

Golden Years

Advanced Retirement Planning
Cash Flow Based Planning

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

for

Allen and Betty Abbett

Retire at 65

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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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Introduction

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.

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Introduction

Retire at 65

Planning for your retirement years requires consideration of many variables. This report will help you visualize the potential future changes in your income and assets by projecting your needs and resources ahead on a year by year basis.

Among the areas considered in the report are:

Income required annually:

- Living expenses
- Insurance premiums
- Debt payments
- Saving and investment contributions
- Inflationary effects

Income sources:

- Earned income
- Interest and dividends
- Social Security
- Pension and other retirement plans
- Other income (inheritances, gifts, stock options, etc.)

Asset accounts:

- Taxable
- Tax Deferred
- Tax Free
- Equity or Other accounts
- Qualified plans (IRA, Profit sharing, etc.)

Income taxes:

- Using actual tax rates
- Indexing of tax brackets and exemptions
- Alternate minimum tax
- State Tax estimates

This report is not intended to predict what will actually happen, but is only an illustration based on the assumptions contained in the report. No guarantee of future performance is implied or intended and no specific investments or financial products are represented in the reports.

Although this report should prove helpful in visualizing the possibilities for your financial future, you should keep in mind that your actual results will undoubtedly differ from those shown.

Cash Flow Planning

B1

Retire at 65

This financial analysis has been prepared with the objective of illustrating your present and future cash flows, integrated with your assets and income taxes.

Cash Flow Planning

Cash flow planning is designed to account for all sources of income and expense, and to illustrate the impact that any surpluses or shortages might have on the ability of your assets to last through your life expectancy. This method of planning is sometimes referred to as an "optimized" approach.

What do we mean by "Optimized" planning?

- Cash Flow** Each year your income sources are compared to your annual expenses. Any surplus of spendable income is automatically added to your savings and investments starting in the first year. If there is a shortage of spendable income, the amount needed to make up the shortage is withdrawn from your asset accounts. This approach is intended to reflect what would happen if you are managing your funds in an optimal manner.
- Assets** Every year your savings and investment accounts will have potential interest, dividends, capital gains or appreciation. The cash flow analysis makes the assumption that, unless otherwise indicated, the entire rate of return is reinvested into the account. This approach optimizes the potential growth of each asset account. Taxes are not charged to the earnings on the account, but instead are added to your personal expenses.
- Taxes** Since income and FICA (Social Security) taxes can represent a substantial part of your annual expenses, the "optimized" planning approach carefully computes your tax burden every year. The analysis uses the actual IRS tax rate tables including annual adjustments for "indexing" the rate breakpoints and standard deductions. For high income taxpayers, itemized deductions and exemptions are phased out. Separate tax treatment is provided for dividends, capital gains, alternate minimum tax, the taxable portion of social security income and other areas where special treatment is required. The result is that, instead of showing a "guestimate" of your annual taxes, the analysis provides a more accurate yearly indication of future potential taxes.

Assumptions

A2

Retire at 65

Prepared for Allen and Betty Abbett

05-Jan-06

The following basic information was used in preparing the reports. Other assumptions may have been used in preparation of this projection which are not shown here.

Basic Plan Assumptions:

	<u>Allen</u>	<u>Betty</u>
Current age	51	47
Retirement age	65	65
Annual salary	\$65,000	\$35,000
Self employed income	\$1,000	
Age to start Soc. Sec. benefits	65	65
Pension plans:	\$550	

Personal savings and investment accounts:

This section includes amounts in your current savings and investment accounts.

<u>Asset accounts</u>	<u>Amount</u>	<u>Additions</u>	<u>Interest rate</u>	<u>Dividend rate</u>	<u>Cap Gain rate</u>	<u>Appr. rate</u>
Fully taxable	\$141,050		6.90			
Equity & other	222,060	261	0.18	1.35	1.45	3.59
Tax deferred	30,000		7.25			
Tax free	25,000		5.70			

Retirement accounts:

This group includes tax deductible retirement plans like IRA, 401K, profit sharing, etc.

	<u>Amount</u>	<u>Additions</u>	<u>Rate of Ret.</u>
		<u>Pers./Comp.</u>	
Allen	32,000	150	5.50
Betty	27,300	200 / 130	6.50

Roth IRA and Roth 401(k) accounts:

Allen	2,000	650	7.13%
Betty	2,000	566	5.50%

Assumptions Cont.

Retire at 65

Current living expenses:

	<u>Per Month</u>	<u>Basic personal expense amounts at selected ages*</u>		
Personal expenses*	\$3,520			
Insurance premiums	347	<u>Age</u>	<u>Amount</u>	<u>Inflation</u>
Debt payments	1,345	51	3,520	3.71%
Asset account and education	406	56	3,555	3.64%
Ret. account deposits	2,632	61	3,520	3.68%
Other exp. & stock opt.	1,736	66	6,703	3.56%
Itemized deductions	1,083	71	6,408	3.17%
Income tax and FICA	2,561			
Total expenses	\$13,630			

*In today's dollars, does not include insurance, debts, taxes, etc.

Mortgages & loans:

	<u>Amount</u>	<u>Per month</u>
Auto Loans	\$4,300	\$205
Credit Cards	3,890	300
Investment Loans		
Investment Real Estate		
Other Liabilities		
Personal Loans		
Residence Mortgage	72,000	840
RV and Boat Loans		
Totals	\$80,190	\$1,345

Other assumptions:

Inflation (index) rate for income tax table breakpoints = 0.00%

Joint income tax filing status.

Assumed cost of living increase factor for Social Security benefits = 2.00%

Life expectancy for Allen is age 91.

Life expectancy for Betty is age 90.

State income tax estimate is based on OR state tax tables.

Net Worth Statement

A3

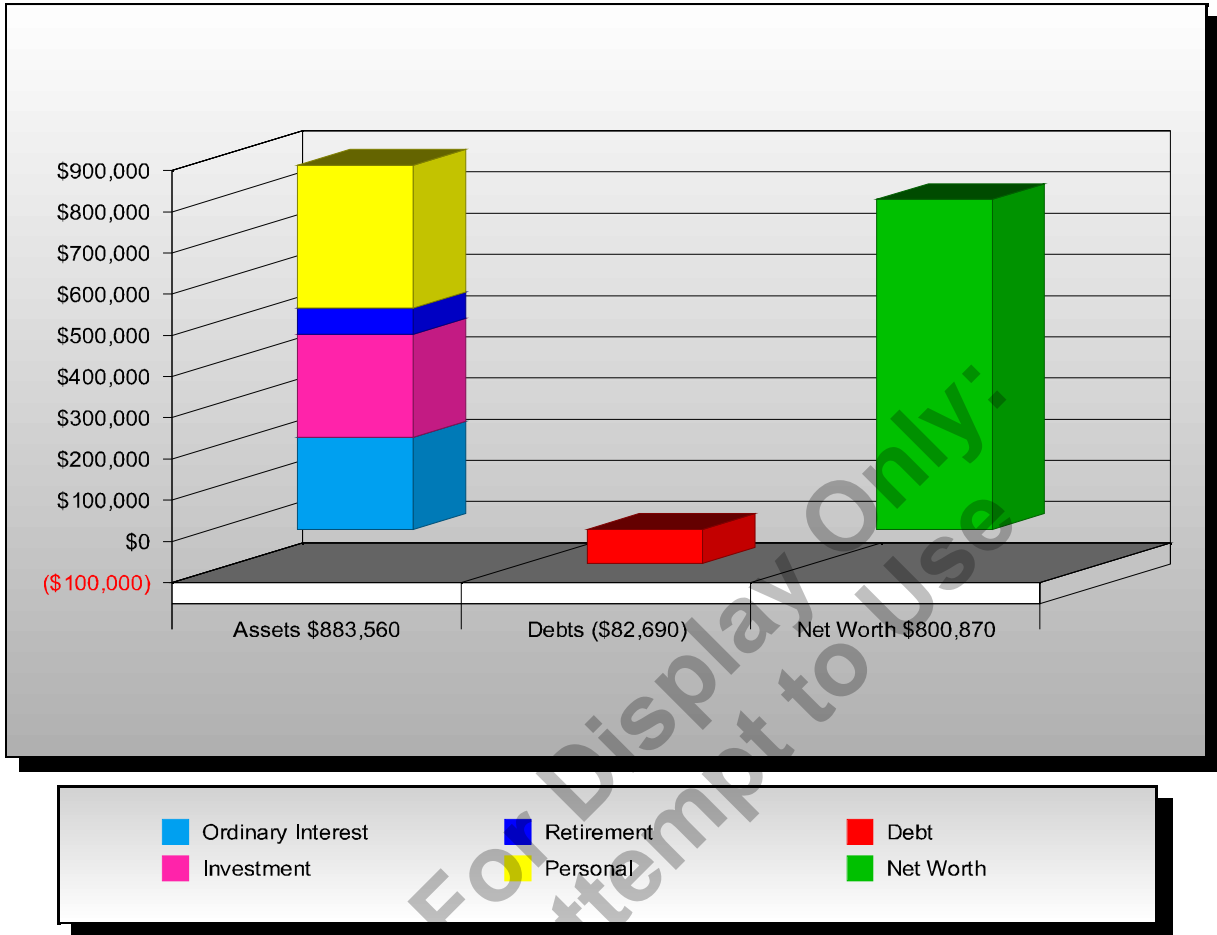
Retire at 65

ASSETS	Allen	Betty	Joint /CP	Trust/Oth.	Total
ORDINARY INTEREST ACCOUNTS:					
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, Dividends	15,300				15,300
Mortgages, notes			93,000		93,000
Total	\$55,300	\$15,750	\$152,550		\$223,600
EQUITY (investment) ACCOUNTS:					
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
Total	\$118,464	\$13,505	\$118,591		\$250,560
RETIREMENT ACCOUNTS:					
401(k) accounts		\$27,300			\$27,300
Profit Share, Keogh, 457, other	32,000				32,000
Roth accounts	2,000	2,000			4,000
Total	\$34,000	\$29,300			\$63,300
PERSONAL USE ASSETS:					
Residence	\$307,000				\$307,000
Personal property	15,000				15,000
Jewelry, furs		2,500			2,500
Autos	12,000		9,600		21,600
Total	\$334,000	\$2,500	\$9,600		\$346,100
Total Assets	\$541,764	\$61,055	\$280,741		\$883,560
LIABILITIES					
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)
Total Liabilities	(\$4,140)	(\$2,250)	(\$72,000)	(\$4,300)	(\$82,690)
NET WORTH	\$537,624	\$58,805	\$208,741	(\$4,300)	\$800,870

Net Worth

A3a

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.

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

A5

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

Asset Detail

(Sorted by Name)

A4

Retire at 65

<u>Name</u>	<u>Account</u>	<u>Monthly</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>Value</u>	<u>additions</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	

Sample: For Display Only
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Personal Property Detail

A5

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:
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Liability Detail

A6

Retire at 65

<u>Description</u>	<u>Owed to</u>	<u>Balance</u>	<u>Monthly payment</u>	<u>Interest rate</u>
Corvallis home	BofA	\$72,000	\$840	8.37
Mazda loan	Corvallis CU	4,300	205	7.45
Provident		2,250	200	12.99
Wells Fargo	Wells Fargo	1,640	100	13.75
	Total	\$80,190	\$1,345	

Sample: For Display Only:
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Insurance Detail

A7

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	
Totals					<u>Face amount</u>	<u>Annual premium</u>	<u>Cash value</u>	<u>Loan amount</u>
Allen					\$160,000	\$2,550	\$15,300	\$2,500
Betty					\$195,000	\$375		

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Miscellaneous Insurance

A8

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
			Total	\$1,235

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Personal Expense Detail

A9

Retire at 65

<u>Description</u>	<u>Total current annual amount</u>	<u>Increase rate</u>
Miscellaneous Expense	\$14,400	3.91
Food and Household Expenses	7,200	3.60
Utilities	5,340	3.60
Auto Operating and Maintenance	4,400	3.60
Holidays	1,500	3.60
Domestic Help	1,800	3.60
Clothing	3,600	3.60
Property Improvements/Upkeep	1,500	3.60
Vacations	2,000	3.60
Pet Expenses	200	3.60
Books/Subscriptions	300	3.60
	<hr/>	
Total	\$42,240	

Note: Dollar amounts and increase rates are for current year.

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Audit Trail Notes

Retire at 65

The Audit Trail is used to help you find the source of all the numbers used in preparing your financial report. This report consists of multiple pages covering three primary sections:

Cash Flow - an illustration of the sources of income and expenditures.

Asset Accounts - savings, investments, life insurance and retirement accounts.

Income Taxes - estimates of income taxes each year.

Each of the sections includes a "summary" page, where you can visualize the results of your plan each year and see what might happen under the assumptions of inflation, taxes and changes to your assets and income sources.

Graphs:

Each section includes one or more graphs that will give you a quick way to visualize the flow of income, assets and taxes through the years.

Tracking numbers:

In developing this plan, care has been taken to provide full documentation of the internal calculations and allow you to track the source of each number. At the bottom of many columns you will find, in small type, a code that will indicate the source of the value in the column. The following notes will assist in understanding the meaning of the codes.

Page numbering:

The page numbers appear at the top right of each page. The summary page for each section has a single letter - A, B, C, etc. Each following page in that section is identified by a letter/number combination - A1, A2, etc.

Column numbering:

On each page the columns are numbered consecutively from left to right (excluding age columns) at the top of each column.

Source notes:

Columns where the source of the data is not obvious will include a legend at the bottom of the column specifying the source of the data. Examples of the source notes are shown:

A1	From report page A1
C5	From report page C5

Cash Flow

An analysis of all cash income sources, expenses, and liabilities. Includes an estimate of social security, pensions, miscellaneous income or expense items, special financial goals or education funding requirements.

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Cash Flow Management

B1

Retire at 65

The management of your annual cash inflows and outflows is based on the following details. The various report pages will provide more specifics about the annual amounts and results.

Cash Flow Surplus

In any year when there is a cash flow surplus, this surplus will be reinvested into your savings and investment accounts divided as shown below:

	Before <u>age 70</u>	After age <u>70</u>
- Taxable accounts (savings, CD, money market)	20%	25%
- Equity and other (stocks, mutual funds, real estate, etc.)	40%	25%
- Tax Free accounts (municipal bonds and funds)	20%	25%
- Tax Deferred accounts (annuities, non deductible IRAs, etc.)	20%	25%

Cash Flow Shortage

If in any year the amount of expenses exceeds the spendable income available, the analysis will draw funds from your savings and investment accounts to make up the shortfall. These funds may result in a taxable event if money is taken from your equity and other accounts which have a cost basis less than the current market value, or if it is necessary to take money from your retirement accounts because all other accounts have been depleted.

In case of a shortage, funds are drawn from accounts in the following order - taxable, equity and other, tax free, tax deferred, tax deductible retirement accounts, and finally Roth IRA accounts. In some cases assets may be periodically rebalanced between accounts.

Interest and dividends

Each year the interest and dividends earned is computed on the various accounts, and these amounts are automatically assumed to be reinvested into the account unless an option is elected to take the amounts in cash and added to your spendable cash flow. On the following reports, the cash option will be indicated by a cash distributions in the "Cash Withdrawal" column.

- Taxable accounts (savings, CD, money market)
- Equity and other (stocks, mutual funds, real estate, etc.)
- Tax Free accounts (municipal bonds and funds)
- Tax Deferred accounts (annuities, non deductible IRAs, etc.)

Income Taxes

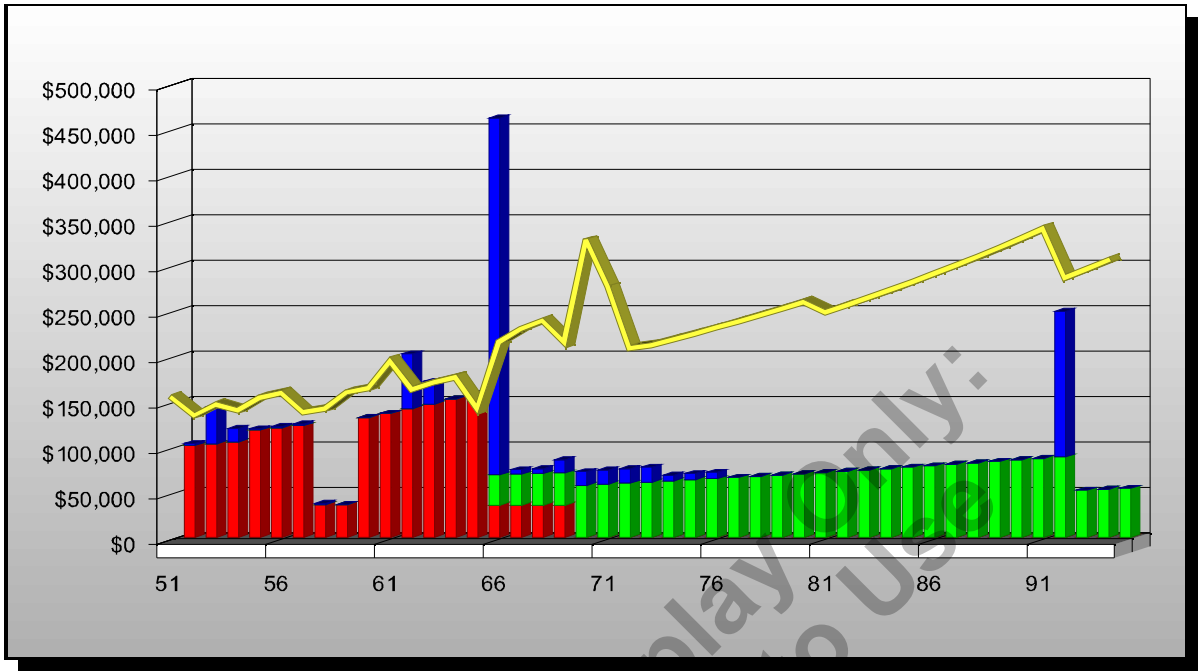
The amount you are required to pay for income taxes can vary every year, depending on the sources and amount of your income, and the adjustments and deductions available. In the analysis we have estimated all the various income and deduction items to determine the taxable income each year, including consideration of ordinary taxable income, capital gains, AMT and other significant items.

The taxes are computed using real IRS tax rate tables, including indexing of the tax breakpoints using an assumed index rate of 0.00% per year. The amount of federal and state income tax and FICA (Social Security) tax is added to your annual expenses each year.

Cash Flow

B2

Retire at 65



The bars in the above graph represent the amounts available from ...

- Earned income (wages & self employment)
- Pension plans
- Social security
- Misc - (inheritances, sale of residence, investment account systematic withdrawal plans or interest/dividends taken in cash, scheduled retirement account distributions or required minimum distribution amounts.)

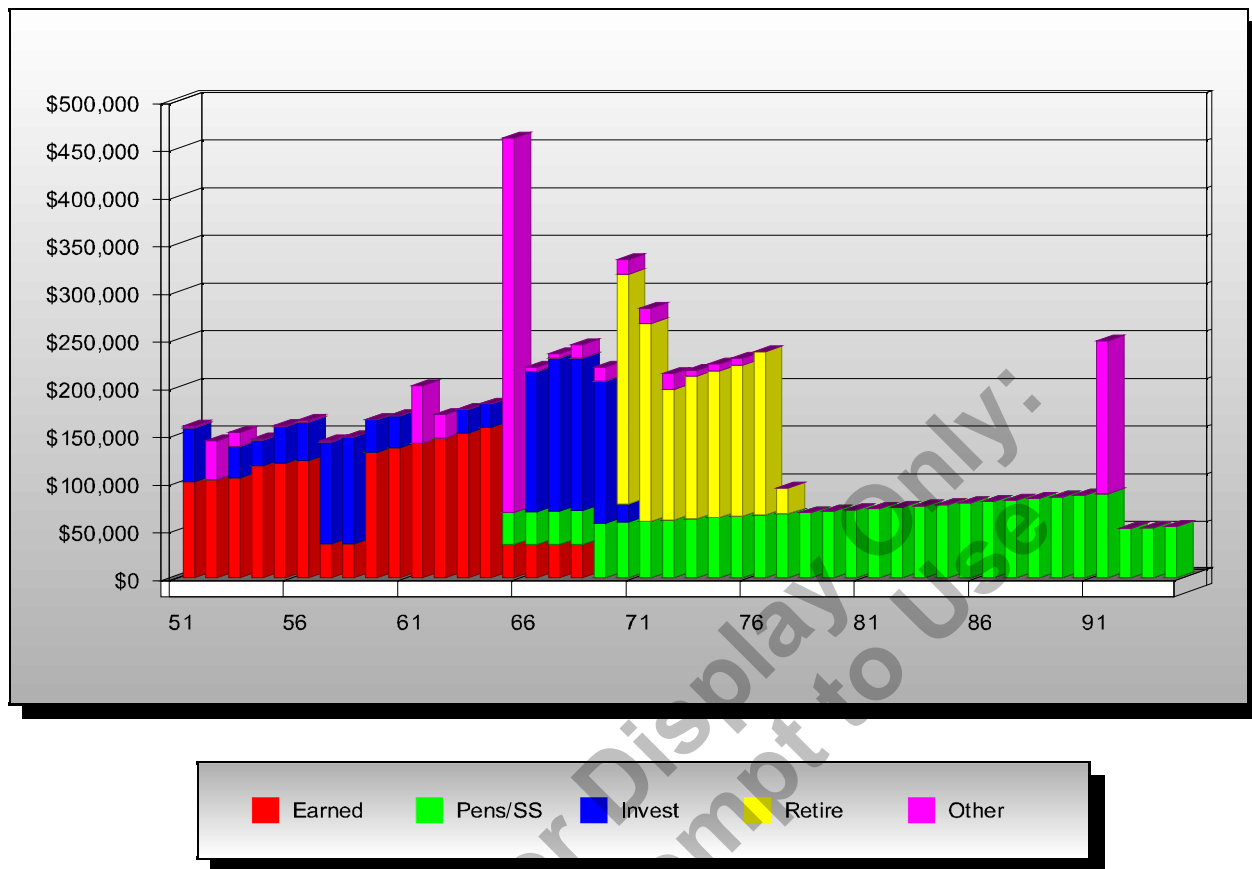
The line illustrates the annual expenses including ...

