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Income Tax Analysis

Allen & Betty Abbett

Sample Plan - TOTAL Cash-Flow-Based Planning



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

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Cash Flow Planning

Sample Plan - TOTAL Cash-Flow-Based Planning

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

Cash Flow Planning

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

What do we mean by "Optimized" planning?

Cash Flow Each year your income sources are compared to your annual expenses. Any surplus of spendable income is automatically added to your savings and investments starting in the first year. If there is a shortage of spendable income, the amount needed to make up the shortage is withdrawn from your asset accounts. This approach is intended to reflect what would happen if you are managing your funds in an optimal manner.

Assets Every year your savings and investment accounts will have potential interest, dividends, capital gains or appreciation. The cash flow analysis makes the assumption that, unless otherwise indicated, the entire rate of return is reinvested into the account. This approach optimizes the potential growth of each asset account. Taxes are not charged to the earnings on the account, but instead are added to your personal expenses.

Taxes Since income and FICA (Social Security) taxes can represent a substantial part of your annual expenses, the "optimized" planning approach carefully computes your tax burden every year. The analysis uses the actual IRS tax rate tables including annual adjustments for "indexing" the rate breakpoints and standard deductions. For high income taxpayers, itemized deductions and exemptions are phased out. Separate tax treatment is provided for dividends, capital gains, alternate minimum tax, the taxable portion of social security income and other areas where special treatment is required. The result is that, instead of showing a "guesstimate" of your annual taxes, the analysis provides a more accurate yearly indication of future potential taxes.

Income Tax Calculation

Sample Plan - TOTAL Cash-Flow-Based Planning

Tax Rate Schedules:

The tax calculations prepared in this report use the actual federal tax rate schedules as published by the IRS. In other words, the taxable income reported herein is taxed first at the 10% level, then 12% and so forth, based on the actual breakpoints provided by the IRS. A financial plan that is prepared using only a single estimated tax bracket to illustrate the amount of taxes due can substantially understate or overstate the actual real tax impact on the plan.

Comparison of estimated income tax rate versus actual tax bracket calculations (married filing jointly)

	\$50,000	-- Income Level --	\$50,000	
	Using 15% estimated rate	Using 2018 tax rates.	(\$24,000)	- Standard deduction
			\$26,000	- Taxable
Tax due...	\$6,000		\$2,739	- a \$3,261 or 54% difference.

Indexing of tax brackets:

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

Tax Cuts and Jobs Act of 2017

On December 22, 2017, the TCJA act was signed into law enacting substantial changes to the tax law. A majority of individual tax law changes are not permanent and are set to expire after 2025*.

Marginal Tax Bracket percentages:

<u>Pre-tax Act</u>	<u>EGTRRA</u> <u>2001</u>	<u>JCWAA</u> <u>2002</u>	<u>JGTRRA</u> <u>2003</u>	<u>ATRA</u> <u>2012</u>	<u>TCJA</u> <u>2018</u>
0.0%	10.0%	10.0%	10.0%	10.0%	12.0%
15.0%	15.0%	15.0%	15.0%	15.0%	22.0%
28.0%	27.5%	27.5%	25.0%	25.0%	24.0%
31.0%	30.5%	30.0%	28.0%	28.0%	32.0%
36.0%	35.5%	35.0%	33.0%	33.0%	35.0%
39.6%	39.1%	38.6%	35.0%	35.0%	37.0%

Additional TCJA Changes

The TCJA introduced numerous changes. The Child Tax Credit doubled to \$2,000. Marriage penalty relief is eliminated for all but the top tax bracket. Personal exemptions are suspended. The standard deduction nearly doubled to \$24,000/\$12,000 (married filing jointly/single filer). A new \$10,000/\$5,000 limit is placed on the deduction for state and local taxes. Itemized deductions are no longer subject to phase-out for high-income taxpayers. New limits are placed on the deductibility of home mortgage and home equity loan interest. Rules for 529 college savings plan has been extended to allow use for K-12 education expenses. Self-employed taxpayers may be able to claim a new deduction of up to 20% of qualified business income.

The Alternative Minimum Tax exclusion levels were increased to \$109,400/\$70,300 for 2018 with annual indexing attached. Qualified dividends will continue to be taxed at long-term capital gains rates. Dividends and capital gains will now be taxed at a rate of 0%, 15% or 20% depending on the taxpayer's marginal bracket, with an additional 3.8 % Hospital Insurance tax on capital gains for anyone with an AGI over \$200,000/\$250,000.

* Sunset Provision

Unless Congressional action is taken, a majority of the TCJA changes will expire after 2025, reverting to the rules in place under the previous tax act. The changes listed here may prove temporary unless Congress decides the changes will be made permanent, or other changes are made.

Income Tax Planning

Sample Plan - TOTAL Cash-Flow-Based Planning

Taxation is an important consideration within any financial plan, both for today and in future years. Income taxation has effects on spending, saving, investment growth, and beneficiaries' inheritances. Unfortunately, uncertainty exists regarding future tax levels and rules. Tax planning is a valuable and ongoing process. Congress has made several tax changes in recent years, and tax rules are always subject to change.

TCJA In December 2017, Congress passed the Tax Cuts and Jobs Act (TCJA) enacting substantial changes to the US tax code. A majority of changes to individual tax laws stemming from the TCJA are not permanent. Without specific action by Congress, the tax laws will sunset after 2025, reverting to the rules in place before the TCJA. TCJA

- The top income tax rate reduced from 39.6% to 37%
- The standard deduction amount nearly double from the prior level
- Personal exemptions are suspended
- State and local tax deductions are limited to \$10,000
- Itemized deduction phase-out for high-income taxpayers is suspended
- New limits are placed on the deductibility of home mortgage and home equity loan interest
- Child tax credit increased to \$2,000
- The AMT exemption amount doubled, reducing the number of taxpayers subject to AMT
- Marriage tax penalty eliminated for all but the top tax bracket
- 529 college savings plan use has been extended to allow for qualified K-12 education expenses
- Self-employed taxpayers may be able to claim a new deduction of up to 20% of qualified business income
- Estate tax exemption amount doubled, significantly reducing the number of estates subject to estate tax

The American Taxpayer Relief Act of 2012 (ATRA) attempted to create greater predictability and stability in the tax code by making what were deemed permanent changes. The passage of the TCJA highlights the critical point that nothing is certain regarding future taxation.

The recent rule changes may introduce the new tax planning strategies and techniques. Making the most of potential tax planning opportunities requires understanding the relative importance of taxation on a particular plan, and recognizing specific tax minimization techniques that may apply to an individual situation. Taxpayers near the top of the 37% bracket might use strategies unnecessary in lower brackets. Tax strategies can vary based on income, deductions, age, marital status, goals, qualified plans, charitable, and estate considerations.

