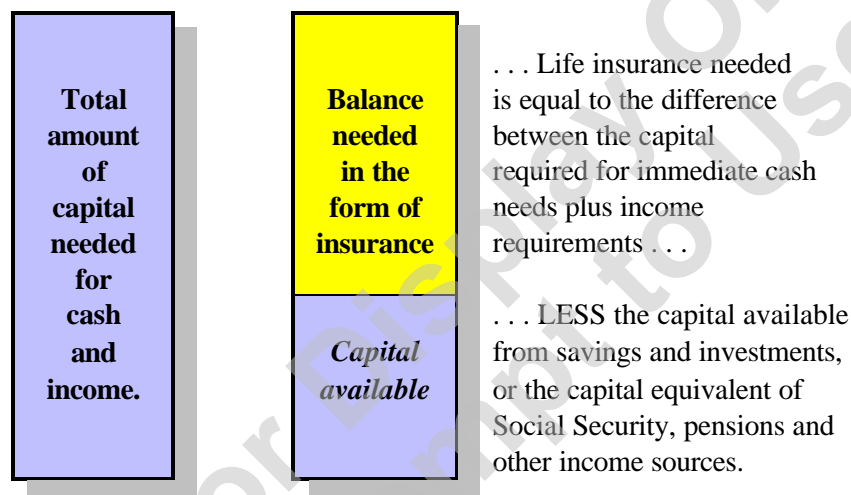
## Life Insurance

Retire at 65

F1

In order to assure financial security in the event of the premature loss of a principal wage earner, any surviving heirs must have either an adequate source of wages or they must have sufficient accumulated capital to provide income in the form of interest, dividends, or the ability to consume such capital.

Unless you have already accumulated sufficient capital, the only course of action is to "option" for a sum of money for delivery at the time it is most needed -- the passing of a principal wage earner. The concept of optioning capital is nothing more than the idea of life insurance.



### CAPITAL NEEDED (for survivor income and expenses)

As time passes and the remaining heirs become less dependent on the wage earner, the total capital needed usually decreases.

### CAPITAL AVAILABLE (savings and investments)

If a careful program of saving and investing is followed, then capital available grows. At the point where the CAPITAL AVAILABLE is equal to the CAPITAL NEEDED, then life insurance is no longer needed except in cases where assets are not liquid.

In preparing the following Survivor Capital reports, all income needed and available has been converted to an equivalent "Present Value Capital" amount. In other words, we show the amount of capital that would be needed today to provide the future stream of income assuming that the capital will earn interest at 6.00% and that you wish to leave to your heirs capital in the amount of \$250,000 when Allen dies, and \$250,000 when Betty dies.

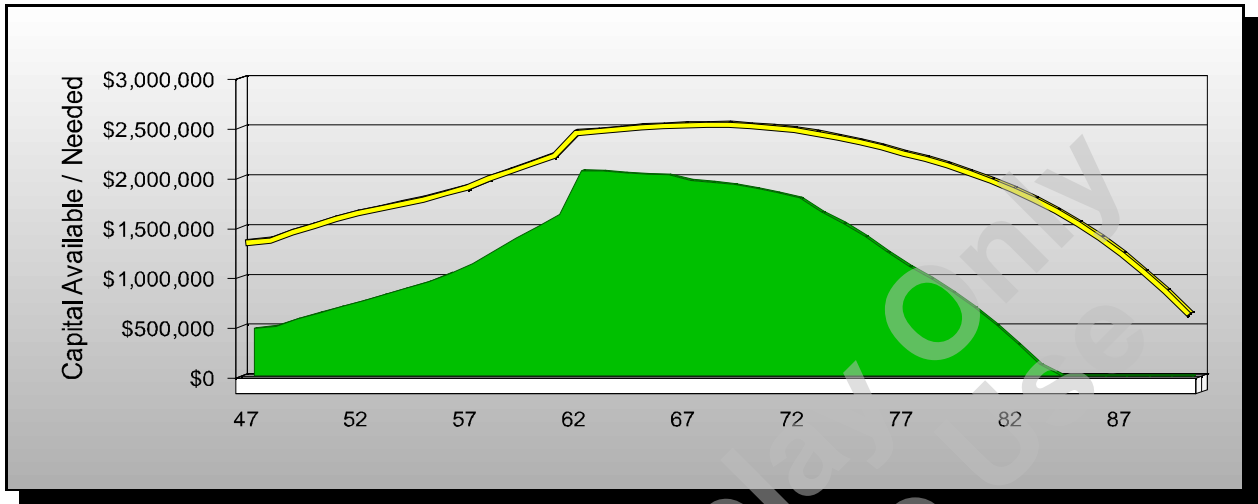
*Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning and spouse retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for projected higher coverage needs. Consult with your financial and/or insurance advisor about factors that may suggest additional insurance coverage.*

# Life Insurance

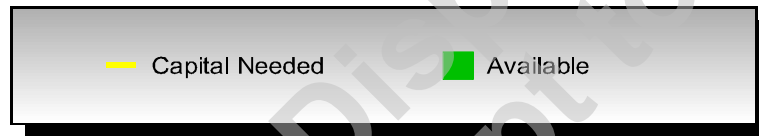
Retire at 65

F2

## Betty survives



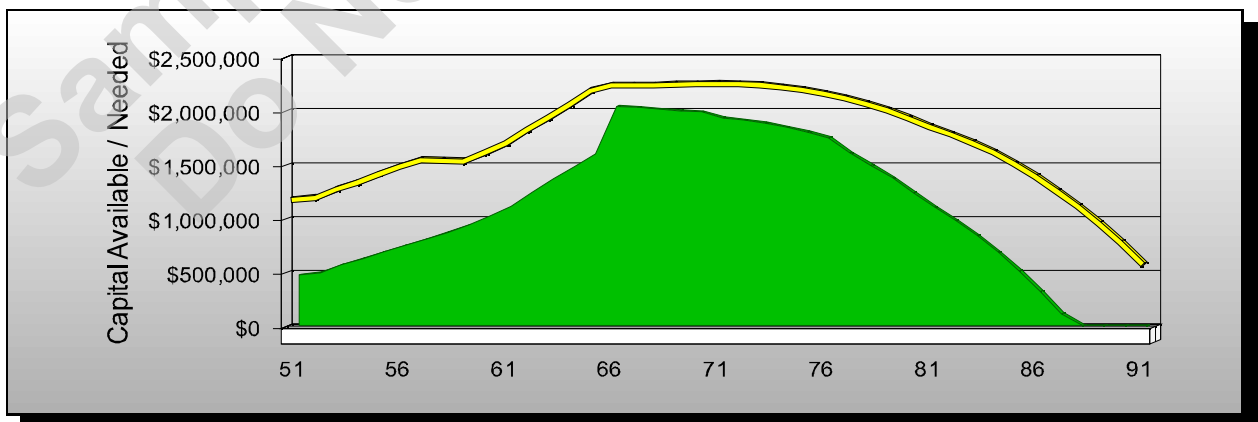
F4



The shaded area of the graph shows the amount of capital available at a given age. The line represents the amount of funds needed to provide capital for immediate cash needs and income for the survivor. If at any time the line extends above the shaded area, this indicates an amount of additional capital needed in the form of insurance.

The graph is interpreted to show the amount of insurance needed if death occurs at a selected age. For example, if no shortage is shown now, then the amount of capital available now will be adequate through life expectancy. If a shortage is indicated 10 years from now, then the additional insurance will be required only if death occurs at that age.

## Allen survives



F6



## Survivor Needs for Betty

F3

Retire at 65

This analysis is used to show the amount of life insurance needed if Allen's death occurs at Betty's age shown and benefits are provided through Betty's life expectancy. The first age is current age, the last age is 10 years prior to life expectancy. Other ages are selected midpoint ages. Refer to "Survivor Capital Estimate" for additional details.

| <b>Betty's age when Allen dies</b>               | <b>47</b>            | <b>57</b>            | <b>67</b>            | <b>80</b>            |          |
|--|----------------------|----------------------|----------------------|----------------------|----------|
| Annual personal expense and item. deduction      | (\$46,792)           | (\$65,920)           | (\$150,683)          | (\$225,325)          |          |
| Debt payments                                    | (3,600)              |                      |                      |                      |          |
| Insurance premiums                               | (960)                | (841)                | (1,213)              | (1,822)              |          |
| <b>Total annual expenses at this age</b>         | <b>(\$51,352)</b>    | <b>(\$66,761)</b>    | <b>(\$151,895)</b>   | <b>(\$227,147)</b>   | J3       |
| <b>Income sources:</b>                           |                      |                      |                      |                      |          |
| Earned income*                                   | 38,250               | 38,250               |                      |                      |          |
| Pensions* & Social Security                      | 16,379               | 2,040                | 33,060               | 43,750               |          |
| Other income or (expense)                        | (34,213)             | 26,894               | 9,271                |                      |          |
| <b>Total sources</b>                             | <b>\$20,416</b>      | <b>\$67,184</b>      | <b>\$42,331</b>      | <b>\$43,750</b>      | J3       |
| <b>Annual surplus or (shortage) this year</b>    | <b>(30,936)</b>      | <b>423</b>           | <b>(109,564)</b>     | <b>(183,397)</b>     |          |
| <b>Capital required to fund income needed</b>    | <b>(\$972,432)</b>   | <b>(\$1,562,387)</b> | <b>(\$2,033,308)</b> | <b>(\$1,683,764)</b> | F4       |
| <b>Plus immediate cash needs:</b>                |                      |                      |                      |                      |          |
| Final expenses and other cash needs              | (285,000)            | (300,298)            | (322,549)            | (358,997)            |          |
| Estate administration and legal costs            | (22,371)             | (36,752)             | (42,398)             | (15,221)             |          |
| Mortgage and debt balance payoff                 | (76,300)             | (8,909)              | (135,825)            |                      |          |
| <b>Total immediate cash requirements</b>         | <b>(\$383,671)</b>   | <b>(\$345,959)</b>   | <b>(\$500,772)</b>   | <b>(\$374,218)</b>   | J5       |
| <b>Total capital needed at Allen's death (a)</b> | <b>(\$1,356,103)</b> | <b>(\$1,908,346)</b> | <b>(\$2,534,080)</b> | <b>(\$2,057,981)</b> |          |
| <b>Less assets available:</b>                    |                      |                      |                      |                      |          |
| Savings and investments plus Roth IRA            | 422,110              | 950,209              | 1,573,970            | 683,121              | C6       |
| Allen's retirement accounts (net of tax*)        | 27,200               | 70,311               | 134,732              |                      | H5...H6d |
| Betty's retirement accounts (net of tax*)        | 23,205               | 98,676               | 251,432              |                      | H6...H6d |
| <b>Total assets available at this age:</b>       | <b>\$472,515</b>     | <b>\$1,119,195</b>   | <b>\$1,960,133</b>   | <b>\$683,121</b>     |          |
| <b>Insurance needed for remaining years</b>      | <b>\$883,588</b>     | <b>\$789,151</b>     | <b>\$573,947</b>     | <b>\$1,374,860</b>   |          |
| Life insurance on Allen at the age shown         | 157,500              | 157,500              | 157,500              | 157,500              | J1       |
| <b>Additional insurance needed on Allen (b)</b>  | <b>\$726,088</b>     | <b>\$631,651</b>     | <b>\$416,447</b>     | <b>\$1,217,360</b>   |          |

### Notes to above data:

a - This represents the amount of capital needed, sometimes referred to as the Net Present Value, at the age shown to fund all future income shortages, assuming the capital could earn 6.00% after tax each year.

b - The additional insurance needed will vary depending on when death occurs, the amount of capital available at the time of death and the number of years remaining to provide income.

\*Earned income, pensions and retirement accounts reduced by 15% for income taxes.

# Survivor Cash Flow - Allen

F5a

Retire at 65

| <b>INCOME:</b>                       | <u>Amount</u>         | <u>Percent of income</u> |         |
|--------------------------------------|-----------------------|--------------------------|---------|
| Salaries & Wages                     | \$5,417               | 97.11%                   | D3      |
| Self employment income (Sch C)       | 83                    | 1.49%                    | H8      |
| Interest                             | 896                   | 16.06%                   | H1...H4 |
| Dividends                            | 251                   | 4.50%                    | H2      |
| Rent, Royalty & Partnerships (Sch E) | 167                   | 2.99%                    |         |
| Other net income or (expense)        | (2,164)               | -38.80%                  | G8      |
| Social Security income               | 929                   | 16.65%                   |         |
| <b>Total income available</b>        | <u><u>\$5,578</u></u> | <u><u>100.00%</u></u>    |         |

| <b>EXPENDITURES:</b>                                | <u>Amount</u>          | <u>Percent of income</u> |     |
|---|------------------------|--------------------------|-----|
| Federal and State income tax                        | \$997                  | 17.87%                   | D3  |
| FICA taxes  | 414                    | 7.43%                    | D3  |
| Residence mortgage                                  | 6,000                  | 107.57%                  | K6  |
| Auto Loans  | 205                    | 3.68%                    | K6  |
| Credit Cards  | 288                    | 5.15%                    | K6a |
| Life insurance                                      | 213                    | 3.81%                    | J1  |
| Homeowners & other insurance                        | 32                     | 0.58%                    | G15 |
| Auto insurance                                      | 17                     | 0.30%                    | G15 |
| Disability insurance                                | 38                     | 0.67%                    | G15 |
| Saving and Investment additions                     | 261                    | 4.68%                    | G12 |
| Retirement account additions (IRA, 401k, TSA, etc.) | 650                    | 11.65%                   | G12 |
| Education fund deposits                             | 145                    | 2.60%                    |     |
| Charitable contributions                            | 63                     | 1.12%                    | D3  |
| Misc. itemized deductions                           | 729                    | 13.07%                   | D3  |
| Property & other taxes                              | 292                    | 5.23%                    | D3  |
| Miscellaneous Expense                               | 960                    | 17.21%                   |     |
| Food and Household Expenses                         | 480                    | 8.61%                    |     |
| Utilities   | 356                    | 6.38%                    |     |
| Auto Operating and Maintenance                      | 293                    | 5.26%                    |     |
| Holidays  | 100                    | 1.79%                    |     |
| Domestic Help                                       | 120                    | 2.15%                    |     |
| Clothing  | 240                    | 4.30%                    |     |
| Property Improvements/Upkeep                        | 100                    | 1.79%                    |     |
| Vacations   | 133                    | 2.39%                    |     |
| Pet Expenses  | 13                     | 0.24%                    |     |
| Books/Subscriptions                                 | 20                     | 0.36%                    |     |
| <b>Total spending and savings</b>                   | <u><u>\$13,158</u></u> | <u><u>235.89%</u></u>    |     |
| <b>Cash flow surplus (Income less Spending)</b>     | <b>(\$7,580)</b>       |                          |     |

Note: Items on this report represent only current year income and expenses. Amounts will vary in future years.

# Survivor Capital Estimate - Betty Survives

Retire at 65

| Age | Income needed and sources |                 |                    |               |                      | Capital needed for income | Immediate cash needs | Net assets plus additions** | Total life insurance needed |
|-----|---------------------------|-----------------|--------------------|---------------|----------------------|---------------------------|----------------------|-----------------------------|-----------------------------|
|     | Personal expenses         | Earned income** | Soc Sec & pensions | Other inc/exp | Income surplus/short |                           |                      |                             |                             |
|     | (\$6,933,577)             | \$688,500       | \$1,204,571        | (\$27,591)    | (\$5,068,097)        |                           |                      |                             |                             |
| 47  | (\$51,352)                | \$38,250        | \$16,379           | (\$34,213)    | (\$30,936)           | (\$972,432)               | (\$383,671)          | \$472,515                   | \$883,588                   |
| 48  | (50,046)                  | 38,250          | 16,665             | 19,432        | 24,300               | (999,842)                 | (377,829)            | 495,292                     | 882,379                     |
| 49  | (51,121)                  | 38,250          | 16,958             | (1,349)       | 2,738                | (1,084,133)               | (374,235)            | 568,519                     | 889,849                     |
| 50  | (52,895)                  | 38,250          | 17,256             |               | 2,611                | (1,151,919)               | (372,065)            | 628,187                     | 895,797                     |
| 51  | (55,119)                  | 38,250          | 17,561             | (11,654)      | (10,962)             | (1,223,645)               | (369,596)            | 691,457                     | 901,785                     |
| 52  | (57,010)                  | 38,250          | 2,040              | (12,108)      | (28,829)             | (1,286,102)               | (366,647)            | 750,165                     | 902,584                     |
| 53  | (58,594)                  | 38,250          | 2,040              | (12,580)      | (30,884)             | (1,334,439)               | (363,302)            | 810,621                     | 887,120                     |
| 54  | (60,622)                  | 38,250          | 2,040              | (13,071)      | (33,403)             | (1,383,621)               | (359,551)            | 874,856                     | 868,316                     |
| 55  | (62,721)                  | 38,250          | 2,040              |               | (22,431)             | (1,433,236)               | (355,356)            | 943,116                     | 845,476                     |
| 56  | (64,509)                  | 38,250          | 2,040              |               | (24,219)             | (1,496,799)               | (350,948)            | 1,028,308                   | 819,439                     |
| 57  | (66,761)                  | 38,250          | 2,040              | 26,894        | 423                  | (1,562,387)               | (345,959)            | 1,119,195                   | 789,151                     |
| 58  | (69,091)                  | 38,250          | 2,040              |               | (28,801)             | (1,656,554)               | (341,874)            | 1,250,796                   | 747,632                     |
| 59  | (71,505)                  | 38,250          | 2,040              |               | (31,215)             | (1,727,146)               | (346,483)            | 1,381,861                   | 691,767                     |
| 60  | (74,004)                  | 38,250          | 2,040              |               | (33,714)             | (1,799,560)               | (350,807)            | 1,495,790                   | 654,577                     |
| 61  | (65,097)                  | 38,250          | 2,040              | (34,634)      | (59,441)             | (1,873,819)               | (355,186)            | 1,617,259                   | 611,746                     |
| 62  | (134,847)                 | 38,250          | 2,122              |               | (94,474)             | (1,926,807)               | (530,466)            | 2,057,391                   | 399,883                     |
| 63  | (134,245)                 | 38,250          | 2,208              |               | (93,787)             | (1,947,941)               | (526,130)            | 2,051,238                   | 422,833                     |
| 64  | (138,454)                 | 38,250          | 2,297              | 8,735         | (89,172)             | (1,971,031)               | (520,982)            | 2,035,145                   | 456,868                     |
| 65  | (142,795)                 |                 | 31,680             | 8,745         | (102,371)            | (2,000,121)               | (514,764)            | 2,022,344                   | 492,541                     |
| 66  | (147,274)                 |                 | 32,362             | 9,397         | (105,515)            | (2,017,758)               | (508,491)            | 2,013,676                   | 512,573                     |
| 67  | (151,895)                 |                 | 33,060             | 9,271         | (109,564)            | (2,033,308)               | (500,772)            | 1,960,133                   | 573,947                     |
| 68  | (156,663)                 |                 | 33,774             | 9,545         | (113,343)            | (2,045,742)               | (493,104)            | 1,940,538                   | 598,308                     |
| 69  | (161,581)                 |                 | 34,505             |               | (127,076)            | (2,055,143)               | (484,726)            | 1,916,463                   | 623,406                     |
| 70  | (166,655)                 |                 | 35,252             |               | (131,403)            | (2,051,375)               | (475,411)            | 1,879,213                   | 647,573                     |
| 71  | (171,890)                 |                 | 36,016             |               | (135,874)            | (2,043,055)               | (465,939)            | 1,836,026                   | 672,968                     |
| 72  | (177,291)                 |                 | 36,798             |               | (140,493)            | (2,029,764)               | (455,960)            | 1,783,374                   | 702,350                     |
| 73  | (182,863)                 |                 | 37,599             |               | (145,264)            | (2,011,057)               | (440,437)            | 1,643,111                   | 808,383                     |
| 74  | (188,612)                 |                 | 38,418             |               | (150,194)            | (1,986,456)               | (424,702)            | 1,528,960                   | 882,198                     |
| 75  | (194,544)                 |                 | 39,256             |               | (155,288)            | (1,955,449)               | (407,667)            | 1,398,454                   | 964,663                     |
| 76  | (200,663)                 |                 | 40,113             |               | (160,550)            | (1,917,489)               | (395,609)            | 1,242,241                   | 1,070,856                   |
| 77  | (206,977)                 |                 | 40,991             |               | (165,986)            | (1,871,988)               | (379,027)            | 1,098,217                   | 1,152,798                   |
| 78  | (213,491)                 |                 | 41,889             |               | (171,602)            | (1,818,321)               | (377,857)            | 976,279                     | 1,219,899                   |
| 79  | (220,212)                 |                 | 42,809             |               | (177,404)            | (1,755,819)               | (376,268)            | 838,379                     | 1,293,707                   |
| 80  | (227,147)                 |                 | 43,750             |               | (183,397)            | (1,683,764)               | (374,218)            | 683,121                     | 1,374,860                   |
| 81  | (234,302)                 |                 | 44,713             |               | (189,589)            | (1,601,392)               | (376,708)            | 509,179                     | 1,468,921                   |
| 82  | (241,684)                 |                 | 45,699             |               | (195,985)            | (1,507,887)               | (380,555)            | 319,246                     | 1,569,196                   |
| 83  | (249,301)                 |                 | 46,709             |               | (202,593)            | (1,402,375)               | (384,524)            | 111,170                     | 1,675,729                   |
| 84  | (257,161)                 |                 | 47,742             |               | (209,418)            | (1,283,925)               | (388,621)            |                             | 1,672,546                   |
| 85  | (265,270)                 |                 | 48,801             |               | (216,469)            | (1,151,542)               | (392,850)            |                             | 1,544,392                   |
| 86  | (273,637)                 |                 | 49,884             |               | (223,753)            | (1,004,166)               | (397,214)            |                             | 1,401,379                   |
| 87  | (282,270)                 |                 | 50,994             |               | (231,276)            | (840,663)                 | (401,717)            |                             | 1,242,380                   |
| 88  | (291,179)                 |                 | 52,130             |               | (239,048)            | (659,826)                 | (401,640)            |                             | 1,061,467                   |
| 89  | (300,370)                 |                 | 53,294             |               | (247,076)            | (460,368)                 | (406,438)            |                             | 866,806                     |
| 90  | (309,855)                 |                 | 54,486             |               | (255,369)            | (240,914)                 | (411,389)            |                             | 652,302                     |
| 91  |                           |                 |                    |               |                      |                           |                      |                             |                             |

\* Includes basic personal expenses plus insurance premiums, debt payments and itemized deductions.

\*\*Earned income, pensions and retirement accounts reduced by 15% for income taxes.

## Survivor Needs for Allen

F5

Retire at 65

This analysis is used to show the amount of life insurance needed if Betty's death occurs at Allen's age shown and benefits are provided through Allen's life expectancy. The first age is current age, the last age is 10 years prior to life expectancy. The other ages are selected midpoint ages. Refer to "Survivor Capital Estimate" for additional details.

| <b>Allen's age when Betty dies</b>               | <b>51</b>            | <b>61</b>            | <b>71</b>            | <b>81</b>            |          |
|--|----------------------|----------------------|----------------------|----------------------|----------|
| Annual personal expense & item. deduction        | (\$46,792)           | (\$65,920)           | (\$150,683)          | (\$205,319)          |          |
| Debt payments                                    | (3,660)              |                      | (18,925)             |                      |          |
| Insurance premiums                               | (3,585)              | (1,291)              | (1,213)              | (1,658)              |          |
| <b>Total annual expenses at this age</b>         | <b>(\$54,037)</b>    | <b>(\$67,211)</b>    | <b>(\$170,820)</b>   | <b>(\$206,977)</b>   | J6       |
| <b>Income sources:</b>                           |                      |                      |                      |                      |          |
| Earned income*                                   | 51,480               | 82,926               |                      |                      |          |
| Pensions* & Social Security                      | 11,145               |                      | 36,271               | 44,214               |          |
| Other income or (expense)                        | (34,213)             | 33,614               | 14,579               |                      |          |
| <b>Total sources</b>                             | <b>\$28,412</b>      | <b>\$116,540</b>     | <b>\$50,850</b>      | <b>\$44,214</b>      | J6       |
| <b>Annual surplus or (shortage) this year</b>    | <b>(25,625)</b>      | <b>49,329</b>        | <b>(119,970)</b>     | <b>(162,763)</b>     |          |
| <b>Capital required to fund income needed</b>    | <b>(\$819,611)</b>   | <b>(\$1,385,694)</b> | <b>(\$1,918,377)</b> | <b>(\$1,499,849)</b> | F6       |
| <b>Plus immediate cash needs:</b>                |                      |                      |                      |                      |          |
| Final expenses and other cash needs              | (285,000)            | (300,298)            | (322,549)            | (349,211)            |          |
| Estate administration and legal costs            | (9,853)              | (15,412)             | (22,115)             | (13,948)             |          |
| Mortgage and debt payoff amount                  | (74,250)             | (8,909)              |                      |                      |          |
| <b>Total immediate cash requirements</b>         | <b>(\$369,103)</b>   | <b>(\$324,619)</b>   | <b>(\$344,663)</b>   | <b>(\$363,159)</b>   | J5       |
| <b>Total capital needed at Betty's death (a)</b> | <b>(\$1,188,714)</b> | <b>(\$1,710,312)</b> | <b>(\$2,263,040)</b> | <b>(\$1,863,008)</b> |          |
| <b>Less assets available:</b>                    |                      |                      |                      |                      |          |
| Savings and investments plus Roth IRA            | 422,110              | 950,209              | 1,573,970            | 1,098,217            | C6       |
| Allen's retirement accounts (after tax*)         | 24,960               | 64,521               | 123,636              |                      | H5...H6d |
| Betty's retirement accounts (after tax*)         | 21,294               | 90,549               | 230,726              |                      | H6...H6d |
| <b>Total assets available at this age</b>        | <b>\$468,364</b>     | <b>\$1,105,279</b>   | <b>\$1,928,331</b>   | <b>\$1,098,217</b>   |          |
| <b>Insurance needed for remaining years</b>      | <b>\$720,350</b>     | <b>\$605,034</b>     | <b>\$334,709</b>     | <b>\$764,791</b>     |          |
| Life insurance on Betty at the age shown         | 195,000              | 95,000               | 75,000               |                      | J1       |
| <b>Additional insurance needed on Betty (b)</b>  | <b>\$525,350</b>     | <b>\$510,034</b>     | <b>\$259,709</b>     | <b>\$764,791</b>     |          |

Notes to above data:

a - This represents the amount of capital needed, sometimes referred to as the net present value, at the age shown to fund all future shortages, assuming that the capital could earn 6.00% after tax each year.

b - The additional insurance needed will vary depending on when death occurs, the amount of capital available at the time of death and the number of years remaining to provide income.

\*Earned income, pensions and retirement accounts reduced by 22% for income taxes.

# Survivor Cash Flow - Betty

F3a

Retire at 65

| <b>INCOME:</b>                | <b>Amount</b>  | <b>Percent of income</b> |         |
|-------------------------------|----------------|--------------------------|---------|
| Salaries & Wages              | \$3,750        | 90.86%                   | D3      |
| Interest                      | 896            | 21.71%                   | H1...H4 |
| Dividends                     | 251            | 6.08%                    | H2      |
| Other net income or (expense) | (2,164)        | -52.44%                  | G8      |
| Pension income                | 200            | 4.85%                    | J6      |
| Social Security income        | 1,195          | 28.95%                   |         |
| <b>Total income available</b> | <b>\$4,127</b> | <b>100.00%</b>           |         |

| <b>EXPENDITURES:</b>                                | <b>Amount</b>   | <b>Percent of income</b> |     |
|---|-----------------|--------------------------|-----|
| Federal and State income tax                        | \$739           | 13.26%                   | D3  |
| FICA taxes  | 223             | 4.00%                    | D3  |
| Residence mortgage                                  | 6,000           | 107.57%                  | K7  |
| Auto Loans  | 358             | 6.42%                    | K7  |
| Credit Cards  | 300             | 5.38%                    | K7a |
| Life insurance                                      | 31              | 0.56%                    | J1  |
| Homeowners & other insurance                        | 32              | 0.58%                    | G15 |
| Auto insurance                                      | 17              | 0.30%                    | G15 |
| Retirement account additions (IRA, 401k, TSA, etc.) | 766             | 13.74%                   | G12 |
| Education fund deposits                             | 145             | 2.60%                    |     |
| Charitable contributions                            | 63              | 1.12%                    | D3  |
| Misc. itemized deductions                           | 729             | 13.07%                   | D3  |
| Property & other taxes                              | 292             | 5.23%                    | D3  |
| Miscellaneous Expense                               | 960             | 17.21%                   |     |
| Food and Household Expenses                         | 480             | 8.61%                    |     |
| Utilities   | 356             | 6.38%                    |     |
| Auto Operating and Maintenance                      | 293             | 5.26%                    |     |
| Holidays  | 100             | 1.79%                    |     |
| Domestic Help                                       | 120             | 2.15%                    |     |
| Clothing  | 240             | 4.30%                    |     |
| Property Improvements/Upkeep                        | 100             | 1.79%                    |     |
| Vacations   | 133             | 2.39%                    |     |
| Pet Expenses  | 13              | 0.24%                    |     |
| Books/Subscriptions                                 | 20              | 0.36%                    |     |
| <b>Total spending and savings</b>                   | <b>\$12,512</b> | <b>224.30%</b>           |     |

**Cash flow shortage (spending in excess of income) (\$8,384)**

Note: Items on this report represent only current year income and expenses. Amounts will vary in future years.