- Personal living expenses
- Life insurance and other premiums
- Mortgage and debt repayment
- Planned deposits to investments and retirement accounts
- Miscellaneous expense items
- Taxes

If income from various sources exceeds expenses, the excess is reinvested in savings and investment accounts. If expenses are greater than income, it is assumed that funds required to meet such excess expenses will be drawn from savings and investment accounts to make up the shortage.

Sources of Funds

Retire at 65



Each year your spendable money will come from several different sources, as shown above. When your income needed exceeds the funds available from earnings, pensions and Social Security, then withdrawals are made from your asset accounts or qualified retirement plans.

Earned = salaries and self employment income.

Pens / S S = defined benefit pension plans and the total income from Social Security benefits.

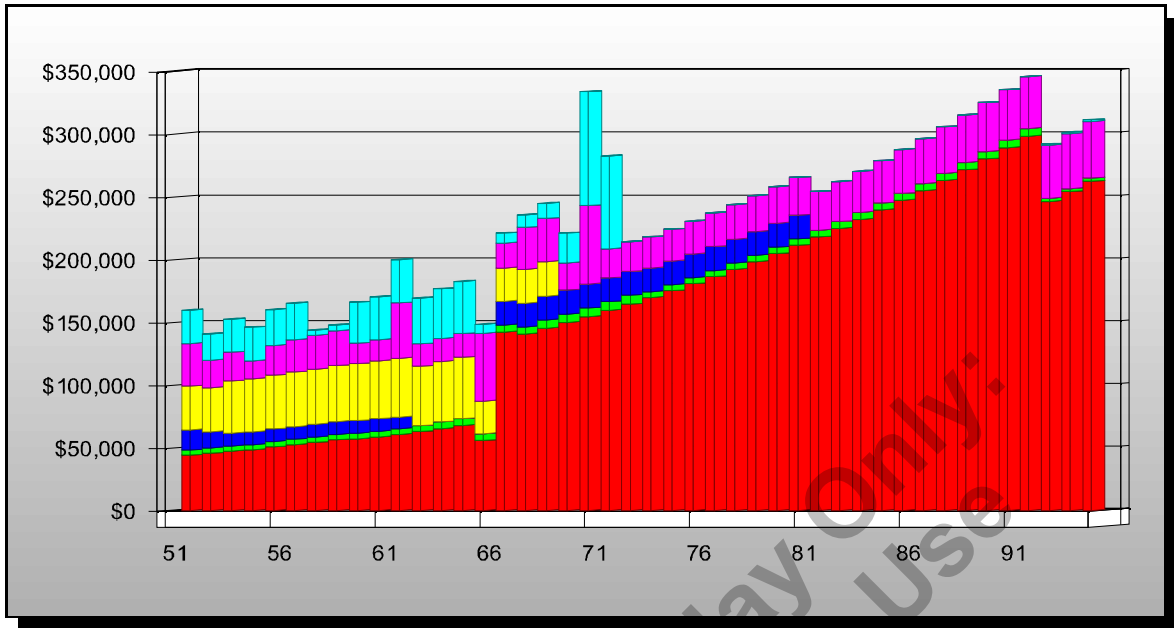
Invest = interest or dividends paid in cash or withdrawals from your investment accounts to meet spending requirements.

Retire = distributions from your qualified retirement accounts either to meet your spending needs, scheduled distributions, or distributions made to meet the IRS minimum distribution requirements.

Other = other single year or multiple year sources of funds, excess proceeds from sale of your residence, or life insurance death benefits.

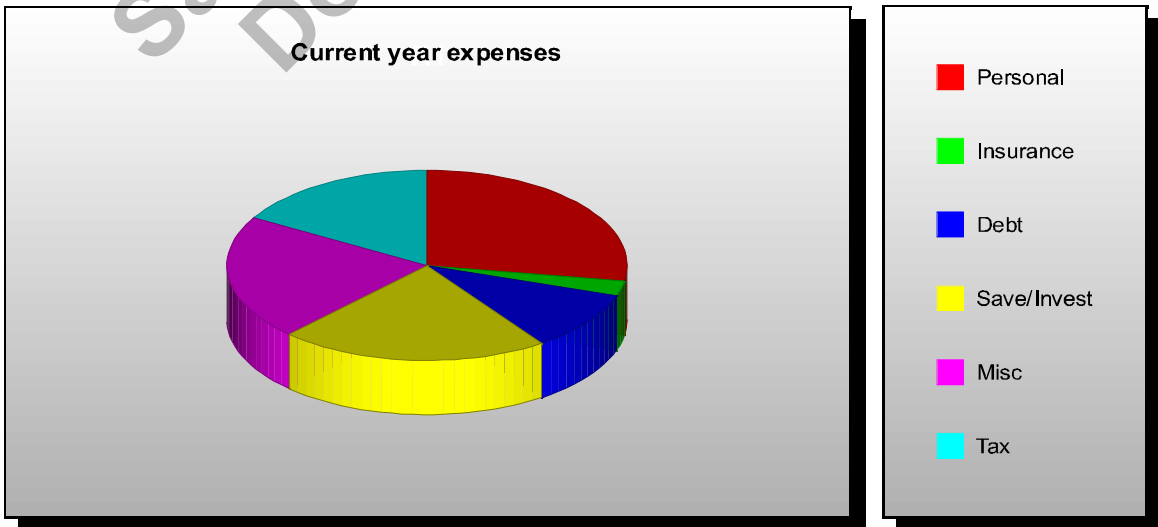
Annual Expenses

Retire at 65



Your annual expenses represent a number of different items, including personal needs, life insurance premiums, debt repayment, additions to savings and investments, other miscellaneous expenditures and taxes of various types.

The graph should help you visualize the proportionate amount of your total outlay for each of these types of expenditures, and the changing mix over the future years.



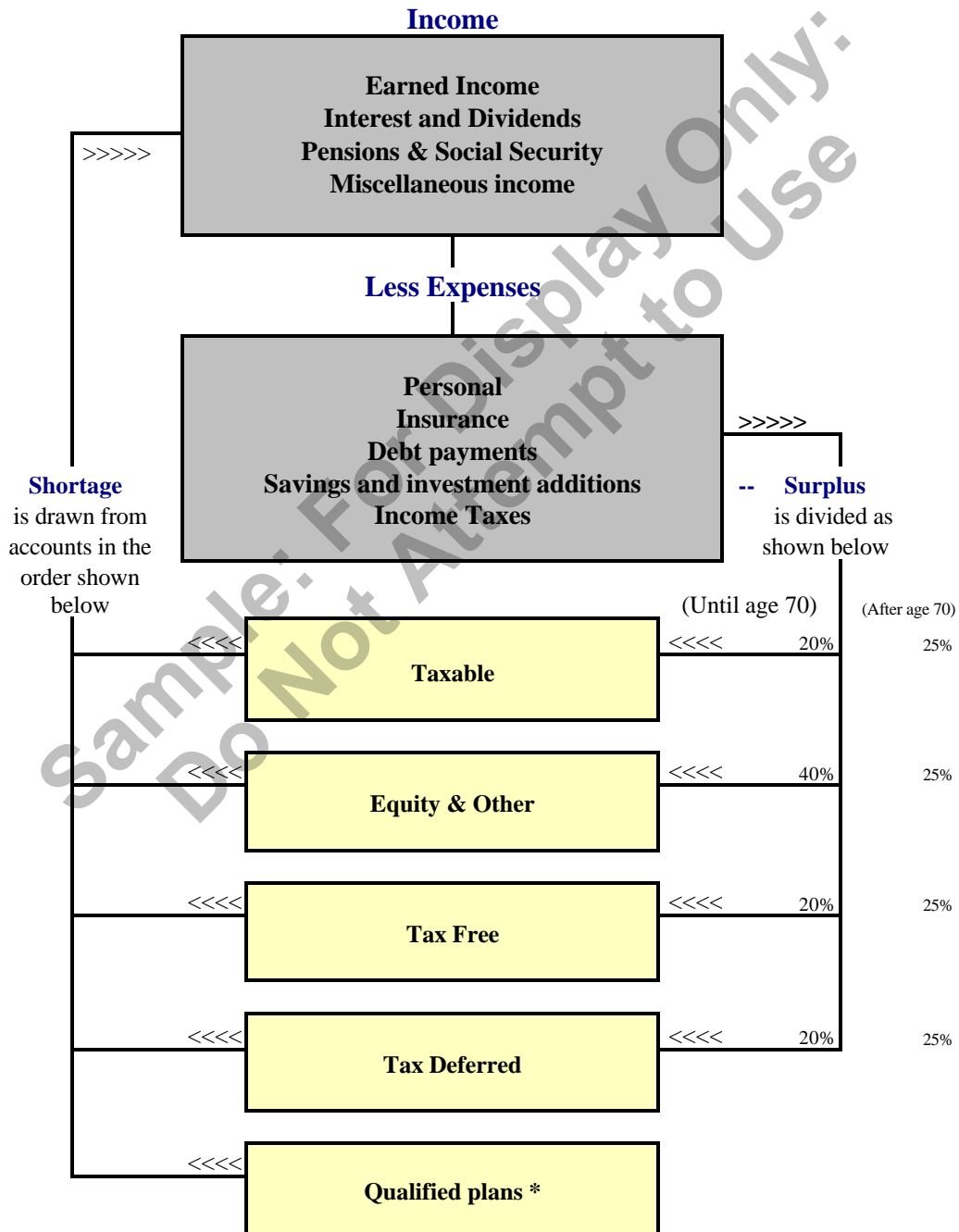
Cash Flow Chart

Retire at 65

The following flow chart illustrates the logic used in your cash flow report, indicating the methods used to allocate annual surplus and shortages .

SURPLUS - If there is a surplus of income after deducting expenses, then the surplus is divided between the Taxable, Equity/Other, Tax Deferred, and Tax Free accounts in the percentages shown.

SHORTAGE - if there is a cash flow shortage, funds are drawn from the accounts in order starting from the top down. As each account is depleted, then the next account is used.



* Mandatory distributions start at age 70.5.

Current Year Cash Flow

B6

Retire at 65

INCOME:	Monthly Amount	Percent of income	
Salaries & Wages	\$8,333	86.63%	B9
Self employment income (Sch C)	83	0.87%	B9
Interest	784	8.14%	D3
Dividends	253	2.63%	C6a
Rent, Royalty & Partnerships (Sch E)	167	1.73%	
Total income available	\$9,619	100.00%	

EXPENDITURES:	Amount	Percent of income	
Federal and State income tax*	\$1,912	19.87%	D6
FICA taxes*	649	6.75%	D6
Residence mortgage	840	8.73%	B 18
Auto Loans	205	2.13%	B 18
Credit Cards	300	3.12%	B 18
Life insurance premiums	244	2.53%	A7
Homeowners insurance	32	0.33%	A8
Auto insurance	33	0.35%	A8
Disability insurance	38	0.39%	A8
Saving and Investment additions	261	2.71%	B8
Retirement account additions (IRA, 401k, TSA, etc.)	2,632	27.36%	B8
Other expense (stock options, educations costs, etc.)	1,736	18.05%	B 12
Education fund deposits	145	1.51%	
Charitable contributions	63	0.65%	D 10
Misc. itemized deductions	729	7.58%	D 10
Property & other taxes	292	3.03%	D 10
Miscellaneous Expense	1,200	12.47%	A9
Food and Household Expenses	600	6.24%	A9
Utilities	445	4.63%	A9
Auto Operating and Maintenance	367	3.81%	A9
Holidays	125	1.30%	A9
Domestic Help	150	1.56%	A9
Clothing	300	3.12%	A9
Property Improvements/Upkeep	125	1.30%	A9
Vacations	167	1.73%	A9
Pet Expenses	17	0.17%	A9
Books/Subscriptions	25	0.26%	A9
Total spending and savings	\$13,630	141.69%	

Cash flow shortage (expenses exceed income) (\$4,011)

Note - Some income items may differ from amounts on the Cash Flow Projection report (depending on the cash/reinvestment options.)

Cash Flow Illustration

B7

Retire at 65

Ages		Scheduled Cash flow sources and Required Minimum Distributions					Total sources	Less living expense & taxes	Surplus (shortage)
		Earned income	Retire/Roth accounts *	Investment accounts *	Pension/ SocSec	Other income			
		1	2	3	4	5	6	7	8
51	47	\$101,000				\$2,000	\$103,000	(\$159,416)	(\$56,416)
52	48	102,950				40,560	143,510	(140,486)	3,024
53	49	104,959				14,620	119,579	(152,517)	(32,939)
54	50	117,955				1,500	119,455	(146,011)	(26,557)
55	51	120,413				1,500	121,913	(159,915)	(38,002)
56	52	122,946				1,500	124,446	(165,099)	(40,654)
57	53	36,000				1,500	37,500	(143,710)	(106,210)
58	54	36,000					36,000	(147,685)	(111,685)
59	55	131,524					131,524	(165,807)	(34,283)
60	56	136,300					136,300	(170,280)	(33,980)
61	57	141,315				60,476	201,791	(199,922)	1,869
62	58	146,581				24,867	171,448	(169,236)	2,212
63	59	152,110					152,110	(176,603)	(24,493)
64	60	157,916					157,916	(182,396)	(24,481)
65	61	35,000			33,659	392,638	461,297	(148,229)	313,068
66	62	35,000			34,332	5,000	74,332	(221,026)	(146,694)
67	63	35,000			35,019	5,200	75,219	(235,400)	(160,181)
68	64	35,000			35,719	14,408	85,127	(244,704)	(159,577)
69	65				57,180	14,894	72,074	(221,039)	(148,965)
70	66				58,324	15,397	73,721	(333,662)	(259,942)
71	67				59,490	15,918	75,408	(282,551)	(207,143)
72	68				60,680	16,457	77,137	(214,218)	(137,081)
73	69				61,894	6,580	68,474	(217,879)	(149,406)
74	70				63,132	6,843	69,975	(224,046)	(154,072)
75	71				64,394	7,117	71,511	(230,408)	(158,897)
76	72				65,682		65,682	(236,972)	(171,290)
77	73				66,996		66,996	(243,745)	(176,750)
78	74				68,336		68,336	(250,733)	(182,398)
79	75				69,702		69,702	(257,943)	(188,241)
80	76				71,096		71,096	(265,369)	(194,273)
81	77				72,518		72,518	(254,134)	(181,616)
82	78				73,969		73,969	(262,054)	(188,086)
83	79				75,448		75,448	(270,227)	(194,779)
84	80				76,957		76,957	(278,659)	(201,702)
85	81				78,496		78,496	(287,360)	(208,864)
86	82				80,066		80,066	(296,339)	(216,273)
87	83				81,667		81,667	(305,603)	(223,936)
88	84				83,301		83,301	(315,163)	(231,863)
89	85				84,967		84,967	(325,027)	(240,061)
90	86				86,666		86,666	(335,205)	(248,539)
91	87				88,399	160,000	248,399	(345,709)	(97,310)
92	88				51,820		51,820	(291,943)	(240,124)
93	89				52,856		52,856	(301,438)	(248,582)
94	90				53,913		53,913	(311,234)	(257,321)
95	91								

* Scheduled distributions, interest or dividends taken in cash or amounts taken to meet the IRS minimum distribution requirements.

Annual Expense Illustration

Retire at 65

Age	Personal expenses*	Life & misc. ins. premiums	Debt payments	Asset account deposits	Retirement account deposits	Other expense & St. Opt.	Itemized deductions**	Income tax	Total expenses
	1	2	3	4	5	6	7	8	9
51	\$43,980	\$4,160	\$16,140	\$3,132	\$31,584	\$20,835	\$13,000	\$26,585	\$159,416
52	45,545	4,189	12,881	3,161	32,069	8,650	13,381	20,610	140,486
53	47,169	4,219	10,080	3,190	38,571	9,055	13,774	26,459	152,517
54	48,312	4,251	10,080	3,220	39,092		14,178	26,879	146,011
55	50,542	4,283	10,080	3,251	39,631	9,182	14,594	28,353	159,915
56	52,341	4,316	10,080	3,282	40,189	10,908	15,022	28,962	165,099
57	54,206	4,350	10,080	3,314	40,767	11,380	15,462	4,150	143,710
58	56,141	4,491	10,080	3,346	41,366	11,871	15,916	4,475	147,685
59	56,947	4,528	10,080	3,379	41,987		16,383	32,504	165,807
60	58,544	4,463	10,080	3,413	42,629		16,863	34,288	170,280
61	60,702	4,503	9,288	3,447	43,295	26,863	17,358	34,467	199,922
62	62,941	4,545		3,482	43,984		17,867	36,418	169,236
63	65,262	5,333		3,518	44,698		18,391	39,401	176,603
64	67,670	5,378		3,555	45,438		18,931	41,425	182,396
65	55,802	5,420		792	25,152	34,634	19,487	6,943	148,229
66	142,193	5,508	18,925	792	25,629		20,058	7,922	221,026
67	140,660	5,556	18,925	792	26,123	12,838	20,647	9,859	235,400
68	145,121	6,797	18,925	792	26,635	13,094	21,253	12,088	244,704
69	149,725	6,844	18,925				21,877	23,670	221,039
70	154,476	6,892	18,925			40,000	22,519	90,851	333,662
71	159,379	6,942	18,925				23,180	74,126	282,551
72	164,440	6,994	18,925				23,860		214,218
73	169,662	4,732	18,925				24,560		217,879
74	175,053	4,787	18,925				25,281		224,046
75	180,616	4,844	18,925				26,023		230,408
76	186,358	4,903	18,925				26,787		236,972
77	192,283	4,963	18,925				27,574		243,745
78	198,400	5,026	18,925				28,383		250,733
79	204,712	5,090	18,925				29,216		257,943
80	211,227	5,157	18,912				30,074		265,369
81	217,952	5,225					30,957		254,134
82	224,893	5,296					31,866		262,054
83	232,056	5,369					32,802		270,227
84	239,450	5,445					33,765		278,659
85	247,082	5,523					34,756		287,360
86	254,959	5,603					35,777		296,339
87	263,090	5,686					36,828		305,603
88	271,482	5,772					37,909		315,163
89	280,144	5,860					39,023		325,027
90	289,086	5,951					40,169		335,205
91	298,315	6,046					41,349		345,709
92	246,273	2,342					42,563	765	291,943
93	254,140	2,417					43,814	1,068	301,438
94	262,260	2,494					45,101	1,380	311,234
95									
		B 16	B 18b	C4..C8	C10..C11a	B 12	D 10	D6	

Note - it is assumed that the 2001, 2003 and 2004 tax changes are extended past 2010. See Tax Comments report for details.

*Personal expenses include education fund deposits.

**Itemized deductions do not include mortgage interest, state tax, and medical insurance premiums are adjusted for phaseouts.

Earned Income Schedule

B9

Retire at 65

Allen			Betty			*Total earned income
Age	Annual salary	Self employ.	Age	Annual salary	Self employ.	
	1	2	3	4	5	6
51	\$65,000	\$1,000	47	\$35,000		\$101,000
52	66,950	1,000	48	35,000		102,950
53	68,959	1,000	49	35,000		104,959
54	81,955	1,000	50	35,000		117,955
55	84,413	1,000	51	35,000		120,413
56	86,946	1,000	52	35,000		122,946
57		1,000	53	35,000		36,000
58		1,000	54	35,000		36,000
59	95,524	1,000	55	35,000		131,524
60	100,300	1,000	56	35,000		136,300
61	105,315	1,000	57	35,000		141,315
62	110,581	1,000	58	35,000		146,581
63	116,110	1,000	59	35,000		152,110
64	121,916	1,000	60	35,000		157,916
65			61	35,000		35,000
66			62	35,000		35,000
67			63	35,000		35,000
68			64	35,000		35,000
69			65			
70			66			
71			67			
72			68			
73			69			
74			70			
75			71			
76			72			
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92			88			
93			89			
94			90			
95			91			

* Difference between Taxable Earned Income and Total Earned Income represents non-cash income.