It is worthwhile to consider the long-term impact of taxes and how they may interact with future income streams. For instance, it may be advantageous to convert IRA or 401(k) assets into Roth accounts in years leading up to age 70. Roth IRA conversions could potentially transfer some taxable income to earlier, lower tax bracket years, and result in tax-free income later on and lower RMDs, reducing income exposed to higher tax brackets. Tax planning depends heavily on individual situations, and not all solutions are appropriate for everyone. It may be prudent to consult with a tax specialist when working to implement complex strategies.

It is essential to consider the present and future tax implications of financial decisions and the effect they may have on tax strategies that are being implemented or planned while keeping in mind future tax law changes are unknown.

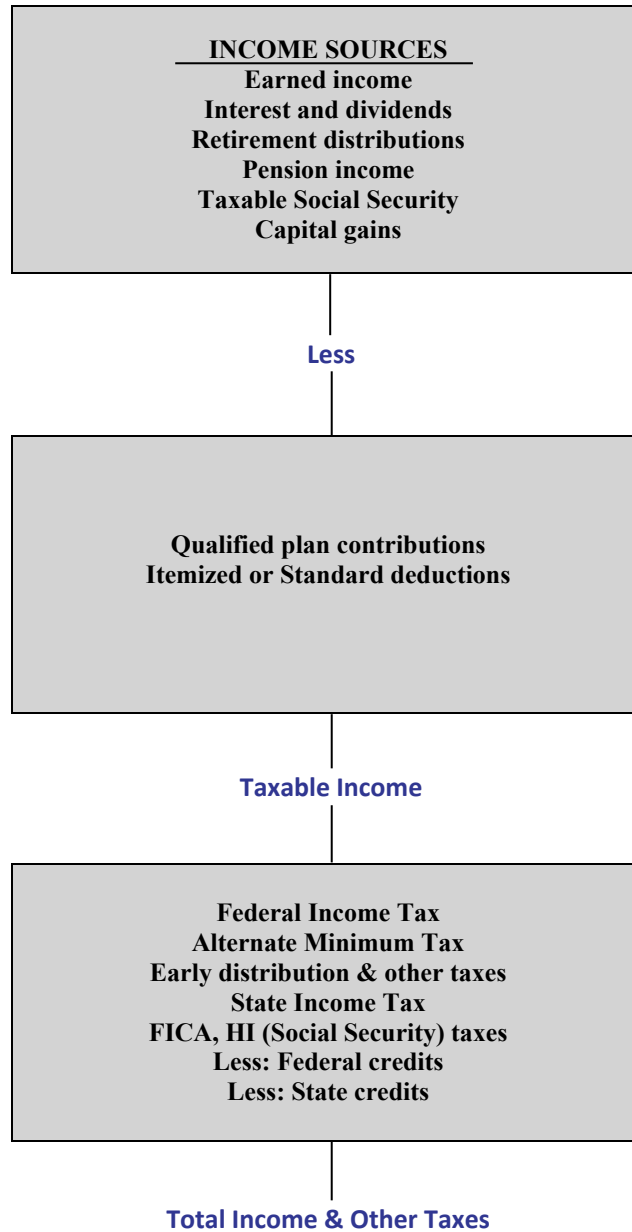
2018 Tax Rates

Single Rates		Joint Rates	
	10.00%		10.00%
\$9,525	12.00%	\$19,050	12.00%
\$38,700	22.00%	\$77,400	22.00%
\$82,500	24.00%	\$165,000	24.00%
\$157,500	32.00%	\$315,000	32.00%
\$200,000	35.00%	\$400,000	35.00%
\$500,000	37.00%	\$600,000	37.00%

Income Tax Chart

Sample Plan - TOTAL Cash-Flow-Based Planning

Federal income taxes, including personal exemptions, are computed using the IRS tax rate tables with all amounts indexed at 2.00 % per year.



Income Tax - Current Year

Sample Plan - TOTAL Cash-Flow-Based Planning

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

INCOME:

	Gross	Taxable	
Salaries and wages	\$158,000	\$158,000	B9
Interest	1,407	1,407	C4..C8
Schedule C (self employment)	8,000	8,000	B9
Schedule D (net gain/loss)	5,898	5,898	C6 a
Schedule E (passive gain/loss)	3,281	3,281	D9
GROSS INCOME		\$176,587	

Adjustments:

Retirement plan deposits - Allen		(\$5,160)	C10-C10e
Retirement plan deposits - Betty		(4,320)	
Self Employment FICA	1,130	(565)	D15
ADJUSTED GROSS INCOME		\$166,542	

Itemized Deductions:

	Gross	Allowed	
Mortgage interest	\$9,955	\$9,955	D10
Charitable contributions	4,000	4,000	
Medical expenses	4,000		
State, Property & Other Tax	21,543	10,000	
		Itemized deductions	
		\$23,955	D11
		or Standard deductions	
		\$24,000	
TAXABLE INCOME		(\$24,000)	
		\$142,542	

TAX SUMMARY:

Federal Income Tax	\$22,825	
FICA (Social Security) & HI Tax	13,217	
Other Taxes or (credits)	(2,000)	
State Income Tax	14,143	
TOTAL TAXES		\$48,185

Your combined federal & state marginal tax bracket is 31.00% .

Your total taxes equal 28.93 % of your Adjusted Gross Income, and 33.80% of your Taxable income.

*Dividend and Capital Gains taxed marginally at 15.00%.

Tax -vs- Income

Sample Plan - TOTAL Cash-Flow-Based Planning



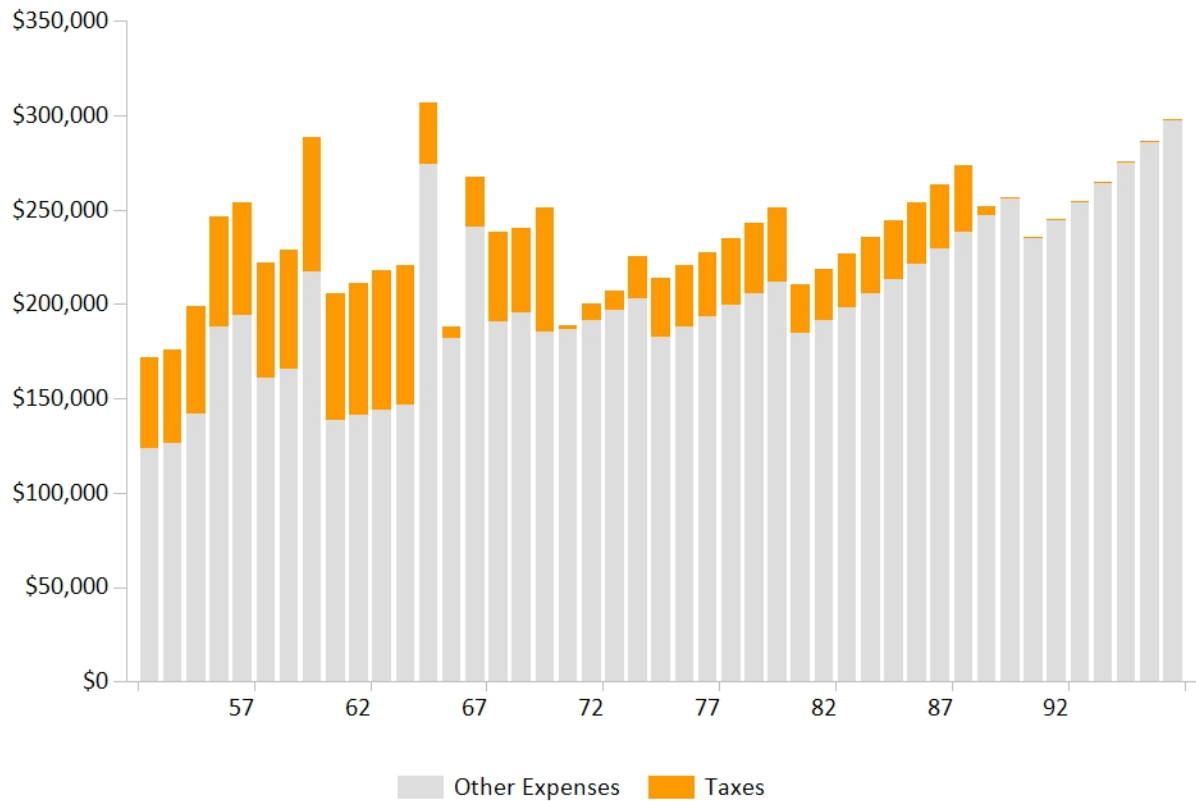
Spendable income is defined here as your total sources of funds less the amount owed for taxes each year. Included in income sources are . . .