# Survivor Capital Estimate - Allen Survives

F6

Retire at 65

| Age | Income needed and sources |                 |                    |               |                   | Capital needed for income | Immediate cash needs | Net assets plus additions** | Total life insurance needed |
|-----|---------------------------|-----------------|--------------------|---------------|-------------------|---------------------------|----------------------|-----------------------------|-----------------------------|
|     | Personal expenses         | Earned income** | Soc Sec & pensions | Other inc/exp | Income surplus or |                           |                      |                             |                             |
|     | (\$6,338,044)             | \$872,016       | \$1,196,340        | \$30,352      | (\$4,239,335)     |                           |                      |                             |                             |
| 51  | (\$54,037)                | \$51,480        | \$11,145           | (\$34,213)    | (\$25,625)        | (\$819,611)               | (\$369,103)          | \$468,364                   | \$720,350                   |
| 52  | (\$4,821)                 | 53,001          | 11,368             | 19,432        | 28,980            | (843,163)                 | (362,826)            | 490,477                     | 715,512                     |
| 53  | (\$3,746)                 | 54,568          | 11,595             | (1,349)       | 11,068            | (922,732)                 | (360,584)            | 562,982                     | 720,334                     |
| 54  | (\$5,520)                 | 64,705          | 11,827             |               | 21,012            | (989,164)                 | (357,913)            | 621,868                     | 725,208                     |
| 55  | (\$7,744)                 | 66,622          | 12,064             | (11,654)      | 9,288             | (1,069,526)               | (354,922)            | 684,290                     | 740,157                     |
| 56  | (\$9,635)                 | 68,598          |                    | (12,108)      | (3,146)           | (1,142,985)               | (351,436)            | 742,080                     | 752,342                     |
| 57  | (\$9,044)                 | 780             |                    | (12,580)      | (70,844)          | (1,208,419)               | (347,531)            | 801,543                     | 754,407                     |
| 58  | (\$61,072)                | 780             |                    | (13,071)      | (73,363)          | (1,210,080)               | (340,192)            | 864,705                     | 685,567                     |
| 59  | (\$63,171)                | 75,289          |                    |               | 12,118            | (1,209,322)               | (335,379)            | 931,804                     | 612,897                     |
| 60  | (\$64,959)                | 79,014          |                    |               | 14,055            | (1,293,999)               | (330,306)            | 1,015,743                   | 608,562                     |
| 61  | (\$67,211)                | 82,926          |                    | 33,614        | 49,329            | (1,385,694)               | (324,619)            | 1,105,279                   | 605,034                     |
| 62  | (\$69,541)                | 87,033          |                    |               | 17,492            | (1,518,164)               | (319,427)            | 1,235,422                   | 602,170                     |
| 63  | (\$71,955)                | 91,346          |                    |               | 19,391            | (1,626,746)               | (322,963)            | 1,364,915                   | 584,794                     |
| 64  | (\$74,454)                | 95,874          |                    |               | 21,420            | (1,743,742)               | (326,430)            | 1,477,151                   | 593,021                     |
| 65  | (\$65,547)                |                 | 32,207             | (34,634)      | (67,973)          | (1,869,787)               | (329,906)            | 1,596,797                   | 602,896                     |
| 66  | (\$153,772)               |                 | 32,851             | 3,900         | (117,021)         | (1,914,001)               | (333,314)            | 2,035,189                   | 212,126                     |
| 67  | (\$153,170)               |                 | 33,508             | 4,870         | (114,791)         | (1,911,820)               | (335,518)            | 2,027,168                   | 220,170                     |
| 68  | (\$157,379)               |                 | 34,179             | 13,785        | (109,416)         | (1,911,738)               | (337,549)            | 2,009,071                   | 240,216                     |
| 69  | (\$161,720)               |                 | 34,862             | 13,657        | (113,201)         | (1,917,026)               | (339,793)            | 1,994,119                   | 262,700                     |
| 70  | (\$166,200)               |                 | 35,559             | 15,040        | (115,601)         | (1,918,847)               | (342,391)            | 1,983,716                   | 277,521                     |
| 71  | (\$170,820)               |                 | 36,271             | 14,579        | (119,970)         | (1,918,377)               | (344,663)            | 1,928,331                   | 334,709                     |
| 72  | (\$175,588)               |                 | 36,996             | 15,064        | (123,528)         | (1,913,509)               | (347,413)            | 1,907,212                   | 353,711                     |
| 73  | (\$180,506)               |                 | 37,736             | 5,132         | (137,638)         | (1,904,792)               | (347,985)            | 1,881,537                   | 371,240                     |
| 74  | (\$185,580)               |                 | 38,491             | 5,337         | (141,752)         | (1,881,442)               | (350,801)            | 1,842,609                   | 389,634                     |
| 75  | (\$190,815)               |                 | 39,260             | 5,551         | (146,004)         | (1,852,576)               | (353,002)            | 1,797,660                   | 407,918                     |
| 76  | (\$196,216)               |                 | 40,046             |               | (156,170)         | (1,817,727)               | (354,717)            | 1,744,200                   | 428,244                     |
| 77  | (\$201,788)               |                 | 40,846             |               | (160,942)         | (1,770,620)               | (358,643)            | 1,603,170                   | 526,093                     |
| 78  | (\$207,537)               |                 | 41,663             |               | (165,874)         | (1,715,916)               | (362,802)            | 1,488,297                   | 590,422                     |
| 79  | (\$213,469)               |                 | 42,497             |               | (170,972)         | (1,652,997)               | (366,003)            | 1,371,772                   | 647,229                     |
| 80  | (\$219,575)               |                 | 43,347             |               | (176,228)         | (1,581,205)               | (362,278)            | 1,234,071                   | 709,412                     |
| 81  | (\$206,977)               |                 | 44,214             |               | (162,763)         | (1,499,849)               | (363,159)            | 1,098,217                   | 764,791                     |
| 82  | (\$213,491)               |                 | 45,098             |               | (168,393)         | (1,427,076)               | (367,138)            | 976,279                     | 817,935                     |
| 83  | (\$220,212)               |                 | 46,000             |               | (174,212)         | (1,344,308)               | (371,265)            | 838,379                     | 877,194                     |
| 84  | (\$227,147)               |                 | 46,920             |               | (180,227)         | (1,250,754)               | (375,547)            | 683,121                     | 943,180                     |
| 85  | (\$234,302)               |                 | 47,858             |               | (186,444)         | (1,145,572)               | (374,949)            | 509,179                     | 1,011,342                   |
| 86  | (\$241,684)               |                 | 48,815             |               | (192,869)         | (1,027,863)               | (372,744)            | 319,246                     | 1,081,360                   |
| 87  | (\$249,301)               |                 | 49,792             |               | (199,509)         | (896,666)                 | (370,106)            | 111,170                     | 1,155,602                   |
| 88  | (\$257,161)               |                 | 50,787             |               | (206,374)         | (750,956)                 | (373,577)            |                             | 1,124,534                   |
| 89  | (\$265,270)               |                 | 51,803             |               | (213,467)         | (589,640)                 | (377,520)            |                             | 967,161                     |
| 90  | (\$273,637)               |                 | 52,839             |               | (220,798)         | (411,552)                 | (381,591)            |                             | 793,142                     |
| 91  | (\$282,270)               |                 | 53,896             |               | (228,374)         | (215,447)                 | (385,792)            |                             | 601,239                     |
| 92  |                           |                 |                    |               |                   |                           |                      |                             |                             |
| 93  |                           |                 |                    |               |                   |                           |                      |                             |                             |
| 94  |                           |                 |                    |               |                   |                           |                      |                             |                             |
| 95  |                           |                 |                    |               |                   |                           |                      |                             |                             |
|     | J6                        | J6              | J6                 | J6            |                   |                           | J5                   | C6                          |                             |

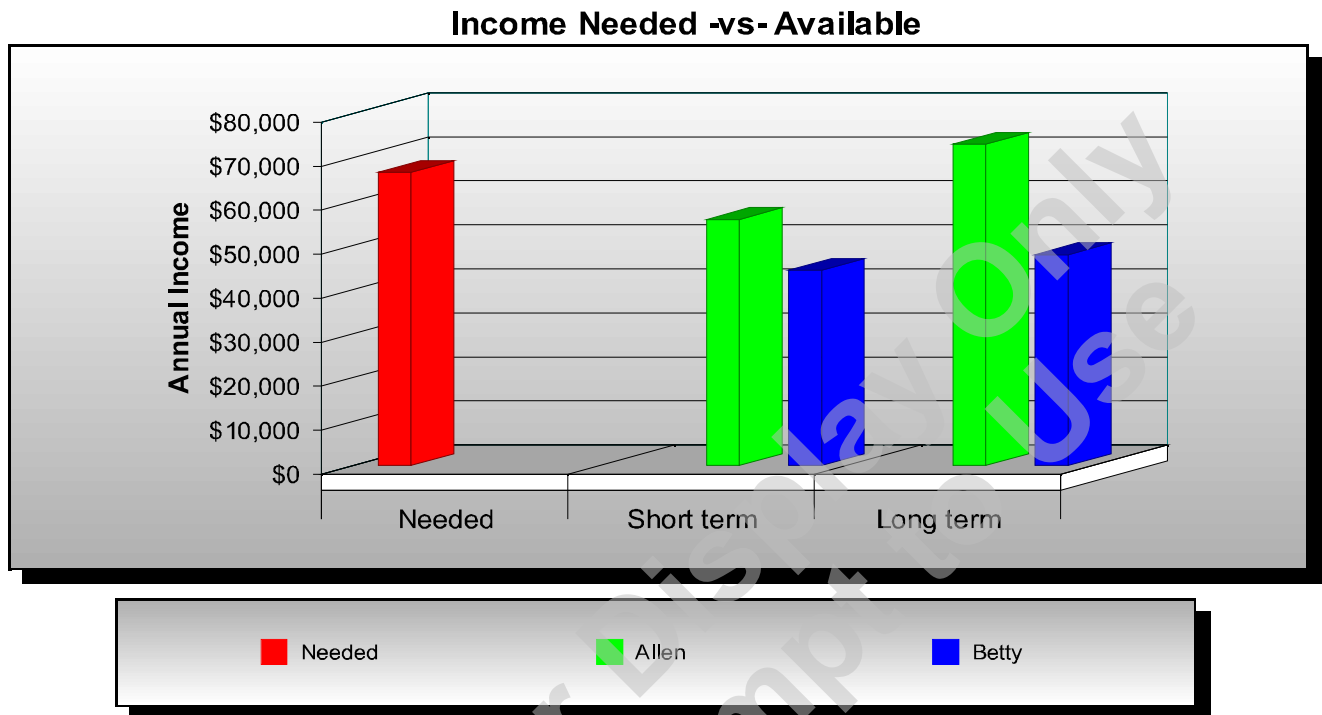
\* Includes basic personal expenses plus insurance premiums, debt payments and itemized deductions.

\*\*Earned income, pensions and retirement accounts reduced by 22% for income taxes.

# Disability Income Insurance

F7

Retire at 65



A short term or long term disability due to illness or injury can devastate your financial plans. At a time when you can no longer work for a living, your expenses may actually increase while your income decreases, forcing you to deplete funds that were accumulating for your financial independence in your retirement years.

Careful planning should be made to assure that you will have adequate income in the event of disability due to serious illness or accident.

**Allen disabled**

**Betty disabled**

|                   | <u><b>Short term</b></u> | <u><b>Long term</b></u> | <u><b>Short term</b></u> | <u><b>Long term</b></u> |
|-------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| Income needed     | \$66,642                 | \$66,642                | \$67,092                 | \$67,092                |
| Amount available  | <u>55,895</u>            | <u>72,995</u>           | <u>44,335</u>            | <u>47,935</u>           |
| Additional needed | \$10,747                 | N/A                     | \$22,757                 | \$19,157                |

F8

## Disability Income Insurance

F8

Retire at 65

In the event of total or partial disability you may face serious financial challenges. If income from wages is reduced substantially, you and those dependent on you could be required to make radical changes in your style of living, or consume assets that will be needed for security during the retirement years.

| <b>Annual income needed:*</b>                        | <b>Allen</b>          |                  | <b>Betty</b>          |                  |     |
|--|-----------------------|------------------|-----------------------|------------------|-----|
| Personal living expenses                             | \$33,792              |                  | \$33,792              |                  |     |
| Itemized deductions (property tax, contrib, etc.)    | 13,000                |                  | 13,000                |                  | G12 |
| Home mortgage  | 10,080                |                  | 10,080                |                  | G12 |
| Loan payments (auto, credit card, etc)               | 6,060                 |                  | 6,060                 |                  | K3  |
| Insurance premium payments (less disability premium) | 3,710                 |                  | 4,160                 |                  | G15 |
| <b>Total income required</b>                         | <b>\$66,642</b>       |                  | <b>\$67,092</b>       |                  |     |
| <b>Income sources while disabled:</b>                | <b>Allen disabled</b> |                  | <b>Betty disabled</b> |                  |     |
|  | <u>Short term</u>     | <u>Long term</u> | <u>Short term</u>     | <u>Long term</u> |     |
| Wages and self employment from Allen                 |                       |                  | \$66,000              | \$66,000         | G16 |
| Wages and self employment from Betty                 | \$45,000              | \$45,000         |                       |                  | G17 |
| Less taxes estimated at 22.00% / 15.00%              | (8,895)               | (9,795)          | (17,455)              | (17,455)         |     |
| Interest income                                      | 10,751                | 10,751           | 10,751                | 10,751           | D3  |
| Dividend income                                      | 3,012                 | 3,012            | 3,012                 | 3,012            | D3  |
| Schedule E rent / partnership income                 | 2,000                 | 2,000            | 2,000                 | 2,000            | D3  |
| Other net income / expense                           | (25,973)              | (25,973)         | (25,973)              | (25,973)         | G8  |
| Personal disability income policies                  | 30,000                | 42,000           | 6,000                 | 9,600            |     |
| Company disability income benefits                   |                       | 6,000            |                       |                  |     |
| <b>Total income available</b>                        | <b>\$55,895</b>       | <b>\$72,995</b>  | <b>\$44,335</b>       | <b>\$47,935</b>  |     |
| <b>Income shortage per year when disabled</b>        | <b>\$10,747</b>       | <b>N/A</b>       | <b>\$22,757</b>       | <b>\$19,157</b>  |     |
| Income shortage per month                            | \$896                 | N/A              | \$1,896               | \$1,596          |     |

If a shortage is indicated you should consider acquiring disability insurance coverage (or increasing existing policies) to provide the necessary income. Insurance company requirements may limit the amount of coverage available.

*Note: Consult with your financial advisor and/or insurance agent about factors that may suggest additional insurance coverage.*

## ***Property and Casualty Insurance***

Retire at 65

A substantial portion of your assets is represented by your residence and other personal property such as autos, recreational vehicles, jewelry, etc.

Loss of these assets can occur through fire, theft, accidents or other means. Just as you insure your life with life insurance, or your health with medical insurance, you should carefully evaluate the benefits of insuring your property against loss in the form of property and casualty insurance.

### **Homeowners Insurance:**

Most mortgage lenders require that you carry insurance on your residence for at least 80% of the current replacement value. Most homeowners policies will include coverage on the contents of the home, and may even provide extended benefits on property taken out of the home temporarily.

Homeowners policies usually will include some amount of liability protection, providing protection in case someone is injured on your property. This coverage generally includes both medical cost reimbursement and liability protection in the event the homeowner is found negligent.

### **Automobile and Recreational Vehicle coverage:**

Auto policies generally include several types of coverage:

Collision pays for damage to your car when an accident occurs.

Comprehensive coverage pays for losses not caused by an accident.

Liability provides payment for damage to people and property in an accident where you are found to be at fault.

No fault coverage, mandatory in many states, pays medical expenses and a portion of lost wages regardless of who is at fault in an accident.

### **Personal Excess Liability coverage:**

Sometimes referred to as "umbrella coverage", this type of policy provides protection in excess of normal policy limits found in homeowners or automobile policies.

If you are found negligent in an automobile accident or in an injury to a visitor at your home, this policy can protect you from losses that might substantially exceed the limits of your other policies and could save you from losing all that you own.

# Long Term Care

Retire at 65

## Long Term Care Defined

Long term care is sustained medical or custodial care in a hospital, nursing facility, or equivalent care at home. This care meets the needs of people when, for some reason, they cannot care for themselves. Long term care insurance provides coverage for costs when the need for care extends beyond a pre-determined period. Benefits start when certain conditions and time frames specified by a long term care insurance policy are met.

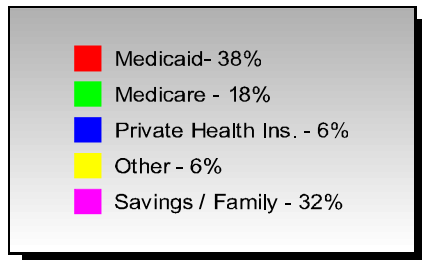
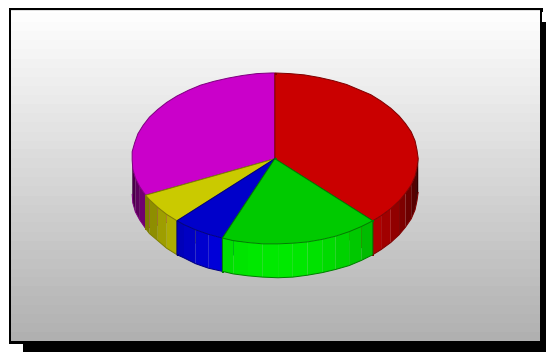
Generally the needs requirements to obtain insurance benefits fall into two categories:

|  |   |
|--|---|
| <p><b>An inability to perform two or more Activities of Daily Living (ADLs.)</b></p> | <p><b>Activities of Daily Living (ADLs) are basic functions of daily independent living and include:</b></p> <ul style="list-style-type: none"> <li>Dressing                      Toileting</li> <li>Bathing                        Transferring</li> <li>Eating                            Continence</li> </ul> |
| <p><b>Impaired Cognitive Ability</b></p>   | <p><b>Loss of mental function can result from stroke, dementia or Alzheimer's Disease. Alzheimer's Disease is a disorder that progressively affects one's ability to carry out daily activities.</b></p>  |

## The Cost of Waiting to Plan

- 40% of all long term care recipients are under the age of 65.
- Over 45% of seniors who reach age 65 will spend some time in a nursing home.
- Over 70% of seniors who reach age 65 will need some form of home health care in their future.
- One out of every four families provides care to an elderly relative or loved one.
- 25% will stay in a Nursing Facility for more than one full year.
- The average nursing home stay is 2.5 years.
- The average Alzheimer's stay is 7 years.

Without benefits from long term care insurance or a comparable plan, the cost of providing these services could devastate your lifetime savings, or a relative's life savings. On average, one year in a nursing home costs in the area of \$57,000 and can easily exceed \$100,000.



Depending on the care required, most of these expenses are paid for by the patient or their family. Medicare may contribute toward the first 100 days expenses in a skilled care facility. There are no Medicaid benefits available for intermediate term or custodial care, unless the state finds the patient to be impoverished under local guidelines. Even then, care options would be restricted to care facilities offered by the very limited benefit payments available from Medicaid.

## Medicaid and Medicare Facts

- Medicaid is a welfare program designed as an emergency safety net to pay health care costs for the poor.
- Medicare is a part of Social Security, and helps pay for the general health care needs of retired persons.
- Medicare typically only pays for doctors, hospitals, and short recuperative stays in nursing facilities.
- Private health insurance is designed for medical (doctors, hospitals, etc.) not long term care expenses.
- Many people end up relying on their own or relative's resources to pay for long-term care expenses.

# Long Term Care Need Analysis

F11

Retire at 65

Long-term care (LTC) requires long term planning. LTC insurance is available to cover these expenses, protect your assets, your independence and control the quality of the care you receive. You are able to choose the specified daily benefit level, as well as the types of medical and care services covered.

When is the best time to purchase LTC insurance? Generally, the premiums stay level once the policy is purchased, much like level term insurance. In practice, the earlier you buy a policy, the lower the premium. Since the odds of needing long term care increase with age, purchasing coverage at a reasonably early age is good planning.

## Needs Estimate

The estimated long term care cost examples are based on your financial information. Consider the numbers illustrated here to be simply a starting point for analysis and a future in-depth discussion of your long-term care insurance needs.

|   | <u>Allen</u> | <u>Betty</u> |
|---|--------------|--------------|
| Estimated monthly care costs (today's \$) | \$5,000      | \$5,000      |
| Estimated daily care cost                 | \$164        | \$164        |
| Estimated number months of care           | 40           | 40           |
| Assumed inflation rate                    | 3.21%        | 3.21%        |
| Years until long term care starts*        | 36           | 39           |
| Inflated monthly cost*                    | \$15,594     | \$17,144     |
| Total inflated cost                       | \$623,755    | \$685,771    |

Total potential long-term care costs \$1,309,526

*\*Beginning 40 months prior to life expectancy*

In today's dollars, these future costs would equate to \$160,732

*\*\*Using a 6.00% discount rate*

There is a significant potential for the cost of long term care to seriously deplete your financial assets in the long term. A prudent approach is to explore the various options available to you now to purchase protection for your future needs.

## Points to consider when evaluating a LTC policy might include:

- Amount of daily benefit desired.
- Benefit and cost of an inflation adjustment rider.
- Financial strength and experience of the insurance company.
- What is or is not covered by the policy.
- Elimination and benefit periods.
- How pre-existing conditions will be handled.
- Tax effect on premiums and benefits.
- The policy renewability guarantee.

## *Appendix*

The appendix section provides more detailed information about the various parts of this report. It can be used along with the Audit Trail notations to illustrate the source of the numbers used in many of the other reports.

Sample: For Display Only  
Do Not Attempt to Use

## Appendix

Retire at 65

The following appendix pages have been provided as a source of data for the main report pages. In order to do an accurate financial analysis and to provide you with the means of verifying the accuracy of the analysis, these pages are keyed to the main reports using an "audit trail" feature.

The appendix section includes the following reports:

### **Retirement**

Income needed and available, miscellaneous income or expense sources, pensions, social security, and an analysis of the amounts of annual surpluses or shortages, particularly during retirement. Additional "non-inflation-adjusted" reports are also included.

### **Assets**

These pages make estimates of current and future balances, additions, withdrawals, returns and taxes. The sections include taxable, equity/other, tax free, tax deductible, qualified plans (deductible accounts like 401(k), IRA, etc.) and Roth IRA accounts.

### **Estate**

Estimates of future asset balances by ownership, potential future estate settlement costs, life insurance and liabilities.

### **Survivor**

Estimates of immediate cash needed, income and expenses, life insurance available, and special calculations of itemized deductions for survivors.

### **Loans**

Combined by type of loan (residence, auto, etc.) amortization reports showing balances, interest and principal payments, and total annual payment amounts. In addition the loans are identified by owner and by planned survivor payoff schedule.

The following "Audit Trail" page will assist you in using the audit trail references to trace numbers from the main report pages to the appropriate support pages in this appendix section.

# Audit Trail

Retire at 65

The financial analysis includes coverage of a number of issues important to your financial future. Since many of the topics are complex, some of the details for a particular topic are derived from support pages that provide additional information.

## The reports are grouped as follows:

### Main Reports

#### Section Contents

- A General reports, Net Worth, Cash Flow, Summary, Liquidity, Education, etc.
- B Asset Pyramid, Asset allocation, Stock Options, etc.
- C Retirement Needs and Retirement Estimate, Asset Illustration, Monte Carlo
- D Income Taxes
- E Estate Taxes
- F Survivor Needs, Life Insurance, Disability, Long Term Care

### Appendix reports

- G Retirement illustrations and details, Pensions, Income & Expenses
- H Asset accounts
- I Estate details and estimates
- J Life insurance and survivor needs
- K Loan amortizations

## Using the Audit Trail feature:

If the audit trail feature is turned on, then each report page will have a letter and number in the top right corner. For example A2, C5, etc.

On many pages, there are values that originate on another page, either in the Main section or the Appendix section of the report. The source of the information will be identified by a letter / number memo referring to the page where the value originated. This memo will be in small italic type either near the right margin of the page or at the bottom of the column of numbers.

## Examples:

### Personal Financial Plan Summary: (A2)

The Retirement Section shows numbers for the Basic Living Expenses, Total Spendable income needed, etc. ...The references at the right of these numbers is C3 and C4. That means you may look on report page C3 "Retirement Needs Analysis" and C4 "Retirement Capital Analysis" to find the source of the amount and details about how the numbers were derived.

### Retirement Needs Analysis: (C3)

When you look at this report page, you will find additional audit memos. This means that you may need to look at several pages to get the final answer you are looking for. For example, the references on page C3 (Retirement Needs Analysis) lead you to the Appendix section, pages G4, G8, G9, G11 and G12 for additional information.

### Retirement Capital Estimate: (C6)

This is a columnar report. The Audit Trail memos at the bottom of each column will lead you to a more detailed source of the numbers shown. For example, the "Annual Expenses" column memo leads you to the Appendix Section, page "G4 - Annual Expenses". This page shows the amount of income needed to pay for mortgage and loans, insurance premiums, personal expenses and itemized deduction expenses.

# Income Summary

G3

Retire at 65

| Age | Annual personal expenses | Other income or expenses | Social Security | Pension & Minimum Distrib. | Scheduled Distrib. | Surplus | Shortage   | Cash Flow Surplus Allocation |        |          |            |
|-----|--------------------------|--------------------------|-----------------|----------------------------|--------------------|---------|------------|------------------------------|--------|----------|------------|
|     |                          |                          |                 |                            |                    |         |            | Taxable                      | Equity | Tax free | Tax Defer. |
|     |                          |                          |                 |                            |                    |         |            | 20%                          | 40%    | 20%      | 20%        |
|     | (\$7,874,021)            | \$645,178                | \$1,696,169     | \$268,100                  |                    |         |            | 25%                          | 25%    | 25%      | 25%        |
| 51  |                          | (\$25,973)               |                 |                            |                    |         | (\$25,973) |                              |        |          |            |
| 52  |                          | 21,172                   |                 |                            |                    | 21,172  |            | 4,234                        | 8,469  | 4,234    | 4,234      |
| 53  |                          | 391                      |                 |                            |                    | 391     |            | 78                           | 156    | 78       | 78         |
| 54  |                          |                          |                 |                            |                    |         |            |                              |        |          |            |
| 55  |                          | (8,609)                  |                 |                            |                    |         | (8,609)    |                              |        |          |            |
| 56  |                          | (10,908)                 |                 |                            |                    |         | (10,908)   |                              |        |          |            |
| 57  |                          | (11,380)                 |                 |                            |                    |         | (11,380)   |                              |        |          |            |
| 58  |                          | (11,871)                 |                 |                            |                    |         | (11,871)   |                              |        |          |            |
| 59  |                          |                          |                 |                            |                    |         |            |                              |        |          |            |
| 60  |                          |                          |                 |                            |                    |         |            |                              |        |          |            |
| 61  |                          | 33,613                   |                 |                            |                    | 33,613  |            | 6,723                        | 13,445 | 6,723    | 6,723      |
| 62  |                          | 24,867                   |                 |                            |                    | 24,867  |            | 4,973                        | 9,947  | 4,973    | 4,973      |
| 63  |                          |                          |                 |                            |                    |         |            |                              |        |          |            |
| 64  |                          |                          |                 |                            |                    |         |            |                              |        |          |            |
| 65  | (96,127)                 | 381,892                  | 27,059          | 4,505                      |                    | 317,328 |            | 79,332                       | 79,332 | 79,332   | 79,332     |
| 66  | (201,971)                | 27,300                   | 27,600          | 4,595                      |                    |         | (142,476)  |                              |        |          |            |
| 67  | (201,405)                | 14,599                   | 28,152          | 4,686                      |                    |         | (153,968)  |                              |        |          |            |
| 68  | (208,055)                | 23,484                   | 28,715          | 4,780                      |                    |         | (151,074)  |                              |        |          |            |
| 69  | (196,920)                | 13,108                   | 50,036          | 4,876                      |                    |         | (128,900)  |                              |        |          |            |
| 70  | (202,362)                | (26,460)                 | 51,037          | 4,973                      |                    |         | (172,811)  |                              |        |          |            |
| 71  | (207,976)                | 13,987                   | 52,058          | 9,155                      |                    |         | (132,777)  |                              |        |          |            |
| 72  | (213,768)                | 14,448                   | 53,099          | 9,469                      |                    |         | (136,753)  |                              |        |          |            |
| 73  | (217,430)                | 4,491                    | 54,161          | 9,794                      |                    |         | (148,984)  |                              |        |          |            |
| 74  | (223,596)                | 4,670                    | 55,244          | 10,132                     |                    |         | (153,550)  |                              |        |          |            |
| 75  | (229,958)                | 4,857                    | 56,349          | 20,286                     |                    |         | (148,466)  |                              |        |          |            |
| 76  | (236,522)                |                          | 57,476          | 21,259                     |                    |         | (157,788)  |                              |        |          |            |
| 77  | (243,295)                |                          | 58,625          | 22,257                     |                    |         | (162,413)  |                              |        |          |            |
| 78  | (250,283)                |                          | 59,798          | 23,334                     |                    |         | (167,152)  |                              |        |          |            |
| 79  | (257,494)                |                          | 60,994          | 17,304                     |                    |         | (179,196)  |                              |        |          |            |
| 80  | (264,920)                |                          | 62,214          | 9,683                      |                    |         | (193,023)  |                              |        |          |            |
| 81  | (253,684)                |                          | 63,458          | 6,184                      |                    |         | (184,043)  |                              |        |          |            |
| 82  | (261,605)                |                          | 64,727          | 6,307                      |                    |         | (190,570)  |                              |        |          |            |
| 83  | (269,777)                |                          | 66,022          | 6,434                      |                    |         | (197,322)  |                              |        |          |            |
| 84  | (278,210)                |                          | 67,342          | 6,562                      |                    |         | (204,306)  |                              |        |          |            |
| 85  | (286,911)                |                          | 68,689          | 6,693                      |                    |         | (211,529)  |                              |        |          |            |
| 86  | (295,889)                |                          | 70,063          | 6,827                      |                    |         | (218,999)  |                              |        |          |            |
| 87  | (305,154)                |                          | 71,464          | 6,964                      |                    |         | (226,726)  |                              |        |          |            |
| 88  | (314,713)                |                          | 72,893          | 7,103                      |                    |         | (234,717)  |                              |        |          |            |
| 89  | (324,577)                |                          | 74,351          | 7,245                      |                    |         | (242,981)  |                              |        |          |            |
| 90  | (334,756)                |                          | 75,838          | 7,390                      |                    |         | (251,528)  |                              |        |          |            |
| 91  | (345,259)                | 157,500                  | 77,355          | 7,538                      |                    |         | (102,866)  |                              |        |          |            |
| 92  | (291,179)                |                          | 46,187          | 3,844                      |                    |         | (241,147)  |                              |        |          |            |
| 93  | (300,370)                |                          | 47,111          | 3,921                      |                    |         | (249,338)  |                              |        |          |            |
| 94  | (559,855)                |                          | 48,053          | 4,000                      |                    |         | (507,802)  |                              |        |          |            |
| 95  |                          |                          |                 |                            |                    |         |            |                              |        |          |            |
|     | G4                       | G8                       | G11             | G9,G11                     | H1...H8            |         |            |                              |        |          |            |

# Annual Expenses (Post Retirement)

G4

Retire at 65

| Ages  | Personal expenses* | Itemized deduction + \$ to heirs | Savings, Investment & retirement | Insurance premiums | Mtg. & Loan payments | Total expenses (incl inflation) | Personal expenses in today's \$** |              |
|-------|--------------------|----------------------------------|----------------------------------|--------------------|----------------------|---------------------------------|-----------------------------------|--------------|
|       |                    |                                  |                                  |                    |                      |                                 | Annual Amount                     | Inflat. rate |
| 51 47 |                    |                                  |                                  |                    |                      |                                 | \$42,240                          | 3.71         |
| 52 48 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.71         |
| 53 49 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.71         |
| 54 50 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.71         |
| 55 51 |                    |                                  |                                  |                    |                      |                                 | 42,660                            | 3.64         |
| 56 52 |                    |                                  |                                  |                    |                      |                                 | 42,660                            | 3.64         |
| 57 53 |                    |                                  |                                  |                    |                      |                                 | 42,660                            | 3.64         |
| 58 54 |                    |                                  |                                  |                    |                      |                                 | 42,660                            | 3.64         |
| 59 55 |                    |                                  |                                  |                    |                      |                                 | 42,660                            | 3.64         |
| 60 56 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.68         |
| 61 57 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.68         |
| 62 58 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.68         |
| 63 59 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.68         |
| 64 60 |                    |                                  |                                  |                    |                      |                                 | 42,240                            | 3.68         |
| 65 61 | 55,802             | 19,487                           | 15,418                           | 5,420              |                      | 96,127                          | 33,690                            | 4.03         |
| 66 62 | 142,193            | 20,058                           | 15,737                           | 5,058              | 18,925               | 201,971                         | 80,430                            | 3.56         |
| 67 63 | 140,660            | 20,647                           | 16,067                           | 5,106              | 18,925               | 201,405                         | 76,890                            | 3.17         |
| 68 64 | 145,121            | 21,253                           | 16,409                           | 6,347              | 18,925               | 208,055                         | 76,890                            | 3.17         |
| 69 65 | 149,725            | 21,877                           |                                  | 6,394              | 18,925               | 196,920                         | 76,890                            | 3.17         |
| 70 66 | 154,476            | 22,519                           |                                  | 6,442              | 18,925               | 202,362                         | 76,890                            | 3.17         |
| 71 67 | 159,379            | 23,180                           |                                  | 6,492              | 18,925               | 207,976                         | 76,890                            | 3.17         |
| 72 68 | 164,440            | 23,860                           |                                  | 6,544              | 18,925               | 213,768                         | 76,890                            | 3.17         |
| 73 69 | 169,662            | 24,560                           |                                  | 4,282              | 18,925               | 217,430                         | 76,890                            | 3.17         |
| 74 70 | 175,053            | 25,281                           |                                  | 4,337              | 18,925               | 223,596                         | 76,890                            | 3.17         |
| 75 71 | 180,616            | 26,023                           |                                  | 4,394              | 18,925               | 229,958                         | 76,890                            | 3.17         |
| 76 72 | 186,358            | 26,787                           |                                  | 4,453              | 18,925               | 236,522                         | 76,890                            | 3.17         |
| 77 73 | 192,283            | 27,574                           |                                  | 4,513              | 18,925               | 243,295                         | 76,890                            | 3.17         |
| 78 74 | 198,400            | 28,383                           |                                  | 4,576              | 18,925               | 250,283                         | 76,890                            | 3.17         |
| 79 75 | 204,712            | 29,216                           |                                  | 4,640              | 18,925               | 257,494                         | 76,890                            | 3.17         |
| 80 76 | 211,227            | 30,074                           |                                  | 4,707              | 18,912               | 264,920                         | 76,890                            | 3.17         |
| 81 77 | 217,952            | 30,957                           |                                  | 4,775              |                      | 253,684                         | 76,890                            | 3.17         |
| 82 78 | 224,893            | 31,866                           |                                  | 4,846              |                      | 261,605                         | 76,890                            | 3.17         |
| 83 79 | 232,056            | 32,802                           |                                  | 4,919              |                      | 269,777                         | 76,890                            | 3.17         |
| 84 80 | 239,450            | 33,765                           |                                  | 4,995              |                      | 278,210                         | 76,890                            | 3.17         |
| 85 81 | 247,082            | 34,756                           |                                  | 5,073              |                      | 286,911                         | 76,890                            | 3.17         |
| 86 82 | 254,959            | 35,777                           |                                  | 5,153              |                      | 295,889                         | 76,890                            | 3.17         |
| 87 83 | 263,090            | 36,828                           |                                  | 5,236              |                      | 305,154                         | 76,890                            | 3.17         |
| 88 84 | 271,482            | 37,909                           |                                  | 5,322              |                      | 314,713                         | 76,890                            | 3.17         |
| 89 85 | 280,144            | 39,023                           |                                  | 5,410              |                      | 324,577                         | 76,890                            | 3.17         |
| 90 86 | 289,086            | 40,169                           |                                  | 5,501              |                      | 334,756                         | 76,890                            | 3.17         |
| 91 87 | 298,315            | 41,349                           |                                  | 5,596              |                      | 345,259                         | 76,890                            | 3.17         |
| 92 88 | 246,273            | 42,563                           |                                  | 2,342              |                      | 291,179                         | 61,512                            | 3.17         |
| 93 89 | 254,140            | 43,814                           |                                  | 2,417              |                      | 300,370                         | 61,512                            | 3.17         |
| 94 90 | 262,260            | 295,101                          |                                  | 2,494              |                      | 559,855                         | 61,512                            | 3.17         |
| 95 91 |                    |                                  |                                  |                    |                      |                                 |                                   |              |

\*This report concerns expenses starting at retirement age, including offset for scheduled withdrawals from asset accounts.

\*\* These columns are for illustration only, showing personal expenses restated in today's dollars.

