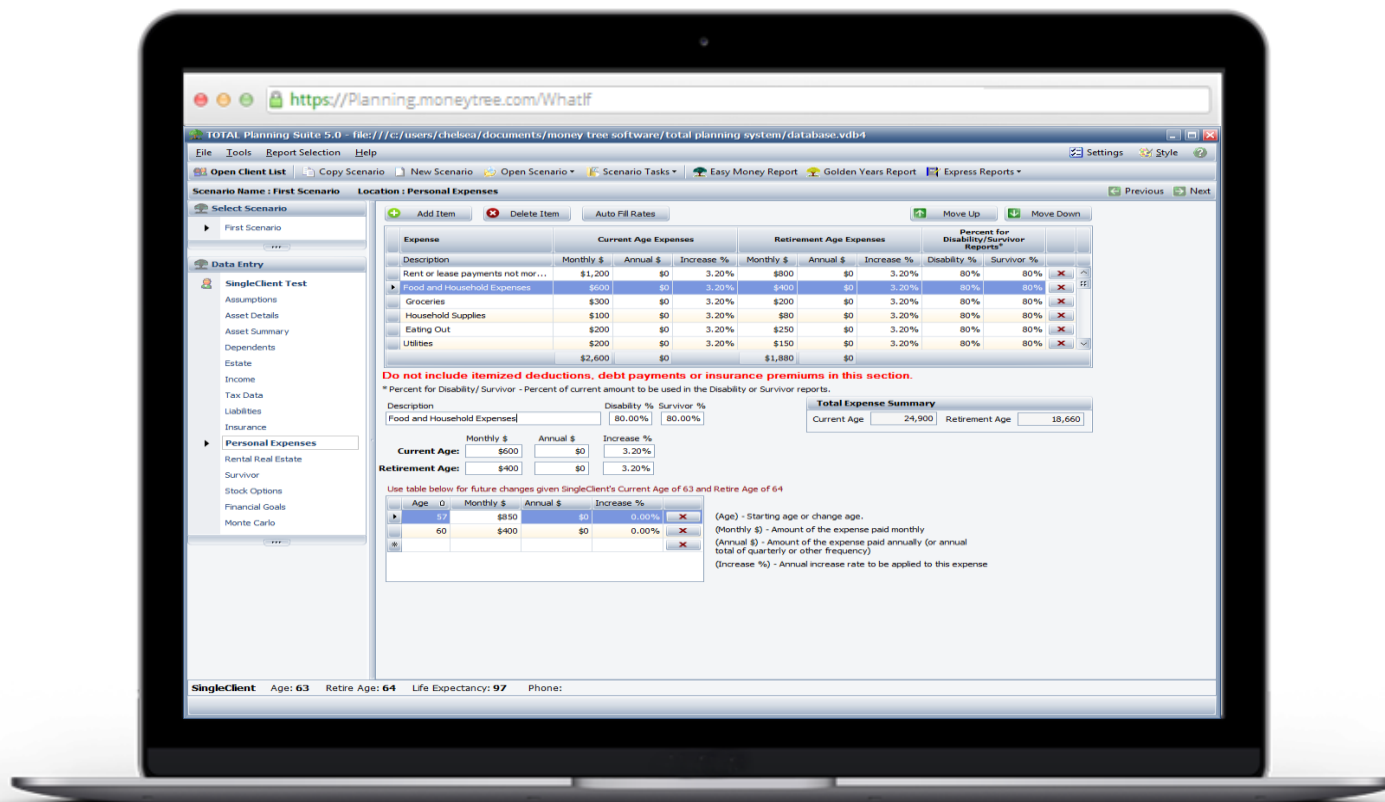


# Future Change Tables Introduction



# Future Change Concept

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- Much of the data used in preparing a financial plan involves modeling of current rates or values along with future changes.
- “Future Change” tables allow you to easily account for anticipated or scheduled changes.
- Future change tables are available to schedule changes in account additions, earned income, expenses, and more!

# Future Change Process

---

- In most cases you will be asked to enter a “Current” rate or amount (rate of return, earned income, etc.) and a corresponding rate or value at the “Retirement age.”
- If the value will not change, then no further entries are required.
- If the value will change one or more times in the future then you may go to the future change table, enter the age when the change will take place, and enter the new value at that age.

