

Quick Start Manual – Silver Online

This Quick Start manual will take you through each step with general explanations where necessary.

Materials Needed from Clients: Before starting a plan you might want to gather some materials from the client that will be helpful for completion of the input screens.

- **Savings and Investment Account Statements** - To determine the current value of funds set aside for your retirement.
- **Insurance Policies** - You will be asked to enter the death benefit of the policies.
- **Company Retirement Plan Information** - Details about your pension benefits (monthly income plan) and retirement accounts, such as profit sharing, 401k, or other plans.
- **Budget Information** - You will be asked to enter your current living expenses and the amounts you will want during your retirement years.
- **Last Year's Tax Return** - To help you determine the tax bracket that you wish the program to use for the analysis.

Screen Hints: A few comments about the screen layouts and functions might be of help at this time.

Help Methods:

- **F-1 Function Key** - Press F1 at any time to call up the context sensitive help system.

Moving Around:

- **Tab key**- You can move around by pressing the keyboard TAB key (the one with the arrows pointing both left and right.) You will be moved to the next logical location for input.
- **Mouse** - You may move the mouse to a cell and click on the left bottom to make that the active cell.
- **Buttons** - Each screen will have one or more Windows buttons, for example, Edit Contact Info or Add or Edit Assets, etc. Click on the button with the left mouse button.

Tabs:

Administration

- The Administration tab is available to users with administrative privileges. This section allows the administrator(s) to setup default information for the program and manage users.

Settings

- The settings section can be customized to reflect the advisor's information and preferences.
- **Profile** - Customize your profile information. This information does not display on the reports. To change the advisor information that displays on the report cover page, move to the Cover Page section of Settings.
- **Change Password** - This option will allow you to change your current password to a new password of your choice.
- **Asset Allocation** - This screen allows you to modify the six asset class names used for asset allocation reports and graph. You can also modify the default asset allocation recommendation percentages for the five profiles in each life phase.
- **Cover Page** - Your Name or Company, Telephone Number, Street Address, City, State, and Zip. The next section on this screen allows you to enter a company disclaimer or text information that will appear on the bottom of all Summary reports.
- **Cover Page Logo** - Allows a logo to be selected to display on the report cover page. The logo needs to be a JPEG format (.jpg).
- **Long Term Care** - Enter the default amounts of the daily long-term costs for each retirement spending level. Each level represents a different amount of daily care costs of LTC based on the "Annual Expenses During Retirement" from the Income/Expense input area. One of these three amounts will appear as the "Estimated daily care costs" on the Long-Term Care Need Analysis report. The amount in one of these levels will only be used on this LTC report, if NO amount is entered on the Insurance input area in the field

titled, Daily Long Term Care Override Amount. This field allows you to set a daily care cost amount for each client file.

- **Report Customization** - Allows a default or custom report set to be generated. Custom report sets can be created that include only the reports selected to be part of that report set.

Clients

- **Search** - Search for clients assigned to a particular advisor and/or enter the client's last name. Click the search button to return a list of clients matching the search criteria.
- **Add Client** - Click Add Client to create a new client, allowing entry of the client's personal information.
- **Import Client** - This will import a client into the Silver Online system from a .sops or .sfp file format.

Client Details

- **Details** - Client Details displays the contact information for Ind. 1 and Ind. 2 and allows creating new plans or opening existing plans for the client.
- **Notes** - Review existing notes, or click the Add a New Comment button and a window will open allowing you to write some notes about the client.
- **Customer Access** - Customer access allows your customers to review information entered for the plan. The planner can allow customers to make changes to the data input and/or the ability to generate reports.

Plan Details

Buttons are available along the left hand side of the program and are used to navigate through the program. After you have opened a client file you will find the following buttons:

- [Input](#)
- [Reports](#)
- [Graphs](#)
- [What-If?](#)

Data Input Information:

Names/Ages:

- **Contact Info** - Enter basic information for Ind. 1 and Ind. 2.
 - **Names For Report Heading** - This entry is used to print the full name at the top of the Net Worth statement, Education Funding Illustration report, and the Title page. Enter the name as you would like it to appear on all three of the pages. For example: Allen and Betty Carlson.
 - **Use Alternative Report Date** - Checking this box allows you to select a date for the reports. If this box is not checked, the current date will be used.
 - **First Name** - Enter the first name for Individual 1 and Individual 2.
 - **Birth Data** - Enter the birth date for each individual 1 and Individual 2. Enter the birth date for each individual in this format: mm/dd/yyyy. When you enter each individual's birth date, the age will automatically be calculated for the individual.
 - **Age** (if single, 2nd = zero) - When you enter the birth date for an individual, the age will automatically be calculated for that individual. If for some reason the age is not automatically calculated, enter the current age for each individual. For single individuals, enter an age of "0" for Individual 2.
 - **Planned Retirement Age** - Enter an age when each individual plans to stop working. At this age, the program assumes that the individual starts to draw from savings and investments if the need for income is greater than available income from Social Security and Pensions. Additions to savings and investments are assumed to stop at the retirement age of Individual 1.
 - **Life Expectancy - Calculated** - For Individual 1, the life expectancy age is calculated based on a single life expectancy, using IRS Table V. Life expectancy for Individual 2 is adjusted for joint life expectancy.
 - **Alternate Life Expectancy** - If you want to use a life expectancy age that is different from the calculated age, enter an alternate age here for each individual. For example, if an individual is in poor health, you may want to use an earlier life expectancy age in this field.

- **Married Couple** - If the individuals are married, check the Married? box. If the individuals are not married or you have entered a single individual, do not check the Married? box.
- **Gender** - Select the gender of Individual 1 and Individual 2.
- **Social Security #** - Enter the Social Security number of Individual 1 and Individual 2 (not required).
- **Address & Employment Info** - Enter the clients home and work address and contact information.
- **Contact Notes** - Allows you to add or delete notes about the client.

Risk:

- **Risk Tolerance Selection** - Check the button to the left of the risk tolerance level that best describes you. This will help determine the amount of risk you might be able to tolerate when establishing an investment portfolio.
- **Risk Tolerance Test** - If you're uncertain about how to grade your risk for the Risk Tolerance Selection section, click on the "Risk Tolerance Test" button to help determine your risk tolerance level. When you have completed the test, the results will be shown in the Risk Tolerance Selection section.
 - This test is designed to help you determine your "risk tolerance". Each question will test an aspect of your personal attitudes. When you have completed the "test" we will use your responses to check one of the buttons indicating your risk tolerance level.
 - Some suggestions for answering the test questions:
 - If a statement does not closely reflect your attitudes, leave the check box empty.
 - If a statement closely reflects your thinking or attitude, check the box for that statement.
 - Do not be concerned if you find yourself checking lots of boxes or few boxes. The program will sort out the results for you.
 - When you have completed the test, press the "Done" button to return to the Insurance/Risk input screen. The program will pause briefly to compute your score and check the appropriate button for you.
 - The more statements you check which would indicate a positive or aggressive attitude about investing the further you will score toward the "Aggressive" scale.
 - The more statements you check which would indicate a conservative attitude the further you will score toward the "Conservative" end of the scale.
 - If you check both aggressive and conservative statements in equal numbers, your score will place you in a more "moderate" position.

Estate:

- The following area deals with estate issues for the Individual 1 and Individual 2. There are two sections to this screen, the first section contains numerous questions and check boxes, and the second section deals with dollar amounts and percentages
- **Check box if individual has any of the following** - Check the appropriate box for each Individual, if the item pertains to them.
 - **Will** - A legal document illustrating the wishes of a person regarding their property after death. A will is a necessary tool in estate planning, to ensure that property goes to whom you want, and in the amounts you want, rather than as provided under a state's intestacy laws.
 - **Revocable Living Trust** - A legal document that holds title or ownership of a persons real property and assets. This document determines the transfer of ownership of a persons assets to the trust.
 - **Marital Trust Provisions** - If a Marital Trust is used (instead of an outright bequest), it would provide for mandatory distributions of income to the spouse monthly, and discretionary distributions of principal for support, maintenance, health and education. At the spouse's death, the assets remaining in the Marital Trust would be distributed to the beneficiaries.
 - **Credit Shelter Trust Provisions** - A credit shelter trust is also known as a family trust or bypass trust, is the most commonly used method of avoiding estate taxes. When you establish this trust, a portion of your assets will bypass your surviving spouse's taxable estate, effectively protecting up to \$2 million in assets from estate taxes.
 - **Qtip Trust Provisions** - Qtip stands for "qualified terminable interest property." This type of trust allows the first spouse to die to specify who will receive his or her assets after the surviving spouse dies. The QTIP trust permits the deferral of death taxes on the assets until the death of the surviving spouse. The income earned on assets in a QTIP trust must be given to the surviving spouse for his or her lifetime. After the death of the surviving spouse, however, the assets then pass to beneficiaries chosen by the first spouse to die, frequently children of a prior marriage. Even if there are no children of a prior marriage, some estate owners use this type of trust to prevent a

subsequent spouse of the survivor from diverting or wasting estate assets. The QTIP trust is often used in tandem with a living credit shelter trust.