## Gross Income (Inflation Adjusted)

G5

Retire at 65

| Age | Allen salary | Betty salary | Allen self employment | Betty self employment | Interest & dividends | Misc. income & insurance | SS and pension income | Gross income |
|-----|--------------|--------------|-----------------------|-----------------------|----------------------|--------------------------|-----------------------|--------------|
| 51  | \$65,000     | \$35,000     | \$1,000               |                       | \$17,011             |                          |                       | \$118,011    |
| 52  | 66,950       | 35,000       | 1,000                 |                       | 17,431               | 38,560                   |                       | 158,942      |
| 53  | 68,959       | 35,000       | 1,000                 |                       | 18,819               | 13,120                   |                       | 136,897      |
| 54  | 81,955       | 35,000       | 1,000                 |                       | 19,894               |                          |                       | 137,849      |
| 55  | 84,413       | 35,000       | 1,000                 |                       | 20,744               |                          |                       | 141,158      |
| 56  | 86,946       | 35,000       | 1,000                 |                       | 21,250               |                          |                       | 144,195      |
| 57  |              | 35,000       | 1,000                 |                       | 21,688               |                          |                       | 57,688       |
| 58  |              | 35,000       | 1,000                 |                       | 22,121               |                          |                       | 58,121       |
| 59  | 95,524       | 35,000       | 1,000                 |                       | 22,945               |                          |                       | 154,470      |
| 60  | 100,300      | 35,000       | 1,000                 |                       | 24,254               |                          |                       | 160,555      |
| 61  | 105,315      | 35,000       | 1,000                 |                       | 26,280               | 60,476                   |                       | 228,071      |
| 62  | 110,581      | 35,000       | 1,000                 |                       | 28,858               | 24,867                   |                       | 200,306      |
| 63  | 116,110      | 35,000       | 1,000                 |                       | 30,938               |                          |                       | 183,048      |
| 64  | 121,916      | 35,000       | 1,000                 |                       | 32,677               |                          |                       | 190,593      |
| 65  |              | 35,000       |                       |                       | 40,798               | 392,638                  | 33,659                | 502,095      |
| 66  |              | 35,000       |                       |                       | 44,531               | 5,000                    | 34,332                | 118,864      |
| 67  |              | 35,000       |                       |                       | 36,964               | 5,200                    | 35,019                | 112,183      |
| 68  |              | 35,000       |                       |                       | 31,254               | 14,408                   | 35,719                | 116,382      |
| 69  |              |              |                       |                       | 28,894               | 14,894                   | 57,180                | 100,969      |
| 70  |              |              |                       |                       | 25,985               | 15,397                   | 58,324                | 99,706       |
| 71  |              |              |                       |                       | 22,968               | 15,918                   | 59,490                | 98,376       |
| 72  |              |              |                       |                       | 20,266               | 16,457                   | 60,680                | 97,403       |
| 73  |              |              |                       |                       | 17,164               | 6,580                    | 61,894                | 85,637       |
| 74  |              |              |                       |                       | 11,818               | 6,843                    | 63,132                | 81,793       |
| 75  |              |              |                       |                       | 4,137                | 7,117                    | 64,394                | 75,648       |
| 76  |              |              |                       |                       | 160                  |                          | 65,682                | 65,842       |
| 77  |              |              |                       |                       |                      |                          | 66,996                | 66,996       |
| 78  |              |              |                       |                       |                      |                          | 68,336                | 68,336       |
| 79  |              |              |                       |                       |                      |                          | 69,702                | 69,702       |
| 80  |              |              |                       |                       |                      |                          | 71,096                | 71,096       |
| 81  |              |              |                       |                       |                      |                          | 72,518                | 72,518       |
| 82  |              |              |                       |                       |                      |                          | 73,969                | 73,969       |
| 83  |              |              |                       |                       |                      |                          | 75,448                | 75,448       |
| 84  |              |              |                       |                       |                      |                          | 76,957                | 76,957       |
| 85  |              |              |                       |                       |                      |                          | 78,496                | 78,496       |
| 86  |              |              |                       |                       |                      |                          | 80,066                | 80,066       |
| 87  |              |              |                       |                       |                      |                          | 81,667                | 81,667       |
| 88  |              |              |                       |                       |                      |                          | 83,301                | 83,301       |
| 89  |              |              |                       |                       |                      |                          | 84,967                | 84,967       |
| 90  |              |              |                       |                       |                      |                          | 86,666                | 86,666       |
| 91  |              |              |                       |                       |                      | 157,500                  | 88,399                | 245,899      |
| 92  |              |              |                       |                       |                      |                          | 46,187                | 46,187       |
| 93  |              |              |                       |                       |                      |                          | 47,111                | 47,111       |
| 94  |              |              |                       |                       |                      |                          | 48,053                | 48,053       |
| 95  |              |              |                       |                       |                      |                          |                       |              |
|     | G16          | G17          | G16                   | G17                   | H1,H2,H3             | G8                       | G9,G11                |              |

Note: This report is used for computing itemized deductions based on Gross Income, and may not match other reports.

## Itemized Deduction Expenses (Inflation Adjusted\*)

G6

Retire at 65

| Age | Gross Income | Charitable contr. |               | Med. expenses  |               | Property tax |                |               | Other Tax      |               | Misc Item. Ded. |               | Other ded. int. |               | Total |
|-----|--------------|-------------------|---------------|----------------|---------------|--------------|----------------|---------------|----------------|---------------|-----------------|---------------|-----------------|---------------|-------|
|     |              | % gross income    | Annual amount | % gross income | Annual amount | Resid. value | % resid. value | Annual amount | % gross income | Annual amount | % gross income  | Annual amount | % gross income  | Annual amount |       |
| 51  |              |                   | \$750         |                |               | \$307,000    |                | \$3,500       |                |               |                 | \$8,750       |                 | \$13,000      |       |
| 52  |              |                   | 773           |                |               | 316,210      |                | 3,596         |                |               |                 | 9,013         |                 | 13,381        |       |
| 53  |              |                   | 796           |                |               | 325,696      |                | 3,695         |                |               |                 | 9,283         |                 | 13,774        |       |
| 54  |              |                   | 820           |                |               | 335,467      |                | 3,797         |                |               |                 | 9,561         |                 | 14,178        |       |
| 55  |              |                   | 844           |                |               | 345,531      |                | 3,901         |                |               |                 | 9,848         |                 | 14,594        |       |
| 56  |              |                   | 869           |                |               | 355,897      |                | 4,008         |                |               |                 | 10,144        |                 | 15,022        |       |
| 57  |              |                   | 896           |                |               | 366,574      |                | 4,119         |                |               |                 | 10,448        |                 | 15,462        |       |
| 58  |              |                   | 922           |                |               | 377,571      |                | 4,232         |                |               |                 | 10,761        |                 | 15,916        |       |
| 59  |              |                   | 950           |                |               | 388,898      |                | 4,348         |                |               |                 | 11,084        |                 | 16,383        |       |
| 60  |              |                   | 979           |                |               | 400,565      |                | 4,468         |                |               |                 | 11,417        |                 | 16,863        |       |
| 61  |              |                   | 1,008         |                |               | 412,582      |                | 4,591         |                |               |                 | 11,759        |                 | 17,358        |       |
| 62  |              |                   | 1,038         |                |               | 424,960      |                | 4,717         |                |               |                 | 12,112        |                 | 17,867        |       |
| 63  |              |                   | 1,069         |                |               | 437,709      |                | 4,847         |                |               |                 | 12,475        |                 | 18,391        |       |
| 64  |              |                   | 1,101         |                |               | 450,840      |                | 4,980         |                |               |                 | 12,850        |                 | 18,931        |       |
| 65  | 502,095      |                   | 1,134         |                |               | 464,365      |                | 5,117         |                |               |                 | 13,235        |                 | 19,487        |       |
| 66  | 118,864      |                   | 1,168         |                |               | 225,905      |                | 5,258         |                |               |                 | 13,632        |                 | 20,058        |       |
| 67  | 112,183      |                   | 1,204         |                |               | 232,682      |                | 5,402         |                |               |                 | 14,041        |                 | 20,647        |       |
| 68  | 116,382      |                   | 1,240         |                |               | 239,663      |                | 5,551         |                |               |                 | 14,462        |                 | 21,253        |       |
| 69  | 100,969      |                   | 1,277         |                |               | 246,853      |                | 5,703         |                |               |                 | 14,896        |                 | 21,877        |       |
| 70  | 99,706       |                   | 1,315         |                |               | 254,258      |                | 5,860         |                |               |                 | 15,343        |                 | 22,519        |       |
| 71  | 98,376       |                   | 1,355         |                |               | 261,886      |                | 6,021         |                |               |                 | 15,803        |                 | 23,180        |       |
| 72  | 97,403       |                   | 1,395         |                |               | 269,743      |                | 6,187         |                |               |                 | 16,278        |                 | 23,860        |       |
| 73  | 85,637       |                   | 1,437         |                |               | 277,835      |                | 6,357         |                |               |                 | 16,766        |                 | 24,560        |       |
| 74  | 81,793       |                   | 1,480         |                |               | 286,170      |                | 6,532         |                |               |                 | 17,269        |                 | 25,281        |       |
| 75  | 75,648       |                   | 1,525         |                |               | 294,755      |                | 6,712         |                |               |                 | 17,787        |                 | 26,023        |       |
| 76  | 65,842       |                   | 1,570         |                |               | 303,598      |                | 6,896         |                |               |                 | 18,321        |                 | 26,787        |       |
| 77  | 66,996       |                   | 1,617         |                |               | 312,706      |                | 7,086         |                |               |                 | 18,870        |                 | 27,574        |       |
| 78  | 68,336       |                   | 1,666         |                |               | 322,087      |                | 7,281         |                |               |                 | 19,436        |                 | 28,383        |       |
| 79  | 69,702       |                   | 1,716         |                |               | 331,750      |                | 7,481         |                |               |                 | 20,019        |                 | 29,216        |       |
| 80  | 71,096       |                   | 1,767         |                |               | 341,702      |                | 7,687         |                |               |                 | 20,620        |                 | 30,074        |       |
| 81  | 72,518       |                   | 1,820         |                |               | 351,953      |                | 7,898         |                |               |                 | 21,239        |                 | 30,957        |       |
| 82  | 73,969       |                   | 1,875         |                |               | 362,512      |                | 8,115         |                |               |                 | 21,876        |                 | 31,866        |       |
| 83  | 75,448       |                   | 1,931         |                |               | 373,387      |                | 8,338         |                |               |                 | 22,532        |                 | 32,802        |       |
| 84  | 76,957       |                   | 1,989         |                |               | 384,589      |                | 8,568         |                |               |                 | 23,208        |                 | 33,765        |       |
| 85  | 78,496       |                   | 2,049         |                |               | 396,126      |                | 8,803         |                |               |                 | 23,904        |                 | 34,756        |       |
| 86  | 80,066       |                   | 2,110         |                |               | 408,010      |                | 9,045         |                |               |                 | 24,621        |                 | 35,777        |       |
| 87  | 81,667       |                   | 2,174         |                |               | 420,250      |                | 9,294         |                |               |                 | 25,360        |                 | 36,828        |       |
| 88  | 83,301       |                   | 2,239         |                |               | 432,858      |                | 9,550         |                |               |                 | 26,121        |                 | 37,909        |       |
| 89  | 84,967       |                   | 2,306         |                |               | 445,844      |                | 9,812         |                |               |                 | 26,904        |                 | 39,023        |       |
| 90  | 86,666       |                   | 2,375         |                |               | 459,219      |                | 10,082        |                |               |                 | 27,711        |                 | 40,169        |       |
| 91  | 245,899      |                   | 2,447         |                |               | 472,995      |                | 10,360        |                |               |                 | 28,543        |                 | 41,349        |       |
| 92  | 46,187       |                   | 2,520         |                |               | 487,185      |                | 10,644        |                |               |                 | 29,399        |                 | 42,563        |       |
| 93  | 47,111       |                   | 2,596         |                |               | 501,801      |                | 10,937        |                |               |                 | 30,281        |                 | 43,814        |       |
| 94  | 48,053       |                   | 2,673         |                |               | 516,855      |                | 11,238        |                |               |                 | 31,190        |                 | 45,101        |       |
| 95  |              |                   |               |                |               |              |                |               |                |               |                 |               |                 |               |       |

\* Including inflation - amounts shown may vary from year to year based on data provided about changing amounts and rates at various ages.

## Other Income and Expenses

Retire at 65

| Description       | Start age | Stop age | Amount (today's \$)* | Increase rate |            | Amount (future \$)* | Taxable percent | Amount for survivor |          |
|-------------------|-----------|----------|----------------------|---------------|------------|---------------------|-----------------|---------------------|----------|
|                   |           |          |                      | Before        | After      |                     |                 | Allen               | Betty    |
|                   |           |          |                      | Retirement    | Retirement |                     |                 |                     |          |
| Gift to kids      | 70        | 71       | (\$40,000)           | 0.00%         | 0.00%      | (\$40,000)          | 0.00%           |                     |          |
| Inheritance       | 61        | 62       | \$45,000             | 3.00%         | 0.00%      | \$60,476            | 0.00%           | \$45,000            | \$40,000 |
| Sale of equipment | 62        | 63       | \$20,000             | 2.00%         | 2.00%      | \$24,867            | 0.00%           |                     |          |

| Description     | Start age | Stop age | Amount (today's \$)* | Increase rate |            | Amount (future \$)* | Taxable percent | Amount for survivor |         |
|-----------------|-----------|----------|----------------------|---------------|------------|---------------------|-----------------|---------------------|---------|
|                 |           |          |                      | Before        | After      |                     |                 | Allen               | Betty   |
|                 |           |          |                      | Retirement    | Retirement |                     |                 |                     |         |
| Carla           | 68        | 73       | \$9,000              | 0.00%         | 3.00%      | \$9,000             | 0.00%           | \$9,000             | \$9,000 |
| Deferred comp   | 66        | 76       | \$5,000              | 0.00%         | 4.00%      | \$5,000             | 100.00%         | \$5,000             |         |
| Extended travel | 67        | 69       | (\$8,000)            | 3.00%         | 2.00%      | (\$12,838)          | 0.00%           |                     |         |

\*Negative numbers indicate cash outflow, positive numbers represent income.

## Other Income/Expense, Options, Insurance, Misc.

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Retire at 65

| Age | Other income (after tax) |                 | Stock options (after tax) | Post-retirement earnings | Residence sale | Balloon pmt (pre-retire.) & life ins | Total misc. inc/exp or insurance | Education expenses | Other goals | Total education and other |
|-----|--------------------------|-----------------|---------------------------|--------------------------|----------------|--------------------------------------|----------------------------------|--------------------|-------------|---------------------------|
|     | Income amounts           | Expense amounts |                           |                          |                |                                      |                                  |                    |             |                           |
|     | \$174,097                | (\$65,932)      | \$15,055                  | \$95,550                 | \$392,638      | \$157,500                            | \$768,908                        | (\$62,234)         | (\$61,496)  | (\$123,730)               |
| 51  |                          |                 | (\$24,213)                |                          |                |                                      | (\$24,213)                       | (\$1,760)          |             | (\$1,760)                 |
| 52  |                          |                 | 29,822                    |                          |                |                                      | 29,822                           | (8,650)            |             | (8,650)                   |
| 53  |                          |                 | 9,446                     |                          |                |                                      | 9,446                            | (9,055)            |             | (9,055)                   |
| 54  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 55  |                          |                 |                           |                          |                |                                      |                                  | (8,609)            |             | (8,609)                   |
| 56  |                          |                 |                           |                          |                |                                      |                                  | (10,908)           |             | (10,908)                  |
| 57  |                          |                 |                           |                          |                |                                      |                                  | (11,380)           |             | (11,380)                  |
| 58  |                          |                 |                           |                          |                |                                      |                                  | (11,871)           |             | (11,871)                  |
| 59  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 60  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 61  | 60,476                   |                 |                           |                          |                |                                      | 60,476                           |                    | (26,863)    | (26,863)                  |
| 62  | 24,867                   |                 |                           |                          |                |                                      | 24,867                           |                    |             |                           |
| 63  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 64  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 65  |                          |                 |                           | 23,888                   | 392,638        |                                      | 416,526                          |                    | (34,634)    | (34,634)                  |
| 66  | 3,413                    |                 |                           | 23,888                   |                |                                      | 27,300                           |                    |             |                           |
| 67  | 3,549                    | (12,838)        |                           | 23,888                   |                |                                      | 14,599                           |                    |             |                           |
| 68  | 12,691                   | (13,094)        |                           | 23,888                   |                |                                      | 23,484                           |                    |             |                           |
| 69  | 13,108                   |                 |                           |                          |                |                                      | 13,108                           |                    |             |                           |
| 70  | 13,540                   | (40,000)        |                           |                          |                |                                      | (26,460)                         |                    |             |                           |
| 71  | 13,987                   |                 |                           |                          |                |                                      | 13,987                           |                    |             |                           |
| 72  | 14,448                   |                 |                           |                          |                |                                      | 14,448                           |                    |             |                           |
| 73  | 4,491                    |                 |                           |                          |                |                                      | 4,491                            |                    |             |                           |
| 74  | 4,670                    |                 |                           |                          |                |                                      | 4,670                            |                    |             |                           |
| 75  | 4,857                    |                 |                           |                          |                |                                      | 4,857                            |                    |             |                           |
| 76  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 77  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 78  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 79  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 80  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 81  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 82  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 83  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 84  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 85  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 86  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 87  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 88  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 89  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 90  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 91  |                          |                 |                           |                          |                | 157,500                              | 157,500                          |                    |             |                           |
| 92  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 93  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 94  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |
| 95  |                          |                 |                           |                          |                |                                      |                                  |                    |             |                           |

G7

G7

B9

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A21

A17

# Pensions

Retire at 65

| Ages | Client Pension 1 |                   |                     | Client Pension 2 |                  |          | Spouse Pension 1 |                  |          | Spouse Pension 2 |                  |          | Tax on pensions<br>32% | Net Pensions<br>after tax |
|------|------------------|-------------------|---------------------|------------------|------------------|----------|------------------|------------------|----------|------------------|------------------|----------|------------------------|---------------------------|
|      | Annual benefit   | Survivor benefit* |                     | Annual benefit   | Survivor benefit |          | Annual benefit   | Survivor benefit |          | Annual benefit   | Survivor benefit |          |                        |                           |
|      |                  | Post-ret.<br>50%  | Pre-ret.<br>\$2,400 |                  | Post-ret.        | Pre-ret. |                  | Post-ret.<br>50% | Pre-ret. |                  | Post-ret.        | Pre-ret. |                        |                           |
| 51   | 47               |                   |                     | \$2,400          |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 52   | 48               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 53   | 49               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 54   | 50               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 55   | 51               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 56   | 52               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 57   | 53               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 58   | 54               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 59   | 55               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 60   | 56               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 61   | 57               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 62   | 58               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 63   | 59               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 64   | 60               |                   |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          |                        |                           |
| 65   | 61               | 6,600             |                     | 2,400            |                  |          |                  |                  |          |                  |                  |          | 2,096                  | 4,505                     |
| 66   | 62               | 6,732             |                     | 2,497            |                  |          |                  |                  |          |                  |                  |          | 2,137                  | 4,595                     |
| 67   | 63               | 6,867             |                     | 2,598            |                  |          |                  |                  |          |                  |                  |          | 2,180                  | 4,686                     |
| 68   | 64               | 7,004             |                     | 2,703            |                  |          |                  |                  |          |                  |                  |          | 2,224                  | 4,780                     |
| 69   | 65               | 7,144             |                     | 2,812            |                  |          |                  |                  |          |                  |                  |          | 2,268                  | 4,876                     |
| 70   | 66               | 7,287             |                     | 2,926            |                  |          |                  |                  |          |                  |                  |          | 2,314                  | 4,973                     |
| 71   | 67               | 7,433             |                     | 3,044            |                  |          |                  |                  |          |                  |                  |          | 2,360                  | 5,073                     |
| 72   | 68               | 7,581             |                     | 3,167            |                  |          |                  |                  |          |                  |                  |          | 2,407                  | 5,174                     |
| 73   | 69               | 7,733             |                     | 3,295            |                  |          |                  |                  |          |                  |                  |          | 2,455                  | 5,278                     |
| 74   | 70               | 7,888             |                     | 3,428            |                  |          |                  |                  |          |                  |                  |          | 2,504                  | 5,383                     |
| 75   | 71               | 8,045             |                     | 3,566            |                  |          |                  |                  |          |                  |                  |          | 2,554                  | 5,491                     |
| 76   | 72               | 8,206             |                     | 3,710            |                  |          |                  |                  |          |                  |                  |          | 2,605                  | 5,601                     |
| 77   | 73               | 8,370             |                     | 3,860            |                  |          |                  |                  |          |                  |                  |          | 2,658                  | 5,713                     |
| 78   | 74               | 8,538             |                     | 4,016            |                  |          |                  |                  |          |                  |                  |          | 2,711                  | 5,827                     |
| 79   | 75               | 8,709             |                     | 4,178            |                  |          |                  |                  |          |                  |                  |          | 2,765                  | 5,944                     |
| 80   | 76               | 8,883             |                     | 4,347            |                  |          |                  |                  |          |                  |                  |          | 2,820                  | 6,062                     |
| 81   | 77               | 9,060             |                     | 4,523            |                  |          |                  |                  |          |                  |                  |          | 2,877                  | 6,184                     |
| 82   | 78               | 9,242             |                     | 4,706            |                  |          |                  |                  |          |                  |                  |          | 2,934                  | 6,307                     |
| 83   | 79               | 9,426             |                     | 4,896            |                  |          |                  |                  |          |                  |                  |          | 2,993                  | 6,434                     |
| 84   | 80               | 9,615             |                     | 5,094            |                  |          |                  |                  |          |                  |                  |          | 3,053                  | 6,562                     |
| 85   | 81               | 9,807             |                     | 5,299            |                  |          |                  |                  |          |                  |                  |          | 3,114                  | 6,693                     |
| 86   | 82               | 10,003            |                     | 5,513            |                  |          |                  |                  |          |                  |                  |          | 3,176                  | 6,827                     |
| 87   | 83               | 10,203            |                     | 5,736            |                  |          |                  |                  |          |                  |                  |          | 3,240                  | 6,964                     |
| 88   | 84               | 10,408            |                     | 5,968            |                  |          |                  |                  |          |                  |                  |          | 3,304                  | 7,103                     |
| 89   | 85               | 10,616            |                     | 6,209            |                  |          |                  |                  |          |                  |                  |          | 3,370                  | 7,245                     |
| 90   | 86               | 10,828            |                     | 6,460            |                  |          |                  |                  |          |                  |                  |          | 3,438                  | 7,390                     |
| 91   | 87               | 11,045            |                     | 6,721            |                  |          |                  |                  |          |                  |                  |          | 3,507                  | 7,538                     |
| 92   | 88               |                   | 5,633               | 6,992            |                  |          |                  |                  |          |                  |                  |          | 1,788                  | 3,844                     |
| 93   | 89               |                   | 5,745               | 7,275            |                  |          |                  |                  |          |                  |                  |          | 1,824                  | 3,921                     |
| 94   | 90               |                   | 5,860               | 7,569            |                  |          |                  |                  |          |                  |                  |          | 1,861                  | 4,000                     |
| 95   | 91               |                   |                     |                  |                  |          |                  |                  |          |                  |                  |          |                        |                           |

\*Post-retire = spouse benefit for normal life expectancy. Pre-retire = if death occurs prior to pension starting age (for survivor reports.)

# Miscellaneous Insurance Premiums\*

G10

Retire at 65

| Age | Allen |       |         |     | Betty |       |         |     | Home owners, Property & casualty | Total premiums (incl. life) |
|-----|-------|-------|---------|-----|-------|-------|---------|-----|----------------------------------|-----------------------------|
|     | Auto  | Disab | Medical | LTC | Auto  | Disab | Medical | LTC |                                  |                             |
| 51  | \$200 | \$450 |         |     | \$200 |       |         |     | \$385                            | \$4,160                     |
| 52  | 207   | 450   |         |     | 207   |       |         |     | 399                              | 4,189                       |
| 53  | 215   | 450   |         |     | 215   |       |         |     | 414                              | 4,219                       |
| 54  | 223   | 450   |         |     | 223   |       |         |     | 429                              | 4,251                       |
| 55  | 231   | 450   |         |     | 231   |       |         |     | 445                              | 4,283                       |
| 56  | 240   | 450   |         |     | 240   |       |         |     | 462                              | 4,316                       |
| 57  | 249   | 450   |         |     | 249   |       |         |     | 478                              | 4,350                       |
| 58  | 258   | 450   |         |     | 258   |       |         |     | 496                              | 4,491                       |
| 59  | 267   | 450   |         |     | 267   |       |         |     | 514                              | 4,528                       |
| 60  | 277   | 450   |         |     | 277   |       |         |     | 534                              | 4,463                       |
| 61  | 287   | 450   |         |     | 287   |       |         |     | 553                              | 4,503                       |
| 62  | 298   | 450   |         |     | 298   |       |         |     | 574                              | 4,545                       |
| 63  | 309   | 450   |         |     | 309   |       |         |     | 595                              | 5,333                       |
| 64  | 320   | 450   |         |     | 320   |       |         |     | 617                              | 5,378                       |
| 65  | 331   | 450   |         |     | 331   |       |         |     | 638                              | 5,420                       |
| 66  | 354   |       |         |     | 354   |       |         |     | 681                              | 5,058                       |
| 67  | 366   |       |         |     | 366   |       |         |     | 704                              | 5,106                       |
| 68  | 377   |       |         |     | 377   |       |         |     | 727                              | 6,347                       |
| 69  | 389   |       |         |     | 389   |       |         |     | 750                              | 6,394                       |
| 70  | 402   |       |         |     | 402   |       |         |     | 773                              | 6,442                       |
| 71  | 415   |       |         |     | 415   |       |         |     | 798                              | 6,492                       |
| 72  | 428   |       |         |     | 428   |       |         |     | 823                              | 6,544                       |
| 73  | 441   |       |         |     | 441   |       |         |     | 850                              | 4,282                       |
| 74  | 455   |       |         |     | 455   |       |         |     | 877                              | 4,337                       |
| 75  | 470   |       |         |     | 470   |       |         |     | 904                              | 4,394                       |
| 76  | 485   |       |         |     | 485   |       |         |     | 933                              | 4,453                       |
| 77  | 500   |       |         |     | 500   |       |         |     | 963                              | 4,513                       |
| 78  | 516   |       |         |     | 516   |       |         |     | 993                              | 4,576                       |
| 79  | 532   |       |         |     | 532   |       |         |     | 1,025                            | 4,640                       |
| 80  | 549   |       |         |     | 549   |       |         |     | 1,058                            | 4,707                       |
| 81  | 567   |       |         |     | 567   |       |         |     | 1,091                            | 4,775                       |
| 82  | 585   |       |         |     | 585   |       |         |     | 1,126                            | 4,846                       |
| 83  | 604   |       |         |     | 604   |       |         |     | 1,162                            | 4,919                       |
| 84  | 623   |       |         |     | 623   |       |         |     | 1,199                            | 4,995                       |
| 85  | 643   |       |         |     | 643   |       |         |     | 1,237                            | 5,073                       |
| 86  | 663   |       |         |     | 663   |       |         |     | 1,277                            | 5,153                       |
| 87  | 684   |       |         |     | 684   |       |         |     | 1,317                            | 5,236                       |
| 88  | 706   |       |         |     | 706   |       |         |     | 1,359                            | 5,322                       |
| 89  | 729   |       |         |     | 729   |       |         |     | 1,403                            | 5,410                       |
| 90  | 752   |       |         |     | 752   |       |         |     | 1,447                            | 5,501                       |
| 91  | 776   |       |         |     | 776   |       |         |     | 1,494                            | 5,596                       |
| 92  |       |       |         |     | 801   |       |         |     | 1,541                            | 2,342                       |
| 93  |       |       |         |     | 826   |       |         |     | 1,591                            | 2,417                       |
| 94  |       |       |         |     | 853   |       |         |     | 1,641                            | 2,494                       |
| 95  |       |       |         |     |       |       |         |     |                                  |                             |

\* Includes anticipated inflation in premium amounts on policies other than life insurance.

# Social Security, RMD

G11

Retire at 65

| Age | Allen<br>Starting<br>at 65<br>\$20,507 | Betty<br>Starting<br>at 65<br>\$14,526 | Required Minimum Distributions |                     | Estimated<br>tax due at<br>31.75% bef ret.<br>31.75% after ret | Spendable<br>Minimum<br>distribution<br>after tax. |        |
|-----|--|--|--------------------------------|---------------------|--|--|--------|
|     |  |  | RMD amount<br>Allen            | RMD amount<br>Betty |  |  |        |
| 51  | 47                                     |  |                                |                     |  |  |        |
| 52  | 48                                     |  |                                |                     |  |  |        |
| 53  | 49                                     |  |                                |                     |  |  |        |
| 54  | 50                                     |  |                                |                     |  |  |        |
| 55  | 51                                     |  |                                |                     |  |  |        |
| 56  | 52                                     |  |                                |                     |  |  |        |
| 57  | 53                                     |  |                                |                     |  |  |        |
| 58  | 54                                     |  |                                |                     |  |  |        |
| 59  | 55                                     |  |                                |                     |  |  |        |
| 60  | 56                                     |  |                                |                     |  |  |        |
| 61  | 57                                     |  |                                |                     |  |  |        |
| 62  | 58                                     |  |                                |                     |  |  |        |
| 63  | 59                                     |  |                                |                     |  |  |        |
| 64  | 60                                     |  |                                |                     |  |  |        |
| 65  | 61                                     | 27,059                                 |                                |                     |  |  |        |
| 66  | 62                                     | 27,600                                 |                                |                     |  |  |        |
| 67  | 63                                     | 28,152                                 |                                |                     |  |  |        |
| 68  | 64                                     | 28,715                                 |                                |                     |  |  |        |
| 69  | 65                                     | 29,290                                 | 20,746                         |                     |  |  |        |
| 70  | 66                                     | 29,876                                 | 21,161                         |                     |  |  |        |
| 71  | 67                                     | 30,473                                 | 21,585                         | 5,981               | (1,899)  | 4,082  |        |
| 72  | 68                                     | 31,082                                 | 22,016                         | 6,292               | (1,998)  | 4,294  |        |
| 73  | 69                                     | 31,704                                 | 22,457                         | 6,617               | (2,101)  | 4,516  |        |
| 74  | 70                                     | 32,338                                 | 22,906                         | 6,958               | (2,209)  | 4,749  |        |
| 75  | 71                                     | 32,985                                 | 23,364                         | 7,317               | 14,360   | (6,882)  | 14,795 |
| 76  | 72                                     | 33,645                                 | 23,831                         | 7,692               | 15,250   | (7,284)  | 15,658 |
| 77  | 73                                     | 34,318                                 | 24,308                         | 8,048               | 16,193   | (7,697)  | 16,544 |
| 78  | 74                                     | 35,004                                 | 24,794                         | 8,458               | 17,193   | (8,144)  | 17,507 |
| 79  | 75                                     | 35,704                                 | 25,290                         |                     | 16,645   | (5,285)  | 11,360 |
| 80  | 76                                     | 36,418                                 | 25,796                         |                     | 5,305  | (1,684)  | 3,621  |
| 81  | 77                                     | 37,146                                 | 26,311                         |                     |  |  |        |
| 82  | 78                                     | 37,889                                 | 26,838                         |                     |  |  |        |
| 83  | 79                                     | 38,647                                 | 27,374                         |                     |  |  |        |
| 84  | 80                                     | 39,420                                 | 27,922                         |                     |  |  |        |
| 85  | 81                                     | 40,209                                 | 28,480                         |                     |  |  |        |
| 86  | 82                                     | 41,013                                 | 29,050                         |                     |  |  |        |
| 87  | 83                                     | 41,833                                 | 29,631                         |                     |  |  |        |
| 88  | 84                                     | 42,670                                 | 30,224                         |                     |  |  |        |
| 89  | 85                                     | 43,523                                 | 30,828                         |                     |  |  |        |
| 90  | 86                                     | 44,393                                 | 31,445                         |                     |  |  |        |
| 91  | 87                                     | 45,281                                 | 32,074                         |                     |  |  |        |
| 92  | 88                                     |  | 46,187                         |                     |  |  |        |
| 93  | 89                                     |  | 47,111                         |                     |  |  |        |
| 94  | 90                                     |  | 48,053                         |                     |  |  |        |
| 95  | 91                                     |  |                                |                     |  |  |        |

Note: No taxes are charged on Social Security benefits since exemptions and deductions will generally offset any potential taxable portion.