# Age Change Common Features

Earned Income Social Security Pensions Other Income / Expenses

**Income Data (Annual Amounts)**

Income Type	Current Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
Indiv 1 Salary and Wages		3.00%	\$65,000	\$65,000	\$65,000	\$65,000
Indiv 1 Self Employment						
Indiv 2 Salary and Wages						
Indiv 2 Self Employment						

Retirement Age: 0.00% \$0 \$0 \$0 \$0

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
54	3.00%	\$75,000	\$75,000	\$75,000	\$75,000
57	0.00%	\$0	\$0	\$0	\$0
59	5.00%	\$80,000	\$80,000	\$80,000	\$80,000
65	0.00%	\$0	\$0	\$0	\$0
*					

(Age) - Starting age or change age.  
(Increase %) - Annual increase rate for this period.  
(Tax \$) - Amount to use for the Taxable Income report.  
(Cash Flow \$) - Amount to use for the Cash Flow report.  
(Disability \$) - Amount this individual will earn for the "Disability" report \*  
(Survivor \$) - Amount this individual will earn as a survivor on the "Survivor" reports \*  
\*Amount of earned income available by Individual 1 to be shown on the Survivor or Disability report pages. This will apply if Individual 2 is disabled or dies.

Input sections equipped with 'Future Change' tables all have common features. In most entry sections there will be generic entry fields for Current Age and Retirement Age, including fields to indicate if the amount will be used on specific reports like the Cash Flow, Disability, and Survivor fields on this form.

# How it Works

Earned Income Social Security Pensions Other Income / Expenses

**Income Data (Annual Amounts)**

Income Type		Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
Indiv 1 Salary and Wages	<b>Current Age</b>	3.00%	\$65,000	\$65,000	\$65,000	\$65,000
Indiv 1 Self Employment	<b>Retirement Age</b>	0.00%	\$0	\$0	\$0	\$0
Indiv 2 Salary and Wages						
Indiv 2 Self Employment						

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

	Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$	
*							X

Example: Salary and Wages for individual 1.

This client is earning \$65,000 per year, increasing at 3% per year, and will stop earning at age 67 (indicated as the retirement age). Leave the retirement amount at "0" unless this individual will have earned income during retirement.

There is an on screen reminder of the client's current and retirement ages.

# No Changes

Earned Income Social Security Pensions Other Income / Expenses

**Income Data (Annual Amounts)**

Income Type		Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
Indiv 1 Salary and Wages	<b>Current Age</b>	3.00%	\$65,000	\$65,000	\$65,000	\$65,000
Indiv 1 Self Employment	<b>Retirement Age</b>	0.00%	\$0	\$0	\$0	\$0
Indiv 2 Salary and Wages						
Indiv 2 Self Employment						

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

	Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$	
*							X

Since these fields for the “Retirement Age” are empty, the amounts for earned income will stop at retirement age entered in the assumptions for this scenario. On this screen you can indicate the amount of earned income to show on the Cash Flow, Disability and Survivor reports.

Entering information in the Current Age fields tells the program to start the income now at \$65,000, increase it every year by 3% and stop the income at Individual 1’s retirement age.