- **Irrevocable Life Insurance Trust** - An Irrevocable Life Insurance Trust is used to hold a life Policy outside of an estate in order to avoid Income and Estate Taxes. This trust is a separate entity from the insured's estate, the Life Insurance is not a part of the net worth and therefore not subject to estate tax. The life insurance death benefits are not subject to income tax. The proper use of an Irrevocable Life Insurance Trust will enable the heirs to receive the Death Benefit free and clear of Estate and Income tax.
- **Durable General Power of Attorney** - A durable general power of attorney is a legal document that allows you (the "principal") to appoint another person (the "agent") to conduct your business affairs. This document is particularly helpful in your absence or during a time when you may be physically or mentally be unable to conduct your business. This type of document is "durable," and it will continue to be in force and effective even if you become legally incapacitated. For all real estate transactions, the durable general power of attorney must be recorded in the county clerk's office where the property is located. A Durable Power of Attorney is effective until it is revoked or the Principal dies, whichever happens first.
- **Health Care Power of Attorney** - A Health Care Power of Attorney is a document that allows you to designate a person (an "Agent") who will have the authority to make health care decisions on your behalf if you are unconscious, mentally incompetent, or otherwise unable to make such decisions. In many states you can also express your wishes regarding whether you wish to receive "life-sustaining procedures" if you become permanently comatose or terminally ill, in the Health Care Power of Attorney document. This will help your agent to know your wishes as he or she makes decisions for you. Even if you do include this in the document, you should still discuss the Health Care Power of Attorney with the Agent, expressing your wishes, values and preferences regarding health care.
- **Living Will** - A living will is a declaration that you desire to die a natural death. You do not want extraordinary medical treatment or artificial nutrition or hydration used to keep you alive if there is no reasonable hope of recovery. A living will gives your doctor permission to withhold or withdraw life support systems under certain conditions.
- **Generation Skip Trust Provisions** - Generation-skipping trust is a trust that transfers payment down to grandchildren. For example, a grandmother creates a trust giving income to her children and the trust assets ultimately to her grandchildren. Because she "skipped" her children and passed the property to the next generation, there are special limitations and transfer taxes that should be considered.
- **Joint Revocable Trust** - The Joint Revocable Trust is suitable for husband and wife to avoid joint tenancy with right of survivorship. This type of trust is established by both husband and wife and all property in the Trust is owned equally by husband and wife until the first spouse's death. At the first spouse's death, the entire Joint Trust becomes the Revocable Trust of the survivor. Both spouses serve as initial Co-Trustees with either spouse having the right to act independently for the trust. Upon the death or incapacity of one spouse, the other continues to serve as sole Trustee. The Joint Revocable Trust is recommended when the combined fair market value of both spouses' estates is less than or equal to the current unified credit amount (equal to \$1000 in 2003).
- **Testamentary Trust** - A testamentary trust is established as part of your will and becomes effective after your death. A will that creates a testamentary trust allows you (as the trustor or grantor) to place assets in trust, name someone to manage those assets (a trustee) and give instructions for distributing your assets for the benefit of one or more individuals (beneficiaries)
- **Community Property State** - If your clients live in a community property state, check this box. If you do not live in a community property state, leave this box blank.
- **Dollar Amount (or %) of the Estate for Charity** - Enter the dollar amount or percentage of the estate assets that the Individual will leave to charity. This dollar amount or percentage will be a deduction amount towards their estate. If you enter an amount of 100 or less in this field, the program will assume it's a percentage. If you enter an amount over 100 in this field, then the program will assume it's a dollar amount.
- **Dollar Amount (or %) for Taxable Non-Spousal Contribution or Bequest** - Enter the dollar amount (or percentage) the Individual will leave as a bequest to non-charitable recipients; such as a child, friend, or non-qualified entity. This dollar or percentage will not be deducted from their estate for estate tax purposes. If you enter an amount of 100 or less in this field, the program will assume it's a percentage. If you enter an amount over 100 in this field, then the program will assume it's a dollar amount.
- **Percentage of Total Estate Currently in Living Trust (up to 80%)** - If a living will is established in the estate, enter the portion of the assets that are in the living trust.
- **Suggested Joint Asset Balance - Override: Indv 1% & Indv 2%** - The program will automatically balance the assets between spouses to optimize the credit shelter trust planning. If there is some reason that the assets should not be evenly divided, indicate the percent that should be owned by one of the

individuals. If you enter a percent in either one of these fields, the remaining percent will automatically be allocated to the spouse.

- **Suggested Separate Asset Balance - Override: Indv 1% & Indv 2%** - The program will automatically balance the assets between spouses to optimize the credit shelter trust planning. If there is some reason that the assets should not be evenly divided, indicate the percent that should be owned by one of the individuals. If you enter a percent in either one of these fields, the remaining percent will automatically be allocated to the spouse.
- **Probate & Administration Expense Percentages** - Enter a percentage rate here that may be changed to reflect your particular state practices or for a specific client. The default rate provided assumes that most or all of the assets are owned jointly or as community property.
- **Enter Amount of any Credit Shelter Exclusion that has been Utilized** - If a previous exemption has been utilized, enter that amount in this field.

Insurance:

- **Life Insurance** - This area deals with company and personal life insurance for the Individual 1 and Individual 2 respectively. Choose the **Add/Modify** button to edit the insurance information.
- **Policy Name** - Enter a description of the policy.
- **Company Name** - Enter the name of the company where the life insurance policy was purchased.
- **Insured** - Select the insured of policy from one of these choices: Ind.1, Ind. 2, and Second To. The insured is the individual the life insurance policy covers.
- **Owner** - Select the owner of policy from one of these choices: Ind.1, Ind. 2, ILIT, and Other. The owner is the individual who purchased the life insurance policy.
- **Beneficiary** - Select the beneficiary of policy from one of these choices: Ind.1, Ind. 2, ILIT and Other.
- **Type** - Choose the type of life insurance policy. Select the following life insurance options:
 - Term
 - Whole
 - Universal
 - Variable
 - Other
- **Death Benefit** - Enter the face amount or death benefit of the policy.
- **Annual Premiums** - Enter the premium amount of the policy.
- **Total Premiums Paid** - Enter the total amount of premiums paid over the life of the policy.
- **Current Cash Value** - Enter the cash value for the policy in this field. You can generally get the amount from the policy table of values. If the value is not shown at the current age or you do not have the actual policy, then you may need to estimate the values now.
- **Included Policy Death Benefit in Retirement Projection** - If you want to include the life insurance death benefit in the Retirement Analysis report, check this box.
- **Included Policy D.B. in Insured's Survivor Needs Analysis** - If you want to include the life insurance death benefit in the insured's Survivor Needs Analysis report, then check this box.
- **Optional Daily Long-Term Care Override Amount** - Enter a daily amount of long term care costs into this field. This field allows you to enter a daily long term care cost for each client file. To set the default costs, go to Options and choose Customize Long-Term Care Defaults.
 - If you leave this field blank, the software will use one of the three default amount levels in the Customize Long-Term Care area. In the section for Long Term Care Daily Cost for LTC Low, LTC Medium, and LTC High. Based on the "Annual Expenses During Retirement" amount on the Income/Expense input screen, the software will use one of these three amounts. If the "Annual Expenses During Retirement" amount is \$50,000 or less, then the software will use the LTC Low amount. If the "Annual Expenses During Retirement" amount is more than \$50,000 to \$100,000, then the software will use the LTC Med. amount. If the "Annual Expenses During Retirement" amount is more than \$100,000, then the software will use the LTC High amount. This amount will be shown as the "Estimated daily care costs" on the Long-Term Care Need Analysis report.

Pension/Social Security:

- **Annual Pension Benefit Expected** - Enter the before-tax annual pension income that the individual will receive. The first two columns are for Individual 1 and the last two columns are for Individual 2. These columns allow for two pensions for each Individual.
- **Age When the Pension Benefit will Start** - Enter the age when the pension benefit income will start (usually age 60 - 65 at an individuals retirement age.)

- **Annual Increase Rate Before Starting Age** - If the annual benefit amount will increase before retirement, show an estimated increase rate here. For example, if the client gives you an annual pension amount that is valid for his salary level today, but will probably be higher at retirement due to salary increases, enter an appropriate increase rate to represent the increase in starting benefit level. If the amount of income at retirement shown above is fixed (the amount shown will not increase), show "0.00%" here.
- **Annual Increase Rate After Starting Age (COLA)** - If the retirement plan includes cost of living increases during the retirement years, enter a realistic rate of increase here. This rate will effect the pension benefit once the individual retires. If the pension income is level (fixed income plan) show "0.00%" here.
- **Percent of this Benefit Available to Surviving Spouse** - Most pension plans allow the participant to make an election to continue benefits to a surviving spouse. If the individual selected has a survivor benefit, indicate the percent of your annual pension benefit that would be paid to the surviving spouse. Usually 50%, 66% or 100% of the amount received. (If the pension benefits will be reduced if the survivor option was selected, the individual of the plan may need to check with their company benefits department for this information.)
- **Current Annual Income** - Enter in this field the average annual amount of the individual(s) earned income for the last 2 to 3 years. Providing the earned income, will allow the program to calculate the Social Security benefit for the individual(s). The amount entered here will be used to see if the individual(s) will receive the maximum benefits or a lesser amount.
 - The amount of earned income entered into this field will be used to reduce the "Retirement Spending Needs" amount on the Retirement Capital Analysis report. This amount will be reduced once the first individual retires, until the second individual retires, to reflect the second individual earnings.
- **Earned Income increase rate** - Enter the assumed increase rate to be applied to earned income.
- **Social Security Start Age** - Enter the age when the individual(s) will start receiving their Social Security benefit (normally age 65, or as early as 62 with reduced benefits.) If an individual is NOT qualified to receive Social Security benefits, set that individuals starting age to "0". This will tell the program not to project a Social Security benefit for the individual.
- **Annual Increase rate for S.S. Benefits** - Enter an assumed increase rate here, if you think future Social Security benefits will continue to increase in the future as they have in the past.
- **Estimated Actual S.S. Benefit (if known)** - Use this field if the individual(s) are currently receiving Social Security benefits or if the individual(s) has a statement from the Social Security Administration showing the amount of benefit they will receive.