# Annual Expenses (No Inflation)

G12

Retire at 65

| Age | Personal expenses (no tax) | Itemized deductions | Savings & invest., retire** | Insurance |            |                |                   |             | Liabilities |             | Total annual expenses |
|-----|----------------------------|---------------------|-----------------------------|-----------|------------|----------------|-------------------|-------------|-------------|-------------|-----------------------|
|     |                            |                     |                             | Auto*     | Disability | Medical & LTC* | Home-owner & P/C* | Life Insur. | Mortgages   | Other debts |                       |
| 51  | \$42,240                   | \$13,000            | \$11,124                    | \$400     | \$450      |                | \$385             | \$2,925     | \$10,080    | \$6,060     | \$86,664              |
| 52  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      | 2,801       | 83,405                |
| 53  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      |             | 80,604                |
| 54  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      |             | 80,604                |
| 55  | 42,660                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      |             | 81,024                |
| 56  | 42,660                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      |             | 81,024                |
| 57  | 42,660                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      |             | 81,024                |
| 58  | 42,660                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 3,030       | 10,080      |             | 81,129                |
| 59  | 42,660                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 3,030       | 10,080      |             | 81,129                |
| 60  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 10,080      |             | 80,604                |
| 61  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       | 9,288       |             | 79,812                |
| 62  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 2,925       |             |             | 70,524                |
| 63  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 3,670       |             |             | 71,269                |
| 64  | 42,240                     | 13,000              | 11,124                      | 400       | 450        |                | 385               | 3,670       |             |             | 71,269                |
| 65  | 33,690                     | 13,000              | 5,988                       | 400       | 450        |                | 385               | 3,670       |             |             | 57,583                |
| 66  | 80,430                     | 13,000              | 5,988                       | 400       |            |                | 385               | 3,670       | 18,925      |             | 122,798               |
| 67  | 76,890                     | 13,000              | 5,988                       | 400       |            |                | 385               | 3,670       | 18,925      |             | 119,258               |
| 68  | 76,890                     | 13,000              | 5,988                       | 400       |            |                | 385               | 4,865       | 18,925      |             | 120,453               |
| 69  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 4,865       | 18,925      |             | 114,465               |
| 70  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 4,865       | 18,925      |             | 114,465               |
| 71  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 4,865       | 18,925      |             | 114,465               |
| 72  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 4,865       | 18,925      |             | 114,465               |
| 73  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 74  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 75  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 76  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 77  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 78  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 79  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,925      |             | 112,150               |
| 80  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       | 18,912      |             | 112,137               |
| 81  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 82  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 83  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 84  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 85  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 86  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 87  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 88  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 89  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 90  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 91  | 76,890                     | 13,000              |                             | 400       |            |                | 385               | 2,550       |             |             | 93,225                |
| 92  | 61,512                     | 13,000              |                             | 400       |            |                | 385               |             |             |             | 75,297                |
| 93  | 61,512                     | 13,000              |                             | 400       |            |                | 385               |             |             |             | 75,297                |
| 94  | 61,512                     | 13,000              |                             | 400       |            |                | 385               |             |             |             | 75,297                |
| 95  |                            |                     |                             |           |            |                |                   |             |             |             |                       |

\*Unless otherwise specified, premiums on these policies will be inflated on the Income Needed reports at the rates used for personal expenses.

\*\*Savings and retirement accounts include offset for scheduled withdrawals.

## Gross Income (No Inflation)

Retire at 65

| Age | Allen salary | Betty salary | Allen self employment | Betty self employment | Interest & dividends | Misc. income & insurance | SS and pension income | Gross income |
|-----|--------------|--------------|-----------------------|-----------------------|----------------------|--------------------------|-----------------------|--------------|
| 51  | \$65,000     | \$35,000     | \$1,000               |                       | \$17,011             |                          |                       | \$118,011    |
| 52  | 65,000       | 35,000       | 1,000                 |                       | 17,431               | 38,560                   |                       | 156,992      |
| 53  | 65,000       | 35,000       | 1,000                 |                       | 18,819               | 13,120                   |                       | 132,939      |
| 54  | 75,000       | 35,000       | 1,000                 |                       | 19,894               |                          |                       | 130,894      |
| 55  | 75,000       | 35,000       | 1,000                 |                       | 20,744               |                          |                       | 131,744      |
| 56  | 75,000       | 35,000       | 1,000                 |                       | 21,250               |                          |                       | 132,250      |
| 57  |              | 35,000       | 1,000                 |                       | 21,688               |                          |                       | 57,688       |
| 58  |              | 35,000       | 1,000                 |                       | 22,121               |                          |                       | 58,121       |
| 59  | 80,000       | 35,000       | 1,000                 |                       | 22,945               |                          |                       | 138,945      |
| 60  | 80,000       | 35,000       | 1,000                 |                       | 24,254               |                          |                       | 140,254      |
| 61  | 80,000       | 35,000       | 1,000                 |                       | 26,280               | 60,476                   |                       | 202,756      |
| 62  | 80,000       | 35,000       | 1,000                 |                       | 28,858               | 24,867                   |                       | 169,725      |
| 63  | 80,000       | 35,000       | 1,000                 |                       | 30,938               |                          |                       | 146,938      |
| 64  | 80,000       | 35,000       | 1,000                 |                       | 32,677               |                          |                       | 148,677      |
| 65  |              | 35,000       |                       |                       | 40,798               | 392,638                  | 27,107                | 495,544      |
| 66  |              | 35,000       |                       |                       | 44,531               | 5,000                    | 27,107                | 111,639      |
| 67  |              | 35,000       |                       |                       | 36,964               | 5,200                    | 27,107                | 104,272      |
| 68  |              | 35,000       |                       |                       | 31,254               | 14,408                   | 27,107                | 107,770      |
| 69  |              |              |                       |                       | 28,894               | 14,894                   | 41,633                | 85,422       |
| 70  |              |              |                       |                       | 25,985               | 15,397                   | 41,633                | 83,016       |
| 71  |              |              |                       |                       | 22,968               | 15,918                   | 41,633                | 80,519       |
| 72  |              |              |                       |                       | 20,266               | 16,457                   | 41,633                | 78,356       |
| 73  |              |              |                       |                       | 17,164               | 6,580                    | 41,633                | 65,377       |
| 74  |              |              |                       |                       | 11,818               | 6,843                    | 41,633                | 60,295       |
| 75  |              |              |                       |                       | 4,137                | 7,117                    | 41,633                | 52,887       |
| 76  |              |              |                       |                       | 160                  |                          | 41,633                | 41,793       |
| 77  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 78  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 79  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 80  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 81  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 82  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 83  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 84  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 85  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 86  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 87  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 88  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 89  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 90  |              |              |                       |                       |                      |                          | 41,633                | 41,633       |
| 91  |              |              |                       |                       |                      | 157,500                  | 41,633                | 199,133      |
| 92  |              |              |                       |                       |                      |                          | 23,807                | 23,807       |
| 93  |              |              |                       |                       |                      |                          | 23,807                | 23,807       |
| 94  |              |              |                       |                       |                      |                          | 27,107                | 27,107       |
| 95  |              |              |                       |                       |                      |                          |                       |              |

# Itemized Deduction Expenses

No Inflation\*

G14

Retire at 65

| Age | Gross Income | Charity        |               | Medical        |               | Property tax        |                |               | Other Tax      |               | Misc Item. Ded. |               | Other ded. int. |               | Total    |
|-----|--------------|----------------|---------------|----------------|---------------|---------------------|----------------|---------------|----------------|---------------|-----------------|---------------|-----------------|---------------|----------|
|     |              | % gross income | Annual amount | % gross income | Annual amount | Residence \$307,000 | % resid. value | Annual amount | % gross income | Annual amount | % gross income  | Annual amount | % gross income  | Annual amount |          |
|     |              |                | \$750         |                |               |                     |                | \$3,500       |                |               |                 | \$8,750       |                 |               |          |
| 51  | \$118,011    |                | \$750         |                |               | \$307,000           |                | \$3,500       |                |               |                 | \$8,750       |                 |               | \$13,000 |
| 52  | 156,992      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 53  | 132,939      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 54  | 130,894      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 55  | 131,744      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 56  | 132,250      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 57  | 57,688       |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 58  | 58,121       |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 59  | 138,945      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 60  | 140,254      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 61  | 202,756      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 62  | 169,725      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 63  | 146,938      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 64  | 148,677      |                | 750           |                |               | 307,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 65  | 495,544      |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 66  | 111,639      |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 67  | 104,272      |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 68  | 107,770      |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 69  | 85,422       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 70  | 83,016       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 71  | 80,519       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 72  | 78,356       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 73  | 65,377       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 74  | 60,295       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 75  | 52,887       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 76  | 41,793       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 77  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 78  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 79  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 80  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 81  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 82  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 83  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 84  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 85  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 86  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 87  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 88  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 89  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 90  | 41,633       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 91  | 199,133      |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 92  | 23,807       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 93  | 23,807       |                | 750           |                |               | 145,000             |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 94  | 27,107       |                | 750           |                |               |                     |                | 3,500         |                |               |                 | 8,750         |                 |               | 13,000   |
| 95  |              |                |               |                |               |                     |                |               |                |               |                 |               |                 |               |          |

\* Amounts shown may vary from year to year based on data provided about changing amounts at various ages.

## Misc. Insurance Premiums (No Inflation)

G15

Retire at 65

| Age | Allen |       |         |     | Betty |       |         |     | Home owners, Property & casualty | Total premiums (incl. life) |
|-----|-------|-------|---------|-----|-------|-------|---------|-----|----------------------------------|-----------------------------|
|     | Auto  | Disab | Medical | LTC | Auto  | Disab | Medical | LTC |                                  |                             |
| 51  | \$200 | \$450 |         |     | \$200 |       |         |     | \$385                            | \$4,160                     |
| 52  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 53  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 54  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 55  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 56  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 57  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 58  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,265                       |
| 59  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,265                       |
| 60  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 61  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 62  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,160                       |
| 63  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,905                       |
| 64  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,905                       |
| 65  | 200   | 450   |         |     | 200   |       |         |     | 385                              | 4,905                       |
| 66  | 200   |       |         |     | 200   |       |         |     | 385                              | 4,455                       |
| 67  | 200   |       |         |     | 200   |       |         |     | 385                              | 4,455                       |
| 68  | 200   |       |         |     | 200   |       |         |     | 385                              | 5,650                       |
| 69  | 200   |       |         |     | 200   |       |         |     | 385                              | 5,650                       |
| 70  | 200   |       |         |     | 200   |       |         |     | 385                              | 5,650                       |
| 71  | 200   |       |         |     | 200   |       |         |     | 385                              | 5,650                       |
| 72  | 200   |       |         |     | 200   |       |         |     | 385                              | 5,650                       |
| 73  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 74  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 75  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 76  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 77  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 78  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 79  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 80  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 81  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 82  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 83  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 84  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 85  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 86  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 87  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 88  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 89  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 90  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 91  | 200   |       |         |     | 200   |       |         |     | 385                              | 3,335                       |
| 92  |       |       |         |     | 200   |       |         |     | 385                              | 585                         |
| 93  |       |       |         |     | 200   |       |         |     | 385                              | 585                         |
| 94  |       |       |         |     | 200   |       |         |     | 385                              | 585                         |
| 95  |       |       |         |     |       |       |         |     |                                  |                             |

# Allen - Income Worksheet

G16

Retire at 65

| Age | Salary income | Increase rate | Self employment |               | Total earned income | Salary + Self Employment Income<br>(Amounts indicated to be used for reports) |                   |                 |
|-----|---------------|---------------|-----------------|---------------|---------------------|---|-------------------|-----------------|
|     |               |               | income          | Increase rate |                     | Cash flow amount  | Disability amount | Survivor amount |
| 51  | \$65,000      | 3.00          | \$1,000         |               | \$66,000            | \$66,000  | \$66,000          | \$66,000        |
| 52  | 66,950        | 3.00          | 1,000           |               | 67,950              | 67,950  | 67,950            | 67,950          |
| 53  | 68,959        | 3.00          | 1,000           |               | 69,959              | 69,959  | 69,959            | 69,959          |
| 54  | 81,955        | 3.00          | 1,000           |               | 82,955              | 82,955  | 82,955            | 82,955          |
| 55  | 84,413        | 3.00          | 1,000           |               | 85,413              | 85,413  | 85,413            | 85,413          |
| 56  | 86,946        | 3.00          | 1,000           |               | 87,946              | 87,946  | 87,946            | 87,946          |
| 57  |               |               | 1,000           |               | 1,000               | 1,000   | 1,000             | 1,000           |
| 58  |               |               | 1,000           |               | 1,000               | 1,000   | 1,000             | 1,000           |
| 59  | 95,524        | 5.00          | 1,000           |               | 96,524              | 96,524  | 96,524            | 96,524          |
| 60  | 100,300       | 5.00          | 1,000           |               | 101,300             | 101,300   | 101,300           | 101,300         |
| 61  | 105,315       | 5.00          | 1,000           |               | 106,315             | 106,315   | 106,315           | 106,315         |
| 62  | 110,581       | 5.00          | 1,000           |               | 111,581             | 111,581   | 111,581           | 111,581         |
| 63  | 116,110       | 5.00          | 1,000           |               | 117,110             | 117,110   | 117,110           | 117,110         |
| 64  | 121,916       | 5.00          | 1,000           |               | 122,916             | 122,916   | 122,916           | 122,916         |
| 65  |               |               |                 |               |                     |   |                   |                 |
| 66  |               |               |                 |               |                     |   |                   |                 |
| 67  |               |               |                 |               |                     |   |                   |                 |
| 68  |               |               |                 |               |                     |   |                   |                 |
| 69  |               |               |                 |               |                     |   |                   |                 |
| 70  |               |               |                 |               |                     |   |                   |                 |
| 71  |               |               |                 |               |                     |   |                   |                 |
| 72  |               |               |                 |               |                     |   |                   |                 |
| 73  |               |               |                 |               |                     |   |                   |                 |
| 74  |               |               |                 |               |                     |   |                   |                 |
| 75  |               |               |                 |               |                     |   |                   |                 |
| 76  |               |               |                 |               |                     |   |                   |                 |
| 77  |               |               |                 |               |                     |   |                   |                 |
| 78  |               |               |                 |               |                     |   |                   |                 |
| 79  |               |               |                 |               |                     |   |                   |                 |
| 80  |               |               |                 |               |                     |   |                   |                 |
| 81  |               |               |                 |               |                     |   |                   |                 |
| 82  |               |               |                 |               |                     |   |                   |                 |
| 83  |               |               |                 |               |                     |   |                   |                 |
| 84  |               |               |                 |               |                     |   |                   |                 |
| 85  |               |               |                 |               |                     |   |                   |                 |
| 86  |               |               |                 |               |                     |   |                   |                 |
| 87  |               |               |                 |               |                     |   |                   |                 |
| 88  |               |               |                 |               |                     |   |                   |                 |
| 89  |               |               |                 |               |                     |   |                   |                 |
| 90  |               |               |                 |               |                     |   |                   |                 |
| 91  |               |               |                 |               |                     |   |                   |                 |
| 92  |               |               |                 |               |                     |   |                   |                 |
| 93  |               |               |                 |               |                     |   |                   |                 |
| 94  |               |               |                 |               |                     |   |                   |                 |
| 95  |               |               |                 |               |                     |   |                   |                 |

# Betty - Income Worksheet

Retire at 65

| Age | Salary<br>income | Increase<br>rate | Self<br>employment |                  | Total<br>earned<br>income | Salary + Self Employment<br>(Amounts indicated to be used for reports) |                      |                    |
|-----|------------------|------------------|--------------------|------------------|---------------------------|--|----------------------|--------------------|
|     |                  |                  | income             | Increase<br>rate |                           | Cash Flow<br>amount  | Disability<br>amount | Survivor<br>amount |
| 47  | \$35,000         |                  |                    |                  | \$35,000                  | \$35,000   | \$45,000             | \$45,000           |
| 48  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 49  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 50  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 51  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 52  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 53  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 54  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 45,000               | 45,000             |
| 55  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 56  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 57  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 58  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 59  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 60  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 61  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 62  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 63  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 64  | 35,000           |                  |                    |                  | 35,000                    | 35,000   | 35,000               | 45,000             |
| 65  |                  |                  |                    |                  |                           |  |                      |                    |
| 66  |                  |                  |                    |                  |                           |  |                      |                    |
| 67  |                  |                  |                    |                  |                           |  |                      |                    |
| 68  |                  |                  |                    |                  |                           |  |                      |                    |
| 69  |                  |                  |                    |                  |                           |  |                      |                    |
| 70  |                  |                  |                    |                  |                           |  |                      |                    |
| 71  |                  |                  |                    |                  |                           |  |                      |                    |
| 72  |                  |                  |                    |                  |                           |  |                      |                    |
| 73  |                  |                  |                    |                  |                           |  |                      |                    |
| 74  |                  |                  |                    |                  |                           |  |                      |                    |
| 75  |                  |                  |                    |                  |                           |  |                      |                    |
| 76  |                  |                  |                    |                  |                           |  |                      |                    |
| 77  |                  |                  |                    |                  |                           |  |                      |                    |
| 78  |                  |                  |                    |                  |                           |  |                      |                    |
| 79  |                  |                  |                    |                  |                           |  |                      |                    |
| 80  |                  |                  |                    |                  |                           |  |                      |                    |
| 81  |                  |                  |                    |                  |                           |  |                      |                    |
| 82  |                  |                  |                    |                  |                           |  |                      |                    |
| 83  |                  |                  |                    |                  |                           |  |                      |                    |
| 84  |                  |                  |                    |                  |                           |  |                      |                    |
| 85  |                  |                  |                    |                  |                           |  |                      |                    |
| 86  |                  |                  |                    |                  |                           |  |                      |                    |
| 87  |                  |                  |                    |                  |                           |  |                      |                    |
| 88  |                  |                  |                    |                  |                           |  |                      |                    |
| 89  |                  |                  |                    |                  |                           |  |                      |                    |
| 90  |                  |                  |                    |                  |                           |  |                      |                    |
| 91  |                  |                  |                    |                  |                           |  |                      |                    |

# Residence Sale Worksheet

Retire at 65

| Combined amounts for residences scheduled for sale. |                   |                 |              |                       |                        |
|---|-------------------|-----------------|--------------|-----------------------|------------------------|
| Age   | Residence values* | Mortgage payoff | Cost of sale | New home down payment | Net proceeds or (cost) |
| 51  | \$307,000         |                 |              |                       |                        |
| 52  | 316,210           |                 |              |                       |                        |
| 53  | 325,696           |                 |              |                       |                        |
| 54  | 335,467           |                 |              |                       |                        |
| 55  | 345,531           |                 |              |                       |                        |
| 56  | 355,897           |                 |              |                       |                        |
| 57  | 366,574           |                 |              |                       |                        |
| 58  | 377,571           |                 |              |                       |                        |
| 59  | 388,898           |                 |              |                       |                        |
| 60  | 400,565           |                 |              |                       |                        |
| 61  | 412,582           |                 |              |                       |                        |
| 62  | 424,960           |                 |              |                       |                        |
| 63  | 437,709           |                 |              |                       |                        |
| 64  | 450,840           |                 |              |                       |                        |
| 65  | 464,365           |                 | 27,862       | 43,865                | 392,638                |
| 66  | 225,905           |                 |              |                       |                        |
| 67  | 232,682           |                 |              |                       |                        |
| 68  | 239,663           |                 |              |                       |                        |
| 69  | 246,853           |                 |              |                       |                        |
| 70  | 254,258           |                 |              |                       |                        |
| 71  | 261,886           |                 |              |                       |                        |
| 72  | 269,743           |                 |              |                       |                        |
| 73  | 277,835           |                 |              |                       |                        |
| 74  | 286,170           |                 |              |                       |                        |
| 75  | 294,755           |                 |              |                       |                        |
| 76  | 303,598           |                 |              |                       |                        |
| 77  | 312,706           |                 |              |                       |                        |
| 78  | 322,087           |                 |              |                       |                        |
| 79  | 331,750           |                 |              |                       |                        |
| 80  | 341,702           |                 |              |                       |                        |
| 81  | 351,953           |                 |              |                       |                        |
| 82  | 362,512           |                 |              |                       |                        |
| 83  | 373,387           |                 |              |                       |                        |
| 84  | 384,589           |                 |              |                       |                        |
| 85  | 396,126           |                 |              |                       |                        |
| 86  | 408,010           |                 |              |                       |                        |
| 87  | 420,250           |                 |              |                       |                        |
| 88  | 432,858           |                 |              |                       |                        |
| 89  | 445,844           |                 |              |                       |                        |
| 90  | 459,219           |                 |              |                       |                        |
| 91  | 472,995           |                 |              |                       |                        |
| 92  | 487,185           |                 |              |                       |                        |
| 93  | 501,801           |                 |              |                       |                        |
| 94  | 516,855           |                 |              |                       |                        |
| 95  | 532,361           |                 |              |                       |                        |
| 96  | 548,331           |                 |              |                       |                        |
| 97  | 564,781           |                 |              |                       |                        |
| 98  | 581,725           |                 |              |                       |                        |
| 99  | 599,177           |                 |              |                       |                        |
| 100   | 617,152           |                 |              |                       |                        |

**Description** **Corvallis home**  
 Current value \$307,000  
 Appreciation rate 3.00%  
 Sale age 65  
 Value at sale \$464,365  
 Percent sales cost 6.00%  
 Total sales cost \$27,862  
 Mortgage payoff

**New Home** \$145,000  
 Appreciated cost \$219,326  
 Percent financed 80%  
 Mortgage rate 7.00%  
 Number of years 15  
 Down payment \$43,865  
 New mortgage \$175,460

**Description**  
 Current value  
 Appreciation rate  
 Sale age  
 Value at sale  
 Percent sales cost  
 Total sales cost  
 Mortgage payoff

**New Home**  
 Appreciated cost  
 Percent financed  
 Mortgage rate  
 Number of years  
 Down payment  
 New mortgage

**Description**  
 Current value  
 Appreciation rate  
 Sale age  
 Value at sale  
 Percent sales cost  
 Total sales cost  
 Mortgage payoff

**New Home**  
 Appreciated cost  
 Percent financed  
 Mortgage rate  
 Number of years  
 Down payment  
 New mortgage

\*Replacement residence value is shown at the end of the first year.

# Taxable Accounts

HI

Retire at 65

| Age | Annual Deposits | Withdrawals | Cash flow surplus or (shortage) | Interest rate | Interest earned | Income tax @ 31.75% | Account balance \$141,050 |
|-----|-----------------|-------------|---------------------------------|---------------|-----------------|---------------------|---------------------------|
| 51  |                 |             | (25,973)                        | 6.90          | \$8,890         | (\$2,823)           | \$121,144                 |
| 52  |                 |             | 4,234                           | 6.90          | 8,491           | (2,696)             | 131,173                   |
| 53  |                 |             | 78                              | 6.90          | 9,049           | (2,873)             | 137,427                   |
| 54  |                 |             |                                 | 6.90          | 9,477           | (3,009)             | 143,895                   |
| 55  |                 |             | (8,609)                         | 6.90          | 9,646           | (3,063)             | 141,869                   |
| 56  |                 |             | (10,908)                        | 6.90          | 9,432           | (2,995)             | 137,398                   |
| 57  |                 |             | (11,380)                        | 6.90          | 9,109           | (2,892)             | 132,235                   |
| 58  |                 |             | (11,871)                        | 6.90          | 8,737           | (2,774)             | 126,327                   |
| 59  |                 |             |                                 | 6.90          | 8,712           | (2,766)             | 132,273                   |
| 60  |                 |             |                                 | 6.90          | 9,122           | (2,896)             | 138,499                   |
| 61  |                 |             | 6,722                           | 6.90          | 9,768           | (3,101)             | 151,888                   |
| 62  |                 |             | 4,973                           | 6.90          | 10,635          | (3,377)             | 164,119                   |
| 63  |                 |             |                                 | 6.90          | 11,318          | (3,593)             | 171,844                   |
| 64  |                 |             |                                 | 6.90          | 11,851          | (3,763)             | 179,932                   |
| 65  |                 |             | 79,332                          | 6.90          | 14,966          | (4,752)             | 269,478                   |
| 66  |                 |             | (142,475)                       | 6.90          | 13,994          | (4,443)             | 136,554                   |
| 67  |                 |             | (139,904)                       | 6.90          | 4,908           | (1,558)             |                           |
| 68  |                 |             |                                 | 6.90          |                 |                     |                           |
| 69  |                 |             |                                 | 6.90          |                 |                     |                           |
| 70  |                 |             |                                 | 6.90          |                 |                     |                           |
| 71  |                 |             |                                 | 6.90          |                 |                     |                           |
| 72  |                 |             |                                 | 6.90          |                 |                     |                           |
| 73  |                 |             |                                 | 6.90          |                 |                     |                           |
| 74  |                 |             |                                 | 6.90          |                 |                     |                           |
| 75  |                 |             |                                 | 6.90          |                 |                     |                           |
| 76  |                 |             |                                 | 6.90          |                 |                     |                           |
| 77  |                 |             |                                 | 6.90          |                 |                     |                           |
| 78  |                 |             |                                 | 6.90          |                 |                     |                           |
| 79  |                 |             |                                 | 6.90          |                 |                     |                           |
| 80  |                 |             |                                 | 6.90          |                 |                     |                           |
| 81  |                 |             |                                 | 6.90          |                 |                     |                           |
| 82  |                 |             |                                 | 6.90          |                 |                     |                           |
| 83  |                 |             |                                 | 6.90          |                 |                     |                           |
| 84  |                 |             |                                 | 6.90          |                 |                     |                           |
| 85  |                 |             |                                 | 6.90          |                 |                     |                           |
| 86  |                 |             |                                 | 6.90          |                 |                     |                           |
| 87  |                 |             |                                 | 6.90          |                 |                     |                           |
| 88  |                 |             |                                 | 6.90          |                 |                     |                           |
| 89  |                 |             |                                 | 6.90          |                 |                     |                           |
| 90  |                 |             |                                 | 6.90          |                 |                     |                           |
| 91  |                 |             |                                 | 6.90          |                 |                     |                           |
| 92  |                 |             |                                 | 6.90          |                 |                     |                           |
| 93  |                 |             |                                 | 6.90          |                 |                     |                           |
| 94  |                 |             |                                 | 6.90          |                 |                     |                           |
| 95  |                 |             |                                 | 6.90          |                 |                     |                           |

Interest rate is the weighted average rate for taxable assets as indicated on the Asset Summary report.

# Equity & Other Investments

H2

Retire at 65

| Age | Deposits | Withdrawals | Cash flow surplus or (shortage) | Interest or           |                 |                     |                | Total return | Income tax* | Account balance \$222,060 |
|-----|----------|-------------|---------------------------------|-----------------------|-----------------|---------------------|----------------|--------------|-------------|---------------------------|
|     |          |             |                                 | STCG (Ord Inc) rate % | Dividend rate % | Capital gain rate % | Apprec. rate % |              |             |                           |
| 51  | \$3,132  |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | \$14,687     | (\$2,270)   | \$237,609                 |
| 52  | 3,161    |             | 8,468                           | 0.18                  | 1.35            | 1.45                | 3.59           | 16,013       | (2,475)     | 262,776                   |
| 53  | 3,190    |             | 156                             | 0.18                  | 1.35            | 1.45                | 3.59           | 17,368       | (2,684)     | 280,806                   |
| 54  | 3,220    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 18,547       | (2,866)     | 299,707                   |
| 55  | 3,251    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 19,788       | (3,058)     | 319,688                   |
| 56  | 3,282    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 21,101       | (3,261)     | 340,810                   |
| 57  | 3,314    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 22,489       | (3,476)     | 363,136                   |
| 58  | 3,346    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 23,955       | (3,702)     | 386,736                   |
| 59  | 3,379    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 25,505       | (3,942)     | 411,678                   |
| 60  | 3,413    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 27,144       | (4,195)     | 438,040                   |
| 61  | 3,447    |             | 13,445                          | 0.18                  | 1.35            | 1.45                | 3.59           | 29,357       | (4,537)     | 479,752                   |
| 62  | 3,482    |             | 9,946                           | 0.18                  | 1.35            | 1.45                | 3.59           | 31,971       | (4,941)     | 520,210                   |
| 63  | 3,518    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 34,272       | (5,297)     | 552,704                   |
| 64  | 3,555    |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 36,406       | (5,626)     | 587,039                   |
| 65  | 792      |             | 79,332                          | 0.18                  | 1.35            | 1.45                | 3.59           | 41,403       | (6,399)     | 702,167                   |
| 66  | 792      |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           | 46,117       | (7,127)     | 741,949                   |
| 67  | 792      |             | (14,063)                        | 0.18                  | 1.35            | 1.45                | 3.59           | 48,225       | (7,453)     | 769,450                   |
| 68  | 792      |             | (151,074)                       | 0.18                  | 1.35            | 1.45                | 3.59           | 45,120       | (6,973)     | 657,315                   |
| 69  |          |             | (128,899)                       | 0.18                  | 1.35            | 1.45                | 3.59           | 38,526       | (5,954)     | 560,988                   |
| 70  |          |             | (172,811)                       | 0.18                  | 1.35            | 1.45                | 3.59           | 30,629       | (4,734)     | 414,072                   |
| 71  |          |             | (132,776)                       | 0.18                  | 1.35            | 1.45                | 3.59           | 22,421       | (3,465)     | 300,252                   |
| 72  |          |             | (136,752)                       | 0.18                  | 1.35            | 1.45                | 3.59           | 14,807       | (2,289)     | 176,018                   |
| 73  |          |             | (148,984)                       | 0.18                  | 1.35            | 1.45                | 3.59           | 6,214        | (961)       | 32,287                    |
| 74  |          |             | (33,215)                        | 0.18                  | 1.35            | 1.45                | 3.59           | 929          | (144)       |                           |
| 75  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 76  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 77  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 78  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 79  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 80  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 81  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 82  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 83  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 84  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 85  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 86  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 87  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 88  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 89  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 90  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 91  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 92  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 93  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 94  |          |             |                                 | 0.18                  | 1.35            | 1.45                | 3.59           |              |             |                           |
| 95  |          |             |                                 |                       |                 |                     |                |              |             |                           |

Tax rate on interest is 31.75% before retirement, 31.75% after. Dividend and Capital Gain taxed at 15.00% before retirement and 15.00% after.

Note: The 15% tax rate illustrated assumes that the special rate is extended by Congress after 2008.

Rates shown above are weighted average rates for assets of this type on the Asset Detail report.

## Tax Free Accounts

H3

Retire at 65

| Age | Deposits | Withdrawals | Cash flow surplus or (shortage) | Interest rate % | Interest earned | Account balance \$25,000 |
|-----|----------|-------------|---------------------------------|-----------------|-----------------|--------------------------|
| 51  |          |             |                                 | 5.70            | \$1,462         | \$26,462                 |
| 52  |          |             | 4,234                           | 5.70            | 1,681           | 32,377                   |
| 53  |          |             | 78                              | 5.70            | 1,896           | 34,351                   |
| 54  |          |             |                                 | 5.70            | 2,009           | 36,360                   |
| 55  |          |             |                                 | 5.70            | 2,127           | 38,487                   |
| 56  |          |             |                                 | 5.70            | 2,251           | 40,738                   |
| 57  |          |             |                                 | 5.70            | 2,383           | 43,121                   |
| 58  |          |             |                                 | 5.70            | 2,523           | 45,644                   |
| 59  |          |             |                                 | 5.70            | 2,670           | 48,314                   |
| 60  |          |             |                                 | 5.70            | 2,826           | 51,140                   |
| 61  |          |             | 6,722                           | 5.70            | 3,203           | 61,065                   |
| 62  |          |             | 4,973                           | 5.70            | 3,729           | 69,767                   |
| 63  |          |             |                                 | 5.70            | 4,082           | 73,849                   |
| 64  |          |             |                                 | 5.70            | 4,321           | 78,170                   |
| 65  |          |             | 79,332                          | 5.70            | 7,066           | 164,568                  |
| 66  |          |             |                                 | 5.70            | 9,629           | 174,197                  |
| 67  |          |             |                                 | 5.70            | 10,192          | 184,389                  |
| 68  |          |             |                                 | 5.70            | 10,789          | 195,178                  |
| 69  |          |             |                                 | 5.70            | 11,420          | 206,598                  |
| 70  |          |             |                                 | 5.70            | 12,088          | 218,686                  |
| 71  |          |             |                                 | 5.70            | 12,795          | 231,481                  |
| 72  |          |             |                                 | 5.70            | 13,544          | 245,025                  |
| 73  |          |             |                                 | 5.70            | 14,337          | 259,362                  |
| 74  |          |             | (120,334)                       | 5.70            | 11,395          | 150,423                  |
| 75  |          |             | (148,466)                       | 5.70            | 4,137           | 6,094                    |
| 76  |          |             | (6,254)                         | 5.70            | 160             |                          |
| 77  |          |             |                                 | 5.70            |                 |                          |
| 78  |          |             |                                 | 5.70            |                 |                          |
| 79  |          |             |                                 | 5.70            |                 |                          |
| 80  |          |             |                                 | 5.70            |                 |                          |
| 81  |          |             |                                 | 5.70            |                 |                          |
| 82  |          |             |                                 | 5.70            |                 |                          |
| 83  |          |             |                                 | 5.70            |                 |                          |
| 84  |          |             |                                 | 5.70            |                 |                          |
| 85  |          |             |                                 | 5.70            |                 |                          |
| 86  |          |             |                                 | 5.70            |                 |                          |
| 87  |          |             |                                 | 5.70            |                 |                          |
| 88  |          |             |                                 | 5.70            |                 |                          |
| 89  |          |             |                                 | 5.70            |                 |                          |
| 90  |          |             |                                 | 5.70            |                 |                          |
| 91  |          |             |                                 | 5.70            |                 |                          |
| 92  |          |             |                                 | 5.70            |                 |                          |
| 93  |          |             |                                 | 5.70            |                 |                          |
| 94  |          |             |                                 | 5.70            |                 |                          |
| 95  |          |             |                                 | 5.70            |                 |                          |

Interest rate is the weighted average rate for tax free assets as indicated on the Asset Summary report.