Pension and Social Security

B10

Retire at 65

Allen				Betty				Total pension & SocSec
Client Pension 1	Client Pension 2	SocSec*	Age	Spouse Pension 1	Spouse Pension 2	SocSec*	Age	
\$6,600		\$20,507				\$14,526		
1	2	3	4	5	6	7	8	
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	6,600		27,059	61			33,659	
66	6,732		27,600	62			34,332	
67	6,867		28,152	63			35,019	
68	7,004		28,715	64			35,719	
69	7,144		29,290	65		20,746	57,180	
70	7,287		29,876	66		21,161	58,324	
71	7,433		30,473	67		21,585	59,490	
72	7,581		31,082	68		22,016	60,680	
73	7,733		31,704	69		22,457	61,894	
74	7,888		32,338	70		22,906	63,132	
75	8,045		32,985	71		23,364	64,394	
76	8,206		33,645	72		23,831	65,682	
77	8,370		34,318	73		24,308	66,996	
78	8,538		35,004	74		24,794	68,336	
79	8,709		35,704	75		25,290	69,702	
80	8,883		36,418	76		25,796	71,096	
81	9,060		37,146	77		26,311	72,518	
82	9,242		37,889	78		26,838	73,969	
83	9,426		38,647	79		27,374	75,448	
84	9,615		39,420	80		27,922	76,957	
85	9,807		40,209	81		28,480	78,496	
86	10,003		41,013	82		29,050	80,066	
87	10,203		41,833	83		29,631	81,667	
88	10,408		42,670	84		30,224	83,301	
89	10,616		43,523	85		30,828	84,967	
90	10,828		44,393	86		31,445	86,666	
91	11,045		45,281	87		32,074	88,399	
92	5,633			88		46,187	51,820	
93	5,745			89		47,111	52,856	
94	5,860			90		48,053	53,913	
95				91				

* Less earned income reduction if applicable.

Other Income Expense Detail

Retire at 65

Single Year							Ordinary Taxable	
Description	Start age	Stop age	Amount (today's \$)*	Increase rate (prior)	Increase rate (after)	Amount (future \$)*	Percent taxable	Dollar amount
Gift to kids	70	71	(\$40,000)	0.00%	0.00%	(\$40,000)	0.00%	(\$0)
Inheritance	61	62	\$45,000	3.00%	0.00%	\$60,476	0.00%	\$0
Sale of equipment	62	63	\$20,000	2.00%	2.00%	\$24,867	0.00%	\$0

Multiple Year							Ordinary Taxable	
Description	Start Age	Stop Age	Amount (today's \$)*	Increase rate (prior)	Increase rate (after)	Amount (future \$)*	Percent taxable	Dollar amount
Carla	68	73	\$9,000	0.00%	3.00%	\$9,000	0.00%	\$0
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%	(\$0)

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

Other Income (Expense)

B12

Retire at 65

Ages	Life insurance benefit	Other Income and Expense				Stock options	Residence sale*	Education Other goals	Totals		Taxable amounts
		Income amount	Tax-able%	Expense amount	Tax-able%				Other Income	Other Expense	
	1	2	3	4	5	6	7	8	9	10	
51	47					(\$19,075)		(\$1,760)	(\$20,835)	\$18,350	
52	48					38,560		(8,650)	38,560	1,135	
53	49					13,120		(9,055)	13,120	13,120	
54	50										
55	51							(9,182)	(9,182)		
56	52							(10,908)	(10,908)		
57	53							(11,380)	(11,380)		
58	54							(11,871)	(11,871)		
59	55										
60	56										
61	57	60,476						(26,863)	60,476	(26,863)	
62	58	24,867							24,867		
63	59										
64	60										
65	61						392,638	(34,634)	392,638	(34,634)	
66	62	5,000	100%						5,000	5,000	
67	63	5,200	100%	(12,838)					5,200	(12,838)	5,200
68	64	14,408	38%	(13,094)					14,408	(13,094)	5,408
69	65	14,894	38%						14,894		5,624
70	66	15,397	38%	(40,000)					15,397	(40,000)	5,849
71	67	15,918	38%						15,918		6,083
72	68	16,457	38%						16,457		6,327
73	69	6,580	100%						6,580		6,580
74	70	6,843	100%						6,843		6,843
75	71	7,117	100%						7,117		7,117
76	72										
77	73										
78	74										
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89	85										
90	86										
91	87	160,000	c						160,000		
92	88										
93	89										
94	90										
95	91										

Note - c = Allen's life expectancy age. s = Betty's life expectancy age.

*Residence sale = Sale price less sale cost less down payment on new home.

Miscellaneous Cash Flow Items

B12a

Retire at 65

Age	Sched D Capital G/L	Sched E Passive G/L	Increase (decrease) Fed/ State income	AMT Preference Income	Other Taxable Income	Other Non Taxable Income	Total Other Cash Flow items
51		\$2,000					\$2,000
52		2,000					2,000
53		1,500					1,500
54		1,500					1,500
55		1,500					1,500
56		1,500					1,500
57		1,500					1,500
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Sample: For Display Only:
Do Not Attempt to Use

Financial Goals

B13

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. The costs shown below are included in your projection of Other Income and Expense.

Description:	Age needed	Inflation rate %	Amount needed	Inflated amount needed	Funding methods at 8.00% after tax	
					Lump sum deposit	Monthly deposit
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 - prefunding with a lump sum of money dedicated to the future goal, or prefunded 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, 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.

Note: The expenses for these goals are included in the projection of personal expenses.

Education Funding Requirements

Retire at 65

Child Per Year	Bonnie	Andy	Totals	Amount to be paid by parents
Lump sum*	\$35,840	\$29,410	\$65,250	100%
Monthly**	\$468	\$893	\$1,361	
2006		\$10,000	\$10,000	\$10,000
2007		10,390	10,390	10,390
2008		10,795	10,795	10,795
2009				
2010	11,654		11,654	11,654
2011	12,108		12,108	12,108
2012	12,580		12,580	12,580
2013	13,071		13,071	13,071
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
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2032				
2033				
2034				

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
Additional lump sum needed now	\$58,750

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
Additional needed with \$6,500 and \$145 current deposits	\$623

Note: If 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.

**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 to fund the expenses from now through the last year of school.*

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

Education Funding Sources

B14a

Retire at 65

Allen Age	Year	Education fund balance (begin year)	Annual additions	Annual costs	Annual growth at 6.00%	Sources of funds	
						From educ. funds	From Assets
		1	2	3	4	6	7
51	2006	\$6,500	\$1,740	(\$10,000)		\$8,240	\$1,760
52	2007		1,740	(10,390)		1,740	8,650
53	2008		1,740	(10,795)		1,740	9,055
54	2009		1,200		72		
55	2010	1,272	1,200	(11,654)		2,472	9,182
56	2011		1,200	(12,108)		1,200	10,908
57	2012		1,200	(12,580)		1,200	11,380
58	2013		1,200	(13,071)		1,200	11,871
59	2014						
60	2015						
61	2016						
62	2017						
63	2018						
64	2019						
65	2020						
66	2021						
67	2022						
68	2023						
69	2024						
70	2025						
71	2026						
72	2027						
73	2028						
74	2029						
75	2030						
76	2031						
77	2032						
78	2033						
79	2034						

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

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 improvements 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

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					
97					
98					
99					
100					
101					
102					
103					
104					
105					
106					

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	80.00%
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.

Life Insurance Summary

B16

Retire at 65

Allen					Betty				
Age	Group or Term	Permanent	Premiums	Cash Values	Age	Group or Term	Permanent	Premiums	Cash Values
	1	2	3	4		5	6	7	8
51		\$160,000	\$2,550	\$15,300	47	\$195,000		\$375	
52		160,000	2,550	14,134	48	195,000		375	
53		160,000	2,550	12,969	49	195,000		375	
54		160,000	2,550	11,803	50	195,000		375	
55		160,000	2,550	10,637	51	195,000		375	
56		160,000	2,550	9,472	52	195,000		375	
57		160,000	2,550	8,306	53	195,000		375	
58		160,000	2,550	7,141	54	95,000		480	
59		160,000	2,550	5,975	55	95,000		480	
60		160,000	2,550	9,732	56	95,000		375	
61		160,000	2,550	13,488	57	95,000		375	
62		160,000	2,550	17,245	58	95,000		375	
63		160,000	2,550	21,002	59	95,000		1,120	
64		160,000	2,550	24,759	60	95,000		1,120	
65		160,000	2,550	28,515	61	95,000		1,120	
66		160,000	2,550	32,272	62	95,000		1,120	
67		160,000	2,550	36,029	63	95,000		1,120	
68		160,000	2,550	39,785	64	95,000		2,315	
69		160,000	2,550	43,542	65	75,000		2,315	
70		160,000	2,550	47,299	66	75,000		2,315	
71		160,000	2,550	51,056	67	75,000		2,315	
72		160,000	2,550	54,812	68	75,000		2,315	
73		160,000	2,550	58,569	69				
74		160,000	2,550	62,326	70				
75		160,000	2,550	66,082	71				
76		160,000	2,550	69,839	72				
77		160,000	2,550	73,596	73				
78		160,000	2,550	77,352	74				
79		160,000	2,550	81,109	75				
80		160,000	2,550	84,866	76				
81		160,000	2,550	88,623	77				
82		160,000	2,550	92,379	78				
83		160,000	2,550	96,136	79				
84		160,000	2,550	99,893	80				
85		160,000	2,550	103,649	81				
86		160,000	2,550	107,406	82				
87		160,000	2,550	111,163	83				
88		160,000	2,550	114,920	84				
89		160,000	2,550	118,676	85				
90		160,000	2,550	122,433	86				
91		160,000	2,550	126,190	87				
92					88				
93					89				
94					90				
95					91				

Misc. Insurance Premiums

Retire at 65

Age	Allen				Betty				Homeowners Prop & casualty	Total Misc premiums
	Auto	Disab.	Medical	LTC	Auto	Disab	Medical	LTC		
	1	2	3	4	5	6	7	8	9	
51	\$200	\$450			\$200				\$385	\$1,235
52	207	450			207				399	1,264
53	215	450			215				414	1,294
54	223	450			223				429	1,326
55	231	450			231				445	1,358
56	240	450			240				462	1,391
57	249	450			249				478	1,425
58	258	450			258				496	1,461
59	267	450			267				514	1,498
60	277	450			277				534	1,538
61	287	450			287				553	1,578
62	298	450			298				574	1,620
63	309	450			309				595	1,663
64	320	450			320				617	1,708
65	331	450			331				638	1,750
66	354	450			354				681	1,838
67	366	450			366				704	1,886
68	377	450			377				727	1,932
69	389	450			389				750	1,979
70	402	450			402				773	2,027
71	415	450			415				798	2,077
72	428	450			428				823	2,129
73	441	450			441				850	2,182
74	455	450			455				877	2,237
75	470	450			470				904	2,294
76	485	450			485				933	2,353
77	500	450			500				963	2,413
78	516	450			516				993	2,476
79	532	450			532				1,025	2,540
80	549	450			549				1,058	2,607
81	567	450			567				1,091	2,675
82	585	450			585				1,126	2,746
83	604	450			604				1,162	2,819
84	623	450			623				1,199	2,895
85	643	450			643				1,237	2,973
86	663	450			663				1,277	3,053
87	684	450			684				1,317	3,136
88	706	450			706				1,359	3,222
89	729	450			729				1,403	3,310
90	752	450			752				1,447	3,401
91	776	450			776				1,494	3,496
92					801				1,541	2,342
93					826				1,591	2,417
94					853				1,641	2,494
95										

Sample: For Display Only:
Do Not Attempt to Use

Loans - Mortgage, Auto, Credit Card

B18

Retire at 65

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

Sample For Display Only:
Do Not Attempt to Use

Loans - RE, Other, Totals

B18b

Retire at 65

Age	Investment Real Estate			Other Liabilities			Total of all liabilities			
	Balance	Interest	Principal	Balance	Interest	Principal	Loan balances	Interest	Principal	Annual payments
	1	2	3	4	5	6	10	8	9	11
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										

A6

Allocation of Cash Flow Surplus or (Shortage)

B19

Retire at 65

Age	Taxable		Equity/Other		Tax free		Tax deferred		Retirement accounts	Roth accounts
	%	Amount	%	Amount	%	Amount	%	Amount	Amount	Amount
51	na	(\$56,416)	na		na		na			
52	20	605	40	1,210	20	605	20	605		
53	na	(32,939)	na		na		na			
54	na	(26,557)	na		na		na			
55	na	(38,002)	na		na		na			
56	na	(13,172)	na	(27,482)	na		na			
57	na		na	(106,210)	na		na			
58	na		na	(111,685)	na		na			
59	na		na	(34,283)	na		na			
60	na		na	(33,980)	na		na			
61	20	374	40	748	20	374	20	374		
62	20	442	40	885	20	442	20	442		
63	na	(874)	na	(23,619)	na		na			
64	na		na	(24,481)	na		na			
65	20	62,614	40	125,227	20	62,614	20	62,614		
66	na	(65,003)	na	(81,691)	na		na			
67	na		na	(153,753)	na	(6,428)	na			
68	na		na	(792)	na	(132,238)	na	(26,547)		
69	na		na		na		na	(148,965)		
70	na		na		na		na	(19,051)	(240,898)	
71	na		na		na		na		(200,967)	(6,170)
72	na		na		na		na			(137,081)
73	na		na		na		na			(149,406)
74	na		na		na		na			(154,072)
75	na		na		na		na			(158,897)
76	na		na		na		na			(171,290)
77	na		na		na		na			(27,135)
78	na		na		na		na			
79	na		na		na		na			
80	na		na		na		na			
81	na		na		na		na			
82	na		na		na		na			
83	na		na		na		na			
84	na		na		na		na			
85	na		na		na		na			
86	na		na		na		na			
87	na		na		na		na			
88	na		na		na		na			
89	na		na		na		na			
90	na		na		na		na			
91	na		na		na		na			
92	na		na		na		na			
93	na		na		na		na			
94	na		na		na		na			
95	25		25		25		25			
		C4		C5		C7		C8	C 10..C 10e	C 11,C 11a

Sample: For Display Only:
Do Not Attempt to Use

Assets

Details of your existing assets, changes due to additions or withdrawals, rate of return and, where appropriate, stock options.

Asset are divided into taxable, tax free, tax deferred, equity, retirement accounts, IRA and Roth IRA accounts.

Sample: For Display Only:
Do Not Attempt to Use

Asset Accounts

Retire at 65

Your assets are illustrated in this plan based on two major groups, Personal Accounts and Tax Deductible Retirement accounts. Within these groups, the assets are further divided as described below.

Personal Accounts:

Fully Taxable:

These are savings and investments that earn interest or dividends which are fully taxable at ordinary income rates. Included in this category are savings accounts, certificates of deposit, money market funds and accounts, bonds, notes and mortgages, etc.

Tax Deferred:

Some assets allow you to accumulate money and without current taxation on interest or other returns. The most common are fixed or variable annuities issued by insurance companies.

Tax Free:

Interest earned on certain bonds issued by federal, state or local municipalities are 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 muni bond investment trusts or mutual funds.

Equity and Other:

Assets which receive part or all of their return in the form of appreciation and qualify for special capital gains treatment on the profits would be included in this category. Such assets include: stocks, equity mutual funds, real estate, business interest, etc.

Tax Deductible Retirement Accounts:

This includes any account that is treated by the IRS as qualified for special tax deferral or deduction.

IRA - Individual Retirement Accounts.

401K - corporate thrift or savings plans.

Keogh or SEP - retirement plans for self employed individuals.

TSA - tax sheltered annuity plans for employees of 403(b) tax exempt organizations.

SIMPLE 401(k) and SIMPLE IRA - employer sponsored plans.

Profit Sharing - corporate plans for employee profit sharing.

Roth IRA accounts (tax free growth).

Roth 401(k) - tax free after-tax personal contributions, pre-tax company additions.

Rate of Return:

The rate of return used is a before-tax rate which you have selected as a reasonable anticipated return. The rate used does not imply any guarantee or estimate of actual future results, but is used for illustration only. You should recognize that higher volatility has historically been associated with higher rates of return, therefore, use of high rates could result in increased risk of loss. The rates used are assumed to be net of all fees and expenses. No specific security, asset class or investment product is represented.

Not an Investment Offer:

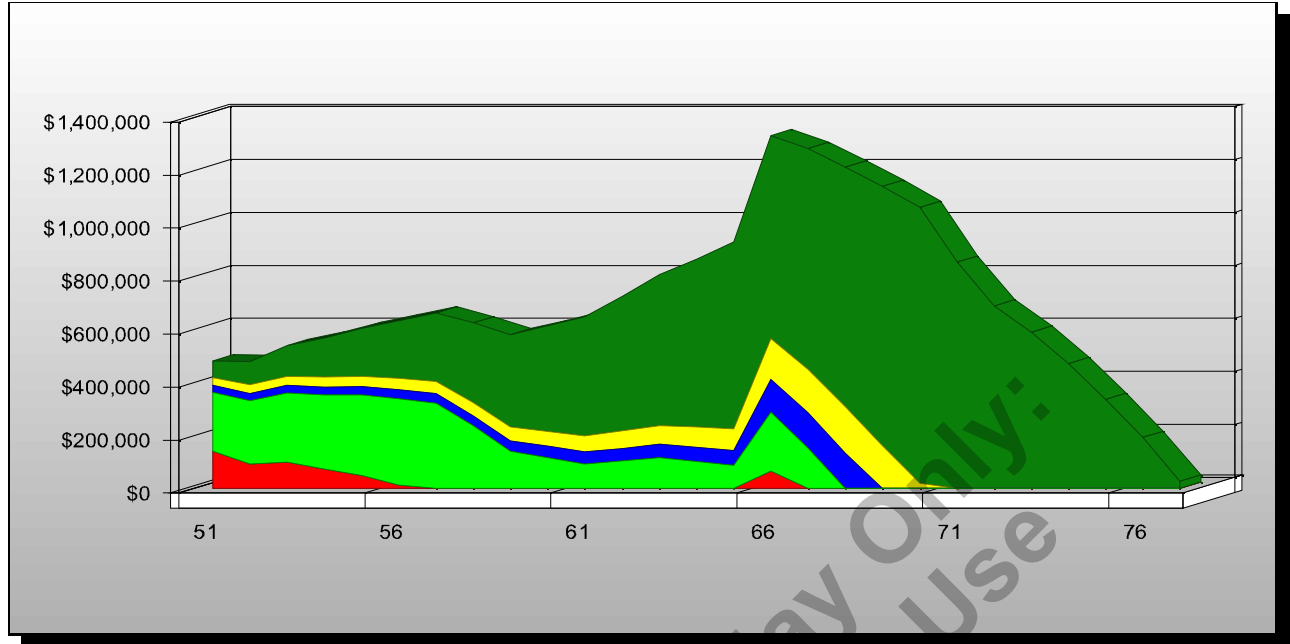
This is not an offer to sell or a solicitation of an offer to buy any security. Such offer would be accompanied by a prospectus or other offering materials.

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.

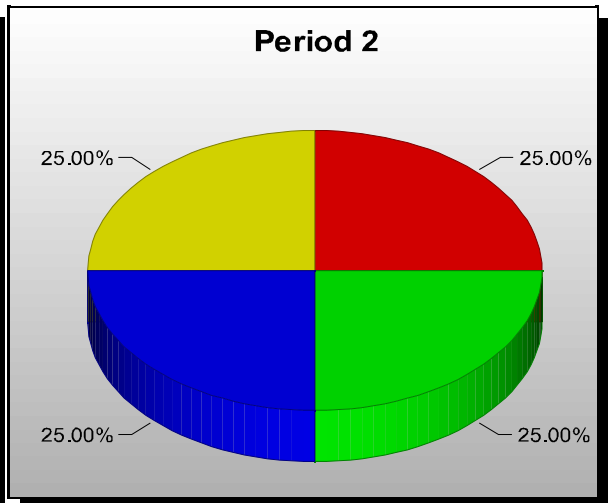
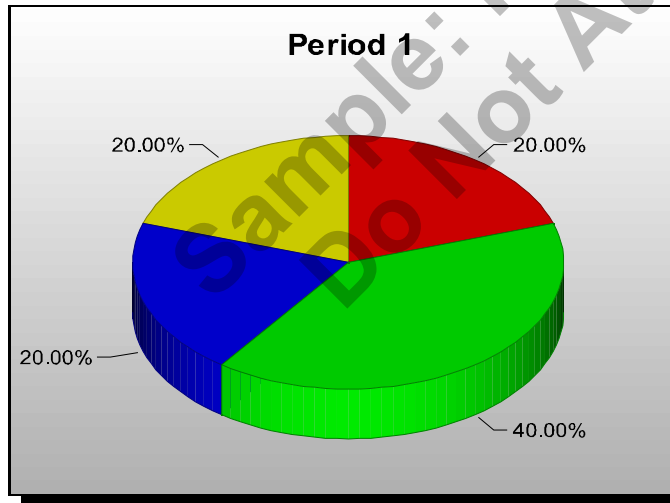
Account Summary

Retire at 65



Allocation of Surplus Cash Flow

In years when there is a surplus of spendable income, the surplus is reinvested into the asset accounts in the proportions shown below. Period 1 covers the years up to age 70.



In years when there is a shortage of spendable income from earnings, pensions, social security, interest and dividends taken in cash, and miscellaneous income sources, the shortage is made up by withdrawals from asset and retirement accounts. It is assumed that funds are taken in the following order - from taxable, equity and other non-qualified, tax free, tax deferred and then qualified retirement accounts.