Expense:

- **Current Annual Expenses** - Enter the individual(s) current annual after tax expenses. This number is not used in the analysis, but is used as a starting point for determining the amounts you might need in your retirement years.
- **Annual Current Expenses for a Surviving Household Now** - Enter the individual(s) current annual after tax expenses expected as a survivor. This expense amount will be used on the survivor reports, in the "After Tax Spending Needs" column (Survivor Needs Calculation report) and "Projected Spending Needs" field (Survivor Needs Analysis report).
- **Annual Expenses During Retirement** - Enter in today's dollars the total after tax annual amount of expenses desired (after taxes) including food, shelter, transportation, debts, insurance, medical, etc. This expense amount will be used on the retirement reports, in the "Retirement Spending Needs" column.
- **Annual Expenses for a Survivor in Retirement** - Enter an annual expense after tax amount desired for a surviving spouse during retirement. This may or may not be less than the amount indicated above.
- **Inflation Rate** - The annual rate of increase for your cost of living expenses during the each period; Current Annual Expenses, Annual Current Expenses for Surviving Household, Annual Expenses During Retirement, and Annual Expenses for a Survivor in Retirement.
- **Budget Calculation Worksheet** - If you are not sure how much income to enter, you may press this button and fill out the budget worksheet.
 - **Item** - This column contains a list of typical expense items.
 - **Columns** - The four columns are used to enter that amount of expense you think will be needed for each item in the four periods - "Now", "Retirement", "Survivor Now" and "Survivor Retirement". As you move down the screen, the worksheet will scroll up so you can see more items that extend to the bottom of the worksheet.
 - **More Categories** - There are several blank lines that will allow you to add other categories.
 - **Totals** - As you make entries into the worksheet, the "total" for each column will be displayed at the top of the column.

- **Print Worksheet** - Click on this button to print out a copy of the Budget Worksheet.
- **Done (Use Worksheet Totals)** - Once you have finished entering the monthly expense amounts, click on this button to return to the main input screen. A summary of the expenses entered into this worksheet will appear on the main expense input screen in the "Living Expenses (in current after tax)" section.
- **Cancel (Don't Use Worksheet Totals)** - If you decided not to use this worksheet, click on this button to return to the main input screen. All information entered into the budget worksheet will be cleared and no expense amount will be entered on the main expense input screen in the "Living Expenses (in current after tax)" section.
- **Special Income** - This worksheet is used to account for miscellaneous Income items, not included in any other of the data input screens. The items could be a single lump sum income, or it could be a multiple year item for a specified amount and number of years.
 - **Special Income Description** - Enter a description or name of the income item here. This section allows the user to enter either a single or multiple year income item. For example, income items might include: "Inheritance", "Deferred compensation", or "Sale of Business".
 - **Annual After Tax Amount** - If the item is a single year event, like an expected inheritance or sale of company business, then enter the amount of expected income that will occur in that year. This amount would normally be stated in today's dollars.
 - If the income will occur over more than one year, then enter the annual amount to be shown in each of the years. For example, if you are expecting to receive \$10,000 per year in the form of a deferred compensation settlement when you retire for 10 years, then the annual amount would be \$10,000.
 - **Increase % Rate** - If the amount entered in the "Annual Amount" field will not change between now and when it is received or paid, then leave this box blank. If the amount will increase or decrease between now and the year it occurs, then enter an anticipated increase rate here.
 - For example, say you had indicated that that an individual will receive 2 payments of \$20,000 occurring in the year 2010 and 2015. The \$20,000 is in today's dollars, but you expect that the income will increase by 3% per year. You would enter a "3" in the "Increase % Rate" field.
 - **First Year of Income** - Enter the year when the income will occur. If it is a multiple year item, enter the first year the income will occur.
 - **Number of Years** - If the item is a multiple year income, indicate the number of years the amount should be shown. If the item will occur in a single year, enter a "1" in this field.
- **Special Expense/Goal** - Click on this button to enter special expense items, that may occur in one year or multiple years. This worksheet is used to account for miscellaneous expense items, not included in any other of the data input screens. The items could be a single lump sum payment, or it could be a multiple year item for a specified amount and number of years.
 - **Special Expense Description** - Enter a description or name of the expense item here. This section allows the user to enter either a single or multiple year expense items. For example, expense items might include: "Payment of Tax Penalty", Retirement home down payment", "New car", etc.
 - **Annual After Tax Amount** - If the item is a single year event, like an around the world trip when you retire, then enter the amount of expected expense that will occur in that year. This amount would normally be stated in today's dollars. Enter a positive amount of the expense item in this field.
 - If the expense will occur over more than one year, then enter the annual amount to be shown in each of the years. For example, if you are expecting to make a payment of \$12,000 per year in the form of an education funding expenses for 4 years, then the annual amount would be \$12,000.
 - **Increase % Rate** - If the amount entered in the "Annual Amount" field will not change between now and when it is received or paid, then leave this box blank. If the amount will increase or decrease between now and the year it occurs, then enter an anticipated increase rate here.
 - For example, say you had indicated that that an individual will buy a new car for \$20,000 in the year 2002 and 2010. The \$20,000 is in today's dollars, but you expect that the cost will increase by 3% per year. You would enter a "3" in the "Increase % Rate" field. On the other hand, perhaps an individual expects to receive an inheritance in 5 years. The inheritance is currently worth \$50,000 now, but because of the way the estate is being used, the value will probably decrease by 3% per year by the time it is paid. In this case, you would enter a "-3" in this field for the program to calculate the future value using a 3% shrinkage rate.
 - **First Year of Expenses** - Enter the year when the expense will occur. If it is a multiple year item, enter the first year the expense will occur.

- **Number of Years** - If the item is a multiple year expense, indicate the number of years the amount should be shown. If the item will occur in a single year, enter a "1" in this field.
- **Include In Analysis?** - If you check this box, the expense amount will be included in the projection. If you do not want the expense amount included in the projection, uncheck this box.
- **Priority** - Select the priority of the expense item. Each goal may be listed as Essential, Primary, Secondary or Optional. This will be used for the Goal Evaluation report. Four different Monte Carlo illustrations will determine the percentage of success if the goals are funded by order of their priority.

Education Funding:

- **Include Net Costs of Education Expenses in Retirement Calculations** - If you check this box, the program will deduct the education costs from the retirement capital. If the box is blank, the education expense will not be deducted from the retirement capital.
- **Child's Name** - Enter the name of each child to be included in the Education Funding Illustration report.
- **Age** - Enter the child's current age. This age will be subtracted from the "Start Age" to determine how many years remain before the education expenses for this child will start.
- **Start Age** - This is the child's age when the education expenses for this child will start.
- **Cost Per Year** - Enter your estimate of the annual education costs for the type of school where this child will attend. The following are examples of typical costs for a 4 year college and universities:
 - Average Annual Costs of a College Education:

	Year Four-Year Public (Per Year Cost)	Four-Year Private (Per Year Cost)
2005-2006	\$15,110	\$32,913
2010-2011	\$20,233	\$40,045

	Year Four-Year Public (Total Over 4 Years)**	Four-Year Private (Total Over 4 Years)**
2005-2006	\$60,478	\$131,651
2010-2011	\$80,933	\$176,179

*The exact costs of the school selected may vary.

**Figures assume that tuition remains the same for four complete years; in actually, tuition usually increases annually.

- **Number of Years** - Most children will plan for 4 years of college. If one or more of the children plan on attending additional years of graduate school, there are two methods to account for this extra cost. If the annual cost for an extra 2 years will be about the same as the first 4, simply enter 6 years. If the amount will be different from the first, for example if Billy will need 4 years at \$10,000, and an additional 2 years at \$15,000, then you could enter "Billy" on the first line at \$10,000 for 4 years, then use a second line - "Billy 2" with 2 years at \$15,000.
- **College Fund** - If there is a education funding account already established for the child, enter the current value of the account here. If value will be used in determining the remaining education funding needed to cover the education expenses.
- **Inflation Rate for Future Education Costs** - Enter the rate the education costs will increase for the type of college indicated. In recent years college costs have increased at around 5% per year.
- **After-Tax Rate of Return for College Fund Growth** - Enter a rate of return in which the education funds will accumulate.

Assets:

Asset Summary Area:

- **Asset Summary** - This section is a summary of Individual 1 and Individual 2's non-qualified and qualified investment values entered in the program.
- **Add/Modify Assets** - Click on this button to enter the Individual 1 and Individual 2's non-qualified and qualified investment information in the Asset Entry Screen.
- **Asset Description, Value, & Additions** - Summary of the investment accounts entered in the Asset Entry Area.

Asset Entry Area:

- **Asset Description** - Enter a name or description used to identify the account. "Home Federal Savings", "John's IRA", "Betty's 401k", "MicroGen profit sharing", etc.)
- **Current Value** - Enter the current balance of the account. This amount will be used to project into the future to determine the value at and beyond retirement.
- **Annual Additions Owner/Employer**
 - **Owner** - Enter the amount of annual additions by the owner. Do NOT enter deposits to savings or checking that are used for periodic spending (put-and-take savings.) The amount of additions will be used to project future values of assets for retirement purposes. Additions to the investment accounts will stop at the individuals retirement age, unless you enter values in the "Starting Year" and "Number of Years" fields.
 - **Employer** - Enter the amount, if any, that the employer of Individual 1 or Individual 2 is adding to their 401k/TSA/SEP/Simple accounts. These additions by the employer will be projected until retirement age, unless you enter values in the "Starting Year" and "Number of Years" fields. The additions by company will not be reflected on the Cash Flow report or graph.
- **Specified Additions Period (leave blank for additions until retirement)**
 - **Starting Year** - Enter the first year when this account addition will start. Enter the four digit year, like 2005. Leave this field blank if the monthly additions will be contributed to the account until the individuals retirement age.
 - **Number of Years** - Enter the number of years the monthly additions will be contributed to the account. Leave this field blank if the monthly additions will be contributed to the account until the individuals retirement age.
- **Account Taxation** - Select an "Asset Type" for each asset you enter in the program. This "Account Type" will be used to identify what type of asset it is, either a non-qualified asset or a qualified asset. Make sure you select the qualified asset as being the Individual 1's or Individual 2's qualified account. Examples of "Account Types" would be: Savings & Investments, IRA, 401K/TSA/SEP/Simple, Roth IRA, Tax Free (Municipals, etc.), and Annuity.
- **Asset Type** - Select an "Asset Group" for each asset you enter in the program. This "Asset Group" will be used to identify the asset on the Net Worth Statement report. Examples of "Asset Group" would be: Checking Account, Savings Accounts, Stock, Money Market Fund, Real Estate, etc.
- **Asset Ownership** - Click within the circle next to the owner of the asset; either Joint, Indv. 1, or Indv. 2.
- **Asset Class** - Select a "Classification" for each asset you enter in the program. This "Classification" will be used to identify the asset on the Net Worth Statement report. The default classification selections are: Cash/Reserve, Income, Growth/Income, Growth, Aggressive Growth, and Other. Classes can be customized in the Settings or Administration section.
- **Previous** - To edit the previously entered asset, click on this button until the asset you want to edit appears.
- **Next** - To add a new asset, click on this button. If you edited a previously entered asset and want to move to forward to another asset, click on this button until the asset you want to edit appears.
- **Add** - Within a list of assets, click on this button to insert a blank asset enter form.
- **Delete** - Click on this button to delete an asset from the program. You can delete an asset any where within a list of assets, just make sure the asset you want to delete is appearing before you click on this button.
- **Done** - Click on this button when your finished entering the asset information, to return to the asset input screen. Once all the assets are entered on this screen, a summary of the assets will appear on the asset input screen in the Asset Summary section.
- **Cancel** - If you decided not to use this worksheet, click on this button to return to the main input screen. All information entered or changed on the asset worksheet will be deleted and you will return to the asset input screen in the "Asset Summary" section.