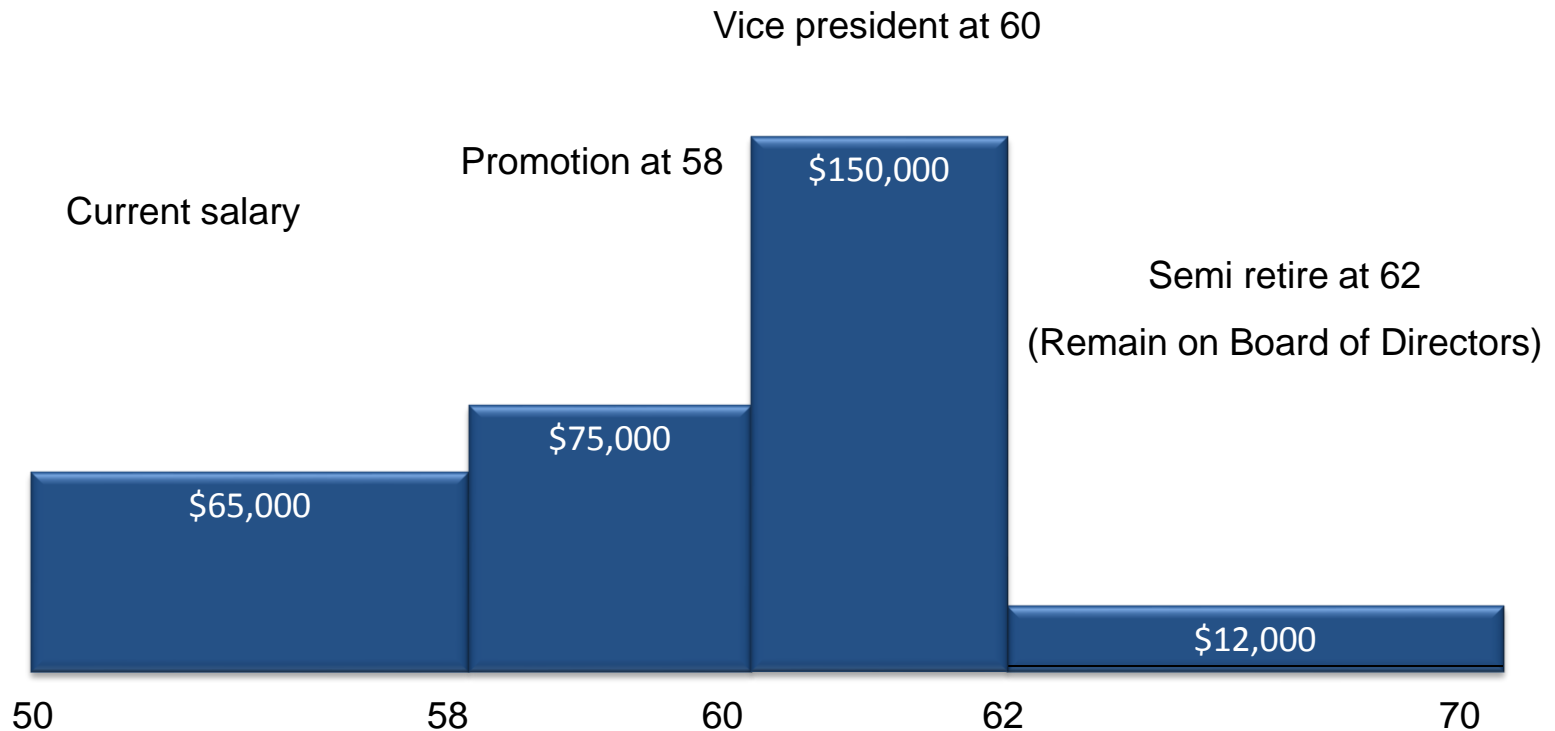
# Future Change Process

---

- In most cases it will be possible to enter a “Current” rate or value, and a corresponding rate or value at the “Retirement age.”
- If the value will not change, then no further entries are required other than Current and Retirement entries.
- If the value will change one or more times in the future enter the age and new value at that age.

# Moving Target

The next four slides will illustrate how to enter the following scenario.





# Single Future Change

Earned Income Social Security Pensions Other Income / Expenses

**Income Data (Annual Amounts)**

**Income Type**

- Indiv 1 Salary and Wages
- Indiv 1 Self Employment
- Indiv 2 Salary and Wages
- Indiv 2 Self Employment

	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
<b>Current Age</b>	3.00%	\$65,000	\$65,000	\$65,000	\$65,000
<b>Retirement Age</b>	0.00%	\$0	\$0	\$0	\$0

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
58	3.00%	\$75,000	\$75,000	\$75,000	\$75,000
65	0.00%	\$0	\$0	\$0	\$0
*					

Let's assume the client anticipates a promotion at age 58, and his salary will increase from \$65,000 to \$75,000. To record the promotion at age 58, go to the future change table and enter age 58 and the \$75,000 amount in both the taxable and cash flow fields. To tell the program when to stop the income put an age on the next line and set the amount to "\$0".

# Multiple Future Changes

Earned Income Social Security Pensions Other Income / Expenses

**Income Data (Annual Amounts)**

Income Type	Current Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
Indiv 1 Salary and Wages		3.00%	\$65,000	\$65,000	\$65,000	\$65,000
Indiv 1 Self Employment						
Indiv 2 Salary and Wages						
Indiv 2 Self Employment						

Retirement Age 0.00% \$0 \$0 \$0 \$0

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
58	3.00%	\$75,000	\$75,000	\$75,000	\$75,000
60	4.00%	\$150,000	\$150,000	\$150,000	\$150,000
62	2.00%	\$12,000	\$12,000	\$12,000	\$12,000
70	0.00%	\$0	\$0	\$0	\$0
*					

Notice that each age may also start a new increase rate.