Account Summary

Retire at 65

		Taxable account	Equity & other	Tax free	Tax deferred	Retirement accounts		Roth IRAs		Begin. year Account
Ages		6.90%	6.56%	5.70%	7.25%	Allen 5.50%	Betty 6.50%	Allen 7.13%	Betty 5.50%	totals
		1	2	3	4	5	6	7	8	9
51	47	\$141,050	\$222,060	\$25,000	\$30,000	\$32,000	\$27,300	\$2,000	\$2,000	\$481,410
52	48	92,210	239,881	26,425	32,174	35,605	33,153	10,196	9,078	478,722
53	49	99,198	260,156	28,555	35,131	39,480	39,546	19,077	16,646	537,789
54	50	71,844	280,538	30,182	37,677	43,643	46,520	29,729	26,785	566,917
55	51	49,229	302,289	31,902	40,407	48,112	54,119	41,249	37,589	604,896
56	52	13,172	325,500	33,720	43,336	52,908	62,390	53,701	49,099	633,825
57	53		321,788	35,642	46,476	58,052	71,384	67,157	61,357	661,856
58	54		236,281	37,673	49,845	63,566	81,155	81,691	74,408	624,619
59	55		139,521	39,820	53,457	69,474	91,762	97,385	88,300	579,719
60	56		116,654	42,089	57,332	75,801	103,266	114,326	103,084	612,552
61	57		92,635	44,488	61,488	82,573	115,734	132,607	118,813	648,337
62	58	388	103,063	47,409	66,331	89,819	129,237	152,329	135,544	724,119
63	59	874	114,353	50,567	71,596	97,570	143,851	173,598	153,337	805,746
64	60		101,029	53,449	76,786	105,856	159,657	196,530	172,255	865,562
65	61		85,975	56,495	82,352	114,712	176,742	221,249	192,366	929,891
66	62	65,003	222,209	124,296	153,058	121,020	195,200	237,010	213,740	1,331,535
67	63		152,961	131,380	164,153	127,675	215,129	253,894	236,451	1,281,643
68	64			132,238	176,053	134,696	236,636	271,981	260,579	1,212,183
69	65				161,369	142,103	259,835	291,357	286,208	1,140,872
70	66				19,051	149,917	276,723	312,114	301,947	1,059,752
71	67						200,967	334,350	318,552	853,869
72	68							351,795	336,070	687,865
73	69							235,211	354,551	589,762
74	70							97,585	374,049	471,634
75	71								336,687	336,687
76	72								192,238	192,238
77	73								27,135	27,135
78	74									
79	75									
80	76									
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Sample: For Display Only
Do Not Attempt to Use

Note: Rates shown above are for first year only. Refer to account reports for future year rates.

Total Assets

C3a

Retire at 65

Age	Account Balance	Contributions		Withdrawals			Annual return
		Personal deposits	Company deposits	Personal Scheduled	Surplus or (shortage)	Required Min. Distr.* Transfers	
51	\$481,410	\$20,124	\$3,360		(\$56,416)		\$30,246
52	478,722	20,442	3,491		3,025		32,110
53	537,789	23,771	3,627		(32,939)		34,671
54	566,917	24,112	3,769		(26,557)		36,657
55	604,896	24,465	3,916		(38,002)		38,552
56	633,825	24,829	4,068		(40,654)		39,788
57	661,856	25,207	4,227		(106,210)		39,540
58	624,619	25,598	4,392		(111,685)		36,798
59	579,719	26,002	4,563		(34,283)		36,552
60	612,552	26,421	4,741		(33,980)		38,606
61	648,337	26,854	4,926		1,870		42,135
62	724,119	27,302	5,118		2,212		46,996
63	805,746	27,766	5,318		(24,493)		51,227
64	865,562	28,247	5,525		(24,481)		55,040
65	929,891	15,418	2,665		313,068		70,494
66	1,331,535	15,737	2,769		(146,694)		78,298
67	1,281,643	16,067	2,877		(160,181)		71,780
68	1,212,183	16,409	2,989		(159,577)		68,869
69	1,140,872				(148,965)		67,848
70	1,059,752				(259,949)		54,069
71	853,869				(207,137)		41,134
72	687,865				(137,081)		38,980
73	589,762				(149,406)		31,279
74	471,634				(154,072)		19,125
75	336,687				(158,897)		14,449
76	192,238				(171,290)		6,187
77	27,135				(27,135)		
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This report summarizes all the asset reports including savings and investments and retirement accounts.

Taxable Account

Retire at 65

Age	Begin year Account balance	Annual additions or withdrawals				Annual interest		Taxable income
		Annual deposit	Cash flow surplus (short)	Cash withdrawal	Transfers in (out)	% rate	\$ amount	
51	\$141,050		(\$56,416)			6.90	\$7,576	\$7,576
52	92,210		605			6.90	6,383	6,383
53	99,198		(32,939)			6.90	5,585	5,585
54	71,844		(26,557)			6.90	3,942	3,942
55	49,229		(38,002)			6.90	1,945	1,945
56	13,172		(13,172)			6.90		
57						6.90		
58						6.90		
59						6.90		
60						6.90		
61			374			6.90	14	14
62	388		442			6.90	44	44
63	874		(874)			6.90		
64						6.90		
65			62,614			6.90	2,389	2,389
66	65,003		(65,003)			6.90		
67						6.90		
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		
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92						6.90		
93						6.90		
94						6.90		
95						6.90		

Equity and Other Accounts

Retire at 65

Age	Begin year Account balance	Annual additions or withdrawals				Annual rate of return				Total Annual Return	Taxable Income	
		Annual deposit	Cash flow surplus (short)	Cash withdrawal	Transfer in (out)	Interest Dividend	Capital Gain Apprec				Ordinary rate	At Div CG rate
	1	2	3	4	5	6	7	8	9	10	11	12
51	\$222,060	\$3,132				0.18	1.35	1.45	3.59	\$14,689	\$401	\$6,300
52	239,881	3,161	1,210			0.18	1.35	1.45	3.59	15,904	435	6,833
53	260,156	3,190				0.18	1.35	1.45	3.59	17,192	469	7,368
54	280,538	3,220				0.18	1.35	1.45	3.59	18,531	506	7,939
55	302,289	3,251				0.18	1.35	1.45	3.59	19,960	544	8,548
56	325,500	3,282	(27,482)			0.18	1.35	1.45	3.59	20,488	537	8,429
57	321,788	3,314	(106,210)			0.18	1.35	1.45	3.59	17,389	390	6,124
58	236,281	3,346	(111,685)			0.18	1.35	1.45	3.59	11,579	228	3,579
59	139,521	3,379	(34,283)			0.18	1.35	1.45	3.59	8,037	194	3,039
60	116,654	3,413	(33,980)			0.18	1.35	1.45	3.59	6,548	153	2,408
61	92,635	3,447	748			0.18	1.35	1.45	3.59	6,233	173	2,709
62	103,063	3,482	885			0.18	1.35	1.45	3.59	6,923	191	3,006
63	114,353	3,518	(23,619)			0.18	1.35	1.45	3.59	6,777	168	2,637
64	101,029	3,555	(24,481)			0.18	1.35	1.45	3.59	5,872	143	2,241
65	85,975	792	125,227			0.18	1.35	1.45	3.59	10,215	378	5,931
66	222,209	792	(81,691)			0.18	1.35	1.45	3.59	11,651	252	3,953
67	152,961	792	(153,753)			0.18	1.35	1.45	3.59			
68		792	(792)			0.18	1.35	1.45	3.59			
69						0.18	1.35	1.45	3.59			
70						0.18	1.35	1.45	3.59			
71						0.18	1.35	1.45	3.59			
72						0.18	1.35	1.45	3.59			
73						0.18	1.35	1.45	3.59			
74						0.18	1.35	1.45	3.59			
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						0.18	1.35	1.45	3.59			

B 19

Capital Gains Worksheet

Retire at 65				Retire at 65						
Age	Equity & other acct. balance	Cost basis	Ratio Cost / Balance	Annual Additions	Interest dividend, cap. gain	Withdrawal for cash flow	Sched EOY distr. and transfers	Net additions/ withdrawals	Annual capital gain (loss)	Change to basis
	1	2	3	4	5	6	7	8	9	10
51	\$222,060	\$229,209	103%	\$3,132	\$6,701			\$9,833		\$9,833
52	239,881	239,042	100%	4,371	7,269			11,640		11,640
53	260,156	250,682	96%	3,190	7,837			11,027		11,027
54	280,538	261,709	93%	3,220	8,444			11,664		11,664
55	302,289	273,373	90%	3,251	9,092			12,343		12,343
56	325,500	285,716	88%	3,282	8,966	(27,482)		(15,234)	1,862	(13,372)
57	321,788	272,344	85%	3,314	6,514	(106,210)		(96,382)	14,809	(81,573)
58	236,281	190,771	81%	3,346	3,807	(111,685)		(104,532)	20,134	(84,398)
59	139,521	106,373	76%	3,379	3,232	(34,283)		(27,672)	6,574	(21,098)
60	116,654	85,275	73%	3,413	2,562	(33,980)		(28,005)	7,533	(20,472)
61	92,635	64,803	70%	4,195	2,882			7,077		7,077
62	103,063	71,880	70%	4,367	3,197			7,564		7,564
63	114,353	79,444	69%	3,518	2,805	(23,619)		(17,296)	5,280	(12,016)
64	101,029	67,428	67%	3,555	2,384	(24,481)		(18,542)	6,167	(12,375)
65	85,975	55,053	64%	126,019	6,309			132,328		132,328
66	222,209	187,381	84%	792	4,205	(81,691)		(76,694)	12,021	(64,673)
67	152,961	122,708	80%	792		(153,753)		(152,961)	30,253	(122,708)
68				792		(792)				
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Sample: For Display Only
Do Not Attempt to Use

Capital Gain or Capital Loss Carryforward

C6a

Retire at 65

Age	Gain or Loss Sources					Taxable Capital gain (loss)	Amount Carried forward	Annual dividend	Net capital gain and dividend
	Annual CG distributions	G/L on sale of assets	Other gain & StOption	Other loss & StOption	Net gain/loss				
	1	2	3	4	5	6		8	9
51	\$3,268				\$3,268	3,268		\$3,032	\$6,300
52	3,545				3,545	3,545		3,288	6,833
53	3,822				3,822	3,822		3,545	7,367
54	4,118				4,118	4,118		3,820	7,938
55	4,434				4,434	4,434		4,113	8,547
56	4,373	1,862			6,235	6,235		4,056	10,291
57	3,176	14,809			17,985	17,985		2,947	20,932
58	1,856	20,134			21,990	21,990		1,722	23,712
59	1,576	6,574			8,150	8,150		1,462	9,612
60	1,249	7,533			8,782	8,782		1,159	9,941
61	1,405				1,405	1,405		1,304	2,709
62	1,559				1,559	1,559		1,446	3,005
63	1,367	5,280			6,647	6,647		1,269	7,916
64	1,162	6,167			7,329	7,329		1,078	8,407
65	3,076				3,076	3,076		2,854	5,930
66	2,050	12,021			14,071	14,071		1,902	15,973
67		30,253			30,253	30,253			30,253
68									
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C5

C6

D7a

D7a

Tax Free Account

C7

Retire at 65

Age	Begin year Account balance	Annual additions or withdrawals				Annual interest	
		Annual deposit	Cash flow surplus (short)	Cash withdrawal	Transfer in (out)	% rate	Annual interest
51	\$25,000					5.70	\$1,425
52	26,425		605			5.70	1,525
53	28,555					5.70	1,627
54	30,182					5.70	1,720
55	31,902					5.70	1,818
56	33,720					5.70	1,922
57	35,642					5.70	2,031
58	37,673					5.70	2,147
59	39,820					5.70	2,269
60	42,089					5.70	2,399
61	44,488		374			5.70	2,547
62	47,409		442			5.70	2,716
63	50,567					5.70	2,882
64	53,449					5.70	3,046
65	56,495		62,614			5.70	5,187
66	124,296					5.70	7,084
67	131,380		(6,428)			5.70	7,286
68	132,238		(132,238)			5.70	
69						5.70	
70						5.70	
71						5.70	
72						5.70	
73						5.70	
74						5.70	
75						5.70	
76						5.70	
77						5.70	
78						5.70	
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87						5.70	
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90						5.70	
91						5.70	
92						5.70	
93						5.70	
94						5.70	
95						5.70	

Sample: For Display Only:
Do Not Attempt to Use

Tax Deferred Account

C8

Retire at 65

Age	Begin year Account balance	Annual additions or withdrawals				Annual interest		Cumulative	
		Annual deposit	Cash flow surplus (short)	Cash withdrawal	Transfer in (out)	% rate	Annual interest	Taxable income	defer. interest
	1	2	3	4	5	6	7	8	9
51	\$30,000					7.25	\$2,174		\$2,174
52	32,174		605			7.25	2,352		4,525
53	35,131					7.25	2,546		7,070
54	37,677					7.25	2,730		9,800
55	40,407					7.25	2,928		12,728
56	43,336					7.25	3,141		15,868
57	46,476					7.25	3,368		19,236
58	49,845					7.25	3,613		22,848
59	53,457					7.25	3,875		26,722
60	57,332					7.25	4,156		30,877
61	61,488		374			7.25	4,469		35,346
62	66,331		442			7.25	4,823		40,168
63	71,596					7.25	5,190		45,357
64	76,786					7.25	5,566		50,922
65	82,352		62,614			7.25	8,092		59,014
66	153,058					7.25	11,096		70,109
67	164,153					7.25	11,900		82,009
68	176,053		(26,547)			7.25	11,863	26,547	67,324
69	161,369		(148,965)			7.25	6,647	73,971	
70	19,051		(19,051)			7.25			
71						7.25			
72						7.25			
73						7.25			
74						7.25			
75						7.25			
76						7.25			
77						7.25			
78						7.25			
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B 19

Asset Transfer Worksheet

C9

Retire at 65

Age	Taxable		Equity & Other		Tax Free		Tax Deferred	
	Amount Available	Transfer in (out)	Amount Available	Transfer in (out)	Amount Available	Transfer in (out)	Amount Available	Transfer in (out)
Cl	1	2	3	4	5	6	7	8
51	\$84,634		\$225,192		\$25,000		\$30,000	
52	92,815		244,252		27,030		32,779	
53	66,259		263,346		28,555		35,131	
54	45,287		283,758		30,182		37,677	
55	11,227		305,540		31,902		40,407	
56			301,300		33,720		43,336	
57			218,892		35,642		46,476	
58			127,942		37,673		49,845	
59			108,617		39,820		53,457	
60			86,087		42,089		57,332	
61	374		96,830		44,862		61,861	
62	830		107,430		47,851		66,773	
63			94,252		50,567		71,596	
64			80,103		53,449		76,786	
65	62,614		211,994		119,109		144,965	
66			141,310		124,296		153,058	
67					124,952		164,153	
68							149,506	
69							12,404	
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Sample: For Display Only:
Do Not Attempt to Use

Retirement Accounts - Allen

Retire at 65

Age	Balance	Contributions			Withdrawals			Rate of Return		Gross** Minimum distribution
		By participant	By company	Roth 401(k)	Scheduled	Required Min. Distr.*	For spend shortage	% rate	Annual Interest	
	1	2	3	4	5	6	7	8	9	10
51	\$32,000		\$1,800					5.50	\$1,805	
52	35,605		1,870					5.50	2,005	
53	39,480		1,943					5.50	2,220	
54	43,643		2,019					5.50	2,451	
55	48,112		2,098					5.50	2,699	
56	52,908		2,179					5.50	2,965	
57	58,052		2,264					5.50	3,250	
58	63,566		2,353					5.50	3,555	
59	69,474		2,445					5.50	3,883	
60	75,801		2,540					5.50	4,233	
61	82,573		2,639					5.50	4,608	
62	89,819		2,742					5.50	5,009	
63	97,570		2,849					5.50	5,438	
64	105,856		2,960					5.50	5,897	
65	114,712							5.50	6,308	
66	121,020							5.50	6,655	
67	127,675							5.50	7,021	
68	134,696							5.50	7,407	
69	142,103							5.50	7,815	
70	149,917						(149,917)	5.50		
71								5.50		
72								5.50		
73								5.50		
74								5.50		
75								5.50		
76								5.50		
77								5.50		
78								5.50		
79								5.50		
80								5.50		
81								5.50		
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90								5.50		
91								5.50		
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93								5.50		
94								5.50		
95								5.50		

Sample: For Display Only!
Do Not Attempt to Use!

B 19

* Remaining Required Minimum Distribution after adjustment for scheduled withdrawals (columns 4)
 ** Gross Required Minimum Distributions - using either IRS uniform Life Table, or Joint Life Table.

Retirement Accounts - Betty

C10a

Retire at 65

Age	Balance	Contributions			Withdrawals			Rate of Return		Gross** Minimum distribution
		By participant	By company	Roth 401(k)	Scheduled	Required Min. Distr.*	For spend shortage	% rate	Annual Interest	
1	2	3	4	5	6	7	8	9	10	
47	\$27,300	\$2,400	\$1,560				6.50	\$1,894		
48	33,153	2,494	1,621				6.50	2,279		
49	39,546	2,591	1,684				6.50	2,699		
50	46,520	2,692	1,750				6.50	3,157		
51	54,119	2,797	1,818				6.50	3,657		
52	62,390	2,906	1,889				6.50	4,200		
53	71,384	3,019	1,963				6.50	4,790		
54	81,155	3,137	2,039				6.50	5,431		
55	91,762	3,259	2,119				6.50	6,127		
56	103,266	3,387	2,201				6.50	6,881		
57	115,734	3,519	2,287				6.50	7,698		
58	129,237	3,656	2,376				6.50	8,582		
59	143,851	3,798	2,469				6.50	9,539		
60	159,657	3,947	2,565				6.50	10,574		
61	176,742	4,100	2,665				6.50	11,692		
62	195,200	4,260	2,769				6.50	12,900		
63	215,129	4,426	2,877				6.50	14,204		
64	236,636	4,599	2,989				6.50	15,610		
65	259,835						6.50	16,888		
66	276,723						6.50	15,226		
67	200,967						6.50			
68							6.50			
69							6.50			
70							6.50			
71							6.50			
72							6.50			
73							6.50			
74							6.50			
75							6.50			
76							6.50			
77							6.50			
78							6.50			
79							6.50			
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86							6.50			
87							6.50			
88							6.50			
89							6.50			
90							6.50			
91							6.50			

* Remaining Required Minimum Distribution after adjustment for scheduled withdrawals (columns 4)
 ** Gross Required Minimum Distributions - using either IRS uniform Life Table, or Joint Life Table.

Roth IRA - Allen

C11

Retire at 65

Age	Begin year Account balance	Annual additions or withdrawals					Annual interest	
		Annual deposit	Roth 401(k) deposit	Cash withdrawal	Transfer in (out)	Cash flow (shortage)	% rate	Annual interest
	1	2	3	4	5	6	7	8
51	\$2,000	\$7,796					7.13	\$401
52	10,196	7,894					7.13	988
53	19,077	8,995					7.13	1,658
54	29,729	9,100					7.13	2,420
55	41,249	9,208					7.13	3,244
56	53,701	9,321					7.13	4,135
57	67,157	9,437					7.13	5,097
58	81,691	9,557					7.13	6,137
59	97,385	9,682					7.13	7,259
60	114,326	9,811					7.13	8,471
61	132,607	9,944					7.13	9,778
62	152,329	10,082					7.13	11,188
63	173,598	10,225					7.13	12,708
64	196,530	10,373					7.13	14,346
65	221,249						7.13	15,762
66	237,010						7.13	16,885
67	253,894						7.13	18,088
68	271,981						7.13	19,377
69	291,357						7.13	20,758
70	312,114						7.13	22,237
71	334,350					(6,170)	7.13	23,615
72	351,795					(137,081)	7.13	20,498
73	235,211					(149,406)	7.13	11,780
74	97,585					(97,585)	7.13	
75							7.13	
76							7.13	
77							7.13	
78							7.13	
79							7.13	
80							7.13	
81							7.13	
82							7.13	
83							7.13	
84							7.13	
85							7.13	
86							7.13	
87							7.13	
88							7.13	
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90							7.13	
91							7.13	
92							7.13	
93							7.13	
94							7.13	
95							7.13	

Sample: For Display Only:
Do Not Attempt to Use

B 19

Roth IRA - Betty

C11a

Retire at 65

Age	Begin year Account balance	Annual additions or withdrawals					Annual interest	
		Annual deposit	Roth 401(k) deposits	Cash withdrawal	Transfer in (out)	Cash flow (shortage)	% rate	Annual interest
	1	2	3	4	5	6	7	8
47	\$2,000	\$6,796					5.50	\$283
48	9,078	6,894					5.50	674
49	16,646	8,995					5.50	1,144
50	26,785	9,100					5.50	1,705
51	37,589	9,208					5.50	2,302
52	49,099	9,321					5.50	2,938
53	61,357	9,437					5.50	3,615
54	74,408	9,557					5.50	4,336
55	88,300	9,682					5.50	5,103
56	103,084	9,811					5.50	5,919
57	118,813	9,944					5.50	6,787
58	135,544	10,082					5.50	7,711
59	153,337	10,225					5.50	8,694
60	172,255	10,373					5.50	9,738
61	192,366	10,526					5.50	10,848
62	213,740	10,684					5.50	12,027
63	236,451	10,848					5.50	13,281
64	260,579	11,018					5.50	14,612
65	286,208						5.50	15,740
66	301,947						5.50	16,606
67	318,552						5.50	17,519
68	336,070						5.50	18,482
69	354,551						5.50	19,499
70	374,049					(56,487)	5.50	19,125
71	336,687					(158,897)	5.50	14,449
72	192,238					(171,290)	5.50	6,187
73	27,135					(27,135)	5.50	
74							5.50	
75							5.50	
76							5.50	
77							5.50	
78							5.50	
79							5.50	
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Sample: For Display Only:
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B 19

Retirement Plan Summary

C11b

Retire at 65

Age	Balance	Contributions		Withdrawals			Return	Gross** Minimum distribution
		By participant	By company	Scheduled	Required Min. Distr.*	For spend shortage	Annual Interest	
	1	2	3	4	5	6	7	
51	47	\$63,300	\$16,992	\$3,360			\$4,382	
52	48	88,032	17,281	3,491			5,946	
53	49	114,749	20,581	3,627			7,721	
54	50	146,677	20,892	3,769			9,733	
55	51	181,069	21,214	3,916			11,901	
56	52	218,098	21,547	4,068			14,237	
57	53	257,950	21,893	4,227			16,752	
58	54	300,820	22,252	4,392			19,459	
59	55	346,921	22,623	4,563			22,371	
60	56	396,477	23,008	4,741			25,504	
61	57	449,727	23,407	4,926			28,871	
62	58	506,929	23,820	5,118			32,490	
63	59	568,356	24,248	5,318			36,379	
64	60	634,298	24,692	5,525			40,556	
65	61	705,069	14,626	2,665			44,611	
66	62	766,970	14,945	2,769			48,468	
67	63	833,149	15,275	2,877			52,594	
68	64	903,892	15,617	2,989			57,007	
69	65	979,503					61,201	
70	66	1,040,701				(240,898)	54,069	
71	67	853,869				(207,137)	41,134	
72	68	687,865				(137,081)	38,980	
73	69	589,762				(149,406)	31,279	
74	70	471,634				(154,072)	19,125	
75	71	336,687				(158,897)	14,449	
76	72	192,238				(171,290)	6,187	
77	73	27,135				(27,135)		
78	74							
79	75							
80	76							
81	77							
82	78							
83	79							
84	80							
85	81							
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88	84							
89	85							
90	86							
91	87							
92	88							
93	89							
94	90							
95	91							

Summary of retirement and Roth accounts

Stock Options Summary

Retire at 65

Age	Year	Options Exercised		Cash from sale of shares	Reportable for taxes		
		ISO	NQSO		Ordinary Income*	Capital Gains	AMT
51	2006	23,500	37,425	(19,075)	18,350		
52	2007			38,560	1,135		
53	2008	28,120		13,120	13,120		
54	2009						
55	2010						
56	2011						
57	2012						
58	2013						
59	2014						
60	2015						
61	2016						
62	2017						
63	2018						
64	2019						
65	2020						
66	2021						
67	2022						
68	2023						
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91	2046						
92	2047						
93	2048						
94	2049						
95	2050						

Sample: For Display Only:
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* 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.)