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

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

Tax -vs- Expense Graph

Sample Plan - TOTAL Cash-Flow-Based Planning



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

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

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

Tax Summary

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages	Federal Income Tax Amounts					State Tax	Additional State Tax or (credits)	FICA and HI Tax	Total Taxes
	Federal Income Tax	Additional AMT Tax	Federal Credits	Early distr. & other tax	Total Fed. Income Tax				
	1	2	3	4	5	6	7	8	9
53 51	\$22,826		(\$2,000)		\$20,826	\$14,503	(\$360)	\$13,217	\$48,186
54 52	23,576		(2,000)		21,576	14,938	(360)	13,514	49,668
55 53	26,288				26,288	16,180	(270)	14,541	56,739
56 54	27,018				27,018	16,615	(270)	14,870	58,233
57 55	27,914				27,914	17,116	(180)	15,309	60,159
58 56	28,437				28,437	17,461	(180)	15,551	61,269
59 57	29,419				29,419	18,024	(180)	15,903	63,166
60 58	34,469				34,469	20,809	(180)	16,718	71,816
61 59	31,447				31,447	19,217	(180)	17,098	67,582
62 60	32,673				32,673	19,838	(180)	17,487	69,819
63 61	34,873				34,873	20,851	(180)	18,194	73,738
64 62	35,278				35,278	21,159	(180)	18,291	74,548
65 63	9,421				9,421	14,683	(180)	8,419	32,343
66 64						6,603	(180)		6,423
67 65	13,145				13,145	14,073	(180)		27,038
68 66	29,520				29,520	18,250	(180)		47,590
69 67	29,581				29,581	15,640	(180)		45,041
70 68	40,843				40,843	22,587	(180)	2,428	65,678
71 69						2,457	(180)		2,277
72 70	3,708				3,708	4,934	(180)		8,462
73 71	4,613				4,613	5,308	(180)		9,741
74 72	13,085				13,085	9,447	(180)		22,352
75 73	18,950				18,950	11,943	(180)		30,713
76 74	19,995				19,995	12,424	(180)		32,239
77 75	21,092				21,092	12,929	(180)		33,841
78 76	22,278				22,278	13,461	(180)		35,559
79 77	23,488				23,488	14,015	(180)		37,323
80 78	24,757				24,757	14,597	(180)		39,174
81 79	15,602				15,602	10,836	(180)		26,258
82 80	16,207				16,207	11,397	(180)		27,424
83 81	16,818				16,818	11,982	(180)		28,620
84 82	17,452				17,452	12,595	(180)		29,867
85 83	18,110				18,110	13,237	(180)		31,167
86 84	18,776				18,776	13,907	(180)		32,503
87 85	19,487				19,487	14,611	(180)		33,918
88 86	20,225				20,225	15,349	(180)		35,394
89 87						4,512	(180)		4,332
90 88						189	(180)		9
91 89						201	(90)		111
92 90						207	(90)		117
93 91						212	(90)		122
94 92						218	(90)		128
95 93						223	(90)		134
96 94						229	(90)		139
97 95						235	(90)		145
98 96									
	D8	D12		D13, D14		D17	D17	D15	

Note - it is assumed the Tax Cuts and Jobs Act (TCJA) sunsets after 2025. See Income Tax Calculations report for details.