# Tax Deferred Accounts

H4

Retire at 65

| Age | Deposits | Withdrawals | Cash Flow surplus or (shortage) | Income tax @ 31.75% | Rate of return % | Account earnings | Account balance \$30,000 | Cumulative deferred interest | Taxable interest* |
|-----|----------|-------------|---------------------------------|---------------------|------------------|------------------|--------------------------|------------------------------|-------------------|
| 51  |          |             |                                 |                     | 7.25             | \$2,248          | \$32,248                 | \$2,248                      |                   |
| 52  |          |             | 4,234                           |                     | 7.25             | 2,587            | 39,069                   | 4,835                        |                   |
| 53  |          |             | 78                              |                     | 7.25             | 2,931            | 42,078                   | 7,766                        |                   |
| 54  |          |             |                                 |                     | 7.25             | 3,154            | 45,232                   | 10,920                       |                   |
| 55  |          |             |                                 |                     | 7.25             | 3,390            | 48,622                   | 14,310                       |                   |
| 56  |          |             |                                 |                     | 7.25             | 3,644            | 52,266                   | 17,954                       |                   |
| 57  |          |             |                                 |                     | 7.25             | 3,917            | 56,183                   | 21,871                       |                   |
| 58  |          |             |                                 |                     | 7.25             | 4,211            | 60,394                   | 26,082                       |                   |
| 59  |          |             |                                 |                     | 7.25             | 4,527            | 64,921                   | 30,609                       |                   |
| 60  |          |             |                                 |                     | 7.25             | 4,866            | 69,787                   | 35,475                       |                   |
| 61  |          |             | 6,722                           |                     | 7.25             | 5,501            | 82,010                   | 40,976                       |                   |
| 62  |          |             | 4,973                           |                     | 7.25             | 6,347            | 93,330                   | 47,323                       |                   |
| 63  |          |             |                                 |                     | 7.25             | 6,995            | 100,325                  | 54,318                       |                   |
| 64  |          |             |                                 |                     | 7.25             | 7,520            | 107,845                  | 61,838                       |                   |
| 65  |          |             | 79,332                          |                     | 7.25             | 11,269           | 198,446                  | 73,107                       |                   |
| 66  |          |             |                                 |                     | 7.25             | 14,875           | 213,321                  | 87,982                       |                   |
| 67  |          |             |                                 |                     | 7.25             | 15,990           | 229,311                  | 103,972                      |                   |
| 68  |          |             |                                 |                     | 7.25             | 17,188           | 246,499                  | 121,160                      |                   |
| 69  |          |             |                                 |                     | 7.25             | 18,477           | 264,976                  | 139,637                      |                   |
| 70  |          |             |                                 |                     | 7.25             | 19,862           | 284,838                  | 159,499                      |                   |
| 71  |          |             |                                 |                     | 7.25             | 21,350           | 306,188                  | 180,849                      |                   |
| 72  |          |             |                                 |                     | 7.25             | 22,951           | 329,139                  | 203,800                      |                   |
| 73  |          |             |                                 |                     | 7.25             | 24,671           | 353,810                  | 228,471                      |                   |
| 74  |          |             |                                 |                     | 7.25             | 26,520           | 380,330                  | 254,991                      |                   |
| 75  |          |             |                                 |                     | 7.25             | 28,508           | 408,838                  | 283,499                      |                   |
| 76  |          |             | (151,533)                       | (70,493)            | 7.25             | 21,730           | 208,542                  | 83,203                       | 222,026           |
| 77  |          |             | (162,412)                       | (28,940)            | 7.25             | 7,948            | 25,138                   |                              | 91,151            |
| 78  |          |             | (25,712)                        | (267)               | 7.25             | 841              |                          |                              | 841               |
| 79  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 80  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 81  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 82  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 83  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 84  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 85  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 86  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 87  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 88  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 89  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 90  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 91  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 92  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 93  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 94  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |
| 95  |          |             |                                 |                     | 7.25             |                  |                          |                              |                   |

Rate of return is the weighted average rate for tax deferred assets as indicated on the Asset Summary report.

# Retirement Plans - Allen

H5

Retire at 65

| Age | Contributions |                  |        | Withdrawals |            | Tax due on   | Minimum    | Rate | Interest | Account  |
|-----|---------------|------------------|--------|-------------|------------|--------------|------------|------|----------|----------|
|     | Personal      | Company deposits |        | Personal    | Cash       | withdrawals* |            | of   |          |          |
|     | deposits      | Retirement       | Roth   | with-       | flow       | 31.75%       | Distrib.** | %    |          | \$32,000 |
|     |               | Plans            | 401(k) | drawals     | (shortage) | 31.75%       |            |      |          |          |
| 51  |               | \$1,800          |        |             |            |              |            | 5.50 | \$1,815  | \$35,615 |
| 52  |               | 1,870            |        |             |            |              |            | 5.50 | 2,015    | 39,500   |
| 53  |               | 1,943            |        |             |            |              |            | 5.50 | 2,231    | 43,675   |
| 54  |               | 2,019            |        |             |            |              |            | 5.50 | 2,463    | 48,157   |
| 55  |               | 2,098            |        |             |            |              |            | 5.50 | 2,712    | 52,967   |
| 56  |               | 2,179            |        |             |            |              |            | 5.50 | 2,979    | 58,125   |
| 57  |               | 2,264            |        |             |            |              |            | 5.50 | 3,266    | 63,655   |
| 58  |               | 2,353            |        |             |            |              |            | 5.50 | 3,572    | 69,581   |
| 59  |               | 2,445            |        |             |            |              |            | 5.50 | 3,901    | 75,926   |
| 60  |               | 2,540            |        |             |            |              |            | 5.50 | 4,253    | 82,719   |
| 61  |               | 2,639            |        |             |            |              |            | 5.50 | 4,629    | 89,987   |
| 62  |               | 2,742            |        |             |            |              |            | 5.50 | 5,032    | 97,761   |
| 63  |               | 2,849            |        |             |            |              |            | 5.50 | 5,463    | 106,073  |
| 64  |               | 2,960            |        |             |            |              |            | 5.50 | 5,924    | 114,957  |
| 65  |               |                  |        |             |            |              |            | 5.50 | 6,323    | 121,280  |
| 66  |               |                  |        |             |            |              |            | 5.50 | 6,670    | 127,950  |
| 67  |               |                  |        |             |            |              |            | 5.50 | 7,037    | 134,987  |
| 68  |               |                  |        |             |            |              |            | 5.50 | 7,424    | 142,412  |
| 69  |               |                  |        |             |            |              |            | 5.50 | 7,833    | 150,244  |
| 70  |               |                  |        |             |            |              |            | 5.50 | 8,263    | 158,508  |
| 71  |               |                  |        |             |            |              | (5,981)    | 5.50 | 8,537    | 161,063  |
| 72  |               |                  |        |             |            |              | (6,292)    | 5.50 | 8,668    | 163,439  |
| 73  |               |                  |        |             |            |              | (6,617)    | 5.50 | 8,789    | 165,611  |
| 74  |               |                  |        |             |            |              | (6,958)    | 5.50 | 8,898    | 167,551  |
| 75  |               |                  |        |             |            |              | (7,317)    | 5.50 | 8,994    | 169,227  |
| 76  |               |                  |        |             |            |              | (7,692)    | 5.50 | 9,074    | 170,610  |
| 77  |               |                  |        |             |            |              | (8,048)    | 5.50 | 9,140    | 171,701  |
| 78  |               |                  |        |             | (117,187)  | (54,515)     | (8,458)    | 5.50 |          |          |
| 79  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 80  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 81  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 82  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 83  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 84  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 85  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 86  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 87  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 88  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 89  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 90  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 91  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 92  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 93  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 94  |               |                  |        |             |            |              |            | 5.50 |          |          |
| 95  |               |                  |        |             |            |              |            | 5.50 |          |          |

\* Tax due on withdrawals and shortages is increased to include the tax due on the amount withdrawn to pay the tax, plus early distribution tax if applicable. Tax rates shown are before/after retirement.

\*\* Potential Required Minimum Distribution withdrawals. Uses IRS 2002 Uniform Lifetime Table or Joint table for life expectancy.

Required Minimum Distributions are net of scheduled withdrawals.

Rate of return is the weighted average rate on these accounts listed on the Asset Detail report page.

## Retirement Plans - Betty

H6

Retire at 65

| Age | Contributions     |                                   |             | Withdrawals           |                      | Tax due on withdrawals*<br>31.75% | Minimum Distrib.** | Rate of return % | Interest earned | Account Balance \$27,300 |
|-----|-------------------|-----------------------------------|-------------|-----------------------|----------------------|-----------------------------------|--------------------|------------------|-----------------|--------------------------|
|     | Personal deposits | Company deposits Retirement Plans | Roth 401(k) | Personal with-drawals | Cash flow (shortage) |                                   |                    |                  |                 |                          |
| 47  | \$2,400           | \$1,560                           |             |                       |                      |                                   |                    | 6.50             | \$1,916         | \$33,176                 |
| 48  | 2,494             | 1,621                             |             |                       |                      |                                   |                    | 6.50             | 2,304           | 39,594                   |
| 49  | 2,591             | 1,684                             |             |                       |                      |                                   |                    | 6.50             | 2,727           | 46,595                   |
| 50  | 2,692             | 1,750                             |             |                       |                      |                                   |                    | 6.50             | 3,188           | 54,224                   |
| 51  | 2,797             | 1,818                             |             |                       |                      |                                   |                    | 6.50             | 3,690           | 62,528                   |
| 52  | 2,906             | 1,889                             |             |                       |                      |                                   |                    | 6.50             | 4,236           | 71,558                   |
| 53  | 3,019             | 1,963                             |             |                       |                      |                                   |                    | 6.50             | 4,830           | 81,369                   |
| 54  | 3,137             | 2,039                             |             |                       |                      |                                   |                    | 6.50             | 5,474           | 92,019                   |
| 55  | 3,259             | 2,119                             |             |                       |                      |                                   |                    | 6.50             | 6,174           | 103,570                  |
| 56  | 3,387             | 2,201                             |             |                       |                      |                                   |                    | 6.50             | 6,932           | 116,089                  |
| 57  | 3,519             | 2,287                             |             |                       |                      |                                   |                    | 6.50             | 7,754           | 129,648                  |
| 58  | 3,656             | 2,376                             |             |                       |                      |                                   |                    | 6.50             | 8,643           | 144,323                  |
| 59  | 3,798             | 2,469                             |             |                       |                      |                                   |                    | 6.50             | 9,606           | 160,196                  |
| 60  | 3,947             | 2,565                             |             |                       |                      |                                   |                    | 6.50             | 10,646          | 177,353                  |
| 61  | 4,100             | 2,665                             |             |                       |                      |                                   |                    | 6.50             | 11,770          | 195,888                  |
| 62  | 4,260             | 2,769                             |             |                       |                      |                                   |                    | 6.50             | 12,985          | 215,902                  |
| 63  | 4,426             | 2,877                             |             |                       |                      |                                   |                    | 6.50             | 14,295          | 237,500                  |
| 64  | 4,599             | 2,989                             |             |                       |                      |                                   |                    | 6.50             | 15,710          | 260,798                  |
| 65  |                   |                                   |             |                       |                      |                                   |                    | 6.50             | 16,951          | 277,749                  |
| 66  |                   |                                   |             |                       |                      |                                   |                    | 6.50             | 18,053          | 295,802                  |
| 67  |                   |                                   |             |                       |                      |                                   |                    | 6.50             | 19,227          | 315,029                  |
| 68  |                   |                                   |             |                       |                      |                                   |                    | 6.50             | 20,476          | 335,505                  |
| 69  |                   |                                   |             |                       |                      |                                   |                    | 6.50             | 21,807          | 357,312                  |
| 70  |                   |                                   |             |                       |                      |                                   |                    | 6.50             | 23,225          | 380,537                  |
| 71  |                   |                                   |             |                       |                      |                                   | (14,360)           | 6.50             | 24,219          | 390,396                  |
| 72  |                   |                                   |             |                       |                      |                                   | (15,250)           | 6.50             | 24,828          | 399,974                  |
| 73  |                   |                                   |             |                       |                      |                                   | (16,193)           | 6.50             | 25,416          | 409,197                  |
| 74  |                   |                                   |             |                       | (24,252)             | (11,282)                          | (17,193)           | 6.50             | 24,703          | 381,172                  |
| 75  |                   |                                   |             |                       | (179,195)            | (83,362)                          | (16,645)           | 6.50             | 14,748          | 116,718                  |
| 76  |                   |                                   |             |                       | (79,661)             | (37,058)                          | (5,305)            | 6.50             |                 |                          |
| 77  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 78  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 79  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 80  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 81  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 82  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 83  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 84  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 85  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 86  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 87  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 88  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 89  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 90  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |
| 91  |                   |                                   |             |                       |                      |                                   |                    | 6.50             |                 |                          |

\* Tax due on withdrawals and shortages is increased to include the tax due on the amount withdrawn to pay the tax, plus early distribution tax if applicable. Tax rates shown are before/after retirement.

\*\* Potential Required Minimum Distribution withdrawals. Uses IRS 2002 Uniform Lifetime Table or Joint table for life expectancy. Required Minimum Distributions are net of scheduled withdrawals.

Rate of return is the weighted average rate on these accounts listed on the Asset Detail report page.

## Roth IRA - Allen

H7

Retire at 65

| <u>Contributions and Withdrawals</u> |                   |             |             |                      | Interest | Interest | Account         |
|--------------------------------------|-------------------|-------------|-------------|----------------------|----------|----------|-----------------|
| Age                                  | Roth IRA deposits | Roth 401(k) | Withdrawals | Cash flow (shortage) | rate %   | earned   | balance \$2,000 |
| 51                                   | \$7,796           |             |             |                      | 7.13     | \$450    | \$10,246        |
| 52                                   | 7,894             |             |             |                      | 7.13     | 1,041    | 19,180          |
| 53                                   | 8,995             |             |             |                      | 7.13     | 1,721    | 29,896          |
| 54                                   | 9,100             |             |             |                      | 7.13     | 2,489    | 41,484          |
| 55                                   | 9,208             |             |             |                      | 7.13     | 3,318    | 54,010          |
| 56                                   | 9,321             |             |             |                      | 7.13     | 4,215    | 67,545          |
| 57                                   | 9,437             |             |             |                      | 7.13     | 5,184    | 82,165          |
| 58                                   | 9,557             |             |             |                      | 7.13     | 6,231    | 97,953          |
| 59                                   | 9,682             |             |             |                      | 7.13     | 7,361    | 114,995         |
| 60                                   | 9,811             |             |             |                      | 7.13     | 8,580    | 133,385         |
| 61                                   | 9,944             |             |             |                      | 7.13     | 9,895    | 153,224         |
| 62                                   | 10,082            |             |             |                      | 7.13     | 11,314   | 174,620         |
| 63                                   | 10,225            |             |             |                      | 7.13     | 12,845   | 197,689         |
| 64                                   | 10,373            |             |             |                      | 7.13     | 14,494   | 222,555         |
| 65                                   |                   |             |             |                      | 7.13     | 15,857   | 238,412         |
| 66                                   |                   |             |             |                      | 7.13     | 16,986   | 255,398         |
| 67                                   |                   |             |             |                      | 7.13     | 18,197   | 273,595         |
| 68                                   |                   |             |             |                      | 7.13     | 19,493   | 293,088         |
| 69                                   |                   |             |             |                      | 7.13     | 20,882   | 313,970         |
| 70                                   |                   |             |             |                      | 7.13     | 22,370   | 336,340         |
| 71                                   |                   |             |             |                      | 7.13     | 23,964   | 360,304         |
| 72                                   |                   |             |             |                      | 7.13     | 25,671   | 385,975         |
| 73                                   |                   |             |             |                      | 7.13     | 27,500   | 413,475         |
| 74                                   |                   |             |             |                      | 7.13     | 29,460   | 442,935         |
| 75                                   |                   |             |             |                      | 7.13     | 31,559   | 474,494         |
| 76                                   |                   |             |             |                      | 7.13     | 33,807   | 508,301         |
| 77                                   |                   |             |             |                      | 7.13     | 36,216   | 544,517         |
| 78                                   |                   |             |             |                      | 7.13     | 38,796   | 583,313         |
| 79                                   |                   |             |             |                      | 7.13     | 41,561   | 624,874         |
| 80                                   |                   |             |             | (113,362)            | 7.13     | 40,050   | 551,562         |
| 81                                   |                   |             |             | (184,042)            | 7.13     | 32,038   | 399,558         |
| 82                                   |                   |             |             | (190,570)            | 7.13     | 20,951   | 229,939         |
| 83                                   |                   |             |             | (197,321)            | 7.13     | 8,599    | 41,217          |
| 84                                   |                   |             |             | (41,217)             | 7.13     |          |                 |
| 85                                   |                   |             |             |                      | 7.13     |          |                 |
| 86                                   |                   |             |             |                      | 7.13     |          |                 |
| 87                                   |                   |             |             |                      | 7.13     |          |                 |
| 88                                   |                   |             |             |                      | 7.13     |          |                 |
| 89                                   |                   |             |             |                      | 7.13     |          |                 |
| 90                                   |                   |             |             |                      | 7.13     |          |                 |
| 91                                   |                   |             |             |                      | 7.13     |          |                 |
| 92                                   |                   |             |             |                      | 7.13     |          |                 |
| 93                                   |                   |             |             |                      | 7.13     |          |                 |
| 94                                   |                   |             |             |                      | 7.13     |          |                 |
| 95                                   |                   |             |             |                      | 7.13     |          |                 |

Rate of return is the weighted average rate on these accounts listed on the Asset Detail report page.

## Roth IRA - Betty

H8

Retire at 65

| <b>Contributions and Withdrawals</b> |                   |             |             |                      |                 |                 | Account balance |
|--------------------------------------|-------------------|-------------|-------------|----------------------|-----------------|-----------------|-----------------|
| Age                                  | Roth IRA deposits | Roth 401(k) | Withdrawals | Cash flow (shortage) | Interest rate % | Interest earned | \$2,000         |
| 47                                   | \$6,796           |             |             |                      | 5.50            | \$315           | \$9,111         |
| 48                                   | 6,894             |             |             |                      | 5.50            | 709             | 16,714          |
| 49                                   | 8,995             |             |             |                      | 5.50            | 1,191           | 26,900          |
| 50                                   | 9,100             |             |             |                      | 5.50            | 1,755           | 37,755          |
| 51                                   | 9,208             |             |             |                      | 5.50            | 2,355           | 49,318          |
| 52                                   | 9,321             |             |             |                      | 5.50            | 2,994           | 61,633          |
| 53                                   | 9,437             |             |             |                      | 5.50            | 3,675           | 74,745          |
| 54                                   | 9,557             |             |             |                      | 5.50            | 4,400           | 88,703          |
| 55                                   | 9,682             |             |             |                      | 5.50            | 5,171           | 103,555         |
| 56                                   | 9,811             |             |             |                      | 5.50            | 5,992           | 119,358         |
| 57                                   | 9,944             |             |             |                      | 5.50            | 6,865           | 136,167         |
| 58                                   | 10,082            |             |             |                      | 5.50            | 7,794           | 154,043         |
| 59                                   | 10,225            |             |             |                      | 5.50            | 8,782           | 173,050         |
| 60                                   | 10,373            |             |             |                      | 5.50            | 9,832           | 193,255         |
| 61                                   | 10,526            |             |             |                      | 5.50            | 10,947          | 214,728         |
| 62                                   | 10,684            |             |             |                      | 5.50            | 12,133          | 237,545         |
| 63                                   | 10,848            |             |             |                      | 5.50            | 13,393          | 261,786         |
| 64                                   | 11,018            |             |             |                      | 5.50            | 14,732          | 287,536         |
| 65                                   |                   |             |             |                      | 5.50            | 15,814          | 303,350         |
| 66                                   |                   |             |             |                      | 5.50            | 16,684          | 320,034         |
| 67                                   |                   |             |             |                      | 5.50            | 17,601          | 337,635         |
| 68                                   |                   |             |             |                      | 5.50            | 18,569          | 356,204         |
| 69                                   |                   |             |             |                      | 5.50            | 19,591          | 375,795         |
| 70                                   |                   |             |             |                      | 5.50            | 20,668          | 396,463         |
| 71                                   |                   |             |             |                      | 5.50            | 21,805          | 418,268         |
| 72                                   |                   |             |             |                      | 5.50            | 23,004          | 441,272         |
| 73                                   |                   |             |             |                      | 5.50            | 24,269          | 465,541         |
| 74                                   |                   |             |             |                      | 5.50            | 25,604          | 491,145         |
| 75                                   |                   |             |             |                      | 5.50            | 27,012          | 518,157         |
| 76                                   |                   |             |             |                      | 5.50            | 28,498          | 546,655         |
| 77                                   |                   |             |             |                      | 5.50            | 30,066          | 576,721         |
| 78                                   |                   |             |             |                      | 5.50            | 31,719          | 608,440         |
| 79                                   |                   |             |             |                      | 5.50            | 33,464          | 641,904         |
| 80                                   |                   |             |             | (163,088)            | 5.50            | 30,363          | 509,179         |
| 81                                   |                   |             |             | (211,528)            | 5.50            | 21,595          | 319,246         |
| 82                                   |                   |             |             | (218,999)            | 5.50            | 10,923          | 111,170         |
| 83                                   |                   |             |             | (111,171)            | 5.50            |                 |                 |
| 84                                   |                   |             |             |                      | 5.50            |                 |                 |
| 85                                   |                   |             |             |                      | 5.50            |                 |                 |
| 86                                   |                   |             |             |                      | 5.50            |                 |                 |
| 87                                   |                   |             |             |                      | 5.50            |                 |                 |
| 88                                   |                   |             |             |                      | 5.50            |                 |                 |
| 89                                   |                   |             |             |                      | 5.50            |                 |                 |
| 90                                   |                   |             |             |                      | 5.50            |                 |                 |
| 91                                   |                   |             |             |                      | 5.50            |                 |                 |

Rate of return is the weighted average rate on these accounts listed on the Asset Detail report page.

# Retirement Plan Summary

H9

Retire at 65

| Age | Account Balance<br>\$63,300 | Contributions  |            | Withdrawals |                    |                    | Return           | Gross**<br>Minimum distribution |                 |
|-----|-----------------------------|----------------|------------|-------------|--------------------|--------------------|------------------|---------------------------------|-----------------|
|     |                             | By participant | By company | Scheduled   | Cash Flow Shortage | Tax on Withdrawals | Minimum Distrib. |                                 | Annual Interest |
| 51  | 47                          | \$88,148       | \$16,992   | \$3,360     |                    |                    |                  | \$4,496                         |                 |
| 52  | 48                          | 114,988        | 17,281     | 3,491       |                    |                    |                  | 6,069                           |                 |
| 53  | 49                          | 147,066        | 20,581     | 3,627       |                    |                    |                  | 7,870                           |                 |
| 54  | 50                          | 181,620        | 20,892     | 3,769       |                    |                    |                  | 9,895                           |                 |
| 55  | 51                          | 218,823        | 21,214     | 3,916       |                    |                    |                  | 12,075                          |                 |
| 56  | 52                          | 258,862        | 21,547     | 4,068       |                    |                    |                  | 14,424                          |                 |
| 57  | 53                          | 301,935        | 21,893     | 4,227       |                    |                    |                  | 16,955                          |                 |
| 58  | 54                          | 348,255        | 22,252     | 4,392       |                    |                    |                  | 19,677                          |                 |
| 59  | 55                          | 398,046        | 22,623     | 4,563       |                    |                    |                  | 22,607                          |                 |
| 60  | 56                          | 451,551        | 23,008     | 4,741       |                    |                    |                  | 25,757                          |                 |
| 61  | 57                          | 509,026        | 23,407     | 4,926       |                    |                    |                  | 29,143                          |                 |
| 62  | 58                          | 570,748        | 23,820     | 5,118       |                    |                    |                  | 32,783                          |                 |
| 63  | 59                          | 637,008        | 24,248     | 5,318       |                    |                    |                  | 36,696                          |                 |
| 64  | 60                          | 708,120        | 24,692     | 5,525       |                    |                    |                  | 40,896                          |                 |
| 65  | 61                          | 770,307        | 14,626     | 2,665       |                    |                    |                  | 44,897                          |                 |
| 66  | 62                          | 836,795        | 14,945     | 2,769       |                    |                    |                  | 48,774                          |                 |
| 67  | 63                          | 907,869        | 15,275     | 2,877       |                    |                    |                  | 52,922                          |                 |
| 68  | 64                          | 983,834        | 15,617     | 2,989       |                    |                    |                  | 57,359                          |                 |
| 69  | 65                          | 1,045,313      |            |             |                    |                    |                  | 61,480                          |                 |
| 70  | 66                          | 1,110,684      |            |             |                    |                    |                  | 65,370                          |                 |
| 71  | 67                          | 1,174,032      |            |             |                    |                    | (5,981)          | 69,329                          | 5,981           |
| 72  | 68                          | 1,241,123      |            |             |                    |                    | (6,292)          | 73,384                          | 6,292           |
| 73  | 69                          | 1,312,193      |            |             |                    |                    | (6,617)          | 77,687                          | 6,617           |
| 74  | 70                          | 1,387,486      |            |             |                    |                    | (6,958)          | 82,251                          | 6,958           |
| 75  | 71                          | 1,452,385      |            |             |                    |                    | (21,677)         | 86,577                          | 21,677          |
| 76  | 72                          | 1,520,157      |            |             |                    |                    | (22,942)         | 90,713                          | 22,942          |
| 77  | 73                          | 1,590,957      |            |             |                    |                    | (24,241)         | 95,041                          | 24,241          |
| 78  | 74                          | 1,455,630      |            |             | (141,439)          | (65,797)           | (25,651)         | 89,103                          | 25,651          |
| 79  | 75                          | 1,259,749      |            |             | (179,195)          | (83,362)           | (16,645)         | 83,321                          | 16,645          |
| 80  | 76                          | 1,098,217      |            |             | (193,023)          | (37,058)           | (5,305)          | 68,548                          | 5,305           |
| 81  | 77                          | 976,279        |            |             | (184,042)          |                    |                  | 62,104                          |                 |
| 82  | 78                          | 838,379        |            |             | (190,570)          |                    |                  | 52,670                          |                 |
| 83  | 79                          | 683,121        |            |             | (197,321)          |                    |                  | 42,063                          |                 |
| 84  | 80                          | 509,179        |            |             | (204,305)          |                    |                  | 30,363                          |                 |
| 85  | 81                          | 319,246        |            |             | (211,528)          |                    |                  | 21,595                          |                 |
| 86  | 82                          | 111,170        |            |             | (218,999)          |                    |                  | 10,923                          |                 |
| 87  | 83                          |                |            |             | (111,171)          |                    |                  |                                 |                 |
| 88  | 84                          |                |            |             |                    |                    |                  |                                 |                 |
| 89  | 85                          |                |            |             |                    |                    |                  |                                 |                 |
| 90  | 86                          |                |            |             |                    |                    |                  |                                 |                 |
| 91  | 87                          |                |            |             |                    |                    |                  |                                 |                 |
| 92  | 88                          |                |            |             |                    |                    |                  |                                 |                 |
| 93  | 89                          |                |            |             |                    |                    |                  |                                 |                 |
| 94  | 90                          |                |            |             |                    |                    |                  |                                 |                 |
| 95  | 91                          |                |            |             |                    |                    |                  |                                 |                 |

Summary of all retirement and Roth accounts

## Estate - Personal Assets

Retire at 65

| Age | Residence | Personal property | Jewelry & furs | Art & antiques | Autos    | RVs & boats | Other | Total personal assets |
|-----|-----------|-------------------|----------------|----------------|----------|-------------|-------|-----------------------|
| Cl  | \$307,000 | \$15,000          | \$2,500        |                | \$21,600 |             |       | \$346,100             |
|     | 3.00%     |                   |                |                | -6.67%   |             |       |                       |
| 51  | 47        | \$307,000         | \$15,000       | \$2,500        |          | \$21,600    |       | \$346,100             |
| 52  | 48        | 316,210           | 15,000         | 2,500          |          | 20,165      |       | 353,875               |
| 53  | 49        | 325,696           | 15,000         | 2,500          |          | 18,840      |       | 362,036               |
| 54  | 50        | 335,467           | 15,000         | 2,500          |          | 17,616      |       | 370,583               |
| 55  | 51        | 345,531           | 15,000         | 2,500          |          | 16,484      |       | 379,515               |
| 56  | 52        | 355,897           | 15,000         | 2,500          |          | 15,436      |       | 388,833               |
| 57  | 53        | 366,574           | 15,000         | 2,500          |          | 14,466      |       | 398,540               |
| 58  | 54        | 377,571           | 15,000         | 2,500          |          | 13,568      |       | 408,639               |
| 59  | 55        | 388,898           | 15,000         | 2,500          |          | 12,735      |       | 419,133               |
| 60  | 56        | 400,565           | 15,000         | 2,500          |          | 11,962      |       | 430,027               |
| 61  | 57        | 412,582           | 15,000         | 2,500          |          | 11,244      |       | 441,327               |
| 62  | 58        | 424,960           | 15,000         | 2,500          |          | 10,578      |       | 453,037               |
| 63  | 59        | 437,709           | 15,000         | 2,500          |          | 9,957       |       | 465,166               |
| 64  | 60        | 450,840           | 15,000         | 2,500          |          | 9,380       |       | 477,720               |
| 65  | 61        | 464,365           | 15,000         | 2,500          |          | 8,842       |       | 490,707               |
| 66  | 62        | 225,905           | 15,000         | 2,500          |          | 8,341       |       | 251,746               |
| 67  | 63        | 232,682           | 15,000         | 2,500          |          | 7,873       |       | 258,056               |
| 68  | 64        | 239,663           | 15,000         | 2,500          |          | 7,436       |       | 264,599               |
| 69  | 65        | 246,853           | 15,000         | 2,500          |          | 7,028       |       | 271,381               |
| 70  | 66        | 254,258           | 15,000         | 2,500          |          | 6,646       |       | 278,404               |
| 71  | 67        | 261,886           | 15,000         | 2,500          |          | 6,288       |       | 285,674               |
| 72  | 68        | 269,743           | 15,000         | 2,500          |          | 5,953       |       | 293,195               |
| 73  | 69        | 277,835           | 15,000         | 2,500          |          | 5,638       |       | 300,973               |
| 74  | 70        | 286,170           | 15,000         | 2,500          |          | 5,343       |       | 309,013               |
| 75  | 71        | 294,755           | 15,000         | 2,500          |          | 5,065       |       | 317,321               |
| 76  | 72        | 303,598           | 15,000         | 2,500          |          | 4,805       |       | 325,902               |
| 77  | 73        | 312,706           | 15,000         | 2,500          |          | 4,559       |       | 334,765               |
| 78  | 74        | 322,087           | 15,000         | 2,500          |          | 4,328       |       | 343,915               |
| 79  | 75        | 331,750           | 15,000         | 2,500          |          | 4,110       |       | 353,359               |
| 80  | 76        | 341,702           | 15,000         | 2,500          |          | 3,904       |       | 363,106               |
| 81  | 77        | 351,953           | 15,000         | 2,500          |          | 3,710       |       | 373,163               |
| 82  | 78        | 362,512           | 15,000         | 2,500          |          | 3,527       |       | 383,539               |
| 83  | 79        | 373,387           | 15,000         | 2,500          |          | 3,354       |       | 394,241               |
| 84  | 80        | 384,589           | 15,000         | 2,500          |          | 3,190       |       | 405,278               |
| 85  | 81        | 396,126           | 15,000         | 2,500          |          | 3,035       |       | 416,661               |
| 86  | 82        | 408,010           | 15,000         | 2,500          |          | 2,888       |       | 428,398               |
| 87  | 83        | 420,250           | 15,000         | 2,500          |          | 2,749       |       | 440,499               |
| 88  | 84        | 432,858           | 15,000         | 2,500          |          | 2,617       |       | 452,974               |
| 89  | 85        | 445,844           | 15,000         | 2,500          |          | 2,491       |       | 465,835               |
| 90  | 86        | 459,219           | 15,000         | 2,500          |          | 2,372       |       | 479,091               |
| 91  | 87        | 472,995           | 15,000         | 2,500          |          | 2,260       |       | 492,755               |
| 92  | 88        | 487,185           | 15,000         | 2,500          |          | 2,152       |       | 506,838               |
| 93  | 89        | 501,801           | 15,000         | 2,500          |          | 2,051       |       | 521,352               |
| 94  | 90        | 516,855           | 15,000         | 2,500          |          | 1,954       |       | 536,309               |
| 95  | 91        |                   |                |                |          |             |       |                       |

Note: Beginning of year values are illustrated.