Stock Options Worksheet

C13

Retire at 65

Incentive Stock Options

As of: 1/10/2006

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>
Exercise cost	\$15,000	\$12,500	\$35,500

Exercise Information:

Anticipated Exercise date	1/15/2008	2/1/2006	2/1/2005
\$ per share	\$28.12	\$23.50	\$23.50
Exercise value	\$28,120	\$23,500	\$47,000
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>
Net cash results at exercise	\$13,120	\$11,000	\$11,500

Alternative Minimum Tax Income

Ordinary income**	\$13,120	\$11,000	\$11,500
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** 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>
Exercise cost	\$2,500	\$3,625	\$30,075

Exercise Information:

Anticipated Exercise date	10/15/2004	5/5/2005	9/15/2006
\$ per share	\$40.73	\$42.39	\$24.95
Exercise value	\$20,365	\$21,195	\$37,425
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>
Net cash results at exercise	\$25	\$17,570	(\$30,075)
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	\$40.73	\$25.71
Net cash results at future sale	\$17,840	\$38,560
Ordinary income (STCG)		\$1,135
Long term capital gain		

* 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 IRC 409A. Consult your professional tax advisor for guidance.

Stock Options Text

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 do not need to follow any specific IRS regulations. 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 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 IRC 409A. Consult your professional tax advisor for guidance.*

Stock Option Report Notes

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 IRC 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, 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.

Asset Allocation

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						
	100%	100%	100%	100%	100%	

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.

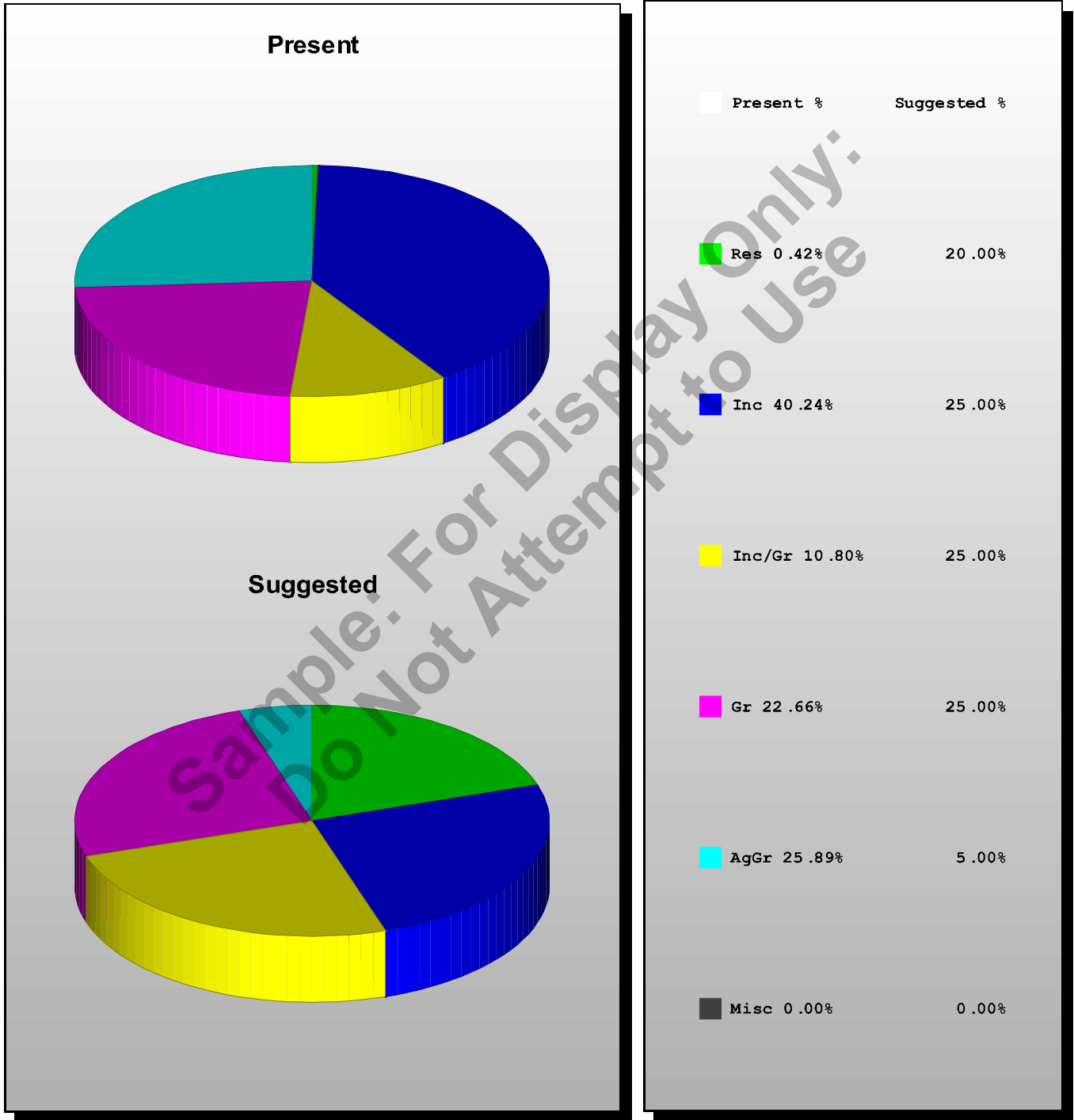
This Asset Allocation does not guarantee a profit or protect against loss in declining markets.

*After consideration of your personal goals and risk level, your suggested asset allocation has been customized to reflect a suggested amount for the various asset classes, shown in the last column on the right.

Asset Allocation Graph

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.



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

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:

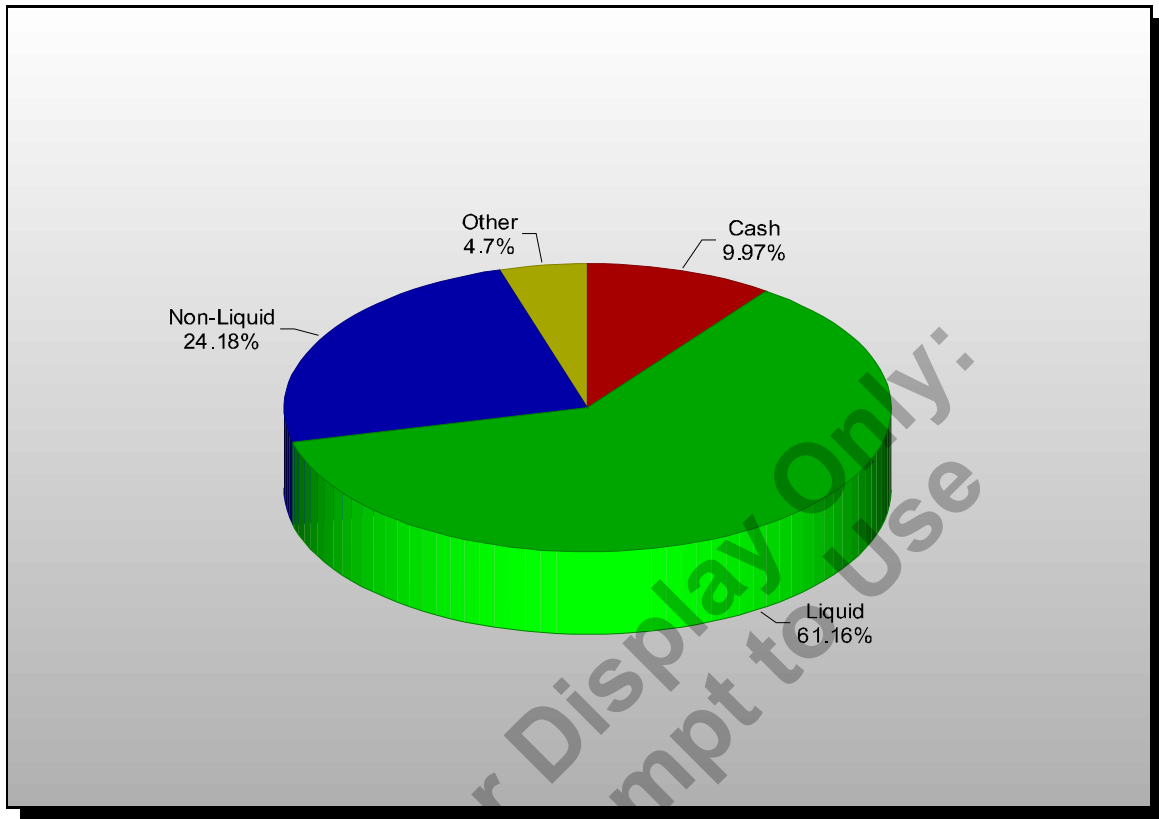
If you place all or most of your financial assets into illiquid assets like real estate, mortgages or notes, small business interests or even tax deferred retirement accounts with severe early withdrawal penalties, then you may find that you no longer have control of your financial future. If your personal 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 covered. As your financial plan is created, we take into consideration your levels of comfort with different types of assets and with consideration for your personal situation and goals.

Liquidity

Retire at 65

C20



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>
Cash & Reserves	\$64,850	\$52,050
Liquid	\$319,360	\$319,360
Non-Liquid	\$487,650	\$126,250
Other	\$24,500	\$24,500

A13

Your total liquidity level including your residence and personal property is 43%.
 Your working asset liquidity ratio (cash and liquid assets divided by all working* assets) is 0%
 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 Assets*</u>	<u>Working Assets**</u>
CASH and RESERVES	\$64,850	\$52,050
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.		
LIQUID INVESTMENTS	\$319,360	\$319,360
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.		
NON-LIQUID ASSETS	\$487,650	\$126,250
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.		
OTHER ASSETS	\$24,500	\$24,500
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, tangibles.		
Total of all assets	\$896,360	\$522,160
Liquid assets (Cash, Reserves and Liquid investments)	\$384,210	\$371,410
Liquidity ratio (Liquid assets divided by Total Assets)	43%	71%

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

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

Income Tax

Analysis of your taxable income sources, exemptions, deductions and federal and state taxes due.

The analysis includes indexing of the federal tax rate brackets, special dividend and capital gain rates, AMT and other items affecting your income tax and financial results.

Sample: For Display Only:
Do Not Attempt to Use

Income Tax Calculation

Retire at 65

Tax Rate Schedules:

The tax calculations prepared in this report use the actual federal tax rate schedules as published by the IRS. In other words, the taxable income reported herein is taxed first at the 10% level, then 15% and so forth, based on the actual breakpoints provided by the IRS. A financial plan that is prepared using only a marginal tax bracket to estimate the amount of taxes due can substantially understate or overstate the actual real tax impact on the plan.

Comparison of assumed marginal rate versus actual tax bracket calculations (married couple.)

\$50,000	- Income Level -	\$50,000	
Using 15% estimated rate	Using 2006 tax rates.	\$33,100 taxable	
Tax due.... \$7,500	Tax due	\$16,900	Exemp & standard ded.
		\$4,833	- a \$2667 difference.

Indexing of tax brackets:

A further complication of the tax planning aspect is the fact that many of the numbers used in computing taxes are "indexed" each year to compensate for the effect of inflation. These include personal exemptions, standard deductions, marginal tax brackets and other items.

Jobs and Growth Tax Relief Reconciliation Act of 2003*

On May 28, 2003 this act was signed into law providing tax cuts for individuals and businesses. It accelerated many of the tax cut provisions that had been introduced with the 2001 Tax Cut Act.

American Jobs Creation & Working Families Tax Relief Acts of 2004*

These acts expanded the tax benefits by accelerating some of the tax reductions and extending a number of additional tax breaks. Of significance was the immediate adoption of the lower tax rates as shown below.

Marginal Tax Bracket percentages:

<u>Pre-tax Act</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2005*</u>
0.0%	10.0%	10.0%	10.0%	10.0%
15.0%	15.0%	15.0%	15.0%	15.0%
28.0%	27.5%	27.0%	25.0%	25.0%
31.0%	30.5%	30.0%	28.0%	28.0%
36.0%	35.5%	35.0%	33.0%	33.0%
39.6%	39.1%	38.6%	35.0%	35.0%

*The 2005 rates shown are intended to remain effective from 2006 through 2010.

Phaseout provisions:

Itemized deductions and personal exemptions are currently phased out for high income taxpayers. The 2003 tax changes make the improvement in the changes for the phaseout of itemized deductions effective immediately.

Other changes:

The Child Tax Credit is increased to \$1,000 in 2003. Marriage penalty relief and a broader 15% rate bracket for joint filers is included in the change. The standard deduction for married couples is increased.

The Alternative Minimum Tax exclusion levels are increased to \$58,000 for married and \$40,250 for single filers through 2005. It is uncertain at this time whether the AMT exclusions shown above will be extended or revised for 2006 and thereafter. Dividends and capital gains will be taxed at a new reduced rate of 5% or 15% depending on the marginal tax bracket of the taxpayer. The 5% and 15% bracket is set to expire after 2008.

Sunset Provision:

Unless Congressional action is taken the 2003 and 2004 changes will revert to the 2001 tables in 2010. Accordingly, the changes listed here may prove to be temporary unless Congress decides that the changes can be made permanent, or other changes are made. It is likely that the rules will look different than any of the above scenarios within a few years.

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%
\$154,800	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.

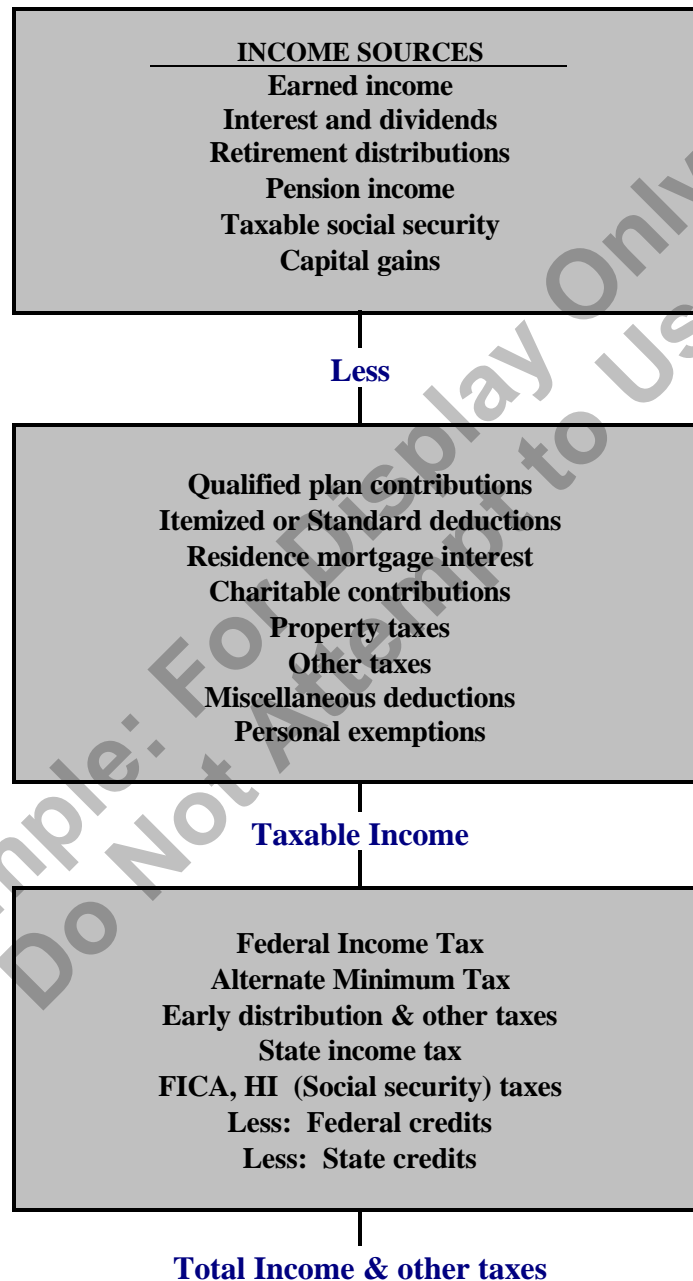
As we work with you to help achieve your personal and financial goals, we will consider the present and future tax implications and their effect on the suggestions we might make for you. The hard part is the anticipation that there will undoubtedly be additional future changes that cannot be accurately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

Income Tax Chart

D2

Retire at 65

Federal income taxes, including personal exemptions and standard deductions, are computed using the IRS tax rate tables with all amounts indexed at 0.00 % per year.



Income Tax - Current Year

D3

Retire at 65

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

INCOME:	<u>Gross</u>	<u>Taxable</u>	
Salaries and wages	\$100,000	\$100,000	B9
Interest	11,576	7,977	C4..C8
Dividends*	3,032	3,032	C6a
Schedule C (self employment)	1,000	1,000	B9
Schedule D (net gain/loss)	3,268	3,268	C6 a
Schedule E (passive gain/loss)	(2,800)	(1,984)	D9
Other taxable income and stock options	18,350	18,350	B12
GROSS TAXABLE INCOME		\$131,643	

Adjustments:			
Retirement plan deposits - Betty		(2,400)	
Self Employment FICA	142	(71)	D15
ADJUSTED GROSS INCOME		\$129,172	

Itemized Deductions:	<u>Gross</u>	<u>Allowed</u>	
Mortgage interest	\$5,867	\$5,867	D10
Charitable contributions	750	750	
Property taxes and other taxes	3,500	3,500	
State taxes	7,863	7,863	
Misc Itemized deductions	8,750	6,498	
Itemized deductions		\$24,479	(24,479) D11
or Standard deduction		\$10,300	
Personal exemptions (4)			(13,200) D7
TAXABLE INCOME			\$91,494

TAX SUMMARY:			
Federal Income Tax		\$15,358	
FICA (Social Security) & HI Tax		7,791	
Alternative Minimum Tax		568	
Other Taxes or (credits)		(850)	
State Income Tax		7,863	
TOTAL TAXES		\$30,730	

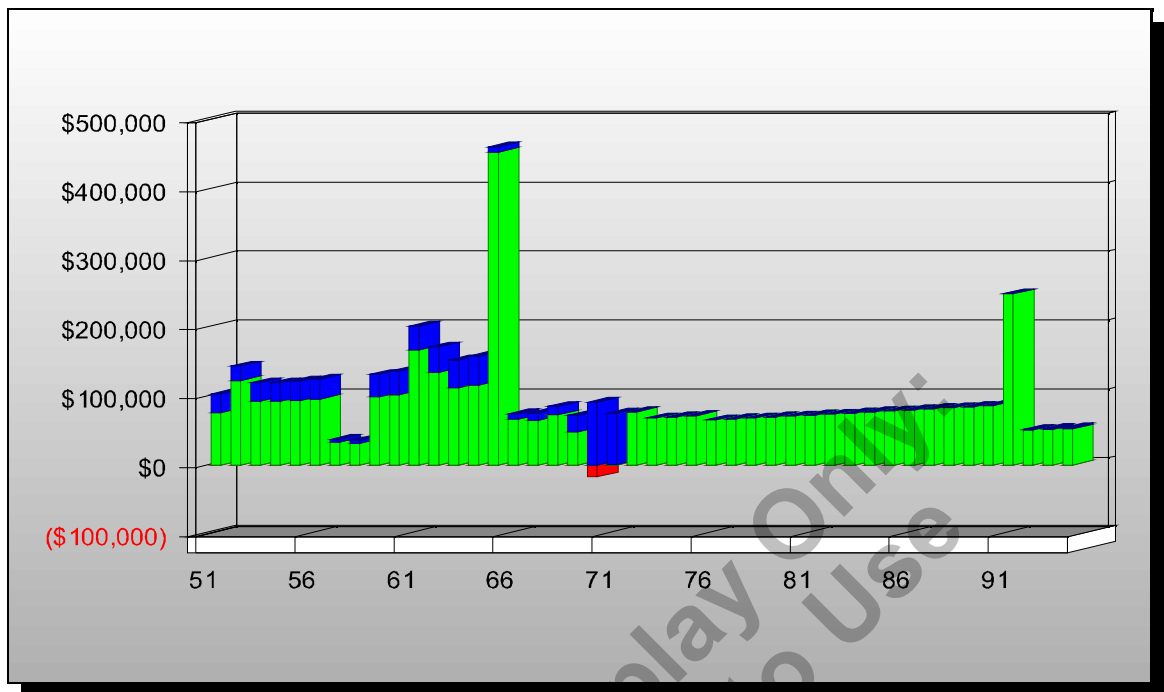
Your combined federal & state marginal tax bracket is 34.00% .