Taxable Income Analysis

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages	Earned Income (including non-cash)	Interest Dividend Cap Gain	Qualified Plan Distribution	Other Taxable Income**	Pension Plans	Taxable Social Security	Adjustments	AGI (including cap gain)	Less *		Taxable Ordinary Income	Net Capital Gain, Div, \$ 1250
									Exemp-tions	Item/Std Deductions		
	1	2	3	4	5	6	7	8	9	10	11	12
53 51	\$166,000	\$7,305					(\$6,764)	\$166,542		\$24,000	\$136,644	\$5,898
54 52	169,750	8,048					(6,415)	171,383		24,480	140,337	6,566
55 53	183,041	8,761					(6,623)	185,180		24,970	152,933	7,277
56 54	187,201	9,071					(6,264)	190,009		25,469	156,507	8,033
57 55	191,457	8,672		1,336			(5,891)	195,573		25,978	160,923	8,672
58 56	195,810	9,109					(5,505)	199,414		26,498	163,807	9,109
59 57	200,264	10,504					(5,105)	205,663		27,028	168,131	10,504
60 58	210,763	31,320					(5,470)	236,613		27,568	177,725	31,320
61 59	215,573	8,823					(5,473)	218,923	9,700	39,192	161,271	8,760
62 60	220,494	10,367					(5,033)	225,827	9,900	39,604	166,136	10,188
63 61	225,528	12,073		4,048			(4,575)	237,073	10,100	40,391	174,813	11,770
64 62	230,679	13,916					(4,099)	240,496	10,300	40,457	176,253	13,486
65 63	101,459	62,620					4,465	168,544	10,500	43,061	54,046	60,937
66 64		67,270					11,502	78,772	10,700	60,672		7,400
67 65		44,568	102,428		2,400	29,582	12,372	191,350	11,000	58,995	76,787	44,568
68 66			186,591		2,448	30,174	19,139	238,352	11,200	62,274	164,878	
69 67			156,610		2,497	56,990	20,071	236,168	11,400	58,708	166,060	
70 68		68,781	4,490	158,934	2,547	58,130	21,036	313,918	11,600	64,874	11,098	226,346
71 69		5,787	24,315		2,598	26,041		58,741	11,900	60,281		
72 70		6,205	51,365		2,650	50,026		110,246	12,100	58,662	33,972	5,512
73 71		7,128	54,546		2,703	54,164		118,541	12,300	59,308	40,190	6,743
74 72		4,706	102,907		2,757	62,921		173,291	12,600	59,123	96,862	4,706
75 73			135,288		2,812	64,180		202,280	12,800	59,923	129,556	
76 74			140,578		2,868	65,463		208,909	13,100	61,000	134,810	
77 75			146,125		2,926	66,773		215,824	13,400	62,129	140,295	
78 76			151,981		2,984	68,108		223,073	13,600	63,313	146,160	
79 77			158,083		3,044	69,470		230,597	13,900	64,558	152,140	
80 78			164,480		3,105	70,860		238,445	14,200	65,865	158,380	
81 79			122,635		3,167	72,277		198,079	14,500	68,507	115,072	
82 80			128,800		3,230	73,722		205,752	14,700	71,723	119,329	
83 81			135,238		3,295	75,197		213,730	15,000	75,106	123,624	
84 82			141,981		3,361	76,701		222,043	15,300	78,662	128,081	
85 83			149,045		3,428	78,235		230,708	15,600	82,403	132,705	
86 84			156,427		3,496	79,800		239,723	16,000	86,337	137,385	
87 85			164,181		3,566	81,396		249,143	16,300	90,477	142,366	
88 86			172,305		3,638	83,023		258,966	16,600	94,833	147,534	
89 87			51,821		3,710	58,143		113,674	16,900	103,361		
90 88					3,785	15,006		18,791	17,300	113,611		
91 89					3,860	3,424		7,284	8,800	115,363		
92 90					3,937	3,743		7,680	9,000	120,981		
93 91					4,016	4,068		8,084	9,150	126,890		
94 92					4,097	4,400		8,497	9,350	133,107		
95 93					4,178	4,903		9,081	9,550	139,716		
96 94					4,262	5,489		9,751	9,700	146,698		
97 95					4,347	6,087		10,434	9,900	154,045		
98 96												
	D18	D7a	C10a..C10e	B18	B10	D16	D9		D10	D11		C6a

* It is assumed the Tax Cuts and Jobs Act (TCJA) sunsets after 2025. ** Includes stock options, unrecaptured §1250 gain and other income items.

Interest, Dividend, Capital Gain Sources

D7a

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages	Taxable Interest				Dividends	Capital Gain / Loss					§ 1250 Unrecaptured Gain
	Taxable Account	Tax Deferred Account	Equity Account	Total Interest		Equity CG Distr.	Sale of Assets	R/E Sale, Stock Opt.	Add'l Gain/Loss	Total CG/Loss	
	1	2	3	4	5	6	7	8	9	10	11
53 51	\$1,407			\$1,407		\$5,898				\$5,898	
54 52	1,482			1,482		6,566				6,566	
55 53	1,484			1,484		7,277				7,277	
56 54	1,038			1,038		8,033				8,033	
57 55						8,672				8,672	
58 56						9,109				9,109	
59 57						9,508		997		10,505	
60 58						8,776	22,544			31,320	
61 59	63			63		8,760				8,760	
62 60	179			179		10,188				10,188	
63 61	303			303		11,770				11,770	
64 62	430			430		13,486				13,486	
65 63			1,682	1,682	3,362	5,041	52,536			57,577	
66 64			925	925	1,848	2,770	61,727			64,497	
67 65							44,569			44,569	
68 66											
69 67											
70 68	941		427	1,368	856	1,286		65,272		66,558	158,934
71 69	919		811	1,730	1,623	2,434				2,434	
72 70			693	693	1,385	2,077	2,050			4,127	
73 71			384	384	767	1,149	4,829			5,978	
74 72							4,706			4,706	
75 73											
76 74											
77 75											
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98 96											
	C4	C8	C5		C5	C5	C6	B21, C12, C24			C24

Federal Income Tax Worksheet

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages	Filing Status	Taxable Ordinary Income	Cap. Gain, Div. & § 1250	Marginal rate brackets indexed at 2.0 %						Max CG Rate	Cap. Gain Div & § 1250 Tax	Ordinary Income Tax	Total Tax
				12% 15%	22% 25%	24% 28%	32% 33%	35% 35%	37% 39.6%				
	1	2	3	4	5	6	7	8	9	10	11	12	13
53 51	Joint	\$136,644	\$5,898	\$19,050	\$77,400	\$165,000	\$315,000	\$400,000	\$600,000	15%	\$885	\$21,941	\$22,826
54 52	Joint	140,337	6,566	19,431	78,948	168,300	321,300	408,000	612,000	15%	985	22,591	23,576
55 53	Joint	152,933	7,277	19,820	80,527	171,666	327,726	416,160	624,240	15%	1,092	25,196	26,288
56 54	Joint	156,507	8,033	20,216	82,137	175,099	334,281	424,483	636,725	15%	1,205	25,813	27,018
57 55	Joint	160,923	8,672	20,620	83,780	178,601	340,966	432,973	649,459	15%	1,301	26,613	27,914
58 56	Joint	163,807	9,109	21,033	85,456	182,173	347,785	441,632	662,448	15%	1,366	27,071	28,437
59 57	Joint	168,131	10,504	21,453	87,165	185,817	354,741	450,465	675,697	15%	1,576	27,843	29,419
60 58	Joint	177,725	31,320	21,882	88,908	189,533	361,836	459,474	689,211	15%	4,698	29,771	34,469
61 59	Joint	161,271	8,760	22,320	90,686	182,955	278,796	497,897	562,455	15%	1,314	30,133	31,447
62 60	Joint	166,136	10,188	22,767	92,500	186,614	284,372	507,855	573,704	15%	1,528	31,146	32,673
63 61	Joint	174,813	11,770	23,222	94,350	190,346	290,060	518,012	585,178	15%	1,766	33,107	34,873
64 62	Joint	176,253	13,486	23,686	96,237	194,153	295,861	528,372	596,882	15%	2,023	33,255	35,278
65 63	Joint	54,046	60,937	24,160	98,162	198,036	301,778	538,939	608,819	15%	2,523	6,899	9,421
66 64	Joint		7,400	24,643	100,125	201,997	307,814	549,718	620,996				
67 65	Joint	76,787	44,568	25,136	102,128	206,037	313,970	560,713	633,416	15%	2,884	10,261	13,145
68 66	Joint	164,878		25,639	104,170	210,157	320,249	571,927	646,084			29,521	29,520
69 67	Joint	166,060		26,152	106,254	214,360	326,654	583,365	659,006			29,582	29,581
70 68	Joint	11,098	226,346	26,675	108,379	218,648	333,187	595,033	672,186		39,734	1,110	40,843
71 69	Joint			27,208	110,546	223,021	339,851	606,933	685,630				
72 70	Joint	33,972	5,512	27,752	112,757	227,481	346,648	619,072	699,342			3,708	3,708
73 71	Joint	40,190	6,743	28,307	115,012	232,031	353,581	631,453	713,329			4,613	4,613
74 72	Joint	96,862	4,706	28,873	117,313	236,671	360,653	644,082	727,596			13,086	13,085
75 73	Joint	129,556		29,451	119,659	241,405	367,866	656,964	742,148			18,951	18,950
76 74	Joint	134,810		30,040	122,052	246,233	375,223	670,103	756,990			19,995	19,995
77 75	Joint	140,295		30,641	124,493	251,157	382,728	683,505	772,130			21,092	21,092
78 76	Joint	146,160		31,254	126,983	256,181	390,382	697,176	787,573			22,279	22,278
79 77	Joint	152,140		31,879	129,523	261,304	398,190	711,119	803,324			23,489	23,488
80 78	Joint	158,380		32,516	132,113	266,530	406,154	725,341	819,391			24,758	24,757
81 79	Joint	115,072		33,167	134,755	271,861	414,277	739,848	835,779			15,602	15,602
82 80	Joint	119,329		33,830	137,450	277,298	422,562	754,645	852,494			16,208	16,207
83 81	Joint	123,624		34,506	140,199	282,844	431,013	769,738	869,544			16,818	16,818
84 82	Joint	128,081		35,197	143,003	288,501	439,634	785,133	886,935			17,452	17,452
85 83	Joint	132,705		35,900	145,863	294,271	448,426	800,836	904,674			18,111	18,110
86 84	Joint	137,385		36,619	148,781	300,156	457,395	816,852	922,767			18,777	18,776
87 85	Joint	142,366		37,351	151,756	306,160	466,543	833,189	941,223			19,487	19,487
88 86	Joint	147,534		38,098	154,791	312,283	475,874	849,853	960,047			20,225	20,225
89 87	Joint			38,860	157,887	318,528	485,391	866,850	979,248				
90 88	Joint			39,637	161,045	324,899	495,099	884,187	998,833				
91 89	Single			20,215	82,133	198,859	414,803	901,871	905,585				
92 90	Single			20,619	83,776	202,837	423,099	919,908	923,697				
93 91	Single			21,032	85,451	206,893	431,561	938,306	942,171				
94 92	Single			21,452	87,160	211,031	440,193	957,073	961,014				
95 93	Single			21,881	88,903	215,252	448,996	976,214	980,234				
96 94	Single			22,319	90,681	219,557	457,976	995,738	999,839				
97 95	Single			22,765	92,495	223,948	467,136	1,015,653	1,019,836				
98 96													