# Estate - Allen

Retire at 65

| Age | Personal property | Savings and investments |                          |          |                         |                      | Liabilities | Final Expenses | Life Insurance (less loans) |
|-----|-------------------|-------------------------|--------------------------|----------|-------------------------|----------------------|-------------|----------------|-----------------------------|
|     |                   | Taxable<br>7.09%        | Equity & Other<br>42.77% | Tax Free | Tax Deferred<br>100.00% | Retire/Roth accounts |             |                |                             |
| 51  | \$334,000         | \$10,000                | \$94,964                 |          | \$30,000                | \$34,000             | \$1,640     | \$15,000       | \$157,500                   |
| 52  | 342,413           | 8,589                   | 101,614                  |          | 32,248                  | 45,861               | 602         | 15,556         | 157,500                     |
| 53  | 351,163           | 9,300                   | 112,376                  |          | 39,069                  | 58,680               |             | 16,132         | 157,500                     |
| 54  | 360,254           | 9,743                   | 120,087                  |          | 42,078                  | 73,571               |             | 16,730         | 157,500                     |
| 55  | 369,689           | 10,202                  | 128,170                  |          | 45,232                  | 89,641               |             | 17,350         | 157,500                     |
| 56  | 379,473           | 10,058                  | 136,715                  |          | 48,622                  | 106,977              |             | 17,982         | 157,500                     |
| 57  | 389,611           | 9,741                   | 145,748                  |          | 52,266                  | 125,670              |             | 18,638         | 157,500                     |
| 58  | 400,109           | 9,375                   | 155,296                  |          | 56,183                  | 145,820              |             | 19,318         | 157,500                     |
| 59  | 410,973           | 8,956                   | 165,388                  |          | 60,394                  | 167,534              |             | 20,024         | 157,500                     |
| 60  | 422,211           | 9,378                   | 176,054                  |          | 64,921                  | 190,921              |             | 20,790         | 157,500                     |
| 61  | 433,829           | 9,819                   | 187,328                  |          | 69,787                  | 216,104              |             | 21,556         | 157,500                     |
| 62  | 445,836           | 10,768                  | 205,166                  |          | 82,010                  | 243,211              |             | 22,351         | 157,500                     |
| 63  | 458,240           | 11,636                  | 222,468                  |          | 93,330                  | 272,381              |             | 23,175         | 157,500                     |
| 64  | 471,051           | 12,183                  | 236,364                  |          | 100,325                 | 303,762              |             | 24,030         | 157,500                     |
| 65  | 484,277           | 12,757                  | 251,047                  |          | 107,845                 | 337,512              |             | 24,845         | 157,500                     |
| 66  | 245,539           | 19,105                  | 300,282                  |          | 198,446                 | 359,692              | 175,460     | 26,519         | 157,500                     |
| 67  | 252,056           | 9,681                   | 317,295                  |          | 213,321                 | 383,348              | 168,600     | 27,441         | 157,500                     |
| 68  | 258,794           |                         | 329,056                  |          | 229,311                 | 408,582              | 161,243     | 28,311         | 157,500                     |
| 69  | 265,757           |                         | 281,101                  |          | 246,499                 | 435,500              | 153,354     | 29,209         | 157,500                     |
| 70  | 272,950           |                         | 239,907                  |          | 264,976                 | 464,214              | 144,895     | 30,136         | 157,500                     |
| 71  | 280,379           |                         | 177,078                  |          | 284,838                 | 494,848              | 135,825     | 31,092         | 157,500                     |
| 72  | 288,050           |                         | 128,403                  |          | 306,188                 | 521,367              | 126,099     | 32,080         | 157,500                     |
| 73  | 295,967           |                         | 75,274                   |          | 329,139                 | 549,414              | 115,670     | 33,098         | 157,500                     |
| 74  | 304,138           |                         | 13,807                   |          | 353,810                 | 579,086              | 104,487     | 34,150         | 157,500                     |
| 75  | 312,569           |                         |                          |          | 380,330                 | 610,486              | 92,496      | 35,235         | 157,500                     |
| 76  | 321,267           |                         |                          |          | 408,838                 | 643,721              | 79,638      | 36,355         | 157,500                     |
| 77  | 330,239           |                         |                          |          | 208,542                 | 678,911              | 65,850      | 37,511         | 157,500                     |
| 78  | 339,491           |                         |                          |          | 25,138                  | 716,218              | 51,066      | 38,705         | 157,500                     |
| 79  | 349,033           |                         |                          |          |                         | 583,313              | 35,213      | 39,936         | 157,500                     |
| 80  | 358,871           |                         |                          |          |                         | 624,874              | 18,214      | 41,207         | 157,500                     |
| 81  | 369,014           |                         |                          |          |                         | 551,562              |             | 42,519         | 157,500                     |
| 82  | 379,471           |                         |                          |          |                         | 399,558              |             | 43,873         | 157,500                     |
| 83  | 390,250           |                         |                          |          |                         | 229,939              |             | 45,270         | 157,500                     |
| 84  | 401,361           |                         |                          |          |                         | 41,217               |             | 46,713         | 157,500                     |
| 85  | 412,812           |                         |                          |          |                         |                      |             | 48,202         | 157,500                     |
| 86  | 424,614           |                         |                          |          |                         |                      |             | 49,738         | 157,500                     |
| 87  | 436,777           |                         |                          |          |                         |                      |             | 51,325         | 157,500                     |
| 88  | 449,311           |                         |                          |          |                         |                      |             | 52,962         | 157,500                     |
| 89  | 462,228           |                         |                          |          |                         |                      |             | 54,652         | 157,500                     |
| 90  | 475,537           |                         |                          |          |                         |                      |             | 56,396         | 157,500                     |
| 91  | 489,251           |                         |                          |          |                         |                      |             | 58,196         | 157,500                     |
| 92  | 503,381           |                         |                          |          |                         |                      |             | 60,055         | 157,500                     |
| 93  | 517,940           |                         |                          |          |                         |                      |             | 61,973         | 157,500                     |
| 94  | 532,940           |                         |                          |          |                         |                      |             | 63,953         | 157,500                     |
| 95  |                   |                         |                          |          |                         |                      |             |                |                             |

I1

H1

H2

H3

H4

H5-H8

K3

J1

# Estate - Betty

Retire at 65

| Age | Personal property | Savings and investments |                         |          |              |                      | Liabilities | Final expenses | Life Insurance (less loans) |
|-----|-------------------|-------------------------|-------------------------|----------|--------------|----------------------|-------------|----------------|-----------------------------|
|     |                   | Taxable<br>2.48%        | Equity & Other<br>6.08% | Tax Free | Tax Deferred | Retire/Roth accounts |             |                |                             |
| 47  | \$2,500           | \$3,500                 | \$13,505                |          |              | \$29,300             | \$2,250     | \$15,000       | \$195,000                   |
| 48  | 2,500             | 3,006                   | 14,451                  |          |              | 42,287               | 12          | 15,556         | 195,000                     |
| 49  | 2,500             | 3,255                   | 15,981                  |          |              | 56,308               |             | 16,132         | 195,000                     |
| 50  | 2,500             | 3,410                   | 17,078                  |          |              | 73,495               |             | 16,730         | 195,000                     |
| 51  | 2,500             | 3,571                   | 18,227                  |          |              | 91,979               |             | 17,350         | 195,000                     |
| 52  | 2,500             | 3,520                   | 19,442                  |          |              | 111,846              |             | 17,982         | 195,000                     |
| 53  | 2,500             | 3,409                   | 20,727                  |          |              | 133,191              |             | 18,638         | 195,000                     |
| 54  | 2,500             | 3,281                   | 22,085                  |          |              | 156,114              |             | 19,318         | 95,000                      |
| 55  | 2,500             | 3,135                   | 23,520                  |          |              | 180,722              |             | 20,024         | 95,000                      |
| 56  | 2,500             | 3,282                   | 25,037                  |          |              | 207,125              |             | 20,790         | 95,000                      |
| 57  | 2,500             | 3,437                   | 26,640                  |          |              | 235,447              |             | 21,556         | 95,000                      |
| 58  | 2,500             | 3,769                   | 29,177                  |          |              | 265,815              |             | 22,351         | 95,000                      |
| 59  | 2,500             | 4,072                   | 31,638                  |          |              | 298,366              |             | 23,175         | 95,000                      |
| 60  | 2,500             | 4,264                   | 33,614                  |          |              | 333,246              |             | 24,030         | 95,000                      |
| 61  | 2,500             | 4,465                   | 35,702                  |          |              | 370,608              |             | 24,845         | 95,000                      |
| 62  | 2,500             | 6,687                   | 42,704                  |          |              | 410,616              |             | 26,519         | 95,000                      |
| 63  | 2,500             | 3,388                   | 45,123                  |          |              | 453,447              |             | 27,441         | 95,000                      |
| 64  | 2,500             |                         | 46,796                  |          |              | 499,286              |             | 28,311         | 95,000                      |
| 65  | 2,500             |                         | 39,976                  |          |              | 548,334              |             | 29,209         | 75,000                      |
| 66  | 2,500             |                         | 34,118                  |          |              | 581,099              |             | 30,136         | 75,000                      |
| 67  | 2,500             |                         | 25,183                  |          |              | 615,836              |             | 31,092         | 75,000                      |
| 68  | 2,500             |                         | 18,260                  |          |              | 652,664              |             | 32,080         | 75,000                      |
| 69  | 2,500             |                         | 10,705                  |          |              | 691,709              |             | 33,098         |                             |
| 70  | 2,500             |                         | 1,964                   |          |              | 733,107              |             | 34,150         |                             |
| 71  | 2,500             |                         |                         |          |              | 777,000              |             | 35,235         |                             |
| 72  | 2,500             |                         |                         |          |              | 808,664              |             | 36,355         |                             |
| 73  | 2,500             |                         |                         |          |              | 841,246              |             | 37,511         |                             |
| 74  | 2,500             |                         |                         |          |              | 874,738              |             | 38,705         |                             |
| 75  | 2,500             |                         |                         |          |              | 872,317              |             | 39,936         |                             |
| 76  | 2,500             |                         |                         |          |              | 634,875              |             | 41,207         |                             |
| 77  | 2,500             |                         |                         |          |              | 546,655              |             | 42,519         |                             |
| 78  | 2,500             |                         |                         |          |              | 576,721              |             | 43,873         |                             |
| 79  | 2,500             |                         |                         |          |              | 608,440              |             | 45,270         |                             |
| 80  | 2,500             |                         |                         |          |              | 641,904              |             | 46,713         |                             |
| 81  | 2,500             |                         |                         |          |              | 509,179              |             | 48,202         |                             |
| 82  | 2,500             |                         |                         |          |              | 319,246              |             | 49,738         |                             |
| 83  | 2,500             |                         |                         |          |              | 111,170              |             | 51,325         |                             |
| 84  | 2,500             |                         |                         |          |              |                      |             | 52,962         |                             |
| 85  | 2,500             |                         |                         |          |              |                      |             | 54,652         |                             |
| 86  | 2,500             |                         |                         |          |              |                      |             | 56,396         |                             |
| 87  | 2,500             |                         |                         |          |              |                      |             | 58,196         |                             |
| 88  | 2,500             |                         |                         |          |              |                      |             | 60,055         |                             |
| 89  | 2,500             |                         |                         |          |              |                      |             | 61,973         |                             |
| 90  | 2,500             |                         |                         |          |              |                      |             | 63,953         |                             |
| 91  |                   |                         |                         |          |              |                      |             |                |                             |

I1

H1

H2

H23

H4

H5-H8

K4

J1

# Estate - Joint and Community Property

Retire at 65

| Age | Personal property | Savings and investments |                          |                     | Liabilities |
|-----|-------------------|-------------------------|--------------------------|---------------------|-------------|
|     |                   | Taxable<br>90.43%       | Equity & Other<br>51.15% | Tax Free<br>100.00% |             |
| 51  | \$9,600           | \$127,550               | \$113,591                | \$25,000            | \$72,000    |
| 52  | 8,962             | 109,549                 | 121,545                  | 26,462              | 67,787      |
| 53  | 8,373             | 118,618                 | 134,418                  | 32,377              | 63,208      |
| 54  | 7,829             | 124,274                 | 143,641                  | 34,351              | 58,230      |
| 55  | 7,326             | 130,123                 | 153,310                  | 36,360              | 52,820      |
| 56  | 6,860             | 128,291                 | 163,531                  | 38,487              | 46,939      |
| 57  | 6,429             | 124,248                 | 174,335                  | 40,738              | 40,546      |
| 58  | 6,030             | 119,579                 | 185,756                  | 43,121              | 33,597      |
| 59  | 5,660             | 114,236                 | 197,828                  | 45,644              | 26,044      |
| 60  | 5,316             | 119,613                 | 210,587                  | 48,314              | 17,833      |
| 61  | 4,998             | 125,243                 | 224,072                  | 51,140              | 8,909       |
| 62  | 4,701             | 137,351                 | 245,409                  | 61,065              |             |
| 63  | 4,425             | 148,411                 | 266,105                  | 69,767              |             |
| 64  | 4,169             | 155,397                 | 282,726                  | 73,849              |             |
| 65  | 3,930             | 162,711                 | 300,289                  | 78,170              |             |
| 66  | 3,707             | 243,686                 | 359,181                  | 164,568             |             |
| 67  | 3,499             | 123,484                 | 379,531                  | 174,197             |             |
| 68  | 3,305             |                         | 393,598                  | 184,389             |             |
| 69  | 3,123             |                         | 336,238                  | 195,178             |             |
| 70  | 2,954             |                         | 286,963                  | 206,598             |             |
| 71  | 2,795             |                         | 211,811                  | 218,686             |             |
| 72  | 2,646             |                         | 153,588                  | 231,481             |             |
| 73  | 2,506             |                         | 90,039                   | 245,025             |             |
| 74  | 2,375             |                         | 16,516                   | 259,362             |             |
| 75  | 2,251             |                         |                          | 150,423             |             |
| 76  | 2,135             |                         |                          | 6,094               |             |
| 77  | 2,026             |                         |                          |                     |             |
| 78  | 1,923             |                         |                          |                     |             |
| 79  | 1,827             |                         |                          |                     |             |
| 80  | 1,735             |                         |                          |                     |             |
| 81  | 1,649             |                         |                          |                     |             |
| 82  | 1,568             |                         |                          |                     |             |
| 83  | 1,491             |                         |                          |                     |             |
| 84  | 1,418             |                         |                          |                     |             |
| 85  | 1,349             |                         |                          |                     |             |
| 86  | 1,283             |                         |                          |                     |             |
| 87  | 1,222             |                         |                          |                     |             |
| 88  | 1,163             |                         |                          |                     |             |
| 89  | 1,107             |                         |                          |                     |             |
| 90  | 1,054             |                         |                          |                     |             |
| 91  | 1,004             |                         |                          |                     |             |
| 92  | 957               |                         |                          |                     |             |
| 93  | 911               |                         |                          |                     |             |
| 94  | 868               |                         |                          |                     |             |
| 95  |                   |                         |                          |                     |             |

Sample: For Display Only  
Do Not Attempt to Use

I1 H1 H2 H3 H4 K4

# Irrevocable Trust, Other

Retire at 65

| Age | Personal property | Savings and investments |                |          |              | Liabilities |
|-----|-------------------|-------------------------|----------------|----------|--------------|-------------|
|     |                   | Taxable                 | Equity & Other | Tax Free | Tax Deferred |             |
| 51  |                   |                         |                |          |              | \$4,300     |
| 52  |                   |                         |                |          |              | 2,086       |
| 53  |                   |                         |                |          |              |             |
| 54  |                   |                         |                |          |              |             |
| 55  |                   |                         |                |          |              |             |
| 56  |                   |                         |                |          |              |             |
| 57  |                   |                         |                |          |              |             |
| 58  |                   |                         |                |          |              |             |
| 59  |                   |                         |                |          |              |             |
| 60  |                   |                         |                |          |              |             |
| 61  |                   |                         |                |          |              |             |
| 62  |                   |                         |                |          |              |             |
| 63  |                   |                         |                |          |              |             |
| 64  |                   |                         |                |          |              |             |
| 65  |                   |                         |                |          |              |             |
| 66  |                   |                         |                |          |              |             |
| 67  |                   |                         |                |          |              |             |
| 68  |                   |                         |                |          |              |             |
| 69  |                   |                         |                |          |              |             |
| 70  |                   |                         |                |          |              |             |
| 71  |                   |                         |                |          |              |             |
| 72  |                   |                         |                |          |              |             |
| 73  |                   |                         |                |          |              |             |
| 74  |                   |                         |                |          |              |             |
| 75  |                   |                         |                |          |              |             |
| 76  |                   |                         |                |          |              |             |
| 77  |                   |                         |                |          |              |             |
| 78  |                   |                         |                |          |              |             |
| 79  |                   |                         |                |          |              |             |
| 80  |                   |                         |                |          |              |             |
| 81  |                   |                         |                |          |              |             |
| 82  |                   |                         |                |          |              |             |
| 83  |                   |                         |                |          |              |             |
| 84  |                   |                         |                |          |              |             |
| 85  |                   |                         |                |          |              |             |
| 86  |                   |                         |                |          |              |             |
| 87  |                   |                         |                |          |              |             |
| 88  |                   |                         |                |          |              |             |
| 89  |                   |                         |                |          |              |             |
| 90  |                   |                         |                |          |              |             |
| 91  |                   |                         |                |          |              |             |
| 92  |                   |                         |                |          |              |             |
| 93  |                   |                         |                |          |              |             |
| 94  |                   |                         |                |          |              |             |
| 95  |                   |                         |                |          |              |             |
|     | I1                | H1                      | H2             | H3       | H4           | K4          |

Sample: For Display Only  
Do Not Attempt to Use

# Estate - Estimate Worksheet\*

Retire at 65

| Allen dies first |           |                              |                            |                             | Betty dies first |             |                              |                            |                             | Non-estate<br>life<br>insurance |
|------------------|-----------|------------------------------|----------------------------|-----------------------------|------------------|-------------|------------------------------|----------------------------|-----------------------------|---------------------------------|
| Assets           |           | Debts &<br>final<br>expenses | Admin. costs               |                             | Assets           |             | Debts &<br>final<br>expenses | Admin. costs               |                             |                                 |
| +1/2 Jt, CP      | Age       |                              | First<br>to die<br>@ 3.00% | Second<br>to die<br>@ 4.00% | Sp<br>age        | +1/2 Jt, CP |                              | First<br>to die<br>@ 3.00% | Second<br>to die<br>@ 4.00% |                                 |
| 51               | 798,335   | (105,890)                    | (22,371)                   | (42,070)                    | 47               | 381,675     | (105,890)                    | (9,853)                    | (42,571)                    |                                 |
| 52               | 821,483   | (99,513)                     | (21,659)                   | (43,633)                    | 48               | 390,503     | (99,513)                     | (8,730)                    | (44,150)                    |                                 |
| 53               | 874,982   | (95,473)                     | (23,385)                   | (47,042)                    | 49               | 419,938     | (95,473)                     | (9,734)                    | (47,589)                    |                                 |
| 54               | 918,280   | (91,691)                     | (24,798)                   | (49,933)                    | 50               | 446,531     | (91,691)                     | (10,645)                   | (50,499)                    |                                 |
| 55               | 963,993   | (87,519)                     | (26,294)                   | (53,001)                    | 51               | 474,836     | (87,519)                     | (11,620)                   | (53,588)                    |                                 |
| 56               | 1,007,929 | (82,903)                     | (27,751)                   | (55,927)                    | 52               | 500,894     | (82,903)                     | (12,540)                   | (56,535)                    |                                 |
| 57               | 1,053,411 | (77,822)                     | (29,268)                   | (58,961)                    | 53               | 527,703     | (77,822)                     | (13,496)                   | (59,592)                    |                                 |
| 58               | 1,101,526 | (72,233)                     | (30,879)                   | (58,185)                    | 54               | 456,223     | (72,233)                     | (11,520)                   | (58,960)                    |                                 |
| 59               | 1,152,429 | (66,091)                     | (32,590)                   | (61,612)                    | 55               | 486,560     | (66,091)                     | (12,614)                   | (62,411)                    |                                 |
| 60               | 1,212,900 | (59,413)                     | (34,605)                   | (65,750)                    | 56               | 524,860     | (59,413)                     | (13,963)                   | (66,575)                    |                                 |
| 61               | 1,277,093 | (52,021)                     | (36,752)                   | (70,163)                    | 57               | 565,750     | (52,021)                     | (15,412)                   | (71,016)                    |                                 |
| 62               | 1,368,755 | (44,702)                     | (39,722)                   | (76,194)                    | 58               | 620,524     | (44,702)                     | (17,275)                   | (77,092)                    |                                 |
| 63               | 1,459,910 | (46,351)                     | (42,407)                   | (81,883)                    | 59               | 675,930     | (46,351)                     | (18,887)                   | (82,824)                    |                                 |
| 64               | 1,539,256 | (48,061)                     | (44,736)                   | (86,926)                    | 60               | 726,694     | (48,061)                     | (20,359)                   | (87,901)                    |                                 |
| 65               | 1,623,488 | (49,690)                     | (47,214)                   | (92,296)                    | 61               | 780,824     | (49,690)                     | (21,934)                   | (93,308)                    |                                 |
| 66               | 1,666,135 | (228,498)                    | (43,129)                   | (93,503)                    | 62               | 943,077     | (228,498)                    | (21,437)                   | (94,371)                    |                                 |
| 67               | 1,673,557 | (223,481)                    | (43,502)                   | (93,856)                    | 63               | 939,814     | (223,481)                    | (21,490)                   | (94,736)                    |                                 |
| 68               | 1,673,889 | (217,864)                    | (43,681)                   | (93,863)                    | 64               | 934,228     | (217,864)                    | (21,491)                   | (94,750)                    |                                 |
| 69               | 1,653,626 | (211,772)                    | (43,256)                   | (93,267)                    | 65               | 933,080     | (211,772)                    | (21,639)                   | (94,132)                    |                                 |
| 70               | 1,647,805 | (205,167)                    | (43,279)                   | (93,613)                    | 66               | 940,974     | (205,167)                    | (22,074)                   | (94,462)                    |                                 |
| 71               | 1,611,289 | (198,009)                    | (42,398)                   | (92,242)                    | 67               | 935,165     | (198,009)                    | (22,115)                   | (93,053)                    |                                 |
| 72               | 1,595,365 | (190,258)                    | (42,153)                   | (92,209)                    | 68               | 942,282     | (190,258)                    | (22,561)                   | (92,993)                    |                                 |
| 73               | 1,576,079 | (181,867)                    | (41,826)                   | (89,043)                    | 69               | 873,699     | (181,867)                    | (20,755)                   | (89,886)                    |                                 |
| 74               | 1,547,468 | (172,787)                    | (41,240)                   | (88,405)                    | 70               | 876,697     | (172,787)                    | (21,117)                   | (89,210)                    |                                 |
| 75               | 1,537,222 | (162,966)                    | (41,228)                   | (87,555)                    | 71               | 855,837     | (162,966)                    | (20,786)                   | (88,372)                    |                                 |
| 76               | 1,535,441 | (152,348)                    | (41,493)                   | (86,275)                    | 72               | 815,279     | (152,348)                    | (19,888)                   | (87,139)                    |                                 |
| 77               | 1,376,204 | (140,873)                    | (37,060)                   | (81,721)                    | 73               | 844,759     | (140,873)                    | (21,117)                   | (82,359)                    |                                 |
| 78               | 1,239,309 | (128,475)                    | (33,325)                   | (78,228)                    | 74               | 878,200     | (128,475)                    | (22,492)                   | (78,662)                    |                                 |
| 79               | 1,090,759 | (115,085)                    | (29,270)                   | (72,885)                    | 75               | 875,730     | (115,085)                    | (22,819)                   | (73,143)                    |                                 |
| 80               | 1,142,113 | (100,629)                    | (31,245)                   | (65,939)                    | 76               | 638,243     | (100,629)                    | (16,128)                   | (66,544)                    |                                 |
| 81               | 1,078,901 | (85,038)                     | (29,816)                   | (60,561)                    | 77               | 549,980     | (85,038)                     | (13,948)                   | (61,196)                    |                                 |
| 82               | 937,313   | (87,746)                     | (25,487)                   | (56,163)                    | 78               | 580,005     | (87,746)                     | (14,768)                   | (56,592)                    |                                 |
| 83               | 778,434   | (90,541)                     | (20,637)                   | (51,158)                    | 79               | 611,685     | (90,541)                     | (15,634)                   | (51,358)                    |                                 |
| 84               | 600,787   | (93,426)                     | (15,221)                   | (45,490)                    | 80               | 645,113     | (93,426)                     | (16,551)                   | (45,437)                    |                                 |
| 85               | 570,987   | (96,403)                     | (14,237)                   | (38,908)                    | 81               | 512,354     | (96,403)                     | (12,479)                   | (38,978)                    |                                 |
| 86               | 582,756   | (99,477)                     | (14,498)                   | (31,647)                    | 82               | 322,388     | (99,477)                     | (6,687)                    | (31,959)                    |                                 |
| 87               | 594,888   | (102,649)                    | (14,767)                   | (23,670)                    | 83               | 114,281     | (102,649)                    | (349)                      | (24,247)                    |                                 |
| 88               | 607,393   | (105,923)                    | (15,044)                   | (19,580)                    | 84               | 3,081       | (105,923)                    |                            | (20,182)                    |                                 |
| 89               | 620,281   | (109,303)                    | (15,329)                   | (19,948)                    | 85               | 3,054       | (109,303)                    |                            | (20,561)                    |                                 |
| 90               | 633,564   | (112,792)                    | (15,623)                   | (20,327)                    | 86               | 3,027       | (112,792)                    |                            | (20,952)                    |                                 |
| 91               | 647,253   | (116,393)                    | (15,926)                   | (20,717)                    | 87               | 3,002       | (116,393)                    |                            | (21,354)                    |                                 |
| 92               | 503,859   | (120,110)                    | (11,512)                   | (15,009)                    | 88               | 2,978       | (120,110)                    |                            | (15,469)                    |                                 |
| 93               | 518,396   | (123,946)                    | (11,833)                   | (15,423)                    | 89               | 2,956       | (123,946)                    |                            | (15,896)                    |                                 |
| 94               | 533,375   | (127,907)                    | (12,164)                   | (15,850)                    | 90               | 2,934       | (127,907)                    |                            | (16,336)                    |                                 |
| 95               |           |                              |                            |                             | 91               |             |                              |                            |                             |                                 |

Note: Beginning of year values are illustrated.

\*Assumes that both deaths occur in the same year.

# Life Insurance Policies

Retire at 65

| Allen |               |                          |          | Betty       |     |               |                          |          |             |
|-------|---------------|--------------------------|----------|-------------|-----|---------------|--------------------------|----------|-------------|
| Age   | Group or Term | Permanent (net of loans) | Premiums | Cash values | Age | Group or Term | Permanent (net of loans) | Premiums | Cash values |
| 51    |               | \$157,500                | \$2,550  | \$15,300    | 47  | \$195,000     |                          | \$375    |             |
| 52    |               | 157,500                  | 2,550    | 14,134      | 48  | 195,000       |                          | 375      |             |
| 53    |               | 157,500                  | 2,550    | 12,969      | 49  | 195,000       |                          | 375      |             |
| 54    |               | 157,500                  | 2,550    | 11,803      | 50  | 195,000       |                          | 375      |             |
| 55    |               | 157,500                  | 2,550    | 10,637      | 51  | 195,000       |                          | 375      |             |
| 56    |               | 157,500                  | 2,550    | 9,472       | 52  | 195,000       |                          | 375      |             |
| 57    |               | 157,500                  | 2,550    | 8,306       | 53  | 195,000       |                          | 375      |             |
| 58    |               | 157,500                  | 2,550    | 7,141       | 54  | 95,000        |                          | 480      |             |
| 59    |               | 157,500                  | 2,550    | 5,975       | 55  | 95,000        |                          | 480      |             |
| 60    |               | 157,500                  | 2,550    | 9,732       | 56  | 95,000        |                          | 375      |             |
| 61    |               | 157,500                  | 2,550    | 13,488      | 57  | 95,000        |                          | 375      |             |
| 62    |               | 157,500                  | 2,550    | 17,245      | 58  | 95,000        |                          | 375      |             |
| 63    |               | 157,500                  | 2,550    | 21,002      | 59  | 95,000        |                          | 1,120    |             |
| 64    |               | 157,500                  | 2,550    | 24,759      | 60  | 95,000        |                          | 1,120    |             |
| 65    |               | 157,500                  | 2,550    | 28,515      | 61  | 95,000        |                          | 1,120    |             |
| 66    |               | 157,500                  | 2,550    | 32,272      | 62  | 95,000        |                          | 1,120    |             |
| 67    |               | 157,500                  | 2,550    | 36,029      | 63  | 95,000        |                          | 1,120    |             |
| 68    |               | 157,500                  | 2,550    | 39,785      | 64  | 95,000        |                          | 2,315    |             |
| 69    |               | 157,500                  | 2,550    | 43,542      | 65  | 75,000        |                          | 2,315    |             |
| 70    |               | 157,500                  | 2,550    | 47,299      | 66  | 75,000        |                          | 2,315    |             |
| 71    |               | 157,500                  | 2,550    | 51,056      | 67  | 75,000        |                          | 2,315    |             |
| 72    |               | 157,500                  | 2,550    | 54,812      | 68  | 75,000        |                          | 2,315    |             |
| 73    |               | 157,500                  | 2,550    | 58,569      | 69  |               |                          |          |             |
| 74    |               | 157,500                  | 2,550    | 62,326      | 70  |               |                          |          |             |
| 75    |               | 157,500                  | 2,550    | 66,082      | 71  |               |                          |          |             |
| 76    |               | 157,500                  | 2,550    | 69,839      | 72  |               |                          |          |             |
| 77    |               | 157,500                  | 2,550    | 73,596      | 73  |               |                          |          |             |
| 78    |               | 157,500                  | 2,550    | 77,352      | 74  |               |                          |          |             |
| 79    |               | 157,500                  | 2,550    | 81,109      | 75  |               |                          |          |             |
| 80    |               | 157,500                  | 2,550    | 84,866      | 76  |               |                          |          |             |
| 81    |               | 157,500                  | 2,550    | 88,623      | 77  |               |                          |          |             |
| 82    |               | 157,500                  | 2,550    | 92,379      | 78  |               |                          |          |             |
| 83    |               | 157,500                  | 2,550    | 96,136      | 79  |               |                          |          |             |
| 84    |               | 157,500                  | 2,550    | 99,893      | 80  |               |                          |          |             |
| 85    |               | 157,500                  | 2,550    | 103,649     | 81  |               |                          |          |             |
| 86    |               | 157,500                  | 2,550    | 107,406     | 82  |               |                          |          |             |
| 87    |               | 157,500                  | 2,550    | 111,163     | 83  |               |                          |          |             |
| 88    |               | 157,500                  | 2,550    | 114,920     | 84  |               |                          |          |             |
| 89    |               | 157,500                  | 2,550    | 118,676     | 85  |               |                          |          |             |
| 90    |               | 157,500                  | 2,550    | 122,433     | 86  |               |                          |          |             |
| 91    |               | 157,500                  | 2,550    | 126,190     | 87  |               |                          |          |             |
| 92    |               |                          |          |             | 88  |               |                          |          |             |
| 93    |               |                          |          |             | 89  |               |                          |          |             |
| 94    |               |                          |          |             | 90  |               |                          |          |             |
| 95    |               |                          |          |             | 91  |               |                          |          |             |

Cash values are estimates. Refer to policy or company illustration for exact amounts.

## Immediate Cash Needs - Betty Survives

J2

Retire at 65

|    | Final expenses<br>\$15,000 | Cash reserves<br>\$20,000 | Mortgages and debts | Estate settlement* | Other survivor cash | Total immediate cash needs |
|----|----------------------------|---------------------------|---------------------|--------------------|---------------------|----------------------------|
| 47 | (\$15,000)                 | (\$20,000)                | (76,300)            | (\$22,371)         | (\$250,000)         | (\$383,671)                |
| 48 | (15,556)                   | (20,741)                  | (69,873)            | (21,659)           | (250,000)           | (377,829)                  |
| 49 | (16,132)                   | (21,510)                  | (63,208)            | (23,385)           | (250,000)           | (374,235)                  |
| 50 | (16,730)                   | (22,307)                  | (58,230)            | (24,798)           | (250,000)           | (372,065)                  |
| 51 | (17,350)                   | (23,133)                  | (52,820)            | (26,294)           | (250,000)           | (369,596)                  |
| 52 | (17,982)                   | (23,976)                  | (46,939)            | (27,751)           | (250,000)           | (366,647)                  |
| 53 | (18,638)                   | (24,850)                  | (40,546)            | (29,268)           | (250,000)           | (363,302)                  |
| 54 | (19,318)                   | (25,757)                  | (33,597)            | (30,879)           | (250,000)           | (359,551)                  |
| 55 | (20,024)                   | (26,698)                  | (26,044)            | (32,590)           | (250,000)           | (355,356)                  |
| 56 | (20,790)                   | (27,720)                  | (17,833)            | (34,605)           | (250,000)           | (350,948)                  |
| 57 | (21,556)                   | (28,742)                  | (8,909)             | (36,752)           | (250,000)           | (345,959)                  |
| 58 | (22,351)                   | (29,801)                  |                     | (39,722)           | (250,000)           | (341,874)                  |
| 59 | (23,175)                   | (30,901)                  |                     | (42,407)           | (250,000)           | (346,483)                  |
| 60 | (24,030)                   | (32,041)                  |                     | (44,736)           | (250,000)           | (350,807)                  |
| 61 | (24,845)                   | (33,127)                  |                     | (47,214)           | (250,000)           | (355,186)                  |
| 62 | (26,519)                   | (35,358)                  | (175,460)           | (43,129)           | (250,000)           | (530,466)                  |
| 63 | (27,441)                   | (36,587)                  | (168,600)           | (43,502)           | (250,000)           | (526,130)                  |
| 64 | (28,311)                   | (37,748)                  | (161,243)           | (43,681)           | (250,000)           | (520,982)                  |
| 65 | (29,209)                   | (38,945)                  | (153,354)           | (43,256)           | (250,000)           | (514,764)                  |
| 66 | (30,136)                   | (40,181)                  | (144,895)           | (43,279)           | (250,000)           | (508,491)                  |
| 67 | (31,092)                   | (41,456)                  | (135,825)           | (42,398)           | (250,000)           | (500,772)                  |
| 68 | (32,080)                   | (42,773)                  | (126,099)           | (42,153)           | (250,000)           | (493,104)                  |
| 69 | (33,098)                   | (44,131)                  | (115,670)           | (41,826)           | (250,000)           | (484,726)                  |
| 70 | (34,150)                   | (45,533)                  | (104,487)           | (41,240)           | (250,000)           | (475,411)                  |
| 71 | (35,235)                   | (46,980)                  | (92,496)            | (41,228)           | (250,000)           | (465,939)                  |
| 72 | (36,355)                   | (48,474)                  | (79,638)            | (41,493)           | (250,000)           | (455,960)                  |
| 73 | (37,511)                   | (50,015)                  | (65,850)            | (37,060)           | (250,000)           | (440,437)                  |
| 74 | (38,705)                   | (51,606)                  | (51,066)            | (33,325)           | (250,000)           | (424,702)                  |
| 75 | (39,936)                   | (53,248)                  | (35,213)            | (29,270)           | (250,000)           | (407,667)                  |
| 76 | (41,207)                   | (54,943)                  | (18,214)            | (31,245)           | (250,000)           | (395,609)                  |
| 77 | (42,519)                   | (56,692)                  |                     | (29,816)           | (250,000)           | (379,027)                  |
| 78 | (43,873)                   | (58,497)                  |                     | (25,487)           | (250,000)           | (377,857)                  |
| 79 | (45,270)                   | (60,361)                  |                     | (20,637)           | (250,000)           | (376,268)                  |
| 80 | (46,713)                   | (62,284)                  |                     | (15,221)           | (250,000)           | (374,218)                  |
| 81 | (48,202)                   | (64,269)                  |                     | (14,237)           | (250,000)           | (376,708)                  |
| 82 | (49,738)                   | (66,318)                  |                     | (14,498)           | (250,000)           | (380,555)                  |
| 83 | (51,325)                   | (68,433)                  |                     | (14,767)           | (250,000)           | (384,524)                  |
| 84 | (52,962)                   | (70,616)                  |                     | (15,044)           | (250,000)           | (388,621)                  |
| 85 | (54,652)                   | (72,869)                  |                     | (15,329)           | (250,000)           | (392,850)                  |
| 86 | (56,396)                   | (75,195)                  |                     | (15,623)           | (250,000)           | (397,214)                  |
| 87 | (58,196)                   | (77,595)                  |                     | (15,926)           | (250,000)           | (401,717)                  |
| 88 | (60,055)                   | (80,073)                  |                     | (11,512)           | (250,000)           | (401,640)                  |
| 89 | (61,973)                   | (82,631)                  |                     | (11,833)           | (250,000)           | (406,438)                  |
| 90 | (63,953)                   | (85,271)                  |                     | (12,164)           | (250,000)           | (411,389)                  |
| 91 |                            |                           |                     |                    |                     |                            |

K4

I 6

\*Assumes that both deaths occur in the same year at the age shown.