Other Assets/Debts:

- **Other Asset and Debt Values** - The following information is used only for preparing the Net Worth Statement and Estate Reports. You may ignore this data if you do not plan on using the Net Worth Statement or Estate reports.
- **Residence and Personal Property** - Enter the current value of the Individuals residence and personal property for use on the Net Worth report.
- **Blank Fields** - There are 6 extra fields for the assets and debts. On the right side of this screen, enter a description label, value, and owner of the asset. On the left side, enter a description label, value, and owner of the debt. These assets and debts, should not appear any where else within the program, like the asset worksheet screen.

- **Ownership** - Choose the owner of the asset or debt by using the drop down list. These are the options you can choose:
 - Individual 1
 - Individual 2
 - Joint
- **Debt Payment Information** - This information is used only for the Debt Freedom Analysis. For complete results, all of the payment information fields (Years Remaining, Current Payment, Interest Rate, Payment is Fixed and Minimum Payment) are required for the Debt Freedom Analysis.

Debt Freedom:

- **Additional amount to apply to debt repayment per month** - Include an additional amount that could be applied to loan repayment (optional). If entered, the increased payment amount will be illustrated in the proposed debt payoff plan, shorting the payment schedule.

Rates:

- **Rate Before & After Retirement** - The program allows you to use different rates before your retirement age and after your selected retirement age. The default rates that will appear in the program before and after retirement is 7%. This rate is lower than many investment returns reported in the past, but is probably a reasonable conservative rate to use for purposes of testing your retirement analysis.
- **Rates of Return on Investments** - When you reach your retirement years you may wish to take a more conservative approach to investments.
 - In the **Before Retirement** column for each asset type, enter an assumed rate of return for the asset prior to Individual 1's retirement age.
 - In the **After Retirement** column for each asset type, enter an assumed rate of return for the asset after Individual 1's retirement age.
- **Average Tax Rate (Federal + State) to apply to income, interest & other taxable events)** - Enter an effective tax rate to be used for to estimate your income taxes before and after retirement.
 - **Tax Rate Before Retirement** - This rate will be used to compute the taxes on interest, dividends before retirement. Generally this rate will be equal to the tax rate on the last dollar of your taxable income while you are still working. For example, if your taxable income after exemptions and deductions is \$75,000, then your effective tax rate might be 20% for a married couple or 25% bracket for single person.
 - **Tax Rate After Retirement** - This rate will be used to compute the amount of taxes on your interest and dividends plus the taxes due on distributions from your retirement accounts. If you expect large amounts of retirement account distributions combined with a substantial pension plan, then this rate may be as high as your pre-retirement tax rate. If during retirement your taxable income will be mostly from interest and dividends, then the rate may be lower.
- **Cost Basis Percentage for Taxable Assets** - Calculate the taxable assets original cost divided by the market value to determine the "Cost Basis Percentage" rate. The program will use this percentage rate to determine the tax consequences of the distributions from this account.
- **Cost Basis Percentage for Annuity Assets** - Calculate the annuity assets original cost divided by the market value to determine the "Cost Basis Percentage" rate. The program will use this percentage rate to determine the tax consequences of the distributions from this account.
- **Discount Rate for Survivor Needs NPV Calculation** - Enter a percentage rate here to compute the net present value calculations on the Survivor Needs Calculation reports. On these reports, a net present value is calculated for each column, based on this discount rate. This "Discount Rate" is the rate used to compute the capital required. You could think of this as a conservative average after-tax rate of return that could be earned on capital for the period. Another way to say it is: "What is this income stream worth to me today if I could earn X% on my money?".
- **Exempt Withdrawals Prior to age 60 from penalties on early distributions from qualified plans** - Check this box if you do not want the penalty to apply to early distributions from qualified plans. If you want the penalty to apply to the early distributions, then don't check this box.
- **Increase Rate for Capital Additions** - In the Asset screen we will ask you to indicate the amount of money you are adding each year to your savings and investments, including your company retirement accounts. If the amount you are adding each year is expected to remain LEVEL, leave this field blank. On the other hand, if you expect the amount that you are adding to increase each year (as your income increases, for example), then enter an increase rate here. For example, if you think your income will go up by 5% each year and that you can increase the amount you are adding to your savings and investments can increase at the same rate, enter "5" here.

- **Proportionalize Calculations** - If this box is checked, first year calculations are proportionalized for the number of months left in the year. For example, if the current month was October, the first year of the projection would include three months worth of calculations, or 25% of the year. Therefore, the overall calculation for the first year would have a .25 modifier for any values.
- **Standard Deviation Override Percentage** - If you do not want the program to calculate the standard deviation for the Monte Carlo report, you may enter a percentage for the report in this field.
 - Note: As a rule of thumb, we recommend using a standard deviation percentage that is 75% of the average rate of return of the individual(s) portfolio. We recommend the 75% of the average rate for a moderate portfolio, as low as 50% for a conservative portfolio and up to 100% for an aggressive portfolio.
- **Fat Tail** - Option for the Monte Carlo analysis, which inflates the probability of a rate of return that lies in the outside range, giving a greater weight to the possibility of major positive or negative changes in the market.

Reports:

Report Options:

- **Print As Draft Copy** - When you click on this option, on all of the reports this statement will appear: "Draft - For Internal Use Only". If this option is selected, a check mark will appear next to this option.
- **Print With Page Numbers** - Select Print With Page Numbers to have page numbers included on the reports.

Report Set:

- **Entire Report** - All available reports are included in this report set.
- **Retirement** - This report set includes reports related to retirement planning.
- **Estate** - This report set included reports related to estate planning.
- **Insurance Analysis** - This report set included reports related to insurance planning.
- **Custom Report Set(s)** - Custom Report Sets can be create/Modify by going to Settings and choosing Report Customization. Custom report sets can be created that include only the reports selected to be part of that report set.

View Report:

The following is a break down of the information contained in the reports and what input screen the information is obtained from:

- **Cover Page**
 - This report includes the following information:
 - Client's Name(s) - Entered on the Names/Ages input screen.
 - Planner Name or Company Name - Entered in the Advanced Features, Customized Advisor Report screen.
 - Company Address, State, Zip Code - Entered under Customized Advisor Report available from the Options menu.
 - Disclaimer from Money Tree Software.
- **Cover Letter**
 - Provides information about the financial plan including a discussion of how the plan was developed and guidelines for evaluating the plan.
- **Summary**
 - The summary report will provide a recap of the retirement analysis. The first section of this report illustrates the client's goals. The next section illustrates if a clients funds will last through their life expectancy or they will run out of funds before life expectancy. Some suggestions are given that may help your client's consider ways to help reach your goals. The last section of this report will show information entered in the Customized Advisor Information window.
- **Assumptions**

- The Assumptions report will print a listing of the data that has been entered into the program. This may be printed and saved for your client's file, for a permanent record of the data entered at a given date.
- **Net Worth Statement Report**
 - The Net Worth report is provided to measure the individual(s) financial health at any time. The objective should be to constantly increase net worth by increasing assets and reducing liabilities (debts.)
 - The Net Worth Report has three sections:
 - Assets (Savings & Investments, IRA, 401k, TSA)
 - Liabilities
 - Net Worth
 - The total of assets minus liabilities equals the net worth.
- **Asset Worksheet**
 - A summary of information entered in the Assets input screen. This report includes the following column headings:
 - Description - A brief description of the asset.
 - Current Amount - Account value of the asset.
 - Annual Additions - Contributions to the asset each year.
 - Addition Period - Length of years contributing to the asset.
 - Asset Class - Class designation of the asset.
 - Account Taxation & Owner - Tax treatment and owner of the asset.
 - Asset Type - Type of asset.
 - Totals - Total value of the current assets and account additions.
- **Asset Allocation**
 - Summary of the current asset allocation for personal investments and retirement plans. This report has three sections, Personal Investing, Retirement Plans, and Total Investment Assets. Each section shows four categories; Cash & Equivalents, Fixed Income, Equities, and Other. The Total Investment Assets shows the total value of the personal investing and retirement plans for each column. When entering assets into the program, a "Classification" is chosen for each asset. Depending on the classification chosen, determines which category the asset value will appear within this report. The last section of this report shows the Current Asset Allocation percentage. This section shows the percentage of value for each category, except the Other category.
- **Asset Allocation Graph**
 - Displays two pie charts. The first chart is the current asset allocation showing the percent of your assets in each category for your current situation. The second chart is the suggested asset allocation showing a suggested percent of your assets for each category. If you filled in the percentages in the Suggested Allocation column on the Assets input page, then this graph will reflect your changes in the asset allocation mix. If you elect to leave the Suggested column blank, then the program will select the asset allocation percentages based on the percentages from the Customize Asset Groups area.
- **Retirement Profile**
 - This report defines the individuals current retirement goals, retirement planning, and projected results. The first section describes the Current Retirement Goals for each individual; Age, Retirement Age, Years Until Retirement, Years of Retirement, Annual Retirement Spending (After-Tax), and Additional Objectives. The second section describes the Individuals Assumptions for Pre-Retirement and Retirement; Inflation Rate, Income Tax Rate (Average), and Return on Investments (Average).
- **Resources Available for Retirement**
 - This report illustrates how various sources of investing can fund an individuals goals. They sources include Personal Investing, Retirement Plans, and Defined Benefit Pensions, Social Security, and Other Income.
 - The first section on this report shows the Personal Investing funds a client currently owns. Here are some examples of these types of funds; Checking accounts, Savings accounts, Annuities, Stock Mutual Funds, Certificate of Deposit, Money Market, etc. The next section of the report illustrates the Retirement Plans. Assets in this section would include; IRA accounts, 401K accounts, and Roth IRA's. The information in these two sections comes directly from the Asset input screen. The Social Security section shows the individuals, starting age and benefit amount after-tax. The Pension

section illustrates the income amount, starting age, increase rates, and survivor percentages. The information in these two sections comes directly from the Pension/S.S. input screen. The last section, Other Income, shows the single or multiple year income items entered on the Income/Expense input screen.