Note - it is assumed the Tax Cuts and Jobs Act (TCJA) sunsets after 2025. See Income Tax Calculations report for details.

Adjustments to Income, Passive Income

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages		Qualified Plan Contrib.	One Half Self Empl Taxes	Self Empl Medical Premiums	Alimony	Other Adjustments	Total Adjustments	Passive Gain or (Loss)	Allowable Amount	Loss Carry Forward
		1	2	3	4	5	7	8	9	10
53	51	\$9,480	\$565				\$10,045	\$3,281	\$3,281	
54	52	9,695	576				10,272	3,857	3,857	
55	53	10,483	588				11,071	4,449	4,449	
56	54	10,723	600				11,322	5,059	5,059	
57	55	10,968	612				11,580	5,688	5,688	
58	56	11,219	624				11,843	6,338	6,338	
59	57	11,475	636				12,112	7,007	7,007	
60	58	12,094	649				12,744	7,273	7,273	
61	59	12,372	662				13,034	7,561	7,561	
62	60	12,656	675				13,331	8,298	8,298	
63	61	12,947	689				13,636	9,060	9,060	
64	62	13,244	703				13,947	9,847	9,847	
65	63	5,479	717				6,196	10,661	10,661	
66	64							11,502	11,502	
67	65							12,372	12,372	
68	66							19,139	19,139	
69	67							20,071	20,071	
70	68							21,036	21,036	
71	69									
72	70									
73	71									
74	72									
75	73									
76	74									
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80	78									
81	79									
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84	82									
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92	90									
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94	92									
95	93									
96	94									
97	95									
98	96									
		C10...C10e	D15				D14	C24		

Itemized Deduction & Exemption

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages		Mortgage Interest Deduction	Medical Expense & Premium	Charitable Contribution	State, Property & Other Tax	Other Deductible Interest	Misc. Itemized Deduction	Total Itemized Deduction	No. Expmp	Personal Exemption
		1	2	3	4	5	6	7	8	9
53	51	\$9,955		\$4,000	\$10,000			\$23,955		
54	52	9,542		4,080	10,000			23,622		
55	53	9,112		4,162	10,000			23,273		
56	54	8,662		4,245	10,000			22,907		
57	55	8,192		4,330	10,000			22,522		
58	56	7,701		4,416	10,000			22,118		
59	57	7,189		4,505	10,000			21,693		
60	58	6,653		4,595	10,000			21,248		
61	59	6,094		4,687	28,411			39,192	2	4,850
62	60	5,510		4,780	29,314			39,604	2	4,950
63	61	4,899		4,876	30,616			40,391	2	5,050
64	62	4,261		4,974	31,222			40,457	2	5,150
65	63	3,595		5,073	34,392			43,061	2	5,250
66	64	20,285	8,303	5,174	26,909			60,672	2	5,350
67	65	18,723		5,278	34,994			58,995	2	5,500
68	66	17,087		5,383	39,804			62,274	2	5,600
69	67	15,372		5,491	37,846			58,708	2	5,700
70	68	13,809		5,601	45,464			64,874	2	5,800
71	69	12,762	15,779	5,713	26,026			60,281	2	5,950
72	70	11,691	11,928	5,827	29,215			58,662	2	6,050
73	71	10,565	12,476	5,944	30,323			59,308	2	6,150
74	72	9,382	8,460	6,063	35,218			59,123	2	6,300
75	73	8,138	7,109	6,184	38,493			59,923	2	6,400
76	74	6,830	8,086	6,308	39,776			61,000	2	6,550
77	75	5,456	9,133	6,434	41,106			62,129	2	6,700
78	76	4,011	10,251	6,562	42,489			63,313	2	6,800
79	77	2,492	11,452	6,694	43,920			64,558	2	6,950
80	78	895	12,738	6,828	45,404			65,865	2	7,100
81	79		18,970	6,964	42,573			68,507	2	7,250
82	80		20,529	7,103	44,091			71,723	2	7,350
83	81		22,198	7,245	45,662			75,106	2	7,500
84	82		23,981	7,390	47,291			78,662	2	7,650
85	83		25,885	7,538	48,979			82,403	2	7,800
86	84		27,921	7,689	50,727			86,337	2	8,000
87	85		30,093	7,843	52,541			90,477	2	8,150
88	86		32,411	8,000	54,422			94,833	2	8,300
89	87		50,439	8,160	44,763			103,361	2	8,450
90	88		63,635	8,323	41,653			113,611	2	8,650
91	89		68,717	8,489	43,004			120,210	1	8,800
92	90		72,844	8,659	44,297			125,800	1	9,000
93	91		77,220	8,832	45,628			131,680	1	9,150
94	92		81,861	9,009	46,998			137,868	1	9,350
95	93		86,765	9,189	48,410			144,364	1	9,550
96	94		91,958	9,373	49,864			151,195	1	9,700
97	95		97,466	9,560	51,362			158,388	1	9,900
98	96									

B24c

Note - it is assumed the Tax Cuts and Jobs Act (TCJA) sunsets after 2025. See Income Tax Calculations report for details.