To capture the last few changes in income:

- Current salary \$65,000 with an increase of 3%
- Raise to \$75,000 at age 58, still increasing at 3%
- Then \$150,000 at 60, increasing at 4.2%
- And \$12,000 at 62, increasing at 2%
- Enter an age and "0" for the dollar amount at the age you want the income to stop.

# Separate Earned Income Types

Earned Income Social Security Pensions Other Income / Expenses

**Income Data (Annual Amounts)**

Income Type		Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$
Indiv 1 Salary and Wages	<b>Current Age</b>	0.00%	\$1,000	\$1,000	\$1,000	\$1,000
Indiv 1 Self Employment	<b>Retirement Age</b>	0.00%	\$0	\$0	\$0	\$0
Indiv 2 Salary and Wages						
Indiv 2 Self Employment						

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

	Age	Increase %	Tax \$	Cash Flow \$	Disability \$	Survivor \$	
*							X

Each individual's income is projected separately.

"Earned Income" and "Self Employment" income are entered separately to properly compute FICA taxes.

# Future Event

Earned Income Social Security Pensions Other Income / Expenses

### Other Income and Expenses

Deferred comp  
Inheritance  
Carla  
Sale of equipment  
Gift to kids  
Extended travel

Add Income / Expense Delete

Description

	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %
<b>Current Age</b>	<input type="text" value="\$0"/>	<input type="text" value="3.00%"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="0.00%"/>

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

Age	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %	
▶ 61	\$45,000	0.00%	\$45,000	\$0	0.00%	
62	\$0	0.00%	\$0	\$0	0.00%	
*						

(Age) - Starting age or change age.  
 (Annual \$ Amount) - Dollar amount of the item. For expenses use negative amounts.  
 (Increase %) - Annual increase applied to the amount.  
 (Survivor 1 \$) - Amount to be used if individual 1 is a survivor.  
 (Survivor 2 \$) - Amount to be used if individual 2 is a survivor.  
 (Taxable %) - Percent of the amount that will be taxable.

**Income entered will be reinvested for retirement purposes.**

The “Other Income and Expenses” tab may be used to illustrate income or expenses that are not otherwise captured by earned income or annual expenses. The Inheritance is not expected at the current age so no numbers are entered in the Current Age fields. The client expects to receive the inheritance of \$45,000 (in today’s dollars) at individual 1’s age 61.

# Future Event – Continued

Earned Income | Social Security | Pensions | Other Income / Expenses

### Other Income and Expenses

Deferred comp  
Inheritance  
Carla  
Sale of equipment  
Gift to kids  
Extended travel

**+ Add Income / Expense** **✖ Delete**

Description

	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %
<b>Current Age</b>	<input type="text" value="\$0"/>	<input type="text" value="3.00%"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="0.00%"/>

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

	Age	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %	
▶	61	\$45,000	0.00%	\$45,000	\$0	0.00%	✖
	62	\$0	0.00%	\$0	\$0	0.00%	✖
*							✖

(Age) - Starting age or change age.  
 (Annual \$ Amount) - Dollar amount of the item. For expenses use negative amounts.  
 (Increase %) - Annual increase applied to the amount.  
 (Survivor 1 \$) - Amount to be used if individual 1 is a survivor.  
 (Survivor 2 \$) - Amount to be used if individual 2 is a survivor.  
 (Taxable %) - Percent of the amount that will be taxable.

By entering an inflation rate at the current age, with the income (or expense) occurring at a future age, the program knows to increase the \$45,000 by 3.00% annually from age 50 until age 61.

In other words, the \$45,000 shown in today's dollars will result in a \$62,290 benefit at age 61.

By setting the next line at age 62 to \$0, the program will know that this is a one-year item and will not repeat it.

If the \$45,000 dollar amount was not going to inflate, then the 3.00% would not have been entered at age 50. A negative rate may be entered if the amount is expected to reduce over the years.