Your total taxes equal 23.79 % of your Adjusted Gross Income, and 33.59% of your Taxable income.

Tax -vs- Income

D4

Retire at 65



Spendable income is defined here as your total sources of funds less the amount owed for taxes each year. Included in income sources are . . .

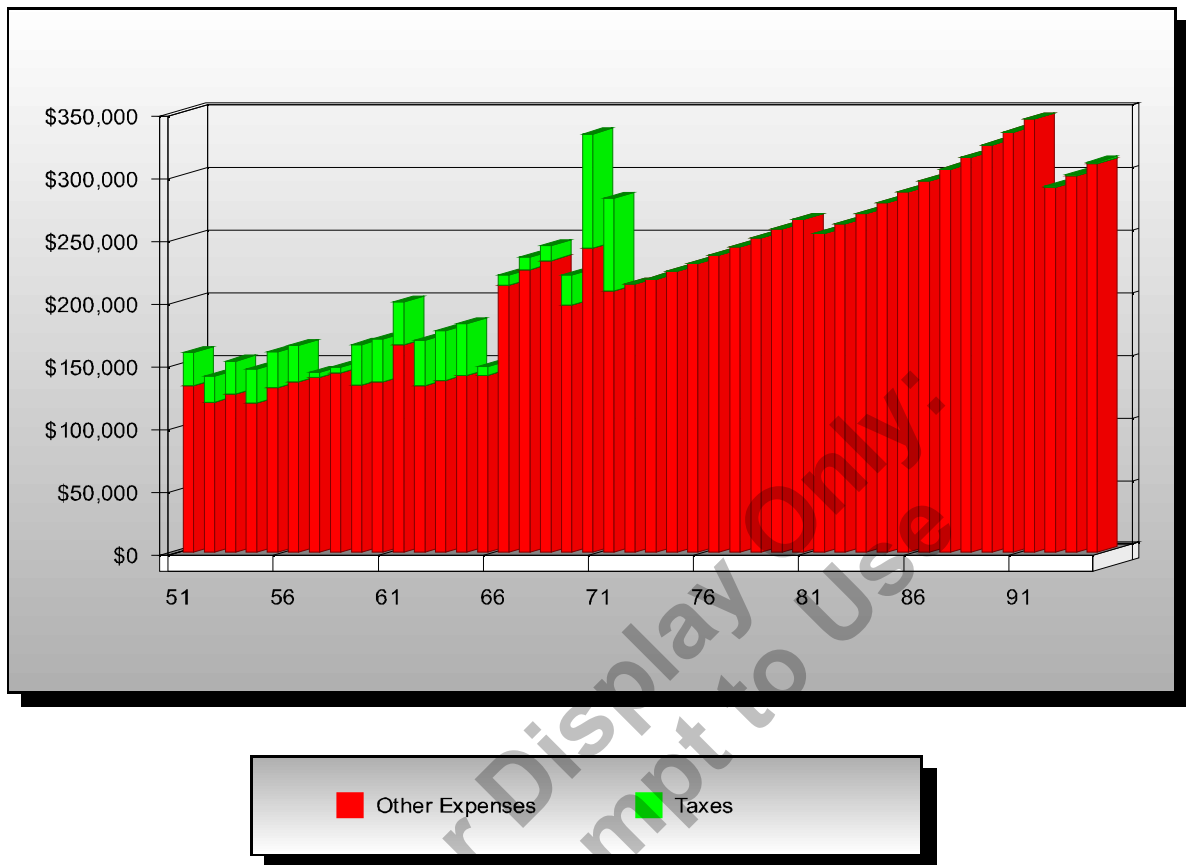
- Earned income (salaries & wages)
- Pension and social security income
- Interest and dividends taken in cash
- Other (misc. income, net proceeds from sale of residence, life insurance proceeds, etc.)

Generally, income taxes will be highest during your earning years. In your later years as you start consuming your savings and investment accounts, the amount of income tax will gradually decrease as a percent of total income. There may be periods when the income tax is greater than the income sources. This usually occurs when you are drawing from capital accounts to meet your need for income.

Tax -vs- Expense Graph

D5

Retire at 65



In a given year there are many factors that affect the amount of income and other taxes payable. This graph attempts to show the amount of taxes paid each year compared to other expenses. the expenses covered include . . .

- Personal living expenses
- Life insurance premiums
- Debt payments
- Asset and retirement account deposits
- Other misc. expenses.

Causes for high taxes relative to other expenses could include increased distributions from pension plans or other qualified plans, liquidation of assets generating a capital gain, liquidation of tax-deferred investments or higher amounts of earned income compared to the scheduled expenses.

Tax Summary

Retire at 65

Age	Federal Income Tax Amounts					State tax	State credits	FICA and HI tax	Total taxes
	Federal income tax	Additional AMT tax	Federal credits*	Early distr. & other tax	Total Fed. income tax				
	1	2	3	4	5	6	7	8	9
51	\$11,214	\$568	(\$850)		\$10,932	\$8,141	(\$278)	\$7,791	\$26,586
52	7,511		(1,000)		6,511	6,306	(146)	7,939	20,610
53	11,494		(950)		10,544	7,968	(146)	8,093	26,459
54	11,103		(1,000)		10,103	7,836	(146)	9,087	26,880
55	11,237	74			11,311	7,913	(146)	9,275	28,353
56	11,600	164			11,764	8,126	(396)	9,469	28,962
57	522				522	1,074	(264)	2,818	4,150
58	626				626	1,295	(264)	2,818	4,475
59	14,084				14,084	8,755	(264)	9,929	32,504
60	15,190	158			15,348	9,206	(264)	9,998	34,288
61	15,378	289			15,667	8,994	(264)	10,071	34,468
62	16,525	551			17,076	9,459	(264)	10,147	36,419
63	18,222	891			19,113	10,325	(264)	10,227	39,401
64	19,403	1,163			20,566	10,812	(264)	10,311	41,425
65	2,147				2,147	2,384	(264)	2,677	6,944
66	2,338				2,338	3,172	(264)	2,677	7,923
67	2,952				2,952	4,495	(264)	2,677	9,860
68	5,483				5,483	4,192	(264)	2,677	12,088
69	14,294	1,183			15,477	8,458	(264)		23,671
70	59,433	7,791			67,224	23,892	(264)		90,852
71	47,583	6,469			54,052	20,338	(264)		74,126
72						232	(232)		
73						232	(232)		
74						232	(232)		
75						232	(232)		
76						232	(232)		
77						232	(232)		
78						232	(232)		
79						232	(232)		
80						232	(232)		
81						232	(232)		
82						232	(232)		
83						232	(232)		
84						232	(232)		
85						232	(232)		
86						232	(232)		
87						232	(232)		
88						232	(232)		
89						232	(232)		
90						232	(232)		
91						232	(232)		
92		765			765	58	(58)		765
93		1,069			1,069	58	(58)		1,069
94		1,381			1,381	58	(58)		1,381
95									
	D8	D 12		D 13		D 17	D 17	D 15	

*Includes child tax credits

Note - it is assumed that the 2001, 2003 and 2004 tax changes are extended past 2010. See Tax Comments report for details.

Taxable Income Analysis

D7

Retire at 65

Age	Earned income (incl. non-cash)	Interest Dividend Cap Gain	Qualified plan distrib.	Other taxable income**	Pension plans	Taxable Soc. Secur.	Adjustments	AGI (Including cap gain)	Less*		Taxable Ordinary income	Net cap. gain/loss dividend
									Exemptions	Item/Std deduc.		
	1	2	3	4	5	6	7	8	9	10	11	12
51	\$101,000	\$14,276		\$16,366			(\$19,046)	\$112,596	\$13,200	\$24,479	\$68,618	\$6,300
52	102,950	13,651		(2,681)			(21,168)	92,752	9,900	23,187	52,831	6,833
53	104,959	13,421		13,120			(20,652)	110,848	9,900	24,481	69,099	7,367
54	117,955	12,386					(20,962)	109,378	9,900	24,349	67,190	7,938
55	120,413	11,036					(21,284)	110,165	9,900	24,356	67,361	8,547
56	122,946	10,828					(21,618)	112,155	9,900	24,195	67,769	10,291
57	36,000	21,321					(21,964)	35,357	6,600	18,696	390	9,671
58	36,000	23,940					(22,322)	37,618	6,600	18,721	228	12,068
59	131,524	9,806					(22,636)	118,694	6,600	24,370	78,112	9,612
60	136,300	10,093					(23,021)	123,372	6,600	24,493	82,338	9,941
61	141,315	2,895					(23,420)	120,790	6,600	24,051	87,431	2,709
62	146,581	3,240					(23,833)	125,988	6,600	24,543	91,840	3,005
63	152,110	8,083					(24,262)	135,932	6,600	25,734	95,682	7,916
64	157,916	8,550					(24,706)	141,760	6,600	26,643	100,109	8,407
65	35,000	8,697			6,600	14,829	(14,626)	50,500	6,600	20,596	17,373	5,930
66	35,000	16,225		5,000	6,732	23,460	(14,945)	71,473	6,600	33,601	15,298	15,973
67	35,000	30,253		5,200	6,867	23,930	(15,275)	85,974	6,600	34,727	14,395	30,253
68	35,000	26,547		5,408	7,004	24,408	(15,617)	82,750	6,600	34,563	41,588	
69		73,971		5,624	7,144	42,531		129,270	6,600	37,951	84,719	
70			240,898	5,849	7,287	43,381		297,415	6,600	50,053	240,763	
71			200,967	6,083	7,433	44,249		258,732	6,600	47,278	204,854	
72				6,327	7,581	4,229		18,137	6,600	31,993		
73				6,580	7,733	4,697		19,010	6,600	31,922		
74				6,843	7,888	5,176		19,907	6,600	31,817		
75				7,117	8,045	5,668		20,831	6,600	31,674		
76					8,206	2,472		10,678	6,600	31,711		
77					8,370	2,842		11,212	6,600	31,490		
78					8,538	3,218		11,756	6,600	31,220		
79					8,709	3,603		12,311	6,600	30,896		
80					8,883	3,995		12,878	6,600	30,514		
81					9,060	4,395		13,455	6,600	30,688		
82					9,242	4,803		14,044	6,600	31,585		
83					9,426	5,219		14,645	6,600	32,509		
84					9,615	5,643		15,258	6,600	33,460		
85					9,807	6,129		15,936	6,600	34,438		
86					10,003	6,880		16,883	6,600	35,440		
87					10,203	7,645		17,849	6,600	36,471		
88					10,408	8,426		18,834	6,600	37,533		
89					10,616	9,223		19,838	6,600	38,626		
90					10,828	10,035		20,863	6,600	39,752		
91					11,045	10,864		21,908	6,600	40,911		
92					5,633	1,863		7,496	3,300	42,414		
93					5,745	2,150		7,896	3,300	43,656		
94					5,860	2,443		8,304	3,300	44,935		
95												
	D18	D7a	C10a..C10e	D9	B10	D17	D9	D6	D6	D6		C6a

*Adjusted for 2001 Tax Act repeal of phaseout provision. ** Includes stock options, passive gain/loss and other income items..

Interest, Dividend, Capital Gain Sources

D7a

Retire at 65

Age	Taxable interest				Dividends	Capital Gain / Loss				
	Taxable account	Tax deferred account	Equity account	Total interest		Equity CG distr.	Sale of assets	Resid. sale, Stock opt.	Additional gain/loss	Total CG/Loss
	1	2	3	4	5	6	7	8	9	10
51	\$7,576		\$401	\$7,977	\$3,032	\$3,268				\$3,268
52	6,383		435	6,818	3,288	3,545				3,545
53	5,585		469	6,054	3,545	3,822				3,822
54	3,942		506	4,448	3,820	4,118				4,118
55	1,945		544	2,489	4,113	4,435				4,435
56			537	537	4,056	4,373	1,862			6,235
57			390	390	2,947	3,177	14,809			17,986
58			228	228	1,722	1,857	20,134			21,991
59			194	194	1,462	1,576	6,574			8,150
60			153	153	1,159	1,249	7,533			8,782
61	14		173	187	1,304	1,405				1,405
62	44		191	235	1,446	1,559				1,559
63			168	168	1,269	1,368	5,280			6,648
64			143	143	1,078	1,163	6,167			7,330
65	2,389		378	2,767	2,854	3,077				3,077
66			252	252	1,902	2,051	12,021			14,072
67							30,253			30,253
68		26,547		26,547						
69		73,971		73,971						
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Sample: For Display Only:
Do Not Attempt to Use

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Federal Income Tax Worksheet

D8

Retire at 65

Age	Filing status	Taxable	Capital	Marginal rate brackets indexed at 0.0 %*					Max	Capital	Ordinary	Total
		Ordinary income	Gain & dividend	4	5	6	7	8	CG rate**	gain & div. tax	income tax	tax
	1	2	3	4	5	6	7	8	9	10	11	12
51	Joint	\$68,618	\$6,300	\$15,100	\$61,300	\$123,700	\$188,450	\$336,550	15%	\$945	\$10,269	\$11,214
52	Joint	52,831	6,833	15,100	61,300	123,700	188,450	336,550	5%	342	7,170	7,511
53	Joint	69,099	7,367	15,100	61,300	123,700	188,450	336,550	15%	1,105	10,390	11,495
54	Joint	67,190	7,938	15,100	61,300	123,700	188,450	336,550	15%	1,191	9,913	11,103
55	Joint	67,361	8,547	15,100	61,300	123,700	188,450	336,550	15%	1,282	9,955	11,237
56	Joint	67,769	10,291	15,100	61,300	123,700	188,450	336,550	15%	1,544	10,057	11,601
57	Joint	390	9,671	15,100	61,300	123,700	188,450	336,550	5%	484	39	523
58	Joint	228	12,068	15,100	61,300	123,700	188,450	336,550	5%	603	23	626
59	Joint	78,112	9,612	15,100	61,300	123,700	188,450	336,550	15%	1,442	12,643	14,085
60	Joint	82,338	9,941	15,100	61,300	123,700	188,450	336,550	15%	1,491	13,700	15,191
61	Joint	87,431	2,709	15,100	61,300	123,700	188,450	336,550	15%	406	14,973	15,379
62	Joint	91,840	3,005	15,100	61,300	123,700	188,450	336,550	15%	451	16,075	16,526
63	Joint	95,682	7,916	15,100	61,300	123,700	188,450	336,550	15%	1,187	17,035	18,223
64	Joint	100,109	8,407	15,100	61,300	123,700	188,450	336,550	15%	1,261	18,142	19,403
65	Joint	17,373	5,930	15,100	61,300	123,700	188,450	336,550	5%	297	1,851	2,148
66	Joint	15,298	15,973	15,100	61,300	123,700	188,450	336,550	5%	799	1,540	2,338
67	Joint	14,395	30,253	15,100	61,300	123,700	188,450	336,550	5%	1,513	1,439	2,952
68	Joint	41,588		15,100	61,300	123,700	188,450	336,550			5,483	5,483
69	Joint	84,719		15,100	61,300	123,700	188,450	336,550			14,295	14,295
70	Joint	240,763		15,100	61,300	123,700	188,450	336,550			59,433	59,433
71	Joint	204,854		15,100	61,300	123,700	188,450	336,550			47,583	47,583
72	Joint			15,100	61,300	123,700	188,450	336,550				
73	Joint			15,100	61,300	123,700	188,450	336,550				
74	Joint			15,100	61,300	123,700	188,450	336,550				
75	Joint			15,100	61,300	123,700	188,450	336,550				
76	Joint			15,100	61,300	123,700	188,450	336,550				
77	Joint			15,100	61,300	123,700	188,450	336,550				
78	Joint			15,100	61,300	123,700	188,450	336,550				
79	Joint			15,100	61,300	123,700	188,450	336,550				
80	Joint			15,100	61,300	123,700	188,450	336,550				
81	Joint			15,100	61,300	123,700	188,450	336,550				
82	Joint			15,100	61,300	123,700	188,450	336,550				
83	Joint			15,100	61,300	123,700	188,450	336,550				
84	Joint			15,100	61,300	123,700	188,450	336,550				
85	Joint			15,100	61,300	123,700	188,450	336,550				
86	Joint			15,100	61,300	123,700	188,450	336,550				
87	Joint			15,100	61,300	123,700	188,450	336,550				
88	Joint			15,100	61,300	123,700	188,450	336,550				
89	Joint			15,100	61,300	123,700	188,450	336,550				
90	Joint			15,100	61,300	123,700	188,450	336,550				
91	Joint			15,100	61,300	123,700	188,450	336,550				
92	Single			15,100	30,650	74,200	154,800	336,550				
93	Single			7,550	30,650	74,200	154,800	336,550				
94	Single			7,550	30,650	74,200	154,800	336,550				
95												

* Tax rates vary based on 2001 & 2003 Tax Acts. See "Income Tax Details" page. Includes marriage tax penalty relief.

**Note - it is assumed that the 2001, 2003 and 2004 tax changes are extended past 2010. See Tax Comments report for details.