Itemized Deduction Phaseout

Sample Plan - TOTAL Cash-Flow-Based Planning

	Indexed Standard Deduction	Itemized Deduction Phaseout Calculations*							Adjusted ID
		GrossID	Net ID Times 80%	AGI	Phaseout Threshold	AGI Less Floor	3.00% Times 6	Disallowed	
	1	2	3	4	5	6	7	8	9
53	\$24,000	\$23,955		\$166,542					\$23,955
54	24,480	23,622		171,383					23,622
55	24,970	23,273		185,180					23,273
56	25,469	22,907		190,009					22,907
57	25,978	22,522		195,573					22,522
58	26,498	22,118		199,414					22,118
59	27,028	21,693		205,663					21,693
60	27,568	21,248		236,613					21,248
61	15,232	39,192	31,353	218,923	374,931				39,192
62	15,536	39,604	31,683	225,827	382,430				39,604
63	15,847	40,391	32,313	237,073	390,078				40,391
64	16,164	40,457	32,366	240,496	397,880				40,457
65	18,136	43,061	34,449	168,544	405,837				43,061
66	18,499	52,369	41,895	78,772	413,954				60,672
67	20,584	58,995	47,196	191,350	422,233				58,995
68	20,996	62,274	49,819	238,352	430,678				62,274
69	21,415	58,708	46,967	236,168	439,291				58,708
70	21,844	64,874	51,899	313,918	448,077				64,874
71	22,281	44,501	35,601	58,741	457,039				60,281
72	22,726	46,734	37,387	110,246	466,180				58,662
73	23,181	46,832	37,466	118,541	475,503				59,308
74	23,644	50,663	40,530	173,291	485,013				59,123
75	24,117	52,814	42,252	202,280	494,713				59,923
76	24,600	52,913	42,331	208,909	504,608				61,000
77	25,092	52,995	42,396	215,824	514,700				62,129
78	25,593	53,062	42,450	223,073	524,994				63,313
79	26,105	53,105	42,484	230,597	535,494				64,558
80	26,627	53,126	42,501	238,445	546,204				65,865
81	27,160	49,537	39,629	198,079	557,128				68,507
82	27,703	51,194	40,955	205,752	568,270				71,723
83	28,257	52,908	42,326	213,730	579,636				75,106
84	28,822	54,681	43,745	222,043	591,228				78,662
85	29,399	56,517	45,214	230,708	603,053				82,403
86	29,987	58,416	46,733	239,723	615,114				86,337
87	30,587	60,384	48,307	249,143	627,416				90,477
88	31,198	62,422	49,937	258,966	639,965				94,833
89	31,822	52,922	42,338	113,674	652,764				103,361
90	32,459	49,976	39,981	18,791	665,819				113,611
91	17,191	46,647	37,317	7,284	566,017				115,363
92	17,534	48,137	38,509	7,680	577,337				120,981
93	17,885	49,669	39,736	8,084	588,884				126,890
94	18,243	51,247	40,997	8,497	600,662				133,107
95	18,608	52,951	42,360	9,081	612,675				139,716
96	18,980	54,740	43,792	9,751	624,929				146,698
97	19,359	56,579	45,263	10,434	637,427				154,045
98									

* Itemized deduction phaseout suspended for tax years prior to 2026.

Alternative Minimum Tax Worksheet

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages	Taxable Income + Exemptions	Municipal Bond Income	Item. Ded. Adjustments	Other Pref. Item + St. Opt.	Less Exempt. Amount*	AMT Tax on Ordinary Income			AMT Tax on Capital Gains			Tentative Minimum Tax
						Taxable (less CG)	Tax at 26%	Tax at 28%	Taxable Cap. Gain	Tax Rate	Tax	
	1	2	3	4	5	6	7	8	9	10	11	12
53 51	\$142,542		\$10,000		(\$109,400)	\$37,244	\$9,683		\$5,898			\$9,683
54 52	146,903		10,000		(111,600)	38,737	10,072		6,566			10,071
55 53	160,210		10,000		(113,800)	49,133	12,775		7,277			12,774
56 54	164,540		10,000		(116,100)	50,407	13,106		8,033			13,105
57 55	169,595		10,000	784	(118,400)	53,307	13,860		8,672			13,859
58 56	172,916		10,000		(120,800)	53,007	13,782		9,109			13,781
59 57	178,635		10,000	(784)	(123,200)	54,147	14,078		10,504			14,078
60 58	209,045		10,000		(125,700)	62,025	16,126		31,320	15.00	700	16,826
61 59	179,731		28,411		(97,039)	102,343	26,609		8,760	15.00	1,314	27,923
62 60	186,224		29,314		(98,141)	107,209	27,874		10,188	15.00	1,528	29,402
63 61	196,683		30,616		(98,275)	117,253	30,486		11,770	15.00	1,766	32,251
64 62	200,039		31,222		(100,385)	117,390	30,521		13,486	15.00	2,023	32,544
65 63	125,483		34,392		(109,300)				50,576			
66 64	18,100		26,909		(111,500)							
67 65	132,355		34,994		(113,700)	9,081	2,361		44,568			2,361
68 66	176,078		39,804		(116,000)	99,882	25,969					25,969
69 67	177,460		37,846		(118,300)	97,005	25,221					25,221
70 68	249,045		45,464		(104,523)				189,986	15.00	39,734	39,734
71 69	11,900		26,026		(123,100)							
72 70	51,584		29,215		(125,600)							
73 71	59,233		30,323		(128,100)							
74 72	114,168		35,218		(130,700)	13,980	3,635		4,706			3,634
75 73	142,356		38,493		(133,300)	47,549	12,363					12,362
76 74	147,910		39,776		(135,900)	51,785	13,464					13,464
77 75	153,695		41,106		(138,600)	56,201	14,612					14,612
78 76	159,760		42,489		(141,400)	60,849	15,821					15,820
79 77	166,040		43,920		(144,200)	65,759	17,097					17,097
80 78	172,580		45,404		(147,100)	70,884	18,430					18,429
81 79	129,572		42,573		(150,100)	22,045	5,732					5,731
82 80	134,029		44,091		(153,100)	25,020	6,505					6,505
83 81	138,624		45,662		(156,100)	28,187	7,329					7,328
84 82	143,381		47,291		(159,300)	31,372	8,157					8,156
85 83	148,305		48,979		(162,400)	34,884	9,070					9,069
86 84	153,385		50,727		(165,700)	38,412	9,987					9,987
87 85	158,666		52,541		(169,000)	42,207	10,974					10,973
88 86	164,134		54,422		(172,400)	46,156	12,001					12,000
89 87	16,900		44,763		(175,800)							
90 88	17,300		1,491		(179,400)							
91 89	8,800				(117,600)							
92 90	9,000				(119,900)							
93 91	9,150				(122,300)							
94 92	9,350				(124,800)							
95 93	9,550				(127,300)							
96 94	9,700		51		(129,800)							
97 95	9,900		534		(132,400)							
98 96												
	D7	D10										