# Other Income - Survivor

Earned Income Social Security Pensions Other Income / Expenses

**Other Income and Expenses**

Deferred comp  
Inheritance  
Carla  
Sale of equipment  
Gift to kids  
Extended travel

+ Add Income / Expense    ✕ Delete

Description Inheritance

Annual \$ Amount Increase % Survivor 1 \$ Survivor 2 \$ Taxable %

**Current Age** \$0 3.00% \$0 \$0 0.00%

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

Age	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %
61	\$45,000	0.00%	\$45,000	\$0	0.00%
62	\$0	0.00%	\$0	\$0	0.00%
*					

(Age) - Starting age or change age.  
 (Annual \$ Amount) - Dollar amount of the item. For expenses use negative amounts.  
 (Increase %) - Annual increase applied to the amount.  
 (Survivor 1 \$) - Amount to be used if individual 1 is a survivor.  
 (Survivor 2 \$) - Amount to be used if individual 2 is a survivor.  
 (Taxable %) - Percent of the amount that will be taxable.

**Income entered will be reinvested for retirement purposes.**

The survivor fields are used to indicate the amount that will be available on the survivor reports for Ind. 1 or Ind. 2.

Since individual 2 will not receive the inheritance if individual 1 dies, the Survivor 2 field is left blank.

*Note: The Survivor report amounts apply only to Easy Money.*

# Future Event – Multiple Years

The client will receive \$15,000 annual deferred compensation payment from age 66 for 10 years with no inflation factor. Since there is not an amount coming in currently, leave the Current Age fields blank.

The screenshot shows the 'Other Income / Expenses' tab in a financial planning software. Under the 'Other Income and Expenses' section, 'Deferred comp' is selected in the left-hand list. The main area shows a description of 'Deferred comp' with a 'Current Age' field set to blank. Below this, a table provides future values starting at age 66. The table has columns for Age, Annual \$ Amount, Increase %, Survivor 1 \$, Survivor 2 \$, and Taxable %. The first row shows a value of \$15,000 at age 66, with a survivor benefit of \$7,500. The second row shows a value of \$0 at age 76. A third row with an asterisk indicates further future events.

Age	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %
66	\$15,000	0.00%	\$15,000	\$7,500	0.00%
76	\$0	0.00%	\$0	\$0	0.00%
*					

Notice that if Ind. 1 is a survivor, the benefit will be the full \$15,000, but if Ind. 2 is the survivor the plan says the surviving spouse will receive only \$7,500 (1/2 of the participant amount.)

# Starting and Stopping

Earned Income Social Security Pensions Other Income / Expenses

### Other Income and Expenses

Deferred comp  
Inheritance  
Carla  
Sale of equipment  
Gift to kids  
Extended travel  
New Car

+ Add Income / Expense    ✕ Delete

Description: New Car

	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %
<b>Current Age</b>	(\$20,000)	5.00%	(\$20,000)	(\$20,000)	0.00%

Use table below for future changes given Allen's Current Age of 61 and Retire Age of 65

Age	Annual \$ Amount	Increase %	Survivor 1 \$	Survivor 2 \$	Taxable %	
51	\$0	0.00%	\$0	\$0	0.00%	✕
56	(\$20,000)	5.00%	(\$20,000)	(\$20,000)	0.00%	✕
57	\$0	0.00%	\$0	\$0	0.00%	✕
62	(\$20,000)	5.00%	(\$20,000)	(\$20,000)	0.00%	✕

This client wants to plan a new car purchase every 6 years. They estimate the cost in today's dollars of \$20,000, with a price inflation of 5% per year.

The Current Age entries tell us that the first purchase will take place this year.

- The next purchase is planned for age 56.
- At age 57 the value is 0, which means this is a single year of this amount.
- At age 62 another single year payment occurs.



# Future Change Topics

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The following inputs use the “Future Change” method:

- Asset Details
  - Monthly Additions/Withdrawals
- Asset Summary
  - Rate Changes (Interest, Dividend, Capital Gains, Appreciation)
- Income
  - Earned Income
  - Social Security
  - Pension
  - Other Income/Expense (Amount for Retirement and Survivor projections and Taxability)

# Future Change Topics – cont.

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- Tax Data
  - Tax Data (e.g. Schedule D and E incomes and more)
  - Itemized Deductions (Charitable Contributions, Medical Expenses, Property Tax, etc.)
- Insurance
  - Life Insurance (Premiums, Face Amount, Cash Value)
  - Miscellaneous Insurance (Premiums for Auto, Medical, etc.)
- Personal expenses
- Rental Real Estate
  - Rental Expenses (Management Fees, Property Taxes, etc.)