- **Retirement Summary Graph**
 - Illustrates the amount of client capital available each year, or the amount of cumulative income shortage when Individual 1's capital runs out. The calculations are extended through the life expectancy of the last to die. The bars represent the total value of all retirement capital. This report provides a graphical view of the Retirement Capital Analysis.
- **Monte Carlo Simulation Explanation**
 - This report explains the results of the Monte Carlo report. Illustrating the Monte Carlo Simulation Technique, Nominal Retirement Estimate, Percentage of Monte Carlo Results above Zero at Last Life Expectancy, Percentage of Monte Carlo Results above Zero at Selected Ages, Percentage of Monte Carlo Results Above and Below Estimate, Monte Carlo Simulation Minimum, Average and Maximum Results, and Estimating a Standard Deviation.
- **Monte Carlo Graph**
 - The Monte Carlo Simulation is a statistical method used to model and emulate future behavior of a complex system under variable conditions which cannot be accurately predicted. Financial estimates, where future market performance is an unknown, can be modeled and simulated using this technique. The process selects random rates of return for each year of each simulation to calculate a large number of possible future financial market environments. By using random rates from a statistically appropriate collection of probable returns, 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 an insight into the plan performance which may be expected under various combinations of market conditions.
 - **Average Rate of Return** - Each year a rate of return is calculated based on investment incomes adjusted for account contributions and distributions. The "Average Rate of Return" is the simple average of the annual rates of return in the simulation, through life expectancy.
 - **Standard Deviation** - The Standard Deviation used in this report is either calculated by the program, or entered by the planner. If you want to use your own Standard Deviation for this report, go to the Rates input screen and enter a percentage in the "Standard Deviation Override Percentage" field. If an override percentage is not entered on the Rates tab for a Standard Deviation, then the program will calculate a Standard Deviation percentage based on the "Average Rate of Return" calculated in this report.
 - For more information on the results of the Monte Carlo report, read the Simulation Explanation report.
- **Introduction to Dynamic Behavioral Analysis I & II**
 - The When-if? Behavior Analysis is a new tool developed by Money Tree Software that gives planners another way to analyze their client's financial future.
- **Behavioral Analysis Graph**
 - The Behavior Analysis graph displays the results from each possible retirement age at a glance. The percentage of projections that were allowed to retire at each age, displayed on the bar graph in red. The green bars demonstrate the success rate at life expectancy for projections allowed to retire at that specific age.
- **Variable Spending Success vs. Monte Carlo**
 - The Variable Spending vs. Monte Carlo report allows us to compare the results of a standard Monte Carlo analysis (blue bar) at a given retirement age to our variable spending analysis results (green bar). It also informs us of the average spending level (red bar) dictated by the variable spending model.
- **Goal Evaluation**
 - The Goal Evaluation report includes items entered in the Special Expense Planner. Monte Carlo Simulations are run including only the expense of items marked as Essential representing the highest priority items, and then sequentially including expenses identified as primary, secondary

and optional. The Monte Carlo simulations show the effect of each type of goal on the ability to reach a successful retirement.

- **Retirement Expense Forecast**
 - The program projects the annual income required for the retirement years, and income available from pensions and Social Security. This graph shows the annual amounts adjusted for inflation.
- **Cash Flow Graph**
 - This graph illustrates the sources of income and expenses each year in a graphical format. The Cash Flow report provides the actual numbers that create the preceding Cash Flow graph.
- **Cash Flow**
 - The Cash Flow report displays scheduled income sources versus living expenses and taxes to determine the cash flow shortage or surplus.
- **Cash Flow Explanation**
 - This report explains the Cash Flow reports. The explanation starts with an introduction and description of cash flows. The explanation moves on to cover the details of Cash Flow Graph report and the Cash Flow Numbers report.
- **Total Capital Assets**
 - The Total Capital Assets graph combines the value of your taxable assets and tax advantaged assets. The graph includes two different color sections with the bottom showing the taxable assets and the top section showing the tax advantaged assets.
- **Retirement Capital Analysis**
 - The Retirement Analysis Report shows a summary of:
 - Income needed each year
 - Sources of annual income (Pensions & Social Security)
 - Education & Other income or expenses
 - Cash flow surplus (shortage)
 - Annual additions to assets
 - Retirement capital (all investments combined)
 - **Ages** - If two individuals, the first column will represent the Individual 1's current age through life expectancy and the second column represents the second Individual's current age through life expectancy. To the right of each age column will be a letter "R" at the retirement age and a letter "L" at the life expectancy age.
 - **Retirement Spending Needs** - This column projects the amounts entered into the Income/Expense input screen. The retirement spending needs starts at the first individual's retirement age, with the starting amount increasing by the inflation rate provided in the "Current Annual Expenses" field. At retirement, the program changes to the annual amount of income required and the inflation rate provided in the "Annual Expenses During Retirement" field. When the first individual reaches their life expectancy age, the spending needs changes and uses the "Annual Expenses for a Survivor in Retirement" expense amount, inflated.
 - **Annual Sources of Annual Income**
 - **Social Security** - These columns will show the amount of potential Social Security income adjusted for the increase rates provided. If an "Estimated Actual Annual of Social Security benefits" was entered in the input screens, that amount is used in this report. If an "Annual Earned Income Now" amount was provided, then the program will provide a "best guess" of the amount that the individual will receive based on their age and a analysis of the benefits expected, using the Social Security AIME* tables built into the program. *AIME = Average Indexed Monthly Earnings.
 - **Pension Income** - Based on the pension income entered on the Pension/S.S. input screen, the program will show the after tax amount of pension income available for individual 1 and 2. The pension is reduced by the "Average Tax Rate (Federal + State) to Apply to Interest, Dividends & Other Taxable Income" percentage on the Rates input screen.
 - **Education & Other Income/Expense** - If a single or multiple year income or expense item was entered in the "Other Income of Expenses" section at the bottom of the Income/Expense input screen, then the amount(s) will be shown in this column. If some of the amounts were income items, and others were expenses occurring in the same year, then the column will show the "net" amount (Income less expense.) If the number is shown in red then it is an expense. All amounts have been adjusted based on the "% increase

rate" entered, compounded annually. This column also shows the education funding expenses in the year they occur. This information is located on the Income/Expense input screen, Education Cost Planner screen.

- **Cash Flow Surplus or (Shortage)** - Starting at the first individual's retirement age, each year the program will determine whether there will be enough money from the income sources and other expenses to meet the spending needs. If the needs are greater than the income available, the program will report a shortage (in red.) If the income available is greater than the amount needed a surplus will be reported.
- **Annual Additions to Assets** - The total amount scheduled for additions to the savings, investments and retirement accounts are shown here. For example, if an individual indicated that they are going to be adding \$2,000 per year to their IRAs and \$1,500 per year to a mutual fund, the program will show \$3,500 for the first year. If the amount indicated for the additions will increase at 5% per year, then the second year will show \$3,675, and will increase each year afterward. The account additions will end at the individuals retirement age.
- **Retirement Capital** - This column show the combine asset account totals; Savings & Investments, Tax Free, Annuity, 401K/TSA/SEP/Simple, IRA, and Roth IRA. investments and retirement accounts. The value at the top of the column (above the line) is the starting capital balance of all assets entered in the Asset input screen. Each year the program adjusts the balance based on the following illustration:

Starting balance

+ - plus or minus surplus or shortage (during retirement years)

+ plus annual additions

+ plus annual interest

= next years balance.

- **Taxable Savings**

- The Savings and Investments report shows an analysis of all savings and investment assets: savings, Cads, stocks, bonds, mutual funds, etc. These are accounts that are NOT special tax deferred accounts like IRAs, 401k, profit sharing, etc. The following text describes the report and some of the logic used to arrive at the results.
- **Account Additions** - This column shows the annual additions to the accounts, such as additions to mutual funds or savings accounts paid from earned income each year.
- Annual Growth - Each year the program computes the interest earned on the account balance, using the rates before and after retirement as entered in the Rates input screen.
- **Income Tax on Account** - The program computes taxes each year on the annual interest, based on the "Average Tax Rate (Federal + State) to Apply to Interest, Dividends, and Other Taxable Income" field on the Rates input screen.
- **From Tax Advantaged Assets: Distributions & Income Tax** - These two columns are used to account for money distributed from the IRA, 401k, and other tax deferred accounts. The program makes the assumption that when there is a distribution from the tax deferred accounts, the funds are first moved to the savings and investment accounts and then spent. For example, when an individual reaches age 70.5, their required to distribute a minimum amount from their retirement accounts. This amount of the distribution would likely be deposited into a money market or savings account and then spend it as needed.
- In order to provide for the taxes due on the Retirement account distributions, the program computes and shows the tax liability on this report. For example, the entire amount of an IRA distribution (as described above) would be included in the taxable income in the year received. Computing the tax and showing the payment of the tax in the year the distribution is received. This would be similar to receiving the distribution, placing it into a money market fund and then sending a check from the money market fund to the IRS for the estimated tax payment on the distribution.
- **Paid Out or Received for Cash Flow** - Each year after retirement the program will compare the expenses to the income sources (pensions, Social Security, etc.) to see if the individual(s) will have a surplus or shortage of spendable income.
- **Surplus** - If there is a surplus (more income than needed for the spending requirements), then the program will take the surplus and invest it into the taxable assets so it can accumulate.
- **Shortage** - If there is a shortage of spendable income, the program will dip into the taxable assets to make up the shortage. If there is not enough money in the savings and investment assets, the program will take money out of the retirement assets, starting with the first individuals accounts, and then, when they are consumed, dipping into the second individuals accounts.
- **Account Balance** - This column is the sum of the prior years account balance, plus the account additions and growth, minus the income taxes and the surplus or shortage in the Paid Out column.