Early Distribution Penalty Tax

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages		Allen			Betty			Tax Deferred Accounts	Early Distribution Penalty
		Pension Income	Account Distributions	Total Qualified Plan Income	Pension Income	Account Distributions	Total Qualified Plan Income		
		1	2	3	4	5	6	7	
53	51								
54	52								
55	53								
56	54								
57	55								
58	56								
59	57								
60	58								
61	59								
62	60								
63	61								
64	62								
65	63								
66	64								
67	65		102,428	102,428			2,400		
68	66		186,591	186,591			2,448		
69	67		156,610	156,610			2,497		
70	68		4,490	4,490			2,547		
71	69		24,315	24,315			2,598		
72	70		25,822	25,822	25,543		28,193		
73	71		27,420	27,420	27,126		29,829		
74	72		74,103	74,103	28,804		31,561		
75	73		104,706	104,706	30,582		33,394		
76	74		108,111	108,111	32,467		35,335		
77	75		111,662	111,662	34,463		37,389		
78	76		115,577	115,577	36,404		39,388		
79	77		119,452	119,452	38,631		41,675		
80	78		123,702	123,702	40,778		43,883		
81	79		79,607	79,607	43,028		46,195		
82	80		62,996	62,996	65,804		69,034		
83	81				135,238		138,533		
84	82				141,981		145,342		
85	83				149,045		152,473		
86	84				156,427		159,923		
87	85				164,181		167,747		
88	86				172,305		175,943		
89	87				51,821		55,531		
90	88						3,785		
91	89						3,860		
92	90						3,937		
93	91						4,016		
94	92						4,097		
95	93						4,178		
96	94						4,262		
97	95						4,347		
98	96								
		B10	C10,C10a...C10e		B10	C10,C10a...C10e			

FICA Worksheet

Sample Plan - TOTAL Cash-Flow-Based Planning

Age	Net Invest. Income Tax 3.80%	Maximum Soc Sec Wage Base	Allen			Age	Betty		
			Wages 6.20%	* Self Empl 12.40%	Hosp. Ins. 1.45% 2.90%		Wages 6.20%	* Self Empl 12.40%	Hosp. Ins. 1.45% 2.90%
53	1	2	3	4	5	6	7	8	
53		\$128,400	\$5,332		\$1,247	51	\$4,464	\$916	\$1,258
54		130,968	5,465		1,278	52	4,553	934	1,283
55		133,587	6,188		1,447	53	4,644	953	1,309
56		136,259	6,343		1,483	54	4,737	972	1,335
57		138,984	6,584		1,540	55	4,832	992	1,362
58		141,764	6,664		1,559	56	4,929	1,011	1,389
59		144,599	6,831		1,597	57	5,027	1,032	1,417
60		147,491	7,370		1,724	58	5,128	1,052	1,445
61		150,441	7,554		1,767	59	5,230	1,073	1,474
62		153,450	7,743		1,811	60	5,335	1,095	1,504
63		156,519	8,188		1,915	61	5,442	1,117	1,534
64		159,649	8,135		1,903	62	5,550	1,139	1,564
65		162,842				63	5,661	1,162	1,596
66		166,099				64			
67		169,421				65			
68		172,809				66			
69		176,266				67			
70	2,429	179,791				68			
71		183,387				69			
72		187,055				70			
73		190,796				71			
74		194,612				72			
75		198,504				73			
76		202,474				74			
77		206,523				75			
78		210,654				76			
79		214,867				77			
80		219,164				78			
81		223,548				79			
82		228,018				80			
83		232,579				81			
84		237,230				82			
85		241,975				83			
86		246,815				84			
87		251,751				85			
88		256,786				86			
89		261,922				87			
90		267,160				88			
91		272,503				89			
92		277,953				90			
93		283,512				91			
94		289,183				92			
95		294,966				93			
96		300,866				94			
97		306,883				95			
98						96			
			B9	B9			B9	B9	

* Self employed FICA tax has been adjusted to 92.35% of SE income according to IRS Form SE.

** Beginning in 2013 includes additional Medicare tax from Health Care Reconciliation Act

Taxable Social Security Worksheet

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages	Adjusted Gross Income (SS)	Tax-Free Interest	Social Security	50% method (pre '94)		85% method (post '93)		Current Year Taxable
				* Exclusion Amount	Taxable SS	* Exclusion Amount	Taxable SS	
	1	2	3	4	5	6	7	8
53 51	\$166,542			\$32,000		\$44,000		
54 52	171,383			32,000		44,000		
55 53	185,180			32,000		44,000		
56 54	190,009			32,000		44,000		
57 55	195,573			32,000		44,000		
58 56	199,414			32,000		44,000		
59 57	205,663			32,000		44,000		
60 58	236,613			32,000		44,000		
61 59	218,923			32,000		44,000		
62 60	225,827			32,000		44,000		
63 61	237,073			32,000		44,000		
64 62	240,496			32,000		44,000		
65 63	168,544			32,000		44,000		
66 64	78,772			32,000		44,000		
67 65	161,768		34,803	32,000	17,401	44,000	29,582	29,582
68 66	208,178		35,499	32,000	17,749	44,000	30,174	30,174
69 67	179,178		67,047	32,000	33,523	44,000	56,990	56,990
70 68	255,789		68,388	32,000	34,194	44,000	58,130	58,130
71 69	32,700		69,756	32,000	17,789	44,000	26,041	26,041
72 70	60,220		71,151	32,000	31,898	44,000	50,026	50,026
73 71	64,377		72,574	32,000	34,332	44,000	54,164	54,164
74 72	110,370		74,025	32,000	37,013	44,000	62,921	62,921
75 73	138,100		75,506	32,000	37,753	44,000	64,180	64,180
76 74	143,446		77,016	32,000	38,508	44,000	65,463	65,463
77 75	149,051		78,556	32,000	39,278	44,000	66,773	66,773
78 76	154,965		80,127	32,000	40,064	44,000	68,108	68,108
79 77	161,127		81,730	32,000	40,865	44,000	69,470	69,470
80 78	167,585		83,364	32,000	41,682	44,000	70,860	70,860
81 79	125,802		85,032	32,000	42,516	44,000	72,277	72,277
82 80	132,030		86,732	32,000	43,366	44,000	73,722	73,722
83 81	138,533		88,467	32,000	44,233	44,000	75,197	75,197
84 82	145,342		90,236	32,000	45,118	44,000	76,701	76,701
85 83	152,473		92,041	32,000	46,020	44,000	78,235	78,235
86 84	159,923		93,882	32,000	46,941	44,000	79,800	79,800
87 85	167,747		95,759	32,000	47,880	44,000	81,396	81,396
88 86	175,943		97,675	32,000	48,837	44,000	83,023	83,023
89 87	55,531		99,628	32,000	36,673	44,000	58,143	58,143
90 88	3,785		101,621	32,000	11,298	44,000	15,006	15,006
91 89	3,860		55,978	25,000	3,424	34,000	3,424	3,424
92 90	3,937		57,097	25,000	3,743	34,000	3,743	3,743
93 91	4,016		58,239	25,000	4,068	34,000	4,068	4,068
94 92	4,097		59,404	25,000	4,400	34,000	4,400	4,400
95 93	4,178		60,592	25,000	4,737	34,000	4,903	4,903
96 94	4,262		61,804	25,000	5,082	34,000	5,489	5,489
97 95	4,347		63,040	25,000	5,434	34,000	6,087	6,087
98 96								
	D7	C7	B10					