Items in red indicate that the amounts are expenses.

# Survivor Income/Expense - Betty Survives

J3

Retire at 65

| Age | Survivor income needed       |                    |               | Income (or misc expenses) available |                         |                              |                           |                    |                               |
|-----|------------------------------|--------------------|---------------|-------------------------------------|-------------------------|------------------------------|---------------------------|--------------------|-------------------------------|
|     | Personal expenses + item ded | Insurance premiums | Debt payments | Social security                     | Own pension (after tax) | Survivor pension (after tax) | Earned income (after tax) | Education expenses | Misc. (net) Income or expense |
| 47  | (\$46,792)                   | (\$960)            | (\$3,600)     | \$14,339                            |                         | \$2,040                      | \$38,250                  | (\$10,000)         | (\$24,213)                    |
| 48  | (48,425)                     | (982)              | (639)         | 14,625                              |                         | 2,040                        | 38,250                    | (10,390)           | 29,822                        |
| 49  | (50,117)                     | (1,004)            |               | 14,918                              |                         | 2,040                        | 38,250                    | (10,795)           | 9,446                         |
| 50  | (51,868)                     | (1,027)            |               | 15,216                              |                         | 2,040                        | 38,250                    |                    |                               |
| 51  | (54,067)                     | (1,052)            |               | 15,521                              |                         | 2,040                        | 38,250                    | (11,654)           |                               |
| 52  | (55,934)                     | (1,076)            |               |                                     |                         | 2,040                        | 38,250                    | (12,108)           |                               |
| 53  | (57,867)                     | (727)              |               |                                     |                         | 2,040                        | 38,250                    | (12,580)           |                               |
| 54  | (59,868)                     | (753)              |               |                                     |                         | 2,040                        | 38,250                    | (13,071)           |                               |
| 55  | (61,940)                     | (781)              |               |                                     |                         | 2,040                        | 38,250                    |                    |                               |
| 56  | (63,699)                     | (811)              |               |                                     |                         | 2,040                        | 38,250                    |                    |                               |
| 57  | (65,920)                     | (841)              |               |                                     |                         | 2,040                        | 38,250                    |                    | 26,894                        |
| 58  | (68,220)                     | (872)              |               |                                     |                         | 2,040                        | 38,250                    |                    |                               |
| 59  | (70,601)                     | (904)              |               |                                     |                         | 2,040                        | 38,250                    |                    |                               |
| 60  | (73,067)                     | (937)              |               |                                     |                         | 2,040                        | 38,250                    |                    |                               |
| 61  | (64,128)                     | (969)              |               |                                     |                         | 2,040                        | 38,250                    |                    | (34,634)                      |
| 62  | (133,813)                    | (1,034)            |               |                                     |                         | 2,122                        | 38,250                    |                    |                               |
| 63  | (133,175)                    | (1,070)            |               |                                     |                         | 2,208                        | 38,250                    |                    |                               |
| 64  | (137,350)                    | (1,104)            |               |                                     |                         | 2,297                        | 38,250                    |                    | 8,735                         |
| 65  | (141,656)                    | (1,139)            |               | 29,290                              |                         | 2,390                        |                           |                    | 8,745                         |
| 66  | (146,099)                    | (1,175)            |               | 29,876                              |                         | 2,487                        |                           |                    | 9,397                         |
| 67  | (150,683)                    | (1,213)            |               | 30,473                              |                         | 2,587                        |                           |                    | 9,271                         |
| 68  | (155,412)                    | (1,251)            |               | 31,082                              |                         | 2,692                        |                           |                    | 9,545                         |
| 69  | (160,290)                    | (1,291)            |               | 31,704                              |                         | 2,800                        |                           |                    |                               |
| 70  | (165,323)                    | (1,332)            |               | 32,338                              |                         | 2,914                        |                           |                    |                               |
| 71  | (170,516)                    | (1,374)            |               | 32,985                              |                         | 3,031                        |                           |                    |                               |
| 72  | (175,873)                    | (1,418)            |               | 33,645                              |                         | 3,154                        |                           |                    |                               |
| 73  | (181,400)                    | (1,463)            |               | 34,318                              |                         | 3,281                        |                           |                    |                               |
| 74  | (187,103)                    | (1,509)            |               | 35,004                              |                         | 3,414                        |                           |                    |                               |
| 75  | (192,986)                    | (1,558)            |               | 35,704                              |                         | 3,552                        |                           |                    |                               |
| 76  | (199,056)                    | (1,607)            |               | 36,418                              |                         | 3,695                        |                           |                    |                               |
| 77  | (205,319)                    | (1,658)            |               | 37,146                              |                         | 3,844                        |                           |                    |                               |
| 78  | (211,780)                    | (1,711)            |               | 37,889                              |                         | 4,000                        |                           |                    |                               |
| 79  | (218,447)                    | (1,766)            |               | 38,647                              |                         | 4,161                        |                           |                    |                               |
| 80  | (225,325)                    | (1,822)            |               | 39,420                              |                         | 4,329                        |                           |                    |                               |
| 81  | (232,422)                    | (1,880)            |               | 40,209                              |                         | 4,504                        |                           |                    |                               |
| 82  | (239,744)                    | (1,940)            |               | 41,013                              |                         | 4,686                        |                           |                    |                               |
| 83  | (247,300)                    | (2,002)            |               | 41,833                              |                         | 4,876                        |                           |                    |                               |
| 84  | (255,095)                    | (2,066)            |               | 42,670                              |                         | 5,073                        |                           |                    |                               |
| 85  | (263,138)                    | (2,131)            |               | 43,523                              |                         | 5,278                        |                           |                    |                               |
| 86  | (271,437)                    | (2,199)            |               | 44,393                              |                         | 5,491                        |                           |                    |                               |
| 87  | (280,001)                    | (2,270)            |               | 45,281                              |                         | 5,713                        |                           |                    |                               |
| 88  | (288,836)                    | (2,342)            |               | 46,187                              |                         | 5,943                        |                           |                    |                               |
| 89  | (297,953)                    | (2,417)            |               | 47,111                              |                         | 6,184                        |                           |                    |                               |
| 90  | (307,361)                    | (2,494)            |               | 48,053                              |                         | 6,433                        |                           |                    |                               |
| 91  |                              |                    |               |                                     |                         |                              |                           |                    |                               |

Income tax rate applied to pension and earned income is 15%

## Itemized Deduction Expenses - Betty Survives

J4

Retire at 65

| Age | Gross Income | Charitable contrib. |               | Medical expenses |               | Property tax    |                       | Other tax             |                       | Misc. Item. Ded.      |                       | Other ded. int.       |  | Total    |
|-----|--------------|---------------------|---------------|------------------|---------------|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|----------|
|     |              | % gross income      | Annual amount | % gross income   | Annual amount | Residence value | % gross Annual amount | % gross Annual amount | % gross Annual amount | % gross Annual amount | % gross Annual amount | % gross Annual amount |  |          |
|     |              |                     | 3.00          |                  |               |                 | 2.75                  |                       |                       |                       | 3.00                  |                       |  |          |
| 47  | \$61,379     |                     | \$750         |                  |               | \$307,000       | \$3,500               |                       |                       | \$8,750               |                       |                       |  | \$13,000 |
| 48  | 61,665       |                     | 773           |                  |               | 316,210         | 3,596                 |                       |                       | 9,013                 |                       |                       |  | 13,381   |
| 49  | 61,958       |                     | 796           |                  |               | 325,696         | 3,695                 |                       |                       | 9,283                 |                       |                       |  | 13,774   |
| 50  | 62,256       |                     | 820           |                  |               | 335,467         | 3,797                 |                       |                       | 9,561                 |                       |                       |  | 14,178   |
| 51  | 62,561       |                     | 844           |                  |               | 345,531         | 3,901                 |                       |                       | 9,848                 |                       |                       |  | 14,594   |
| 52  | 47,040       |                     | 869           |                  |               | 355,897         | 4,008                 |                       |                       | 10,144                |                       |                       |  | 15,022   |
| 53  | 47,040       |                     | 896           |                  |               | 366,574         | 4,119                 |                       |                       | 10,448                |                       |                       |  | 15,462   |
| 54  | 47,040       |                     | 922           |                  |               | 377,571         | 4,232                 |                       |                       | 10,761                |                       |                       |  | 15,916   |
| 55  | 47,040       |                     | 950           |                  |               | 388,898         | 4,348                 |                       |                       | 11,084                |                       |                       |  | 16,383   |
| 56  | 47,040       |                     | 979           |                  |               | 400,565         | 4,468                 |                       |                       | 11,417                |                       |                       |  | 16,863   |
| 57  | 47,040       |                     | 1,008         |                  |               | 412,582         | 4,591                 |                       |                       | 11,759                |                       |                       |  | 17,358   |
| 58  | 47,040       |                     | 1,038         |                  |               | 424,960         | 4,717                 |                       |                       | 12,112                |                       |                       |  | 17,867   |
| 59  | 47,040       |                     | 1,069         |                  |               | 437,709         | 4,847                 |                       |                       | 12,475                |                       |                       |  | 18,391   |
| 60  | 47,040       |                     | 1,101         |                  |               | 450,840         | 4,980                 |                       |                       | 12,850                |                       |                       |  | 18,931   |
| 61  | 47,040       |                     | 1,134         |                  |               | 464,365         | 5,117                 |                       |                       | 13,235                |                       |                       |  | 19,487   |
| 62  | 47,122       |                     | 1,168         |                  |               | 225,905         | 5,258                 |                       |                       | 13,632                |                       |                       |  | 20,058   |
| 63  | 47,208       |                     | 1,204         |                  |               | 232,682         | 5,402                 |                       |                       | 14,041                |                       |                       |  | 20,647   |
| 64  | 47,297       |                     | 1,240         |                  |               | 239,663         | 5,551                 |                       |                       | 14,462                |                       |                       |  | 21,253   |
| 65  | 31,680       |                     | 1,277         |                  |               | 246,853         | 5,703                 |                       |                       | 14,896                |                       |                       |  | 21,877   |
| 66  | 32,362       |                     | 1,315         |                  |               | 254,258         | 5,860                 |                       |                       | 15,343                |                       |                       |  | 22,519   |
| 67  | 33,060       |                     | 1,355         |                  |               | 261,886         | 6,021                 |                       |                       | 15,803                |                       |                       |  | 23,180   |
| 68  | 33,774       |                     | 1,395         |                  |               | 269,743         | 6,187                 |                       |                       | 16,278                |                       |                       |  | 23,860   |
| 69  | 34,505       |                     | 1,437         |                  |               | 277,835         | 6,357                 |                       |                       | 16,766                |                       |                       |  | 24,560   |
| 70  | 35,252       |                     | 1,480         |                  |               | 286,170         | 6,532                 |                       |                       | 17,269                |                       |                       |  | 25,281   |
| 71  | 36,016       |                     | 1,525         |                  |               | 294,755         | 6,712                 |                       |                       | 17,787                |                       |                       |  | 26,023   |
| 72  | 36,798       |                     | 1,570         |                  |               | 303,598         | 6,896                 |                       |                       | 18,321                |                       |                       |  | 26,787   |
| 73  | 37,599       |                     | 1,617         |                  |               | 312,706         | 7,086                 |                       |                       | 18,870                |                       |                       |  | 27,574   |
| 74  | 38,418       |                     | 1,666         |                  |               | 322,087         | 7,281                 |                       |                       | 19,436                |                       |                       |  | 28,383   |
| 75  | 39,256       |                     | 1,716         |                  |               | 331,750         | 7,481                 |                       |                       | 20,019                |                       |                       |  | 29,216   |
| 76  | 40,113       |                     | 1,767         |                  |               | 341,702         | 7,687                 |                       |                       | 20,620                |                       |                       |  | 30,074   |
| 77  | 40,991       |                     | 1,820         |                  |               | 351,953         | 7,898                 |                       |                       | 21,239                |                       |                       |  | 30,957   |
| 78  | 41,889       |                     | 1,875         |                  |               | 362,512         | 8,115                 |                       |                       | 21,876                |                       |                       |  | 31,866   |
| 79  | 42,809       |                     | 1,931         |                  |               | 373,387         | 8,338                 |                       |                       | 22,532                |                       |                       |  | 32,802   |
| 80  | 43,750       |                     | 1,989         |                  |               | 384,589         | 8,568                 |                       |                       | 23,208                |                       |                       |  | 33,765   |
| 81  | 44,713       |                     | 2,049         |                  |               | 396,126         | 8,803                 |                       |                       | 23,904                |                       |                       |  | 34,756   |
| 82  | 45,699       |                     | 2,110         |                  |               | 408,010         | 9,045                 |                       |                       | 24,621                |                       |                       |  | 35,777   |
| 83  | 46,709       |                     | 2,174         |                  |               | 420,250         | 9,294                 |                       |                       | 25,360                |                       |                       |  | 36,828   |
| 84  | 47,742       |                     | 2,239         |                  |               | 432,858         | 9,550                 |                       |                       | 26,121                |                       |                       |  | 37,909   |
| 85  | 48,801       |                     | 2,306         |                  |               | 445,844         | 9,812                 |                       |                       | 26,904                |                       |                       |  | 39,023   |
| 86  | 49,884       |                     | 2,375         |                  |               | 459,219         | 10,082                |                       |                       | 27,711                |                       |                       |  | 40,169   |
| 87  | 50,994       |                     | 2,447         |                  |               | 472,995         | 10,360                |                       |                       | 28,543                |                       |                       |  | 41,349   |
| 88  | 52,130       |                     | 2,520         |                  |               | 487,185         | 10,644                |                       |                       | 29,399                |                       |                       |  | 42,563   |
| 89  | 53,294       |                     | 2,596         |                  |               | 501,801         | 10,937                |                       |                       | 30,281                |                       |                       |  | 43,814   |
| 90  | 54,486       |                     | 2,673         |                  |               | 516,855         | 11,238                |                       |                       | 31,190                |                       |                       |  | 45,101   |
| 91  |              |                     |               |                  |               |                 |                       |                       |                       |                       |                       |                       |  |          |

J3

## Immediate Cash Needs - Allen Survives

Retire at 65

|    | Final expenses<br>\$15,000 | Cash reserves<br>\$20,000 | Mortgages and debts | Estate settlement* | Other survivor cash | Total immediate cash needs |
|----|----------------------------|---------------------------|---------------------|--------------------|---------------------|----------------------------|
| 51 | (\$15,000)                 | (\$20,000)                | (74,250)            | (\$9,853)          | (\$250,000)         | (\$369,103)                |
| 52 | (15,556)                   | (20,741)                  | (67,799)            | (8,730)            | (250,000)           | (362,826)                  |
| 53 | (16,132)                   | (21,510)                  | (63,208)            | (9,734)            | (250,000)           | (360,584)                  |
| 54 | (16,730)                   | (22,307)                  | (58,230)            | (10,645)           | (250,000)           | (357,913)                  |
| 55 | (17,350)                   | (23,133)                  | (52,820)            | (11,620)           | (250,000)           | (354,922)                  |
| 56 | (17,982)                   | (23,976)                  | (46,939)            | (12,540)           | (250,000)           | (351,436)                  |
| 57 | (18,638)                   | (24,850)                  | (40,546)            | (13,496)           | (250,000)           | (347,531)                  |
| 58 | (19,318)                   | (25,757)                  | (33,597)            | (11,520)           | (250,000)           | (340,192)                  |
| 59 | (20,024)                   | (26,698)                  | (26,044)            | (12,614)           | (250,000)           | (335,379)                  |
| 60 | (20,790)                   | (27,720)                  | (17,833)            | (13,963)           | (250,000)           | (330,306)                  |
| 61 | (21,556)                   | (28,742)                  | (8,909)             | (15,412)           | (250,000)           | (324,619)                  |
| 62 | (22,351)                   | (29,801)                  |                     | (17,275)           | (250,000)           | (319,427)                  |
| 63 | (23,175)                   | (30,901)                  |                     | (18,887)           | (250,000)           | (322,963)                  |
| 64 | (24,030)                   | (32,041)                  |                     | (20,359)           | (250,000)           | (326,430)                  |
| 65 | (24,845)                   | (33,127)                  |                     | (21,934)           | (250,000)           | (329,906)                  |
| 66 | (26,519)                   | (35,358)                  |                     | (21,437)           | (250,000)           | (333,314)                  |
| 67 | (27,441)                   | (36,587)                  |                     | (21,490)           | (250,000)           | (335,518)                  |
| 68 | (28,311)                   | (37,748)                  |                     | (21,491)           | (250,000)           | (337,549)                  |
| 69 | (29,209)                   | (38,945)                  |                     | (21,639)           | (250,000)           | (339,793)                  |
| 70 | (30,136)                   | (40,181)                  |                     | (22,074)           | (250,000)           | (342,391)                  |
| 71 | (31,092)                   | (41,456)                  |                     | (22,115)           | (250,000)           | (344,663)                  |
| 72 | (32,080)                   | (42,773)                  |                     | (22,561)           | (250,000)           | (347,413)                  |
| 73 | (33,098)                   | (44,131)                  |                     | (20,755)           | (250,000)           | (347,985)                  |
| 74 | (34,150)                   | (45,533)                  |                     | (21,117)           | (250,000)           | (350,801)                  |
| 75 | (35,235)                   | (46,980)                  |                     | (20,786)           | (250,000)           | (353,002)                  |
| 76 | (36,355)                   | (48,474)                  |                     | (19,888)           | (250,000)           | (354,717)                  |
| 77 | (37,511)                   | (50,015)                  |                     | (21,117)           | (250,000)           | (358,643)                  |
| 78 | (38,705)                   | (51,606)                  |                     | (22,492)           | (250,000)           | (362,802)                  |
| 79 | (39,936)                   | (53,248)                  |                     | (22,819)           | (250,000)           | (366,003)                  |
| 80 | (41,207)                   | (54,943)                  |                     | (16,128)           | (250,000)           | (362,278)                  |
| 81 | (42,519)                   | (56,692)                  |                     | (13,948)           | (250,000)           | (363,159)                  |
| 82 | (43,873)                   | (58,497)                  |                     | (14,768)           | (250,000)           | (367,138)                  |
| 83 | (45,270)                   | (60,361)                  |                     | (15,634)           | (250,000)           | (371,265)                  |
| 84 | (46,713)                   | (62,284)                  |                     | (16,551)           | (250,000)           | (375,547)                  |
| 85 | (48,202)                   | (64,269)                  |                     | (12,479)           | (250,000)           | (374,949)                  |
| 86 | (49,738)                   | (66,318)                  |                     | (6,687)            | (250,000)           | (372,744)                  |
| 87 | (51,325)                   | (68,433)                  |                     | (349)              | (250,000)           | (370,106)                  |
| 88 | (52,962)                   | (70,616)                  |                     |                    | (250,000)           | (373,577)                  |
| 89 | (54,652)                   | (72,869)                  |                     |                    | (250,000)           | (377,520)                  |
| 90 | (56,396)                   | (75,195)                  |                     |                    | (250,000)           | (381,591)                  |
| 91 | (58,196)                   | (77,595)                  |                     |                    | (250,000)           | (385,792)                  |
| 92 |                            |                           |                     |                    |                     |                            |
| 93 |                            |                           |                     |                    |                     |                            |
| 94 |                            |                           |                     |                    |                     |                            |
| 95 |                            |                           |                     |                    |                     |                            |

K4

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\*Assumes that both deaths occur in the same year at the age shown.

# Survivor Income/Expense - Allen Survives

Retire at 65

| Age | Survivor income needed       |                    |               | Income (or misc expenses) available |                         |                              |                           |                   |                               |
|-----|------------------------------|--------------------|---------------|-------------------------------------|-------------------------|------------------------------|---------------------------|-------------------|-------------------------------|
|     | Personal expenses + item ded | Insurance premiums | Debt payments | Social security                     | Own pension (after tax) | Survivor pension (after tax) | Earned income (after tax) | Education funding | Misc. (net) Income or expense |
| 51  | (\$46,792)                   | (\$3,585)          | (\$3,660)     | 11,145                              |                         |                              | \$51,480                  | (\$10,000)        | (\$24,213)                    |
| 52  | (48,425)                     | (3,607)            | (2,788)       | 11,368                              |                         |                              | 53,001                    | (10,390)          | 29,822                        |
| 53  | (50,117)                     | (3,629)            |               | 11,595                              |                         |                              | 54,568                    | (10,795)          | 9,446                         |
| 54  | (51,868)                     | (3,652)            |               | 11,827                              |                         |                              | 64,705                    |                   |                               |
| 55  | (54,067)                     | (3,677)            |               | 12,064                              |                         |                              | 66,622                    | (11,654)          |                               |
| 56  | (55,934)                     | (3,701)            |               |                                     |                         |                              | 68,598                    | (12,108)          |                               |
| 57  | (57,867)                     | (1,177)            |               |                                     |                         |                              | 780                       | (12,580)          |                               |
| 58  | (59,868)                     | (1,203)            |               |                                     |                         |                              | 780                       | (13,071)          |                               |
| 59  | (61,940)                     | (1,231)            |               |                                     |                         |                              | 75,289                    |                   |                               |
| 60  | (63,699)                     | (1,261)            |               |                                     |                         |                              | 79,014                    |                   |                               |
| 61  | (65,920)                     | (1,291)            |               |                                     |                         |                              | 82,926                    |                   | 33,614                        |
| 62  | (68,220)                     | (1,322)            |               |                                     |                         |                              | 87,033                    |                   |                               |
| 63  | (70,601)                     | (1,354)            |               |                                     |                         |                              | 91,346                    |                   |                               |
| 64  | (73,067)                     | (1,387)            |               |                                     |                         |                              | 95,874                    |                   |                               |
| 65  | (64,128)                     | (1,419)            |               | 27,059                              | 5,148                   |                              |                           |                   | (34,634)                      |
| 66  | (133,813)                    | (1,034)            | (18,925)      | 27,600                              | 5,251                   |                              |                           |                   | 3,900                         |
| 67  | (133,175)                    | (1,070)            | (18,925)      | 28,152                              | 5,356                   |                              |                           |                   | 4,870                         |
| 68  | (137,350)                    | (1,104)            | (18,925)      | 28,715                              | 5,463                   |                              |                           |                   | 13,785                        |
| 69  | (141,656)                    | (1,139)            | (18,925)      | 29,290                              | 5,572                   |                              |                           |                   | 13,657                        |
| 70  | (146,099)                    | (1,175)            | (18,925)      | 29,876                              | 5,684                   |                              |                           |                   | 15,040                        |
| 71  | (150,683)                    | (1,213)            | (18,925)      | 30,473                              | 5,797                   |                              |                           |                   | 14,579                        |
| 72  | (155,412)                    | (1,251)            | (18,925)      | 31,082                              | 5,913                   |                              |                           |                   | 15,064                        |
| 73  | (160,290)                    | (1,291)            | (18,925)      | 31,704                              | 6,032                   |                              |                           |                   | 5,132                         |
| 74  | (165,323)                    | (1,332)            | (18,925)      | 32,338                              | 6,152                   |                              |                           |                   | 5,337                         |
| 75  | (170,516)                    | (1,374)            | (18,925)      | 32,985                              | 6,275                   |                              |                           |                   | 5,551                         |
| 76  | (175,873)                    | (1,418)            | (18,925)      | 33,645                              | 6,401                   |                              |                           |                   |                               |
| 77  | (181,400)                    | (1,463)            | (18,925)      | 34,318                              | 6,529                   |                              |                           |                   |                               |
| 78  | (187,103)                    | (1,509)            | (18,925)      | 35,004                              | 6,659                   |                              |                           |                   |                               |
| 79  | (192,986)                    | (1,558)            | (18,925)      | 35,704                              | 6,793                   |                              |                           |                   |                               |
| 80  | (199,056)                    | (1,607)            | (18,912)      | 36,418                              | 6,929                   |                              |                           |                   |                               |
| 81  | (205,319)                    | (1,658)            |               | 37,146                              | 7,067                   |                              |                           |                   |                               |
| 82  | (211,780)                    | (1,711)            |               | 37,889                              | 7,208                   |                              |                           |                   |                               |
| 83  | (218,447)                    | (1,766)            |               | 38,647                              | 7,353                   |                              |                           |                   |                               |
| 84  | (225,325)                    | (1,822)            |               | 39,420                              | 7,500                   |                              |                           |                   |                               |
| 85  | (232,422)                    | (1,880)            |               | 40,209                              | 7,650                   |                              |                           |                   |                               |
| 86  | (239,744)                    | (1,940)            |               | 41,013                              | 7,803                   |                              |                           |                   |                               |
| 87  | (247,300)                    | (2,002)            |               | 41,833                              | 7,959                   |                              |                           |                   |                               |
| 88  | (255,095)                    | (2,066)            |               | 42,670                              | 8,118                   |                              |                           |                   |                               |
| 89  | (263,138)                    | (2,131)            |               | 43,523                              | 8,280                   |                              |                           |                   |                               |
| 90  | (271,437)                    | (2,199)            |               | 44,393                              | 8,446                   |                              |                           |                   |                               |
| 91  | (280,001)                    | (2,270)            |               | 45,281                              | 8,615                   |                              |                           |                   |                               |
| 92  |                              |                    |               |                                     |                         |                              |                           |                   |                               |
| 93  |                              |                    |               |                                     |                         |                              |                           |                   |                               |
| 94  |                              |                    |               |                                     |                         |                              |                           |                   |                               |
| 95  |                              |                    |               |                                     |                         |                              |                           |                   |                               |

Income tax rate applied to pension and earned income is 22%

## Itemized Deduction Expenses - Allen Survives

J7

Retire at 65

| Age | Gross Income | Charitable contrib. |               | Medical expenses |               | Property tax    |                |               | Other tax      |               | Misc. Item. Ded. |               | Other ded. int. |               | Total |
|-----|--------------|---------------------|---------------|------------------|---------------|-----------------|----------------|---------------|----------------|---------------|------------------|---------------|-----------------|---------------|-------|
|     |              | % gross income      | Annual amount | % gross income   | Annual amount | Residence value | % resid. value | Annual amount | % gross income | Annual amount | % gross income   | Annual amount | % gross income  | Annual amount |       |
| 51  | \$77,145     |                     | \$750         |                  |               | \$307,000       |                | \$3,500       |                |               |                  | \$8,750       |                 | \$13,000      |       |
| 52  | 79,318       |                     | 773           |                  |               | 316,210         |                | 3,596         |                |               |                  | 9,013         |                 | 13,381        |       |
| 53  | 81,554       |                     | 796           |                  |               | 325,696         |                | 3,695         |                |               |                  | 9,283         |                 | 13,774        |       |
| 54  | 94,782       |                     | 820           |                  |               | 335,467         |                | 3,797         |                |               |                  | 9,561         |                 | 14,178        |       |
| 55  | 97,477       |                     | 844           |                  |               | 345,531         |                | 3,901         |                |               |                  | 9,848         |                 | 14,594        |       |
| 56  | 87,946       |                     | 869           |                  |               | 355,897         |                | 4,008         |                |               |                  | 10,144        |                 | 15,022        |       |
| 57  | 1,000        |                     | 896           |                  |               | 366,574         |                | 4,119         |                |               |                  | 10,448        |                 | 15,462        |       |
| 58  | 1,000        |                     | 922           |                  |               | 377,571         |                | 4,232         |                |               |                  | 10,761        |                 | 15,916        |       |
| 59  | 96,524       |                     | 950           |                  |               | 388,898         |                | 4,348         |                |               |                  | 11,084        |                 | 16,383        |       |
| 60  | 101,300      |                     | 979           |                  |               | 400,565         |                | 4,468         |                |               |                  | 11,417        |                 | 16,863        |       |
| 61  | 106,315      |                     | 1,008         |                  |               | 412,582         |                | 4,591         |                |               |                  | 11,759        |                 | 17,358        |       |
| 62  | 111,581      |                     | 1,038         |                  |               | 424,960         |                | 4,717         |                |               |                  | 12,112        |                 | 17,867        |       |
| 63  | 117,110      |                     | 1,069         |                  |               | 437,709         |                | 4,847         |                |               |                  | 12,475        |                 | 18,391        |       |
| 64  | 122,916      |                     | 1,101         |                  |               | 450,840         |                | 4,980         |                |               |                  | 12,850        |                 | 18,931        |       |
| 65  | 32,207       |                     | 1,134         |                  |               | 464,365         |                | 5,117         |                |               |                  | 13,235        |                 | 19,487        |       |
| 66  | 32,851       |                     | 1,168         |                  |               | 225,905         |                | 5,258         |                |               |                  | 13,632        |                 | 20,058        |       |
| 67  | 33,508       |                     | 1,204         |                  |               | 232,682         |                | 5,402         |                |               |                  | 14,041        |                 | 20,647        |       |
| 68  | 34,179       |                     | 1,240         |                  |               | 239,663         |                | 5,551         |                |               |                  | 14,462        |                 | 21,253        |       |
| 69  | 34,862       |                     | 1,277         |                  |               | 246,853         |                | 5,703         |                |               |                  | 14,896        |                 | 21,877        |       |
| 70  | 35,559       |                     | 1,315         |                  |               | 254,258         |                | 5,860         |                |               |                  | 15,343        |                 | 22,519        |       |
| 71  | 36,271       |                     | 1,355         |                  |               | 261,886         |                | 6,021         |                |               |                  | 15,803        |                 | 23,180        |       |
| 72  | 36,996       |                     | 1,395         |                  |               | 269,743         |                | 6,187         |                |               |                  | 16,278        |                 | 23,860        |       |
| 73  | 37,736       |                     | 1,437         |                  |               | 277,835         |                | 6,357         |                |               |                  | 16,766        |                 | 24,560        |       |
| 74  | 38,491       |                     | 1,480         |                  |               | 286,170         |                | 6,532         |                |               |                  | 17,269        |                 | 25,281        |       |
| 75  | 39,260       |                     | 1,525         |                  |               | 294,755         |                | 6,712         |                |               |                  | 17,787        |                 | 26,023        |       |
| 76  | 40,046       |                     | 1,570         |                  |               | 303,598         |                | 6,896         |                |               |                  | 18,321        |                 | 26,787        |       |
| 77  | 40,846       |                     | 1,617         |                  |               | 312,706         |                | 7,086         |                |               |                  | 18,870        |                 | 27,574        |       |
| 78  | 41,663       |                     | 1,666         |                  |               | 322,087         |                | 7,281         |                |               |                  | 19,436        |                 | 28,383        |       |
| 79  | 42,497       |                     | 1,716         |                  |               | 331,750         |                | 7,481         |                |               |                  | 20,019        |                 | 29,216        |       |
| 80  | 43,347       |                     | 1,767         |                  |               | 341,702         |                | 7,687         |                |               |                  | 20,620        |                 | 30,074        |       |
| 81  | 44,214       |                     | 1,820         |                  |               | 351,953         |                | 7,898         |                |               |                  | 21,239        |                 | 30,957        |       |
| 82  | 45,098       |                     | 1,875         |                  |               | 362,512         |                | 8,115         |                |               |                  | 21,876        |                 | 31,866        |       |
| 83  | 46,000       |                     | 1,931         |                  |               | 373,387         |                | 8,338         |                |               |                  | 22,532        |                 | 32,802        |       |
| 84  | 46,920       |                     | 1,989         |                  |               | 384,589         |                | 8,568         |                |               |                  | 23,208        |                 | 33,765        |       |
| 85  | 47,858       |                     | 2,049         |                  |               | 396,126         |                | 8,803         |                |               |                  | 23,904        |                 | 34,756        |       |
| 86  | 48,815       |                     | 2,110         |                  |               | 408,010         |                | 9,045         |                |               |                  | 24,621        |                 | 35,777        |       |
| 87  | 49,792       |                     | 2,174         |                  |               | 420,250         |                | 9,294         |                |               |                  | 25,360        |                 | 36,828        |       |
| 88  | 50,787       |                     | 2,239         |                  |               | 432,858         |                | 9,550         |                |               |                  | 26,121        |                 | 37,909        |       |
| 89  | 51,803       |                     | 2,306         |                  |               | 445,844         |                | 9,812         |                |               |                  | 26,904        |                 | 39,023        |       |
| 90  | 52,839       |                     | 2,375         |                  |               | 459,219         |                | 10,082        |                |               |                  | 27,711        |                 | 40,169        |       |
| 91  | 53,896       |                     | 2,447         |                  |               | 472,995         |                | 10,360        |                |               |                  | 28,543        |                 | 41,349        |       |
| 92  |              |                     | 2,520         |                  |               | 487,185         |                | 10,644        |                |               |                  | 29,399        |                 | 42,563        |       |
| 93  |              |                     | 2,596         |                  |               | 501,801         |                | 10,937        |                |               |                  | 30,281        |                 | 43,814        |       |
| 94  |              |                     | 2,673         |                  |               | 516,855         |                | 11,238        |                |               |                  | 31,190        |                 | 45,101        |       |
| 95  |              |                     |               |                  |               |                 |                |               |                |               |                  |               |                 |               |       |