This column shows the ending year account balance each year.

- **Tax Deferred Annuities**

- An annuity is a contract between the owner and an insurance company. The most popular type of annuity used for accumulating money for retirement is a "deferred annuity." With this type of contract, the owner deposits money with the insurance company and lets it accumulate interest or earnings until time to retire. Because of special tax treatment afforded to insurance companies, any interest or earnings on the account grow with no current taxes. This enables the account to grow much faster than in a taxable account. When money is withdrawn from the account, the fund removed will be taxed at the owners ordinary tax rate, until an amount equal to all the tax deferred interest is withdrawn. After all deferred interest is withdrawn, the withdrawals will be taxed only up to the amount of the annual interest earned.
- The annuity may be either a "Fixed" or "Variable" type.
 - **Fixed** - This type of contract acts like a savings account. The initial investment stays level, and each year it earns interest at the companies stated rate.
 - **Variable** - This type of contract, the owner selects an investment option (or combination of several accounts), generally a mutual fund. The value of the contract increases or decreases each year based on the performance of the investment account selected.
- **Account Additions** - This column shows the annual additions to the account each year.
- **Annual Growth** - Each year the program computes the interest earned on the account balance, using the rates before and after retirement as entered in the Rates input screen.
- **Account Withdrawals** - This column shows withdrawals take out of the account each year.
- **Account Balances** - This column is the sum of the prior years account balance, plus the account additions and growth, minus the account withdrawals to show an ending year account balance.
- **Cumulative Growth** - Shows the year by year growth of the account.
- **Taxable Withdrawals** - This column shows income withdrawn from the account that is subject to taxes each year.
- **Income Tax Due** - Shows the income taxes paid on the withdrawals each year.

- **Tax Deferred Accounts**

- This report tracks the individual(s) retirement accounts separately. The first section of the report (left side) illustrates the first individual's retirement accounts. The second section of the report (right side) illustrates the second individual's retirement accounts. If this is a single individual, all the retirement accounts will be summarized in the first section (left side).
- **Account Additions** - The total of the individuals retirement account (IRA, 401K, etc.) deposits are summarized here.
- **Annual Growth** - The program will compute the annual interest earned on the accounts. No taxes are charged on this interest because the IRS allows individuals to accumulate interest on a tax-deferred basis in these accounts. Note - when an individual starts drawing money out their accounts, the entire withdrawal amount will be taxed at the individuals current tax rate.
- **Withdrawals** - There are two things that will trigger a withdrawal.
 - **Income Shortage** - If at any year during retirement an individual does not have enough money to spend, the program will draw funds from first the savings and investment accounts, and when these accounts are consumed, then it will start drawing amounts out of the retirement accounts.
 - **Age 70.5** - The IRS specifies that at age 70.5, an individual MUST start taking at least a minimum withdrawal from their retirement accounts. This amount is determined by dividing the account balance by the life expectancy age. The program uses the IRS Table V life expectancy, and recalculates the required amount each year. The program checks each year to see if age 70.5 has been attained and if a withdrawal is required.
 - **Note:** Required Minimum Distribution The Required Minimum Distribution (RMD) payouts starting at age 70 1/2 are based on the MDIB table released by the IRA on January 11, 2001. This table uses a life expectancy that would represent a participant with a beneficiary 10 years younger (even if there is no beneficiary.) If the client has a spouse (indicated by selecting "Yes" being Married on the Names/Ages input screen) who is more than 10 years younger than the participant, then the program will use the original Table IV life expectancy ages. The life expectancy is recalculated each year.
- **Balance** - This column shows the prior years account balance plus account additions and growth, minus the withdrawals to show an ending year account balance.

- **Tax Free Accounts**

- Tax-free accounts include investments in tax-free municipal bonds and Roth IRA accounts.

- This report shows the money that is held in either of these type of accounts. In both accounts all interest accumulates without income taxes, and income drawn out is received tax-free. The first section illustrates the individual(s) Roth IRA account information and the second section illustrates the Tax Free account information.
- **Roth IRA Account**
 - **Account Additions: Ind. 1 & 2** - This column shows the annual additions to the Roth IRA accounts each year.
 - **Annual Growth** - Each year the program computes the interest earned on the account balance, using the rates before and after retirement as entered in the Rates input screen.
 - **Account Withdrawals** - This column shows withdrawals take out of the account each year.
 - **Balance** - This column is the sum of the prior years account balance, plus the account additions and growth, minus the account withdrawals to show an ending year account balance.
- **Tax Free Accounts**
 - **Account Additions** - This column shows the annual additions to the account each year.
 - **Annual Growth** - Each year the program computes the interest earned on the account balance, using the rates before and after retirement as entered in the Rates input screen.
 - **Account Withdrawals** - This column shows withdrawals take out of the account each year.
 - **Balance** - This column is the sum of the prior years account balance, plus the account additions and growth, minus the account withdrawals to show an ending year account balance.
- **Insurance Summary**
 - This report is a summary of all the life insurance policies entered on the Insurance/Risk input screen, Insurance - Detailed Input & Options screen. This report contains the following information about each of the insurance policies: Company, Insured, Owner, Beneficiary, Type, Death Benefit, Annual Premium, Total Premiums Paid, and Current Cash Values. The bottom half of this report shows the life insurance death benefits for each individual.
- **Survivor Needs Analysis - Individual 1 & 2**
 - This report illustrates the estimated basic needs for additional life insurance. The first part of this report describes the reasons why an individual needs life insurance. The second part of this report illustrates the "Life Insurance Basic Needs Estimates".
 - **Present Value**
 - **Projected Spending Needs, Education Expense & Other Expenses** - Shows the total amount of all expenses. These calculations comes from the Income/Expense input screen.
 - **Employment, Social Security Benefits, Pension Benefits, & Other Incomes** - Shows the total amount of all incomes. These calculations comes from the Income/Expense input screen.
 - **Net Estimated Survivor Needs Shortage** - This amount is the calculated by subtracting the total sources of expenses (Projected Spending Needs, Education Expenses, and Other Expenses) from the sources of income (Employment, Social Security Benefit, Pension Benefit, and Other Incomes).
 - **Currently Existing Liabilities** - Total amount of exiting liabilities from debts entered on the Additional Assets/Debts input screen (values on the right side of this screen).
 - **Assets Available to Offset Shortages** - Shows a total amount of assets available for insurance coverage.
 - **Current Life Insurance Coverage** - Shows existing life insurance coverage entered on the Insurance/Risk input screen.
 - **Suggested Additional Life Insurance Coverage** - This figure is projected using the following formula:
 - Net Estimated Survivor Need Shortage
 - + Currently Existing Liabilities
 - Assets Available to Offset Shortage
 - + Current Life Insurance Coverage
 - = Suggested Additional Life Insurance Coverage amount
- **Survivor Needs Calculation - Individual 1 & 2**
 - This reports shows a worksheet describing the spending needs, education costs, other income and expenses, employment, Social Security income, pension income, and projected income shortage.

- NPV'S Shows the net present values of each column. The "Discount Rate for Survivor Needs" on the Insurance/Risk input screen, is used to calculate each columns net present value .
 - **After Tax Spending Needs** - This amount comes from the Income/Expense input screen, "Annual Current Expenses for Surviving Household" field, inflated each year with the inflation % across from this expense field. Once the individual retires, this column will change and use the "Annual Expenses for a Survivor in Retirement" amount, inflated each year with the inflation % across from this expense field.
 - **Education Costs** - This column shows the education funding expenses. This column is the results of the information entered on the Education Planner on the Income/Expense input screen.
 - Other Income/Expenses - These amounts consist of single year and multiple year income and expenses items, entered in the Special Income Planner and Special Expense Planner on the Income/Expense input screen.
 - **After Tax Employment Income** - These amounts consist of the individuals "Current Annual Earned Income" from the Pension/S.S. input screen, minus the "Average Tax Rate (Federal + State) to Apply to Interest, Dividends & Other Taxable Income" rate on the Rates input screen.
 - **After Tax Social Security Benefits** - Based on either the calculated Social Security from "Current Annual Earned Income" or "Estimated Actual Annual Social Security benefits", the program will tax 85% of these benefits. The tax rate used is located on the Rates input screen, "Average Tax Rate (Federal + State) to Apply to Interest, Dividends & Other Taxable Income", After Retirement field.
 - **After Tax Pension Income** - This column shows the pension income entered on the Pension/S.S. input screen, minus the tax rate entered on the Rates input screen, "Average Tax Rate (Federal + State) to Apply to Interest, Dividends & Other Taxable Income", After Retirement field.
 - **Projected Income Shortage** - This column is the results of the previous six columns; after tax spending needs, education costs, other income and expenses, employment, Social Security income, pension income, and projected income shortage. If a positive number appears in this column, that means no additional life insurance is need in that year. If a negative number appears in this column, that means there is a need for additional life insurance in that year.
- **Disability Insurance**
 - This report illustrates the estimated basic needs for disability insurance.
 - The first section of the report projects the "Suggested Need" for disability insurance. This sections illustrates the individuals Current Income per year, the Replacement Ratio and the Suggested Need for each individual. The current underwriting standards allow only a portion of the Current Income to be replaced.
 - The second section of this report illustrates the many factors which could affect the amount of the Suggested Need. These items should be reviewed before making your final decision on getting disability insurance. Theses factors are: Investment Income, Investment Assets, Retirement Assets, Spouse's Salary, Pension Income, Other Income, Changes in Living Expenses, Inflation, Funds required for retirement/education or other needs, Length of Time Until Retirement, Changes in Taxes, Social Security Disability Benefits, and Employer Disability Benefits.
 - **Long-Term Care**

This report illustrates the following information:

 - **Long-Term Care Definition** - Long-term care is sustained medical or custodial care in a hospital, nursing facility, or equivalent care at home.
 - **Needs Requirements to Obtain Insurance Benefits** - There are two categories that fit into the needs requirements to obtain insurance benefits: Inability to perform two or more Activities of Daily Living (or ADLs) and Impaired Cognitive Ability.
 - **Cost of Waiting to Plan** - Lists several costs of waiting to plan and the risk of not getting long-term care insurance.
 - **Medicaid and Medicare Facts** - Explanation of the Medicaid and Medicare health coverage.
 - **Long-Term Care Need Analysis**

This report explains the need for long-term care planning and the best time to purchase long-term care insurance.