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

State Income Tax (est.)

Sample Plan - TOTAL Cash-Flow-Based Planning

Ages		* State Tax Code	* Federal Amount	Add Back State Tax & Fed Exemp.	Incr/Decr State Taxable	State Personal Exemp.	Net State Taxable	* State Tax Rate	Estimated State Tax	State Credits or Add'l Tax	Estimated Net State Tax	
		1	2	3	4	5	6	7	8	9	10	11
53	51	OR	1	\$166,542			\$166,542		\$14,503	(\$360)	\$14,143	
54	52	OR	1	171,383			171,383		14,938	(360)	14,578	
55	53	OR	1	185,180			185,180		16,180	(270)	15,910	
56	54	OR	1	190,009			190,009		16,615	(270)	16,345	
57	55	OR	1	195,573			195,573		17,116	(180)	16,936	
58	56	OR	1	199,414			199,414		17,461	(180)	17,281	
59	57	OR	1	205,663			205,663		18,024	(180)	17,844	
60	58	OR	1	236,613			236,613		20,809	(180)	20,629	
61	59	OR	1	218,923			218,923		19,217	(180)	19,037	
62	60	OR	1	225,828			225,828		19,838	(180)	19,658	
63	61	OR	1	237,073			237,073		20,851	(180)	20,671	
64	62	OR	1	240,496			240,496		21,159	(180)	20,979	
65	63	OR	1	168,544			168,544		14,683	(180)	14,503	
66	64	OR	1	78,772			78,772		6,603	(180)	6,423	
67	65	OR	1	191,350		(29,582)	161,768		14,073	(180)	13,893	
68	66	OR	1	238,352		(30,174)	208,178		18,250	(180)	18,070	
69	67	OR	1	236,168		(56,990)	179,178		15,640	(180)	15,460	
70	68	OR	1	313,918		(58,130)	255,789		22,587	(180)	22,407	
71	69	OR	1	58,741		(26,041)	32,700		2,457	(180)	2,277	
72	70	OR	1	110,246		(50,026)	60,220		4,934	(180)	4,754	
73	71	OR	1	118,541		(54,164)	64,377		5,308	(180)	5,128	
74	72	OR	1	173,291		(62,921)	110,370		9,447	(180)	9,267	
75	73	OR	1	202,280		(64,180)	138,100		11,943	(180)	11,763	
76	74	OR	1	208,909		(65,463)	143,446		12,424	(180)	12,244	
77	75	OR	1	215,824		(66,773)	149,051		12,929	(180)	12,749	
78	76	OR	1	223,073		(68,108)	154,965		13,461	(180)	13,281	
79	77	OR	1	230,597		(69,470)	161,127		14,015	(180)	13,835	
80	78	OR	1	238,445		(70,860)	167,585		14,597	(180)	14,417	
81	79	OR	1	198,079		(72,277)	125,802		10,836	(180)	10,656	
82	80	OR	1	205,752		(73,722)	132,030		11,397	(180)	11,217	
83	81	OR	1	213,730		(75,197)	138,533		11,982	(180)	11,802	
84	82	OR	1	222,043		(76,701)	145,342		12,595	(180)	12,415	
85	83	OR	1	230,708		(78,235)	152,473		13,237	(180)	13,057	
86	84	OR	1	239,723		(79,800)	159,923		13,907	(180)	13,727	
87	85	OR	1	249,143		(81,396)	167,747		14,611	(180)	14,431	
88	86	OR	1	258,966		(83,023)	175,943		15,349	(180)	15,169	
89	87	OR	1	113,674		(58,143)	55,531		4,512	(180)	4,332	
90	88	OR	1	18,791		(15,006)	3,785		189	(180)	9	
91	89	OR	1	7,284		(3,424)	3,860		201	(90)	111	
92	90	OR	1	7,680		(3,743)	3,937		207	(90)	117	
93	91	OR	1	8,084		(4,068)	4,016		212	(90)	122	
94	92	OR	1	8,497		(4,400)	4,097		218	(90)	128	
95	93	OR	1	9,081		(4,903)	4,178		223	(90)	133	
96	94	OR	1	9,751		(5,489)	4,262		229	(90)	139	
97	95	OR	1	10,434		(6,087)	4,347		235	(90)	145	
98	96											

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

Taxable Earned Income

Sample Plan - TOTAL Cash-Flow-Based Planning

Allen					Betty					Total Taxable Earned Income
Age	Salary and Wages	Increase Factor	Self Employment	Increase Factor	Age	Salary and Wages	Increase Factor	Self Employment	Increase Factor	
	1	2	3	4		5	6	7	8	
53	\$86,000	1.00			51	\$72,000	1.00	\$8,000	1.00%	\$166,000
54	88,150	1.03			52	73,440	1.02	8,160	1.02%	169,750
55	99,809	1.05			53	74,909	1.04	8,323	1.04%	183,041
56	102,305	1.08			54	76,407	1.06	8,490	1.06%	187,201
57	104,862	1.10			55	77,935	1.08	8,659	1.08%	191,457
58	107,484	1.13			56	79,494	1.10	8,833	1.10%	195,810
59	110,171	1.16			57	81,084	1.13	9,009	1.13%	200,264
60	118,869	1.19			58	82,705	1.15	9,189	1.15%	210,763
61	121,840	1.22			59	84,359	1.17	9,373	1.17%	215,573
62	124,886	1.25			60	86,047	1.20	9,561	1.20%	220,494
63	128,008	1.28			61	87,768	1.22	9,752	1.22%	225,528
64	131,209	1.31			62	89,523	1.24	9,947	1.24%	230,679
65					63	91,313	1.27	10,146	1.27%	101,459
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Earned income subject to income tax.