J6

# Allen - Income, Disability, Survivor

Retire at 65

| Age | Salary   | Incr-<br>ease<br>factor | Adjusted<br>salary | Self<br>Employment | Incr.<br>rate | Adjusted<br>self empl. | Used for<br>Cash Flow<br>report | Used for<br>Disability<br>report | Used for<br>Survivor<br>report |
|-----|----------|-------------------------|--------------------|--------------------|---------------|------------------------|---------------------------------|----------------------------------|--------------------------------|
| 51  | \$65,000 | 1.00                    | \$65,000           | \$1,000            | 1.00          | \$1,000                | \$66,000                        | \$66,000                         | \$66,000                       |
| 52  | 65,000   | 1.03                    | 66,950             | 1,000              | 1.00          | 1,000                  | 67,950                          | 67,950                           | 67,950                         |
| 53  | 65,000   | 1.06                    | 68,959             | 1,000              | 1.00          | 1,000                  | 69,959                          | 69,959                           | 69,959                         |
| 54  | 75,000   | 1.09                    | 81,955             | 1,000              | 1.00          | 1,000                  | 82,955                          | 82,955                           | 82,955                         |
| 55  | 75,000   | 1.13                    | 84,413             | 1,000              | 1.00          | 1,000                  | 85,413                          | 85,413                           | 85,413                         |
| 56  | 75,000   | 1.16                    | 86,946             | 1,000              | 1.00          | 1,000                  | 87,946                          | 87,946                           | 87,946                         |
| 57  |          | 1.19                    |                    | 1,000              | 1.00          | 1,000                  | 1,000                           | 1,000                            | 1,000                          |
| 58  |          | 1.19                    |                    | 1,000              | 1.00          | 1,000                  | 1,000                           | 1,000                            | 1,000                          |
| 59  | 80,000   | 1.19                    | 95,524             | 1,000              | 1.00          | 1,000                  | 96,524                          | 96,524                           | 96,524                         |
| 60  | 80,000   | 1.25                    | 100,300            | 1,000              | 1.00          | 1,000                  | 101,300                         | 101,300                          | 101,300                        |
| 61  | 80,000   | 1.32                    | 105,315            | 1,000              | 1.00          | 1,000                  | 106,315                         | 106,315                          | 106,315                        |
| 62  | 80,000   | 1.38                    | 110,581            | 1,000              | 1.00          | 1,000                  | 111,581                         | 111,581                          | 111,581                        |
| 63  | 80,000   | 1.45                    | 116,110            | 1,000              | 1.00          | 1,000                  | 117,110                         | 117,110                          | 117,110                        |
| 64  | 80,000   | 1.52                    | 121,916            | 1,000              | 1.00          | 1,000                  | 122,916                         | 122,916                          | 122,916                        |
| 65  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 66  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 67  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 68  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 69  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 70  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 71  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 72  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 73  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 74  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 75  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 76  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 77  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 78  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 79  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 80  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 81  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 82  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 83  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 84  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 85  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 86  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 87  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 88  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 89  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 90  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 91  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 92  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 93  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 94  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 95  |          |                         |                    |                    |               |                        |                                 |                                  |                                |

## Betty - Income, Disability, Survivor

J9

Retire at 65

| Age | Salary   | Incr-<br>ease<br>factor | Adjusted<br>salary | Self<br>Employment | Incr.<br>rate | Adjusted<br>self empl. | Used for<br>Cash Flow<br>report | Used for<br>Disability<br>report | Used for<br>Survivor<br>report |
|-----|----------|-------------------------|--------------------|--------------------|---------------|------------------------|---------------------------------|----------------------------------|--------------------------------|
| 47  | \$35,000 | 1.00                    | \$35,000           |                    |               |                        | \$35,000                        | \$45,000                         | \$45,000                       |
| 48  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 49  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 50  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 51  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 52  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 53  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 54  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 45,000                           | 45,000                         |
| 55  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 56  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 57  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 58  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 59  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 60  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 61  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 62  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 63  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 64  | 35,000   | 1.00                    | 35,000             |                    |               |                        | 35,000                          | 35,000                           | 45,000                         |
| 65  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 66  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 67  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 68  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 69  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 70  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 71  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 72  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 73  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 74  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 75  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 76  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 77  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 78  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 79  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 80  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 81  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 82  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 83  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 84  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 85  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 86  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 87  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 88  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 89  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 90  |          |                         |                    |                    |               |                        |                                 |                                  |                                |
| 91  |          |                         |                    |                    |               |                        |                                 |                                  |                                |

# Loan worksheet - Mortgage, Auto, Credit Cards

K1

Retire at 65

| Residence Mortgages |          |          |           |               | Auto Loans |          |           |               | Credit Cards |          |           |               |
|---------------------|----------|----------|-----------|---------------|------------|----------|-----------|---------------|--------------|----------|-----------|---------------|
| Age                 | Balance  | Interest | Principal | Total payment | Balance    | Interest | Principal | Total payment | Balance      | Interest | Principal | Total payment |
| 51                  | \$72,000 | \$5,867  | \$4,213   | \$10,080      | \$4,300    | \$246    | \$2,214   | \$2,460       | \$3,890      | \$324    | \$3,276   | \$3,600       |
| 52                  | 67,787   | 5,501    | 4,579     | 10,080        | 2,086      | 76       | 2,086     | 2,161         | 614          | 26       | 614       | 639           |
| 53                  | 63,208   | 5,102    | 4,978     | 10,080        |            |          |           |               |              |          |           |               |
| 54                  | 58,230   | 4,669    | 5,411     | 10,080        |            |          |           |               |              |          |           |               |
| 55                  | 52,820   | 4,199    | 5,881     | 10,080        |            |          |           |               |              |          |           |               |
| 56                  | 46,939   | 3,687    | 6,393     | 10,080        |            |          |           |               |              |          |           |               |
| 57                  | 40,546   | 3,131    | 6,949     | 10,080        |            |          |           |               |              |          |           |               |
| 58                  | 33,597   | 2,527    | 7,553     | 10,080        |            |          |           |               |              |          |           |               |
| 59                  | 26,044   | 1,870    | 8,210     | 10,080        |            |          |           |               |              |          |           |               |
| 60                  | 17,833   | 1,155    | 8,925     | 10,080        |            |          |           |               |              |          |           |               |
| 61                  | 8,909    | 379      | 8,909     | 9,288         |            |          |           |               |              |          |           |               |
| 62                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 63                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 64                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 65                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 66                  | 175,460  | 12,064   | 6,861     | 18,925        |            |          |           |               |              |          |           |               |
| 67                  | 168,600  | 11,568   | 7,357     | 18,925        |            |          |           |               |              |          |           |               |
| 68                  | 161,243  | 11,036   | 7,889     | 18,925        |            |          |           |               |              |          |           |               |
| 69                  | 153,354  | 10,466   | 8,459     | 18,925        |            |          |           |               |              |          |           |               |
| 70                  | 144,895  | 9,855    | 9,070     | 18,925        |            |          |           |               |              |          |           |               |
| 71                  | 135,825  | 9,199    | 9,726     | 18,925        |            |          |           |               |              |          |           |               |
| 72                  | 126,099  | 8,496    | 10,429    | 18,925        |            |          |           |               |              |          |           |               |
| 73                  | 115,670  | 7,742    | 11,183    | 18,925        |            |          |           |               |              |          |           |               |
| 74                  | 104,487  | 6,934    | 11,991    | 18,925        |            |          |           |               |              |          |           |               |
| 75                  | 92,496   | 6,067    | 12,858    | 18,925        |            |          |           |               |              |          |           |               |
| 76                  | 79,638   | 5,138    | 13,788    | 18,925        |            |          |           |               |              |          |           |               |
| 77                  | 65,850   | 4,141    | 14,784    | 18,925        |            |          |           |               |              |          |           |               |
| 78                  | 51,066   | 3,072    | 15,853    | 18,925        |            |          |           |               |              |          |           |               |
| 79                  | 35,213   | 1,926    | 16,999    | 18,925        |            |          |           |               |              |          |           |               |
| 80                  | 18,214   | 698      | 18,214    | 18,912        |            |          |           |               |              |          |           |               |
| 81                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 82                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 83                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 84                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 85                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 86                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 87                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 88                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 89                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 90                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 91                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 92                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 93                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 94                  |          |          |           |               |            |          |           |               |              |          |           |               |
| 95                  |          |          |           |               |            |          |           |               |              |          |           |               |

# Loans - Real Estate, Other, Total

K3

Retire at 65

|    | Investment Real Estate |          |           |               | Other liabilities |          |           |               | Total of All Liabilities |          |           |               |
|----|------------------------|----------|-----------|---------------|-------------------|----------|-----------|---------------|--------------------------|----------|-----------|---------------|
|    | Balance                | Interest | Principal | Total payment | Balance           | Interest | Principal | Total payment | Balance                  | Interest | Principal | Total payment |
| 51 |                        |          |           |               |                   |          |           |               | \$80,190                 | \$6,437  | \$9,703   | \$16,140      |
| 52 |                        |          |           |               |                   |          |           |               | 70,487                   | 5,602    | 7,279     | 12,881        |
| 53 |                        |          |           |               |                   |          |           |               | 63,208                   | 5,102    | 4,978     | 10,080        |
| 54 |                        |          |           |               |                   |          |           |               | 58,230                   | 4,669    | 5,411     | 10,080        |
| 55 |                        |          |           |               |                   |          |           |               | 52,820                   | 4,199    | 5,881     | 10,080        |
| 56 |                        |          |           |               |                   |          |           |               | 46,939                   | 3,687    | 6,393     | 10,080        |
| 57 |                        |          |           |               |                   |          |           |               | 40,546                   | 3,131    | 6,949     | 10,080        |
| 58 |                        |          |           |               |                   |          |           |               | 33,597                   | 2,527    | 7,553     | 10,080        |
| 59 |                        |          |           |               |                   |          |           |               | 26,044                   | 1,870    | 8,210     | 10,080        |
| 60 |                        |          |           |               |                   |          |           |               | 17,833                   | 1,155    | 8,925     | 10,080        |
| 61 |                        |          |           |               |                   |          |           |               | 8,909                    | 379      | 8,909     | 9,288         |
| 62 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 63 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 64 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 65 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 66 |                        |          |           |               |                   |          |           |               | 175,460                  | 12,064   | 6,861     | 18,925        |
| 67 |                        |          |           |               |                   |          |           |               | 168,600                  | 11,568   | 7,357     | 18,925        |
| 68 |                        |          |           |               |                   |          |           |               | 161,243                  | 11,036   | 7,889     | 18,925        |
| 69 |                        |          |           |               |                   |          |           |               | 153,354                  | 10,466   | 8,459     | 18,925        |
| 70 |                        |          |           |               |                   |          |           |               | 144,895                  | 9,855    | 9,070     | 18,925        |
| 71 |                        |          |           |               |                   |          |           |               | 135,825                  | 9,199    | 9,726     | 18,925        |
| 72 |                        |          |           |               |                   |          |           |               | 126,099                  | 8,496    | 10,429    | 18,925        |
| 73 |                        |          |           |               |                   |          |           |               | 115,670                  | 7,742    | 11,183    | 18,925        |
| 74 |                        |          |           |               |                   |          |           |               | 104,487                  | 6,934    | 11,991    | 18,925        |
| 75 |                        |          |           |               |                   |          |           |               | 92,496                   | 6,067    | 12,858    | 18,925        |
| 76 |                        |          |           |               |                   |          |           |               | 79,638                   | 5,138    | 13,788    | 18,925        |
| 77 |                        |          |           |               |                   |          |           |               | 65,850                   | 4,141    | 14,784    | 18,925        |
| 78 |                        |          |           |               |                   |          |           |               | 51,066                   | 3,072    | 15,853    | 18,925        |
| 79 |                        |          |           |               |                   |          |           |               | 35,213                   | 1,926    | 16,999    | 18,925        |
| 80 |                        |          |           |               |                   |          |           |               | 18,214                   | 698      | 18,214    | 18,912        |
| 81 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 82 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 83 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 84 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 85 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 86 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 87 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 88 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 89 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 90 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 91 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 92 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 93 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 94 |                        |          |           |               |                   |          |           |               |                          |          |           |               |
| 95 |                        |          |           |               |                   |          |           |               |                          |          |           |               |

# Loans By Owner

K4

Retire at 65

|    | Loan Balances<br>(by owner) |         |         |       |          | Total<br>payments | Loan Payments<br>(by owner) |         |         |       |          |          |
|----|-----------------------------|---------|---------|-------|----------|-------------------|-----------------------------|---------|---------|-------|----------|----------|
|    | Total<br>balances           | Allen   | Betty   | Joint | C. Prop. |                   | Trust/Oth                   | Allen   | Betty   | Joint | C. Prop. | Tr/Other |
| 51 | \$80,190                    | \$1,640 | \$2,250 |       | \$72,000 | \$4,300           | \$16,140                    | \$1,200 | \$2,400 |       | \$10,080 | \$2,460  |
| 52 | 70,487                      | 602     | 12      |       | 67,787   | \$2,086           | 12,881                      | 627     | 12      |       | 10,080   | 2,161    |
| 53 | 63,208                      |         |         |       | 63,208   |                   | 10,080                      |         |         |       | 10,080   |          |
| 54 | 58,230                      |         |         |       | 58,230   |                   | 10,080                      |         |         |       | 10,080   |          |
| 55 | 52,820                      |         |         |       | 52,820   |                   | 10,080                      |         |         |       | 10,080   |          |
| 56 | 46,939                      |         |         |       | 46,939   |                   | 10,080                      |         |         |       | 10,080   |          |
| 57 | 40,546                      |         |         |       | 40,546   |                   | 10,080                      |         |         |       | 10,080   |          |
| 58 | 33,597                      |         |         |       | 33,597   |                   | 10,080                      |         |         |       | 10,080   |          |
| 59 | 26,044                      |         |         |       | 26,044   |                   | 10,080                      |         |         |       | 10,080   |          |
| 60 | 17,833                      |         |         |       | 17,833   |                   | 10,080                      |         |         |       | 10,080   |          |
| 61 | 8,909                       |         |         |       | 8,909    |                   | 9,288                       |         |         |       | 9,288    |          |
| 62 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 63 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 64 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 65 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 66 | 175,460                     | 175,460 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 67 | 168,600                     | 168,600 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 68 | 161,243                     | 161,243 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 69 | 153,354                     | 153,354 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 70 | 144,895                     | 144,895 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 71 | 135,825                     | 135,825 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 72 | 126,099                     | 126,099 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 73 | 115,670                     | 115,670 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 74 | 104,487                     | 104,487 |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 75 | 92,496                      | 92,496  |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 76 | 79,638                      | 79,638  |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 77 | 65,850                      | 65,850  |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 78 | 51,066                      | 51,066  |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 79 | 35,213                      | 35,213  |         |       |          |                   | 18,925                      | 18,925  |         |       |          |          |
| 80 | 18,214                      | 18,214  |         |       |          |                   | 18,912                      | 18,912  |         |       |          |          |
| 81 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 82 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 83 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 84 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 85 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 86 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 87 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 88 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 89 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 90 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 91 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 92 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 93 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 94 |                             |         |         |       |          |                   |                             |         |         |       |          |          |
| 95 |                             |         |         |       |          |                   |                             |         |         |       |          |          |

# Survivor Loan Payoff Schedule

Retire at 65

| Age |    | Pay off if Allen dies<br>Mortgage and debt balances      Loan payments |         | Pay off if Betty dies<br>Mortgage and debt balances      Loan payments |         | Payoff at either death<br>Mortgage and debt balances      Loan payments |          | No payoff option<br>Mortgage and debt balances      Loan payments |         |
|-----|----|--|---------|--|---------|---|----------|---|---------|
| 51  | 47 | \$4,300  | \$2,460 | \$2,250  | \$2,400 | \$72,000  | \$10,080 | \$1,640   | \$1,200 |
| 52  | 48 | 2,086  | 2,161   | 12   | 12      | 67,787  | 10,080   | 601   | 627     |
| 53  | 49 |  |         |  |         | 63,208  | 10,080   |   |         |
| 54  | 50 |  |         |  |         | 58,230  | 10,080   |   |         |
| 55  | 51 |  |         |  |         | 52,820  | 10,080   |   |         |
| 56  | 52 |  |         |  |         | 46,939  | 10,080   |   |         |
| 57  | 53 |  |         |  |         | 40,546  | 10,080   |   |         |
| 58  | 54 |  |         |  |         | 33,597  | 10,080   |   |         |
| 59  | 55 |  |         |  |         | 26,044  | 10,080   |   |         |
| 60  | 56 |  |         |  |         | 17,833  | 10,080   |   |         |
| 61  | 57 |  |         |  |         | 8,909   | 9,288    |   |         |
| 62  | 58 |  |         |  |         |   |          |   |         |
| 63  | 59 |  |         |  |         |   |          |   |         |
| 64  | 60 |  |         |  |         |   |          |   |         |
| 65  | 61 |  |         |  |         |   |          |   |         |
| 66  | 62 | 175,460  | 18,925  |  |         |   |          |   |         |
| 67  | 63 | 168,600  | 18,925  |  |         |   |          |   |         |
| 68  | 64 | 161,243  | 18,925  |  |         |   |          |   |         |
| 69  | 65 | 153,354  | 18,925  |  |         |   |          |   |         |
| 70  | 66 | 144,895  | 18,925  |  |         |   |          |   |         |
| 71  | 67 | 135,825  | 18,925  |  |         |   |          |   |         |
| 72  | 68 | 126,099  | 18,925  |  |         |   |          |   |         |
| 73  | 69 | 115,670  | 18,925  |  |         |   |          |   |         |
| 74  | 70 | 104,487  | 18,925  |  |         |   |          |   |         |
| 75  | 71 | 92,496   | 18,925  |  |         |   |          |   |         |
| 76  | 72 | 79,638   | 18,925  |  |         |   |          |   |         |
| 77  | 73 | 65,850   | 18,925  |  |         |   |          |   |         |
| 78  | 74 | 51,066   | 18,925  |  |         |   |          |   |         |
| 79  | 75 | 35,213   | 18,925  |  |         |   |          |   |         |
| 80  | 76 | 18,214   | 18,912  |  |         |   |          |   |         |
| 81  | 77 |  |         |  |         |   |          |   |         |
| 82  | 78 |  |         |  |         |   |          |   |         |
| 83  | 79 |  |         |  |         |   |          |   |         |
| 84  | 80 |  |         |  |         |   |          |   |         |
| 85  | 81 |  |         |  |         |   |          |   |         |
| 86  | 82 |  |         |  |         |   |          |   |         |
| 87  | 83 |  |         |  |         |   |          |   |         |
| 88  | 84 |  |         |  |         |   |          |   |         |
| 89  | 85 |  |         |  |         |   |          |   |         |
| 90  | 86 |  |         |  |         |   |          |   |         |
| 91  | 87 |  |         |  |         |   |          |   |         |
| 92  | 88 |  |         |  |         |   |          |   |         |
| 93  | 89 |  |         |  |         |   |          |   |         |
| 94  | 90 |  |         |  |         |   |          |   |         |
| 95  | 91 |  |         |  |         |   |          |   |         |

# Survivor Loans - Betty Survives

K6

Retire at 65

| Age | Residence Mortgage |         | Investment loans |         | Auto    |         | RV/Boat |         |
|-----|--------------------|---------|------------------|---------|---------|---------|---------|---------|
|     | Balance            | Payment | Balance          | Payment | Balance | Payment | Balance | Payment |
| 51  | 72,000             | 72,000  |                  |         | 4,300   | 4,300   |         |         |
| 52  |                    |         |                  |         |         |         |         |         |
| 53  |                    |         |                  |         |         |         |         |         |
| 54  |                    |         |                  |         |         |         |         |         |
| 55  |                    |         |                  |         |         |         |         |         |
| 56  |                    |         |                  |         |         |         |         |         |
| 57  |                    |         |                  |         |         |         |         |         |
| 58  |                    |         |                  |         |         |         |         |         |
| 59  |                    |         |                  |         |         |         |         |         |
| 60  |                    |         |                  |         |         |         |         |         |
| 61  |                    |         |                  |         |         |         |         |         |
| 62  |                    |         |                  |         |         |         |         |         |
| 63  |                    |         |                  |         |         |         |         |         |
| 64  |                    |         |                  |         |         |         |         |         |
| 65  |                    |         |                  |         |         |         |         |         |
| 66  |                    |         |                  |         |         |         |         |         |
| 67  |                    |         |                  |         |         |         |         |         |
| 68  |                    |         |                  |         |         |         |         |         |
| 69  |                    |         |                  |         |         |         |         |         |
| 70  |                    |         |                  |         |         |         |         |         |
| 71  |                    |         |                  |         |         |         |         |         |
| 72  |                    |         |                  |         |         |         |         |         |
| 73  |                    |         |                  |         |         |         |         |         |
| 74  |                    |         |                  |         |         |         |         |         |
| 75  |                    |         |                  |         |         |         |         |         |
| 76  |                    |         |                  |         |         |         |         |         |
| 77  |                    |         |                  |         |         |         |         |         |
| 78  |                    |         |                  |         |         |         |         |         |
| 79  |                    |         |                  |         |         |         |         |         |
| 80  |                    |         |                  |         |         |         |         |         |
| 81  |                    |         |                  |         |         |         |         |         |
| 82  |                    |         |                  |         |         |         |         |         |
| 83  |                    |         |                  |         |         |         |         |         |
| 84  |                    |         |                  |         |         |         |         |         |
| 85  |                    |         |                  |         |         |         |         |         |
| 86  |                    |         |                  |         |         |         |         |         |
| 87  |                    |         |                  |         |         |         |         |         |
| 88  |                    |         |                  |         |         |         |         |         |
| 89  |                    |         |                  |         |         |         |         |         |
| 90  |                    |         |                  |         |         |         |         |         |
| 91  |                    |         |                  |         |         |         |         |         |
| 92  |                    |         |                  |         |         |         |         |         |
| 93  |                    |         |                  |         |         |         |         |         |
| 94  |                    |         |                  |         |         |         |         |         |
| 95  |                    |         |                  |         |         |         |         |         |

Sample: For Display Only  
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## Survivor Loans (cont.) - Betty Survives

K6a

Retire at 65

| Age | Credit card |         | Personal loans |         | Other loans |         | Invest Real Estate |         |
|-----|-------------|---------|----------------|---------|-------------|---------|--------------------|---------|
|     | Balance     | Payment | Balance        | Payment | Balance     | Payment | Balance            | Payment |
| 51  | 3,890       | 3,600   |                |         |             |         |                    |         |
| 52  | 614         | 639     |                |         |             |         |                    |         |
| 53  |             |         |                |         |             |         |                    |         |
| 54  |             |         |                |         |             |         |                    |         |
| 55  |             |         |                |         |             |         |                    |         |
| 56  |             |         |                |         |             |         |                    |         |
| 57  |             |         |                |         |             |         |                    |         |
| 58  |             |         |                |         |             |         |                    |         |
| 59  |             |         |                |         |             |         |                    |         |
| 60  |             |         |                |         |             |         |                    |         |
| 61  |             |         |                |         |             |         |                    |         |
| 62  |             |         |                |         |             |         |                    |         |
| 63  |             |         |                |         |             |         |                    |         |
| 64  |             |         |                |         |             |         |                    |         |
| 65  |             |         |                |         |             |         |                    |         |
| 66  |             |         |                |         |             |         |                    |         |
| 67  |             |         |                |         |             |         |                    |         |
| 68  |             |         |                |         |             |         |                    |         |
| 69  |             |         |                |         |             |         |                    |         |
| 70  |             |         |                |         |             |         |                    |         |
| 71  |             |         |                |         |             |         |                    |         |
| 72  |             |         |                |         |             |         |                    |         |
| 73  |             |         |                |         |             |         |                    |         |
| 74  |             |         |                |         |             |         |                    |         |
| 75  |             |         |                |         |             |         |                    |         |
| 76  |             |         |                |         |             |         |                    |         |
| 77  |             |         |                |         |             |         |                    |         |
| 78  |             |         |                |         |             |         |                    |         |
| 79  |             |         |                |         |             |         |                    |         |
| 80  |             |         |                |         |             |         |                    |         |
| 81  |             |         |                |         |             |         |                    |         |
| 82  |             |         |                |         |             |         |                    |         |
| 83  |             |         |                |         |             |         |                    |         |
| 84  |             |         |                |         |             |         |                    |         |
| 85  |             |         |                |         |             |         |                    |         |
| 86  |             |         |                |         |             |         |                    |         |
| 87  |             |         |                |         |             |         |                    |         |
| 88  |             |         |                |         |             |         |                    |         |
| 89  |             |         |                |         |             |         |                    |         |
| 90  |             |         |                |         |             |         |                    |         |
| 91  |             |         |                |         |             |         |                    |         |
| 92  |             |         |                |         |             |         |                    |         |
| 93  |             |         |                |         |             |         |                    |         |
| 94  |             |         |                |         |             |         |                    |         |
| 95  |             |         |                |         |             |         |                    |         |

Sample: For Display Only  
Do Not Attempt to Use

## Survivor Loans - Allen Survives

K7

Retire at 65

| Age | Residence Mortgage |         | Investment loans |         | Auto    |         | RV/Boat |         |
|-----|--------------------|---------|------------------|---------|---------|---------|---------|---------|
|     | Balance            | Payment | Balance          | Payment | Balance | Payment | Balance | Payment |
| 47  | 72,000             | 72,000  |                  |         | 4,300   | 2,460   |         |         |
| 48  |                    |         |                  |         | 2,086   | 2,161   |         |         |
| 49  |                    |         |                  |         |         |         |         |         |
| 50  |                    |         |                  |         |         |         |         |         |
| 51  |                    |         |                  |         |         |         |         |         |
| 52  |                    |         |                  |         |         |         |         |         |
| 53  |                    |         |                  |         |         |         |         |         |
| 54  |                    |         |                  |         |         |         |         |         |
| 55  |                    |         |                  |         |         |         |         |         |
| 56  |                    |         |                  |         |         |         |         |         |
| 57  |                    |         |                  |         |         |         |         |         |
| 58  |                    |         |                  |         |         |         |         |         |
| 59  |                    |         |                  |         |         |         |         |         |
| 60  |                    |         |                  |         |         |         |         |         |
| 61  |                    |         |                  |         |         |         |         |         |
| 62  | 175,460            | 18,925  |                  |         |         |         |         |         |
| 63  | 168,600            | 18,925  |                  |         |         |         |         |         |
| 64  | 161,243            | 18,925  |                  |         |         |         |         |         |
| 65  | 153,354            | 18,925  |                  |         |         |         |         |         |
| 66  | 144,895            | 18,925  |                  |         |         |         |         |         |
| 67  | 135,825            | 18,925  |                  |         |         |         |         |         |
| 68  | 126,099            | 18,925  |                  |         |         |         |         |         |
| 69  | 115,670            | 18,925  |                  |         |         |         |         |         |
| 70  | 104,487            | 18,925  |                  |         |         |         |         |         |
| 71  | 92,496             | 18,925  |                  |         |         |         |         |         |
| 72  | 79,638             | 18,925  |                  |         |         |         |         |         |
| 73  | 65,850             | 18,925  |                  |         |         |         |         |         |
| 74  | 51,066             | 18,925  |                  |         |         |         |         |         |
| 75  | 35,213             | 18,925  |                  |         |         |         |         |         |
| 76  | 18,214             | 18,912  |                  |         |         |         |         |         |
| 77  |                    |         |                  |         |         |         |         |         |
| 78  |                    |         |                  |         |         |         |         |         |
| 79  |                    |         |                  |         |         |         |         |         |
| 80  |                    |         |                  |         |         |         |         |         |
| 81  |                    |         |                  |         |         |         |         |         |
| 82  |                    |         |                  |         |         |         |         |         |
| 83  |                    |         |                  |         |         |         |         |         |
| 84  |                    |         |                  |         |         |         |         |         |
| 85  |                    |         |                  |         |         |         |         |         |
| 86  |                    |         |                  |         |         |         |         |         |
| 87  |                    |         |                  |         |         |         |         |         |
| 88  |                    |         |                  |         |         |         |         |         |
| 89  |                    |         |                  |         |         |         |         |         |
| 90  |                    |         |                  |         |         |         |         |         |
| 91  |                    |         |                  |         |         |         |         |         |

## Survivor Loans (cont.) - Allen Survives

K7a

Retire at 65

| Age | Credit card |         | Personal loans |         | Other loans |         | Invest Real Estate |         |
|-----|-------------|---------|----------------|---------|-------------|---------|--------------------|---------|
|     | Balance     | Payment | Balance        | Payment | Balance     | Payment | Balance            | Payment |
| 47  | 3,890       | 3,450   |                |         |             |         |                    |         |
| 48  | 602         | 627     |                |         |             |         |                    |         |
| 49  |             |         |                |         |             |         |                    |         |
| 50  |             |         |                |         |             |         |                    |         |
| 51  |             |         |                |         |             |         |                    |         |
| 52  |             |         |                |         |             |         |                    |         |
| 53  |             |         |                |         |             |         |                    |         |
| 54  |             |         |                |         |             |         |                    |         |
| 55  |             |         |                |         |             |         |                    |         |
| 56  |             |         |                |         |             |         |                    |         |
| 57  |             |         |                |         |             |         |                    |         |
| 58  |             |         |                |         |             |         |                    |         |
| 59  |             |         |                |         |             |         |                    |         |
| 60  |             |         |                |         |             |         |                    |         |
| 61  |             |         |                |         |             |         |                    |         |
| 62  |             |         |                |         |             |         |                    |         |
| 63  |             |         |                |         |             |         |                    |         |
| 64  |             |         |                |         |             |         |                    |         |
| 65  |             |         |                |         |             |         |                    |         |
| 66  |             |         |                |         |             |         |                    |         |
| 67  |             |         |                |         |             |         |                    |         |
| 68  |             |         |                |         |             |         |                    |         |
| 69  |             |         |                |         |             |         |                    |         |
| 70  |             |         |                |         |             |         |                    |         |
| 71  |             |         |                |         |             |         |                    |         |
| 72  |             |         |                |         |             |         |                    |         |
| 73  |             |         |                |         |             |         |                    |         |
| 74  |             |         |                |         |             |         |                    |         |
| 75  |             |         |                |         |             |         |                    |         |
| 76  |             |         |                |         |             |         |                    |         |
| 77  |             |         |                |         |             |         |                    |         |
| 78  |             |         |                |         |             |         |                    |         |
| 79  |             |         |                |         |             |         |                    |         |
| 80  |             |         |                |         |             |         |                    |         |
| 81  |             |         |                |         |             |         |                    |         |
| 82  |             |         |                |         |             |         |                    |         |
| 83  |             |         |                |         |             |         |                    |         |
| 84  |             |         |                |         |             |         |                    |         |
| 85  |             |         |                |         |             |         |                    |         |
| 86  |             |         |                |         |             |         |                    |         |
| 87  |             |         |                |         |             |         |                    |         |
| 88  |             |         |                |         |             |         |                    |         |
| 89  |             |         |                |         |             |         |                    |         |
| 90  |             |         |                |         |             |         |                    |         |
| 91  |             |         |                |         |             |         |                    |         |

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