Adjustments to Income, Passive Income

D9

Retire at 65

Age	Qualified plan contrib.	One half self empl taxes	Self empl medical premiums	Alimony	Other adjustments	Total adjustments	Passive gain or (loss)	Allowable amount	Loss carry forward
	1	2	3	4	5	7	8	9	10
51	\$16,992	\$71				\$17,063	(\$2,800)	(\$1,984)	(\$816)
52	17,281	71				17,352	(3,000)	(3,816)	
53	20,581	71				20,652			
54	20,892	71				20,962			
55	21,214	71				21,284			
56	21,547	71				21,618			
57	21,893	71				21,964			
58	22,252	71				22,322			
59	22,623	13				22,636			
60	23,008	13				23,021			
61	23,407	13				23,420			
62	23,820	13				23,833			
63	24,248	13				24,262			
64	24,692	13				24,706			
65	14,626					14,626			
66	14,945					14,945			
67	15,275					15,275			
68	15,617					15,617			
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D 15

Itemized Deduction & Exemption

Retire at 65

Ages		Mortgage interest deduct.	Medical expense & premium	Charitable contribution	Property & other tax	Other deductible interest	State tax	Misc. Item. deduct.	Total Item. deduct.	No. Exmp	Personal exemption 3,300
		1	2	3	4	5	6	7	8	9	10
51	47	\$5,867		\$750	\$3,500		\$7,863	\$6,498	\$24,479	4	\$3,300
52	48	5,501		773	3,596		6,160	7,157	23,187	3	3,300
53	49	5,102		796	3,695		7,822	7,066	24,481	3	3,300
54	50	4,669		820	3,797		7,690	7,374	24,349	3	3,300
55	51	4,199		844	3,901		7,767	7,645	24,356	3	3,300
56	52	3,687		869	4,008		7,730	7,901	24,195	3	3,300
57	53	3,131		896	4,119		810	9,741	18,696	2	3,300
58	54	2,527		922	4,232		1,031	10,009	18,721	2	3,300
59	55	1,870		950	4,348		8,491	8,710	24,370	2	3,300
60	56	1,155		979	4,468		8,942	8,949	24,493	2	3,300
61	57	379		1,008	4,591		8,730	9,343	24,051	2	3,300
62	58			1,038	4,717		9,195	9,592	24,543	2	3,300
63	59			1,069	4,847		10,061	9,757	25,734	2	3,300
64	60			1,101	4,980		10,548	10,014	26,643	2	3,300
65	61			1,134	5,117		2,120	12,225	20,596	2	3,300
66	62	12,064		1,168	5,258		2,908	12,203	33,601	2	3,300
67	63	11,568		1,204	5,402		4,231	12,322	34,727	2	3,300
68	64	11,036		1,240	5,551		3,928	12,807	34,563	2	3,300
69	65	10,466		1,277	5,703		8,194	12,311	37,951	2	3,300
70	66	9,855		1,315	5,860		23,628	9,395	50,053	2	3,300
71	67	9,199		1,355	6,021		20,074	10,629	47,278	2	3,300
72	68	8,496		1,395	6,187			15,915	31,993	2	3,300
73	69	7,742		1,437	6,357			16,386	31,922	2	3,300
74	70	6,934		1,480	6,532			16,871	31,817	2	3,300
75	71	6,067		1,525	6,712			17,370	31,674	2	3,300
76	72	5,138		1,570	6,896			18,107	31,711	2	3,300
77	73	4,141		1,617	7,086			18,646	31,490	2	3,300
78	74	3,072		1,666	7,281			19,201	31,220	2	3,300
79	75	1,926		1,716	7,481			19,773	30,896	2	3,300
80	76	698		1,767	7,687			20,362	30,514	2	3,300
81	77			1,820	7,898			20,969	30,688	2	3,300
82	78			1,875	8,115			21,595	31,585	2	3,300
83	79			1,931	8,338			22,239	32,509	2	3,300
84	80			1,989	8,568			22,903	33,460	2	3,300
85	81			2,049	8,803			23,585	34,438	2	3,300
86	82			2,110	9,045			24,284	35,440	2	3,300
87	83			2,174	9,294			25,003	36,471	2	3,300
88	84			2,239	9,550			25,744	37,533	2	3,300
89	85			2,306	9,812			26,508	38,626	2	3,300
90	86			2,375	10,082			27,294	39,752	2	3,300
91	87			2,447	10,360			28,105	40,911	2	3,300
92	88			2,520	10,644			29,249	42,414	1	3,300
93	89			2,596	10,937			30,123	43,656	1	3,300
94	90			2,673	11,238			31,023	44,935	1	3,300
95	91										

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Itemized Deduction Phaseout

D11

Retire at 65

Age	Indexed Standard Deduction*	Itemized Deduction phaseout calculations							Adjusted ID
		Gross ID	Net ID times 80%	AGI	Phaseout threshold	AGI less floor	3.00% times 6	Disallowed *	
	1	2	3	4	5	6	7	8	9
51	\$10,300	\$24,479	\$19,583	\$112,596	\$150,500				\$24,479
52	10,300	23,187	18,550	92,752	150,500				23,187
53	10,300	24,481	19,585	110,848	150,500				24,481
54	10,300	24,349	19,479	109,378	150,500				24,349
55	10,300	24,356	19,485	110,165	150,500				24,356
56	10,300	24,195	19,356	112,155	150,500				24,195
57	10,300	18,696	14,957	35,357	150,500				18,696
58	10,300	18,721	14,977	37,618	150,500				18,721
59	10,300	24,370	19,496	118,694	150,500				24,370
60	10,300	24,493	19,594	123,372	150,500				24,493
61	10,300	24,051	19,241	120,790	150,500				24,051
62	10,300	24,543	19,634	125,988	150,500				24,543
63	10,300	25,734	20,587	135,932	150,500				25,734
64	10,300	26,643	21,315	141,760	150,500				26,643
65	11,300	20,596	16,477	50,500	150,500				20,596
66	11,300	33,601	26,881	71,473	150,500				33,601
67	11,300	34,727	27,781	85,974	150,500				34,727
68	11,300	34,563	27,650	82,750	150,500				34,563
69	12,300	37,951	30,361	129,270	150,500				37,951
70	12,300	50,053	40,042	297,415	150,500	146,915	4,407		50,053
71	12,300	47,278	37,823	258,732	150,500	108,232	3,247		47,278
72	12,300	31,993	25,595	18,137	150,500				31,993
73	12,300	31,922	25,538	19,010	150,500				31,922
74	12,300	31,817	25,453	19,907	150,500				31,817
75	12,300	31,674	25,339	20,831	150,500				31,674
76	12,300	31,711	25,369	10,678	150,500				31,711
77	12,300	31,490	25,192	11,212	150,500				31,490
78	12,300	31,220	24,976	11,756	150,500				31,220
79	12,300	30,896	24,717	12,311	150,500				30,896
80	12,300	30,514	24,411	12,878	150,500				30,514
81	12,300	30,688	24,550	13,455	150,500				30,688
82	12,300	31,585	25,268	14,044	150,500				31,585
83	12,300	32,509	26,007	14,645	150,500				32,509
84	12,300	33,460	26,768	15,258	150,500				33,460
85	12,300	34,438	27,550	15,936	150,500				34,438
86	12,300	35,440	28,352	16,883	150,500				35,440
87	12,300	36,471	29,177	17,849	150,500				36,471
88	12,300	37,533	30,026	18,834	150,500				37,533
89	12,300	38,626	30,901	19,838	150,500				38,626
90	12,300	39,752	31,801	20,863	150,500				39,752
91	12,300	40,911	32,729	21,908	150,500				40,911
92	6,400	42,414	33,931	7,496	150,500				42,414
93	6,400	43,656	34,925	7,896	150,500				43,656
94	6,400	44,935	35,948	8,304	150,500				44,935
95									

D 10

D7

*Adjusted for 2001 tax code changes and repeal of phaseouts.

Alternative Minimum Tax Worksheet

D12

Retire at 65

Age	Taxable inc.	Muni	Item. ded.	Other	Less	AMT Tax on Ordinary Income			AMT Tax on Capital Gains			Tentative minimum tax
	+Exempt. + CG/Div.	bond income	adjust-ments	pref. item + st. opt.	exempt. amount*	Taxable (less CG)	Tax at 26%	Tax at 28%	Taxable Cap. Gain	Tax rate	Tax	
	1	3	3	4	5	6	7	8	9	10	11	12
51	\$88,118		\$17,861		(\$58,000)	\$41,679	\$10,837		\$6,300	15%	\$945	\$11,782
52	69,564		16,914		(58,000)	21,645	5,628		6,833	15%	1,025	6,653
53	86,366		18,583		(58,000)	39,582	10,291		7,367	15%	1,105	11,396
54	85,029		18,860		(58,000)	37,951	9,867		7,938	15%	1,191	11,058
55	85,809		19,313		(58,000)	38,574	10,029		8,547	15%	1,282	11,311
56	87,960		19,639		(58,000)	39,307	10,220		10,291	15%	1,544	11,764
57	16,661		14,670		(58,000)	(36,340)						
58	18,896		15,272		(58,000)	(35,900)						
59	94,324		21,550		(58,000)	48,262	12,548		9,612	15%	1,442	13,990
60	98,879		22,359		(58,000)	53,297	13,857		9,941	15%	1,491	15,348
61	96,739		22,664		(58,000)	58,695	15,261		2,709	15%	406	15,667
62	101,445		23,505		(58,000)	63,944	16,626		3,005	15%	451	17,076
63	110,198		24,665		(58,000)	68,946	17,926		7,916	15%	1,187	19,113
64	115,117		25,542		(58,000)	74,251	19,305		8,407	15%	1,261	20,566
65	29,903		19,462		(58,000)	(14,565)						
66	37,872		20,368		(58,000)	(15,733)			240	5%	12	12
67	51,248		21,955		(58,000)	(15,050)			15,203	5%	760	760
68	48,188		22,286		(58,000)	12,474	3,243					3,243
69	91,319		26,208		(58,000)	59,527	15,477					15,477
70	247,363		38,883		(33,659)	252,586	45,500	21,724				67,224
71	211,454		36,725		(42,637)	205,542	45,500	8,552				54,052
72	6,600		22,102		(58,000)	(29,298)						
73	6,600		22,743		(58,000)	(28,657)						
74	6,600		23,403		(58,000)	(27,997)						
75	6,600		24,082		(58,000)	(27,318)						
76	6,600		25,003		(58,000)	(26,397)						
77	6,600		25,732		(58,000)	(25,668)						
78	6,600		26,482		(58,000)	(24,918)						
79	6,600		27,254		(58,000)	(24,146)						
80	6,600		28,049		(58,000)	(23,351)						
81	6,600		28,868		(58,000)	(22,532)						
82	6,600		29,710		(58,000)	(21,690)						
83	6,600		30,578		(58,000)	(20,822)						
84	6,600		31,471		(58,000)	(19,929)						
85	6,600		32,389		(58,000)	(19,011)						
86	6,600		33,329		(58,000)	(18,071)						
87	6,600		34,297		(58,000)	(17,103)						
88	6,600		35,294		(58,000)	(16,106)						
89	6,600		36,320		(58,000)	(15,080)						
90	6,600		37,376		(58,000)	(14,024)						
91	6,600		38,464		(58,000)	(12,936)						
92	3,300		39,894		(40,250)	2,944	765					765
93	3,300		41,060		(40,250)	4,110	1,069					1,069
94	3,300		42,261		(40,250)	5,311	1,381					1,381
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*Includes 2001 tax law increase to exemption in 2001-2004.

Early Distribution Penalty Tax

Retire at 65

Age	Allen			Betty			Tax Deferred Accounts	Early distribution penalty
	Pension income	Account distributions	Total qual. plan income	Pension income	Account distributions	Total qual. plan income		
	1	2	3	4	5	6		7
51								
52								
53								
54								
55								
56								
57								
58								
59								
60								
61								
62								
63								
64								
65	6,600		6,600					
66	6,732		6,732					
67	6,867		6,867					
68	7,004		7,004				26,547	
69	7,144		7,144				148,965	
70	7,287	149,917	157,204		90,981	90,981	19,051	
71	7,433		7,433		200,967	200,967		
72	7,581		7,581					
73	7,733		7,733					
74	7,888		7,888					
75	8,045		8,045					
76	8,206		8,206					
77	8,370		8,370					
78	8,538		8,538					
79	8,709		8,709					
80	8,883		8,883					
81	9,060		9,060					
82	9,242		9,242					
83	9,426		9,426					
84	9,615		9,615					
85	9,807		9,807					
86	10,003		10,003					
87	10,203		10,203					
88	10,408		10,408					
89	10,616		10,616					
90	10,828		10,828					
91	11,045		11,045					
92	5,633		5,633					
93	5,745		5,745					
94	5,860		5,860					
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Additional Tax & Deductions

Retire at 65

Age	Federal (credits) or addit'l tax	State (credits) or addit'l tax	Incr/Decr to Federal taxable inc.	Incr/Decr to State taxable inc.	Other preference AMT income	Additional capital gain, (loss)
	1	2	3	4	7	8
51		\$250		(\$2,200)		
52		250		(2,200)		
53		250		(2,200)		
54		250		(2,200)		
55		250		(2,200)		
56				(2,200)		
57				(2,200)		
58				(2,200)		
59				(2,200)		
60				(2,200)		
61				(2,200)		
62				(2,200)		
63				(2,200)		
64				(2,200)		
65				(2,200)		
66				(2,200)		
67				(2,200)		
68				(2,200)		
69				(2,200)		
70				(2,200)		
71				(2,200)		
72				(2,200)		
73				(2,200)		
74				(2,200)		
75				(2,200)		
76				(2,200)		
77				(2,200)		
78				(2,200)		
79				(2,200)		
80				(2,200)		
81				(2,200)		
82				(2,200)		
83				(2,200)		
84				(2,200)		
85				(2,200)		
86				(2,200)		
87				(2,200)		
88				(2,200)		
89				(2,200)		
90				(2,200)		
91				(2,200)		
92				(2,200)		
93				(2,200)		
94				(2,200)		
95				(2,200)		

Sample: For Display Only: Do Not Attempt to Use

FICA Worksheet

Retire at 65

Age	Maximum Soc Sec wage base	Allen			Age	Betty		
		Wages 6.20%	Self empl 12.40%	Hosp ins. 1.45% 2.90%		Wages 6.20%	Self empl 12.40%	Hosp ins. 1.45% 2.90%
	1	2	3	4		5	6	7
51	\$94,200	\$4,030	\$115	\$969	47	\$2,170		\$508
52	94,200	4,151	115	998	48	2,170		507
53	94,200	4,275	115	1,027	49	2,170		507
54	94,200	5,081	115	1,215	50	2,170		507
55	94,200	5,234	115	1,251	51	2,170		507
56	94,200	5,391	115	1,287	52	2,170		507
57	94,200		115	27	53	2,170		507
58	94,200		115	27	54	2,170		507
59	94,200	5,840		1,412	55	2,170		507
60	94,200	5,840		1,481	56	2,170		507
61	94,200	5,840		1,554	57	2,170		507
62	94,200	5,840		1,630	58	2,170		507
63	94,200	5,840		1,710	59	2,170		507
64	94,200	5,840		1,795	60	2,170		507
65	94,200				61	2,170		507
66	94,200				62	2,170		507
67	94,200				63	2,170		507
68	94,200				64	2,170		507
69	94,200				65			
70	94,200				66			
71	94,200				67			
72	94,200				68			
73	94,200				69			
74	94,200				70			
75	94,200				71			
76	94,200				72			
77	94,200				73			
78	94,200				74			
79	94,200				75			
80	94,200				76			
81	94,200				77			
82	94,200				78			
83	94,200				79			
84	94,200				80			
85	94,200				81			
86	94,200				82			
87	94,200				83			
88	94,200				84			
89	94,200				85			
90	94,200				86			
91					87			
92					88			
93					89			
94					90			
95					91			

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Taxable Social Security Worksheet

Retire at 65

Ages	Adjusted gross income (SS)	Tax-free interest	Social Security	Pre '94 Taxable		Post '93 taxable		Current year taxable
				Exclusion amount*	Taxable SS	Exclusion amount*	Taxable SS	
	1	2	3	4	5	6	7	8
51 47	\$112,596	\$1,425		\$32,000		\$44,000		
52 48	92,752	1,525		32,000		44,000		
53 49	110,848	1,627		32,000		44,000		
54 50	109,378	1,720		32,000		44,000		
55 51	110,165	1,818		32,000		44,000		
56 52	112,155	1,922		32,000		44,000		
57 53	35,357	2,031		32,000		44,000		
58 54	37,618	2,147		32,000		44,000		
59 55	118,694	2,269		32,000		44,000		
60 56	123,372	2,399		32,000		44,000		
61 57	120,790	2,547		32,000		44,000		
62 58	125,988	2,716		32,000		44,000		
63 59	135,932	2,882		32,000		44,000		
64 60	141,760	3,046		32,000		44,000		
65 61	35,671	5,187	27,059	32,000	11,194	44,000	14,829	14,829
66 62	48,012	7,084	27,600	32,000	13,800	44,000	23,460	23,460
67 63	62,045	7,286	28,152	32,000	14,076	44,000	23,930	23,930
68 64	58,342		28,715	32,000	14,358	44,000	24,408	24,408
69 65	86,739		50,036	32,000	25,018	44,000	42,531	42,531
70 66	254,034		51,037	32,000	25,518	44,000	43,381	43,381
71 67	214,483		52,058	32,000	26,029	44,000	44,249	44,249
72 68	13,908		53,099	32,000	4,229	44,000	4,229	4,229
73 69	14,313		54,161	32,000	4,697	44,000	4,697	4,697
74 70	14,731		55,244	32,000	5,176	44,000	5,176	5,176
75 71	15,162		56,349	32,000	5,668	44,000	5,668	5,668
76 72	8,206		57,476	32,000	2,472	44,000	2,472	2,472
77 73	8,370		58,625	32,000	2,842	44,000	2,842	2,842
78 74	8,538		59,798	32,000	3,218	44,000	3,218	3,218
79 75	8,709		60,994	32,000	3,603	44,000	3,603	3,603
80 76	8,883		62,214	32,000	3,995	44,000	3,995	3,995
81 77	9,060		63,458	32,000	4,395	44,000	4,395	4,395
82 78	9,242		64,727	32,000	4,803	44,000	4,803	4,803
83 79	9,426		66,022	32,000	5,219	44,000	5,219	5,219
84 80	9,615		67,342	32,000	5,643	44,000	5,643	5,643
85 81	9,807		68,689	32,000	6,076	44,000	6,129	6,129
86 82	10,003		70,063	32,000	6,517	44,000	6,880	6,880
87 83	10,203		71,464	32,000	6,968	44,000	7,645	7,645
88 84	10,408		72,893	32,000	7,427	44,000	8,426	8,426
89 85	10,616		74,351	32,000	7,896	44,000	9,223	9,223
90 86	10,828		75,838	32,000	8,374	44,000	10,035	10,035
91 87	11,045		77,355	32,000	8,861	44,000	10,864	10,864
92 88	5,633		46,187	25,000	1,863	34,000	1,863	1,863
93 89	5,745		47,111	25,000	2,150	34,000	2,150	2,150
94 90	5,860		48,053	25,000	2,443	34,000	2,443	2,443
95 91								

* The SS exclusion amounts are not indexed for inflation at the present time.

State Income Tax (est.)

D17

Retire at 65

Age	State	State tax* code	Federal amount*	Add back state tax & fed exemp.	Incr/Decr state taxable	State personal exemp.	Net State taxable	State tax rate*	Estimated State tax	State credits or add'l tax	Estimated net State tax
1	2	3	4	5	6	7	8	9	10	11	
51	OR	1	\$74,918	\$21,341	(\$2,200)		\$94,059		\$8,141	(\$278)	\$7,863
52	OR	1	59,664	16,206	(2,200)		73,671		6,306	(146)	6,160
53	OR	1	76,466	17,868	(2,200)		92,135		7,968	(146)	7,822
54	OR	1	75,129	17,736	(2,200)		90,664		7,836	(146)	7,690
55	OR	1	75,909	17,813	(2,200)		91,522		7,913	(146)	7,767
56	OR	1	78,060	18,026	(2,200)		93,886		8,126	(396)	7,730
57	OR	1	10,061	7,674	(2,200)		15,535		1,074	(264)	810
58	OR	1	12,296	7,895	(2,200)		17,992		1,295	(264)	1,031
59	OR	1	87,724	15,355	(2,200)		100,879		8,755	(264)	8,491
60	OR	1	92,279	15,806	(2,200)		105,885		9,206	(264)	8,942
61	OR	1	90,139	15,594	(2,200)		103,533		8,994	(264)	8,730
62	OR	1	94,845	16,059	(2,200)		108,704		9,459	(264)	9,195
63	OR	1	103,598	16,925	(2,200)		118,323		10,325	(264)	10,061
64	OR	1	108,517	17,412	(2,200)		123,728		10,812	(264)	10,548
65	OR	1	23,303	8,984	(2,200)		30,087		2,384	(264)	2,120
66	OR	1	31,272	9,772	(2,200)		38,844		3,172	(264)	2,908
67	OR	1	44,648	11,095	(2,200)		53,543		4,495	(264)	4,231
68	OR	1	41,587	10,792	(2,200)		50,180		4,192	(264)	3,928
69	OR	1	84,719	15,058	(2,200)		97,577		8,458	(264)	8,194
70	OR	1	240,771	30,494	(2,200)		269,065		23,892	(264)	23,628
71	OR	1	204,845	26,937	(2,200)		229,582		20,338	(264)	20,074
72	OR	1		6,832	(2,200)		4,632		232	(232)	
73	OR	1		6,832	(2,200)		4,632		232	(232)	
74	OR	1		6,832	(2,200)		4,632		232	(232)	
75	OR	1		6,832	(2,200)		4,632		232	(232)	
76	OR	1		6,832	(2,200)		4,632		232	(232)	
77	OR	1		6,832	(2,200)		4,632		232	(232)	
78	OR	1		6,832	(2,200)		4,632		232	(232)	
79	OR	1		6,832	(2,200)		4,632		232	(232)	
80	OR	1		6,832	(2,200)		4,632		232	(232)	
81	OR	1		6,832	(2,200)		4,632		232	(232)	
82	OR	1		6,832	(2,200)		4,632		232	(232)	
83	OR	1		6,832	(2,200)		4,632		232	(232)	
84	OR	1		6,832	(2,200)		4,632		232	(232)	
85	OR	1		6,832	(2,200)		4,632		232	(232)	
86	OR	1		6,832	(2,200)		4,632		232	(232)	
87	OR	1		6,832	(2,200)		4,632		232	(232)	
88	OR	1		6,832	(2,200)		4,632		232	(232)	
89	OR	1		6,832	(2,200)		4,632		232	(232)	
90	OR	1		6,832	(2,200)		4,632		232	(232)	
91	OR	1		6,832	(2,200)		4,632		232	(232)	
92	OR	1		3,358	(2,200)		1,158		58	(58)	
93	OR	1		3,358	(2,200)		1,158		58	(58)	
94	OR	1		3,358	(2,200)		1,158		58	(58)	
95											

D8

D 14

D 14

* State tax is computed using: 1=State Tax Table or Percent of 2=Gross income, 3=AGI, 4=Federal Tax, 5=Fed Taxable Income

Taxable Earned Income

D18

Retire at 65

Allen					Betty					Total taxable earned income
Age	Salary and wages	Incr. factor	Self Employ.	Incr. factor	Age	Salary and wages	Incr. factor	Self Employ.	Incr. factor	
51	\$65,000	1.00	\$1,000	1.00	47	\$35,000	1.00			\$101,000
52	66,950	1.03	1,000	1.00	48	35,000	1.00			102,950
53	68,959	1.06	1,000	1.00	49	35,000	1.00			104,959
54	81,955	1.09	1,000	1.00	50	35,000	1.00			117,955
55	84,413	1.13	1,000	1.00	51	35,000	1.00			120,413
56	86,946	1.16	1,000	1.00	52	35,000	1.00			122,946
57		1.19	1,000	1.00	53	35,000	1.00			36,000
58		1.19	1,000	1.00	54	35,000	1.00			36,000
59	95,524	1.19	1,000	1.00	55	35,000	1.00			131,524
60	100,300	1.25	1,000	1.00	56	35,000	1.00			136,300
61	105,315	1.32	1,000	1.00	57	35,000	1.00			141,315
62	110,581	1.38	1,000	1.00	58	35,000	1.00			146,581
63	116,110	1.45	1,000	1.00	59	35,000	1.00			152,110
64	121,916	1.52	1,000	1.00	60	35,000	1.00			157,916
65					61	35,000	1.00			35,000
66					62	35,000	1.00			35,000
67					63	35,000	1.00			35,000
68					64	35,000	1.00			35,000
69					65					
70					66					
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Earned income subject to income tax.