 - **Needs Estimate** - An estimated long-term care cost example is shown based on the financial information provided in the input screens. The example illustrates the need to analyze and discuss long-term care insurance needs.
 - **Estimated Daily Care Cost** - The amount in this field is summarized from the field titled, Optional Daily Long Term Care Override Amount from the Insurance Detail input screen. If no amount is entered into this field, the amount will be summarized using one of the three default amounts in the Options file menu, under Customize Asset Groups, Long Term Daily Care Cost section.

- **Estimated Annual Care Cost** - The amount in this field is summarized by taking the Estimated Daily Care Cost amount times 365 days in a year.
 - **Estimated Years of Care** - The software uses an estimate of 5 years for this field.
 - **Assumed Inflation Rate** - The software uses an estimate of 5% for this field.
 - **Current Financial Assets Exposed to Potential Long-Term Care Expense** - The amount shown here is summarized from the current year account balance on the Retirement Capital Analysis report.
 - **Needs Estimate Graphs** - At the bottom of this report, two graphs project the cost of waiting to purchase long-term care insurance and the economic impact of long-term care.
 - **Cost of Waiting to Purchase Long-Term Care Insurance** - This graph illustrates the increased total cost of premiums and the years until purchase.
 - **Economic Impact of Long-Term Care** - This graph illustrates the difference between the "Total costs without insurance" (red line) and the "Total costs with insurance" (green line). The graph shows the projected total cost of care and number of years.
- **Long-Term Care Unprotected Need**
 - This report displays the annual future amount of long-term care needed versus assets available and alternative options to long-term care insurance.
 - **Long-Term Care Needs Calculations** - Displays a graph outlining the capital assets and the cost of care. Calculations are also projected to show the total long-term care costs, the assets to be liquidated, and the unprotected need.
 - **Alternative Options to Long-Term Care Insurance** - This section of the report outlines two alternative options to long-term care insurance: Self-Insurance and Qualify for Medicaid.
 - **Self-Insurance** - This alternative uses your existing investments to pay for long-term care if needed.
 - **Qualify for Medicaid** - Explanation of how to qualify for Medicaid health care services.
 - **Summary** - Summarizes the potential loss of financial assets to pay for long-term care insurance, long-term care coverage, and the need to contact an insurance specialist regarding long-term care insurance benefits and choices.
- **Estate Planning**
 - This report is an illustration report containing text about Estate Tax, Other Financial Goals, Non-Financial Goals, and Summary.
- **Estate - Current Situation**
 - This report makes recommendations based on information entered within the program. The report is contains five sections:
 - **Basic Data** - Age and age at death for this illustration.
 - GENERAL ASSUMPTIONS Administrative & probate expenses as a percentage of estate assets and estimated final expenses.
 - **Existing Estate Planning** - Answers to questions asked on the "Estate - Detailed Input & Options" screen, on the Insurance/Risk input screen.
 - Previous Gifting Detail - Previous taxable gifts and previous gift taxes paid.
 - **Current Estate Summary** - Summary of the gross each individuals estate, federal estate taxes, administrative, probate, & final expenses, and additional planning calculations.
- **Estate - Current Estimate**
 - This report contains three sections for each individual: Estate, Deduction and Expenses, and Federal Estate Tax. Shows a current estimate of the individuals Federal Taxable Income and Federal Estate Taxes assuming current deaths of the Individual 1 and Individual 2. Shows the taxes and costs for Individual dying first or Individual 2 dying first.
- **Estate - Alternative Structure**
 - This report shows a summary of alternative estate results for an individual. This report reviews and compares the cumulative impact upon an estate using the suggested estate planning alternatives.
 - The middle of this report illustrates the impact of planning upon estate costs. The first graph shows the current estate costs and the second graph shows the alternative estate costs. Each of these graphs show the Estimated Costs and Amount to Beneficiaries.
 - The last section of this report explains how implementing the suggested alternative estate strategies, could significantly increase an individuals assets passing to the beneficiary at death and reduces the estimated estate settlement costs.
- **Estate - Alternative Flowchart**

- Prepares two Federal Estate tax scenarios: one for the death of Individual 1 and the second for the death of Individual 2, assuming a trust is in place. Illustrates the value of each individuals estate, a credit shelter trust, life insurance trust, marital trust and the total income available to the heirs, after costs and taxes.
- **Estate - Alternative Estimate**
 - This report contains three sections for each individual: Estate, Deduction and Expenses, and Federal Estate Tax. Shows a suggested estimate of the individuals Federal Taxable Income and Federal Estate Taxes assuming current deaths of the Individual 1 and Individual 2. Shows the taxes and costs for Individual dying first or Individual 2 dying first.
- **Estate Tax Estimate**
 - In June 2001, The Economic Growth and Tax Relief Reconciliation Act of 2001 was signed into law. One of the features of the new law is to completely phase out estate taxes by 2010. This will be done by increasing estate tax exemptions and decreasing the estate tax rates each year. In 2010, inherited property will no longer receive the step-up in basis as is done now, exposing those assets to potentially large capital gains when sold. The Gift Tax rules have also been changed. Congress must decide by 2010 if these changes will be permanent or revert back to previous law.
 - This report shows an estimate of your client's estate tax exposure using suggested planning. Information on this report is taken from the estate net worth and assumptions are made regarding growth to produce an estimate of your client's estate tax exposure under the new law. The graph projects the estate tax exposure in the color red and the after tax estate remainder at year end in the color green. The bottom section of this report shows the year by year effects of the new law.
- **Education Funding Illustration**
 - This report provides two options when funding education costs.
 - The first option is to fund education costs by making a single deposit now, into an education fund. This option is illustrated in the top section of this report. This section illustrates the starting year of school, number of years attending, cost per year, total cost of the inflated funds, current college funds available now, the single deposit now, and the annual deposits to the fund.
 - The second option is to make level annual payments into an education fund. This option is illustrated in the bottom section of this report. This section provides a year by year illustration of the additions to the fund, the amount to the school to fund the education costs, and the ending year balance of the fund.
- **Investment Planning - Asset Allocation**
 - This report discusses asset allocation and its importance related to managing risk maximizing returns. The discussion includes three forms of risks, portfolio design and the Efficient Frontier. A graph of the Efficient Frontier is included.
- **Investment Planning - Market Risk and Diversification**
 - This report discusses investment market risk and how to reduce market risk with asset class diversification. Three asset allocation approaches are explained. A graph is included listing the Annual Return of the S & P 500 for the past 20 years.
- **Investment Planning - Investment Returns and the Power of Compounding**
 - This report discusses the power of compounding and two basic ways of achieving compounding. The Power of Compounding is illustrated in a chart comparing compounding of different asset classes over a 10+ year period.
- **Debt Freedom: Introduction**
 - This report explains the uses of credit, and the fact that too much debt can be costly.
- **Debt Freedom: Current Plan**
 - This is the first report of Part 1 "Accelerated Debt Reduction or Elimination", covering the details of the existing debt re-payment plan, as entered in the Additional Asset/Debt input.
- **Debt Freedom: Proposed Plan**
 - This is the second report of Part 1 "Accelerated Debt Reduction or Elimination", covering the details of the proposed debt re-payment plan. The proposed debt re-payment will aim to pay off higher interest loans first, reducing the amount of loan interest paid and possibly shortening the number of years, using the same total monthly payment or an increased payment amount if an additional

amount was indicated to apply to the debt re-payment on the Debt Freedom input.

- **Debt Freedom: Monthly Payment Schedule**
 - This is the third and final report of Part 1 "Accelerated Debt Reduction or Elimination", graphically illustrating the pay payment amounts for the proposed debt re-payment for the next 5 years. Debt payments could continue longer than the 5 year period illustrated.
- **Debt Freedom: Accelerated Wealth Accumulation**
 - This report covers Part 2 "Wealth Accumulation". If loans are paid off early following an accelerated debt repayment plan, the money that was going toward debt re-payment will be freed up to use for other goals, such as additional savings. The graph included on this report will display loan balances over a 30 year period. Both the current debt re-payment and the proposed Debt Freedom re-payment plan are illustrated.
- **Debt Freedom: Debt Education, II, & III**
 - Debt education reports I, II & III cover Part 3 "Debt Education". This section discusses: different types of debt, the respective value, three basic types of loans, reasons behind growing debt levels and tips for borrowing.

Summary:

- The summary report will provide a recap of the retirement analysis. The first section of this report illustrates the client's goals. The next section illustrates if a clients funds will last through their life expectancy or they will run out of funds before life expectancy. Some suggestions are given that may help your client's consider ways to help reach your goals. The last section of this report will show information entered in the Customized Advisor Report screen.