Summary

This section summarizes the results of the combined cash flows, their effect on your asset accounts and income taxes.

The result is an illustration of the amount of capital available at any time, the amount of funds used for your retirement and how long funds will last.

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.

Sample: For Display Only:
Do Not Attempt to Use

Summary

E1

Retire at 65

This report has attempted to help you understand your present and future financial situation. The results illustrated have been based on information provided by you, using techniques and methods developed from extensive research and analysis.

Please recognize that the results of this report are illustrations only and are in no way estimates or guarantees of future results. No specific investment products or techniques are represented herein.

The following items summarize the findings of the report:

The life expectancy age used in the analysis for Allen is 91
The life expectancy used for Betty is 90

The amount of your current working assets used in the report is \$481,410
Your assets are completely depleted by your age 78

The following statistics indicate totals through life expectancy:

	<u>Future</u> <u>dollars</u>	<u>Present</u> <u>dollars*</u>
Earned income for the remaining years	\$1,747,969	\$1,087,696
Anticipated pensions and Social Security income	\$1,946,680	\$360,095
Miscellaneous income & stock options	\$778,400	\$734,340
Personal spending requirement**	(\$9,464,144)	(\$2,585,457)
Income taxes paid	(\$613,648)	(\$317,664)

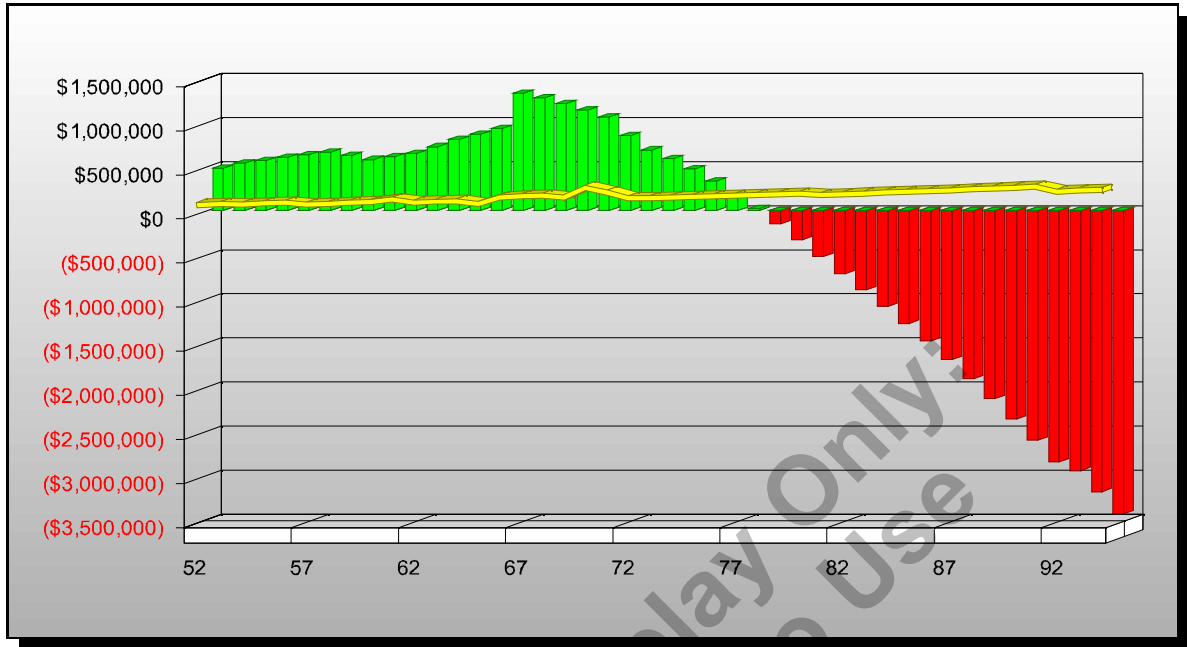
* Future dollars are discounted to today's dollars at 6.00% net present value discount rate.

** Including insurance; debts; deposits to savings, investments and retirement accounts; and itemized deductions.

Retirement Estimate

E2

Retire at 65



— Annual Expense ■ Shortage ■ Capital

As inflation increases the amount of income needed for your standard of living, there is the potential need to draw increasing amounts out of savings, investments and retirement accounts.

The graph shows how long your capital might last. The objective is to assure that your capital is properly managed so that it will last at least until your life expectancy.

If the capital is depleted before your need for income has ceased, then you will become dependent on your pensions, social security, relatives or public sources. If there is capital remaining when your need for income stops then the remaining capital is available for your heirs.

The line allows you to visualize the annual expenses as compared to your capital accounts.

If the bars dip below the "0" level on the graph, it indicates that you have consumed all your savings, investment and retirement accounts, and your spending requirements have caused a "deficit" spending situation - a need for funds where none exists.

Retirement Capital Estimate

Retire at 65

Ages	*	Begin. year Account totals.	Annual Expenses incl. tax	Income and Capital Distributions				Annual surplus	Ending year Account totals*	
				Earned income	Retirement acct distr.*	Investment acct distr.*	Pensions/ Soc Sec			Other Inc. & St. Opt.
			1	2	3	4	5	6	7	8
51	47	\$481,410	(159,416)	\$101,000		\$56,416		\$2,000		478,722
52	48	478,722	(140,486)	102,950				40,560	3,024	537,789
53	49	537,789	(152,517)	104,959		32,939		14,620		566,917
54	50	566,917	(146,011)	117,955		26,557		1,500		604,896
55	51	604,896	(159,915)	120,413		38,002		1,500		633,825
56	52	633,825	(165,099)	122,946		40,654		1,500		661,856
57	53	661,856	(143,710)	36,000		106,210		1,500		624,619
58	54	624,619	(147,685)	36,000		111,685				579,719
59	55	579,719	(165,807)	131,524		34,283				612,552
60	56	612,552	(170,280)	136,300		33,980				648,337
61	57	648,337	(199,922)	141,315				60,476	1,869	724,119
62	58	724,119	(169,236)	146,581				24,867	2,212	805,746
63	59	805,746	(176,603)	152,110		24,493				865,562
64	60	865,562	(182,396)	157,916		24,481				929,891
65	61	929,891	(148,229)	35,000			33,659	392,638	313,068	1,331,535
66	62	1,331,535	(221,026)	35,000		146,694	34,332	5,000		1,281,643
67	63	1,281,643	(235,400)	35,000		160,181	35,019	5,200		1,212,183
68	64	1,212,183	(244,704)	35,000		159,577	35,719	14,408		1,140,872
69	65	1,140,872	(221,039)			148,965	57,180	14,894		1,059,752
70	66	1,059,752	(333,662)		240,898	19,050	58,324	15,397		853,869
71	67	853,869	(282,551)		207,137		59,490	15,918		687,865
72	68	687,865	(214,218)		137,081		60,680	16,457		589,762
73	69	589,762	(217,879)		149,406		61,894	6,580		471,634
74	70	471,634	(224,046)		154,072		63,132	6,843		336,687
75	71	336,687	(230,408)		158,897		64,394	7,117		192,238
76	72	192,238	(236,972)		171,290		65,682			27,135
77	73	27,135	(243,745)		27,135		66,996		(149,614)	
78	74		(250,733)				68,336		(182,397)	
79	75		(257,943)				69,702		(188,241)	
80	76		(265,369)				71,096		(194,273)	
81	77		(254,134)				72,518		(181,616)	
82	78		(262,054)				73,969		(188,085)	
83	79		(270,227)				75,448		(194,779)	
84	80		(278,659)				76,957		(201,702)	
85	81		(287,360)				78,496		(208,864)	
86	82		(296,339)				80,066		(216,273)	
87	83		(305,603)				81,667		(223,936)	
88	84		(315,163)				83,301		(231,862)	
89	85		(325,027)				84,967		(240,060)	
90	86		(335,205)				86,666		(248,539)	
91	87	1	(345,709)				88,399	160,000	(97,310)	
92	88		(291,943)				51,820		(240,123)	
93	89		(301,438)				52,856		(248,582)	
94	90	2	(311,234)				53,913		(257,321)	
95	91									

Note - 1* = Allen's life expectancy age. 2* = Betty's life expectancy age.

*Investment and Retirement distributions include withdrawals from account totals to satisfy "Income needed" shortages from Cash Flow report.

Monte Carlo

Retire at 65

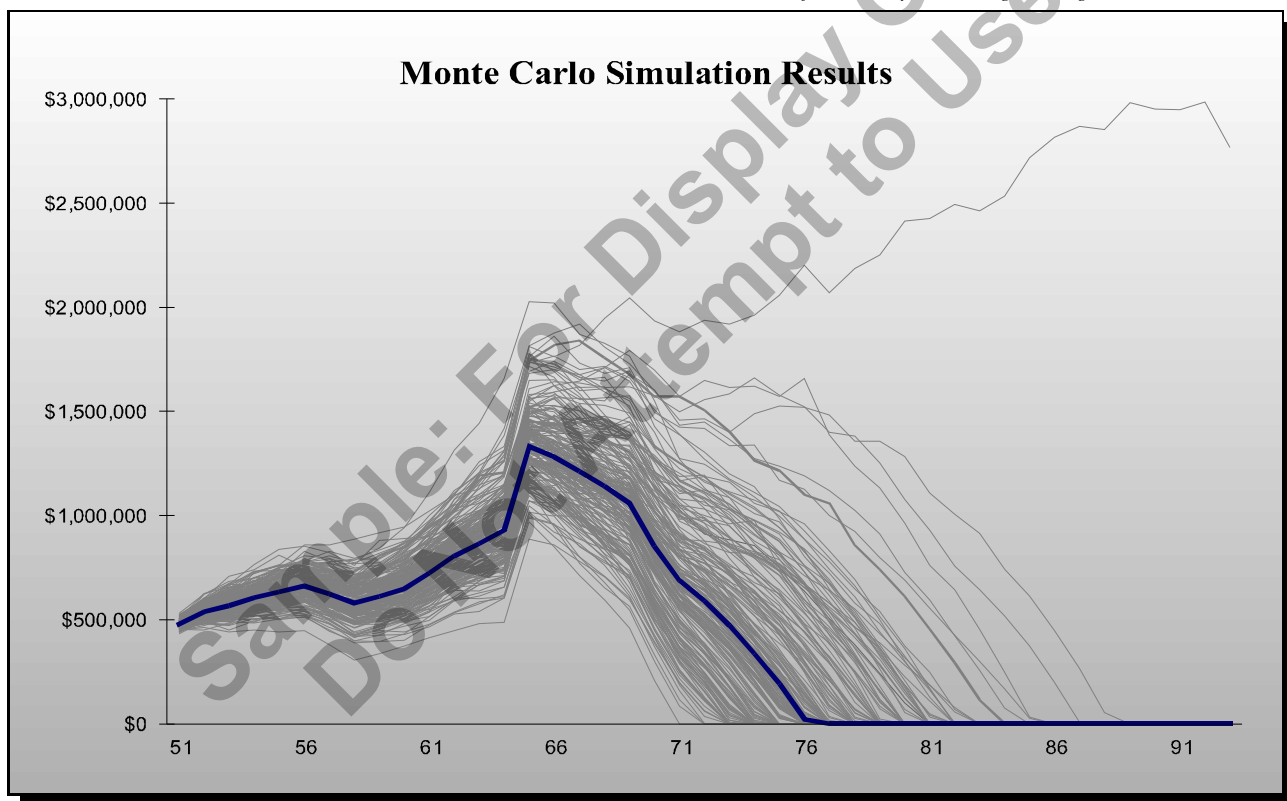
The Monte Carlo Simulation illustrates possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. The simulation introduces uncertainty by fluctuating annual rates of returns on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of broad 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 Simulation Trials

Original Retirement Capital estimate	\$0	Percentage of results above zero*	0%
Minimum (worst case) result	\$0	Percentage with \$ remaining at Allen's age 89	1%
Average Monte Carlo result	\$3,064	Percentage with \$ remaining at Allen's age 84	3%
Maximum Monte Carlo result	\$2,813,141	Percentage with \$ remaining at Allen's age 79	17%

** Percent of times money is remaining at last age shown.*



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

Annual rate of return of 6.58% in the original retirement estimate varied from 5.59% to 7.54% based on portfolio changes over time.

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 -3.41% and 16.54%).

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 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 simulation 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.

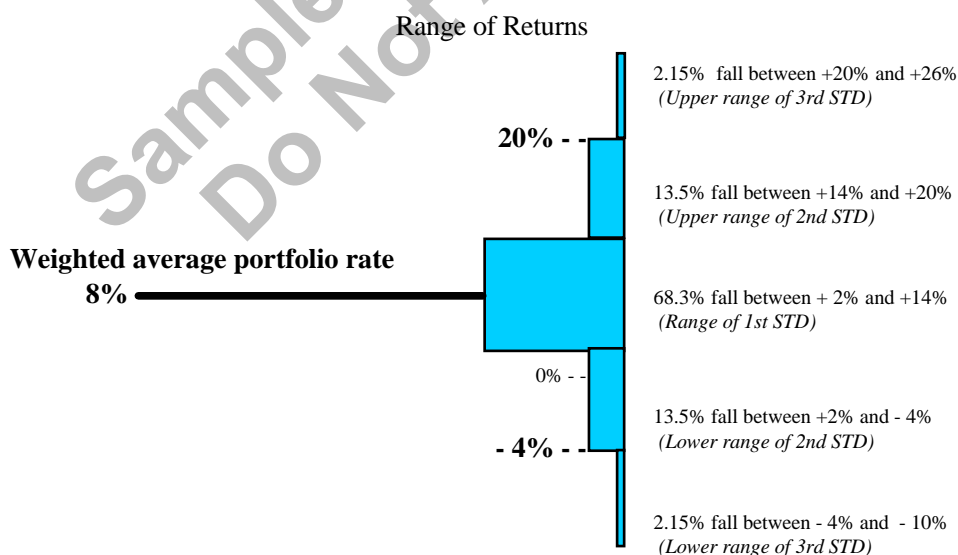
The process does not attempt to predict future performance or volatility, but helps demonstrate concepts of risk and graphically illustrate the lack of predictability inherent in financial markets.

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.

Net Worth Report

Retire at 65

Age	Age	Savings and investments	Retirement and Roth Accounts	Residence Market Value	Autos & personal property	Life insur. cash values	Total Asset Values	Less Liabilities	Net Worth
		1	2	3	4	5	6	7	8
51	47	\$418,110	\$63,300	\$307,000	\$39,100	\$15,300	\$842,810	(\$80,190)	\$762,620
52	48	390,690	88,032	316,210	37,665	14,134	846,731	(70,487)	776,245
53	49	423,040	114,749	325,696	36,340	12,969	912,794	(63,208)	849,586
54	50	420,240	146,677	335,467	35,116	11,803	949,303	(58,230)	891,073
55	51	423,827	181,069	345,531	33,984	10,637	995,048	(52,820)	942,228
56	52	415,727	218,098	355,897	32,936	9,472	1,032,130	(46,939)	985,192
57	53	403,906	257,950	366,574	31,966	8,306	1,068,703	(40,546)	1,028,157
58	54	323,799	300,820	377,571	31,068	7,141	1,040,398	(33,597)	1,006,801
59	55	232,798	346,921	388,898	30,235	5,975	1,004,828	(26,044)	978,784
60	56	216,075	396,477	400,565	29,462	9,732	1,052,311	(17,833)	1,034,478
61	57	198,610	449,727	412,582	28,744	13,488	1,103,153	(8,909)	1,094,244
62	58	217,190	506,929	424,960	28,078	17,245	1,194,402		1,194,402
63	59	237,390	568,356	437,709	27,457	21,002	1,291,914		1,291,914
64	60	231,264	634,298	450,840	26,880	24,759	1,368,040		1,368,040
65	61	224,822	705,069	464,365	26,342	28,515	1,449,113		1,449,113
66	62	564,565	766,970	225,905	25,841	32,272	1,615,554	(175,460)	1,440,093
67	63	448,494	833,149	232,682	25,373	36,029	1,575,727	(168,600)	1,407,128
68	64	308,291	903,892	239,663	24,936	39,785	1,516,568	(161,243)	1,355,325
69	65	161,369	979,503	246,853	24,528	43,542	1,455,794	(153,354)	1,302,440
70	66	19,051	1,040,701	254,258	24,146	47,299	1,385,455	(144,895)	1,240,559
71	67		853,869	261,886	23,788	51,056	1,190,599	(135,825)	1,054,774
72	68		687,865	269,743	23,453	54,812	1,035,872	(126,099)	909,774
73	69		589,762	277,835	23,138	58,569	949,304	(115,670)	833,634
74	70		471,634	286,170	22,843	62,326	842,972	(104,487)	738,485
75	71		336,687	294,755	22,565	66,082	720,090	(92,496)	627,594
76	72		192,238	303,598	22,305	69,839	587,979	(79,638)	508,342
77	73		27,135	312,706	22,059	73,596	435,496	(65,850)	369,645
78	74			322,087	21,828	77,352	421,267	(51,066)	370,201
79	75			331,750	21,610	81,109	434,469	(35,213)	399,255
80	76			341,702	21,404	84,866	447,972	(18,214)	429,758
81	77			351,953	21,210	88,623	461,786		461,786
82	78			362,512	21,027	92,379	475,918		475,918
83	79			373,387	20,854	96,136	490,377		490,377
84	80			384,589	20,690	99,893	505,171		505,171
85	81			396,126	20,535	103,649	520,310		520,310
86	82			408,010	20,388	107,406	535,804		535,804
87	83			420,250	20,249	111,163	551,662		551,662
88	84			432,858	20,117	114,920	567,894		567,894
89	85			445,844	19,991	118,676	584,511		584,511
90	86			459,219	19,872	122,433	601,524		601,524
91	87			472,995	19,760	126,190	618,945		618,945
92	88			487,185	19,652		506,838		506,838
93	89			501,801	19,551		521,352		521,352
94	90			516,855	19,454		536,309		536,309
95	91			532,361	19,362		551,722		551,722
		C3	C3	B 15	E7	B 16		B 18b	

Personal Assets

E7

Retire at 65

Age	Art, Antiques	Autos	Boats, RVs	Jewelry, Furs	Personal Prop.	Other	Total personal assets
	1	2	3	4	5	6	8
51		\$21,600		\$2,500	\$15,000		\$39,100
52		20,165		2,500	15,000		37,665
53		18,840		2,500	15,000		36,340
54		17,616		2,500	15,000		35,116
55		16,484		2,500	15,000		33,984
56		15,436		2,500	15,000		32,936
57		14,466		2,500	15,000		31,966
58		13,568		2,500	15,000		31,068
59		12,735		2,500	15,000		30,235
60		11,962		2,500	15,000		29,462
61		11,244		2,500	15,000		28,744
62		10,578		2,500	15,000		28,078
63		9,957		2,500	15,000		27,457
64		9,380		2,500	15,000		26,880
65		8,842		2,500	15,000		26,342
66		8,341		2,500	15,000		25,841
67		7,873		2,500	15,000		25,373
68		7,436		2,500	15,000		24,936
69		7,028		2,500	15,000		24,528
70		6,646		2,500	15,000		24,146
71		6,288		2,500	15,000		23,788
72		5,953		2,500	15,000		23,453
73		5,638		2,500	15,000		23,138
74		5,343		2,500	15,000		22,843
75		5,065		2,500	15,000		22,565
76		4,805		2,500	15,000		22,305
77		4,559		2,500	15,000		22,059
78		4,328		2,500	15,000		21,828
79		4,110		2,500	15,000		21,610
80		3,904		2,500	15,000		21,404
81		3,710		2,500	15,000		21,210
82		3,527		2,500	15,000		21,027
83		3,354		2,500	15,000		20,854
84		3,190		2,500	15,000		20,690
85		3,035		2,500	15,000		20,535
86		2,888		2,500	15,000		20,388
87		2,749		2,500	15,000		20,249
88		2,617		2,500	15,000		20,117
89		2,491		2,500	15,000		19,991
90		2,372		2,500	15,000		19,872
91		2,260		2,500	15,000		19,760
92		2,152		2,500	15,000		19,652
93		2,051		2,500	15,000		19,551
94		1,954		2,500	15,000		19,454
95		1,862		2,500	15,000		19,362