Graphs:

- **Retirement Expenses**
 - This graph combines the values of the Social Security benefits, pension benefits and any shortage of projected expenses. The graph includes three different color sections with the bottom showing the Social Security benefits, the middle section showing the pension benefits and the top section shows projected expense shortage (if a shortage occurs for that year).
 - This program projects the annual income adjusted for inflation required for your retirement years. This graph will indicate the following income changes throughout the graph.
 - **Pre-Retirement** - The income needed at retirement after adjustment for the pre-retirement inflation rate.
 - **Retirement** - The income amount will be increased by the inflation rate for that period.
 - **Surviving Spouse** - If you entered information for a spouse, your indicating a reduced amount of income required for a single survivor, then the income amount required will be reduced at the first death.
- **Taxable Assets**
 - This graph shows the values of the savings and investments each year. The assets included are the savings and investment accounts owned personally (not coded as IRA, 401k, etc. retirement.) These assets and the annual additions are accumulated at the rate of return you entered.
 - If there is a shortage of income during the retirement years, the program makes withdrawals from these accounts to supplement the expense needs. This could cause this account to be consumed prior to life expectancy.
 - If the Savings & Investment account graph declines in value during retirement years and then builds again after age 70. The tax code requires that when the age of 70.5 is reached, an individual must withdrawal at least minimum distributions from their retirement accounts (IRAs, 401k, etc.)
 - In this program, the distributions are automatically computed and paid out of the retirement accounts. If not needed for spending purposes, then the money is reinvested into the savings and investment accounts and will cause the accounts to start growing again.
 - If there are single/multiple year income or expense items (from the Income/Expense input screen), then this could also cause the savings and investment account to suddenly increase or decrease as the income is received or the expense is paid out.
- **Tax Advantaged Assets**

- This graph tracks all the Tax Deferred Retirement assets (IRA, 401k, profit sharing, etc.), Tax Free assets and Roth IRA accounts. The account balance will grow as additions are made, and as the account earns interest.
 - A declining account balance could be reflect one or more of several reasons. During retirement, whenever all the savings and investment accounts are consumed, and additional funds are needed for spending, the program will then start drawing down the tax free assets, then Roth IRAs, annuities and finally, tax deferred retirement accounts.
 - At age 70.5, the IRS requires that distributions must be made annually from tax deferred retirement accounts like IRAs, 401k, etc.. These distributions are made on a schedule that will consume the account balances over in the individuals life expectancy (referred to as annually recalculated withdrawals.) The money distributed from the retirement accounts will first be used to meet spending needs, and if any money is left over, then it will be reinvested into the taxable accounts.
- **Total Assets**
 - The Total Capital Assets graph combines the value of the taxable assets and tax advantaged assets. The graph include two different color sections with the bottom showing the tax advantaged assets and the top section showing the taxable assets.
- **Asset Allocation**
 - While entering data for the assets, a type code for each asset will need to be selected. Choose from the following options:
 - Cash & Reserves
 - Income
 - Income & Growth
 - Growth
 - Aggressive Growth
 - The pie chart on the TOP of the screen shows the percent of the assets in each category. The pie chart on the BOTTOM of the screen shows a suggested percent of the assets for each category. The Suggested Asset Allocation Pie Chart either reflects the percentages entered in the "Suggested" column on the Asset input screen, or calculated based on what we call a life-cycle allocation. If no "Suggested" percentages are entered on the Asset input screen, then the program combines the individual's age with the chosen risk tolerance score on the Insurance/Risk input screen.

Display Report Options:

- **Viewing Reports** - To view the various reports within the Table of Contents list, simply click with your mouse on the report you would like to view on screen.
- **Viewing Scale** - To view the report in a larger scale, click on the + magnifying glass to adjust the viewing scale larger. To view the report in a smaller scale, click on the - magnifying glass to adjust the viewing scale lower. If you click on the Table of Contents button the list of reports will disappear and a full view of a report will appear in it's place. To set the viewing scale percentage, click on the down arrow to the right of the Page Width field. A list of percentages will appear allowing you to set the page viewing percentage width.
- **Moving from one Report to Another** - If you want to view the next report within the Table of Contents list, click on either one of these buttons to move up and down within the list of reports. You can also click on these options to move from one report to another within the list of reports. If you want to know what report number and total number of reports within the Table of Contents list, look within this box to reveal the report number/total number of reports within the list.

Printing and Exporting Reports:

- To print a report from the program, move to the Reports section, then follow one of these options below:
 - **Print** - Click on the Print button and a print dialog will appear allowing you to print either one report or a range of reports and graphs.
 - **Print Current Page** - Prints the page currently selected.
 - **Export** - Click the Export button to export the report(s) to Adobe PDF, Excel, Rich Text Format and HTML.
- You can setup a custom list of the reports that the program will generate. Please see Report Customization for more information.

What-If:

- The What-If screen allows various options for improving the retirement situation to be changed. By changing numbers on the screen and clicking on the "Recalculate What-If?" button, the program will immediately display the changed results in the form of a bar chart. By simply changing a few assumptions, the chart can change from a negative cash flow into a positive cash flow. These changes will only show up on this chart, keeping all the original numbers unchanged.
- The calculations are extended through the life expectancy of the last to die. The bars represent the total value of all retirement capital.
- **Negative Cash Flow** - If the assets are consumed before the need for income ends, then the chart will show the amount of the annual shortages as negative bars in red below the base line of the graph. Each year the shortage is accumulated to show the negative cash flow that may occur through life expectancy.
- **Positive Results** - If the bar chart does not go into a negative balance, then it appears that the assets will be adequate to last long enough through life expectancy.
- **What-If? Monte Carlo Probability Result** - The program will illustrate a percentage of success of the plan. If you have a success rate of 70% or higher, the percentage value will be shown in green. If you have a success rate of 69% or lower, the percentage value will be shown in red, illustrating the need to review the plan further.
 - **Buttons:**
 - **Using What-If** - The assumptions in the white boxes, press the center 'Recalculate' button to view the new graph. Click on the ? button for more detailed help."
 - **Recalculate What-If?** After making changes to the assumptions on this screen, click on this button to have the graph revised and to see the results of the change(s).
 - **View What-If?** Click on this button to print out a revised Retirement Capital Analysis report with the changed assumptions. Once you click on this button, the report will appear on the screen. To print this report, click on the PRINT button on this screen. When this report is printed or viewed, the title will show "Retirement Capital Analysis - What If?" If you do not want to print this page once you are done viewing it, click on the "x" in the upper right hand corner of the screen.
 - **View What-If Graph** - Click on this button to print out a revised Retirement Capital Analysis graph with the changed assumptions. Once you click on this button, the graph will appear on the screen. To print this graph, click on the PRINT button on this screen. When this graph is printed or viewed, the title will show "Retirement - What If?" If you do not want to print this page once you are done viewing it, click on the "x" in the upper right hand corner of the screen.
 - **View Monte Carlo** - Click on this button to view and print out a revised Monte Carlo report with a list of changes to the original assumptions and success rate of the plan. Once you click on this button, the report will appear on the screen. To print this report, click on the PRINT button on this screen. When this report is printed or viewed, the title will show "Monte Carlo Retirement Simulation - What If?" If you do not want to print this page once you are done viewing it, click on the "x" in the upper right hand corner of the screen.
 - **Save/Report Button** - Click this button to launch the Scenario Management Option System. This system will allow you to save up to three What-if scenarios and choose if you would like to include the what-if scenarios in the reports. Make sure you have the "Scenario Text" entered before launching the Scenario Management Option System.
 - **Load** - Allows you to load a saved what-if scenario.
 - **Reset** - Resets the What-If area to the original values.
 - **Changing Assumptions** - To view different options in an effort to improve the retirement analysis, try the following by making changes to the values shown in the screens.
 - **Scenario Text** - Enter a description of the What If changes. For example, Change rates from 7% to 10% or Retire at 67, instead of 65.
 - **Spending Needs; Retire & Surv.** - Enter changes to the Retirement and/or Survivor expense amounts, to find out if the money will last longer or to find out if the client can spend more money.
 - **Rate of Return (ROR)** - Try increasing the rate of return before and/or after retirement with a weighted average rate for each category. This will cause the assets to grow faster and last longer. Caution If a rate that is entered higher than might actually be achieved,

then the results might lead to a false sense of security. Use rates that are realistic for long term calculations.

- **Inflation %** - No one knows what the inflation rate will be over the next 20 to 30 or more years. Try changing the inflation rates to a higher or lower rate to see how the inflation rates will affect the retirement capital. Then click on the Recalculate button to see the effects.
- **Annual Additions** - An important option for accumulating more retirement capital is to increase the amount of money being invested each year, either in taxable or tax deferred accounts. If there is an opportunity to use tax deferred deposits (IRA, 401k, etc.), instead of taxable deposits, you may find improved results. Tax deferred accounts can grow faster because of the tax advantages.
- **Increase %** - If the increase rate on the additions is set for "0", then the program assumes that each year the additions will be made in the same amount. If the income is increasing each year by 5%, then try increasing the amount invested by the same rate. Try putting an increase rate on some or all of these additions and see how it affects the results.
- **Life Expectancy** - If running the program for a couple, the program will reduce the annual expenses at the first death and turn off the expenses altogether at the last death. To see the results if one of the individuals should live longer or shorter than expected, change the life expectancies and press Recalculate.
- **Retirement Age** - If the scheduled retirement age is 55 and the money is running out, try deferring the retirement age by 1 or 2 years. This would allow the program to continue the account deposits longer and start the income needs later. Sometimes a small change of this type can make a dramatic difference in the results. Retirement Age "1" is used for Individual 1, age "2" for Individual 2.
- **Life Insurance** - The program includes the life insurance benefits in the analysis. Permanent policies are continued through life expectancy. Term policies are continued until retirement age. When you make a change in insurance amounts on the What-if screen, the program will assume that the change is for the permanent policy. An appropriate use of this change would be a case where the assets last until the first death, but run out before the survivor's life expectancy. Increasing the insurance on the first to die would provide additional capital to cover the remaining years.