# Asset Rates

Select Scenario

First Scenario

Data Entry

SingleClient Test

Assumptions

Asset Details

Asset Summary

Dependents

Estate

Income

Tax Data

Liabilities

Insurance

Personal Expenses

Rental Real Estate

Survivor

Summary Risk / Financial Attitudes Qualified Plan Additions Allocation Rate Changes Accounts

Retirement Plan / Non Retirement Plan Rates

Asset Type

Taxable

Equity/Other

Tax-Deferred

Tax-Free

Retirement Plan

Type Total:

15,300

Rate:

0.05%

☐ Cash payout option for Interest, Dividends and Capital Gains. (Age Change entries below will override this selection.) (Golden Years only)  
 Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

Age	Interest %*	Div %*	Cap Gain%	Appre %*	Cash*
65	4.25%	0.00%	0.00%	0.00%	<input type="checkbox"/>
70	4.75%	0.00%	0.00%	0.00%	<input type="checkbox"/>
*					<input type="checkbox"/>

(Interest %) – Annual interest rate (Taxed at ordinary rates. Include anticipated STCG amount.)

(Div %\*) – Annual dividend rate (Taxed at Div/LTCG rate)\*

(Cap Gain%\*) – Annual capital gain rate (Represents CG distributions from mutual funds or reported gains from portfolio turnover (Taxed at LTCG rate)\*)

(Appre %\*) – Appreciation rate (In Easy Money taxed currently at LTCG rate. In Golden Years, recognized when withdrawals are made and taxed at LTCG rate.)\*

(Cash\*) – Take Interest and Distribution Dividends in cash. Distributions = dividends and capital gains on equity and other accounts.

\* For non-Equity/Other assets appropriate tax treatment applies.

Future Changes allow control over the anticipated rate of return on each asset type on a yearly basis. The current weighted average rate for each type will be computed for you, and if nothing is entered in this Future Change table, that rate will be used throughout the report. This Future Change table illustrates an assumption that the rates will change in the future (either due to market conditions or by the client revising their portfolio).

To enter a rate change select the asset type you wish to make the change to, enter the age of individual 1 that it will take effect and the new rates to be applied.

# Asset Rates – Continued

Equity/Other may have four different return components. Interest, Dividends, Capital Gains and Appreciation. (Equity/Other assets are things like stocks, mutual funds, real estate, etc.)

Each of these may be changed for this part of the clients portfolio at any time.

**Select Scenario**

First Scenario

**Data Entry**

SingleClient Test

Assumptions

Asset Details

**Asset Summary**

Dependents

Estate

Income

Tax Data

Liabilities

Insurance

Personal Expenses

Rental Real Estate

**Summary** Risk / Financial Attitudes Qualified Plan Additions Allocation Rate Changes Accounts

**Retirement Plan / Non Retirement Plan Rates**

**Asset Type**

Taxable

Equity/Other

Tax-Deferred

Tax-Free

Retirement Plan

Type Total: 0

Rate: 0.00%

☐ Cash payout option for Interest, Dividends and Capital Gains. (Age Change entries below will override this selection.) (Golden Years only)

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

Age	Interest %*	Div %*	Cap Gain%	Appre %*	Cash*
55	0.00%	1.00%	2.50%	5.00%	
60	0.00%	2.00%	1.50%	4.50%	
70	1.00%	2.25%	2.75%	2.00%	
*					

(Interest %) – Annual interest rate (Taxed at ordinary rates. Include anticipated STCG amount.)

(Div %\*) – Annual dividend rate (Taxed at Div/LTCG rate)\*

(Cap Gain%\*) – Annual capital gain rate (Represents CG distributions from mutual funds or reported gains from portfolio turnover (Taxed at LTCG rate)\*)

(Appre %\*) – Appreciation rate (In Easy Money taxed currently at LTCG rate. In Golden Years, recognized when withdrawals are made and taxed at LTCG rate.)\*

(Cash\*) – Take Interest and Distribution Dividends in cash. Distributions = dividends and capital gains on equity and other accounts.

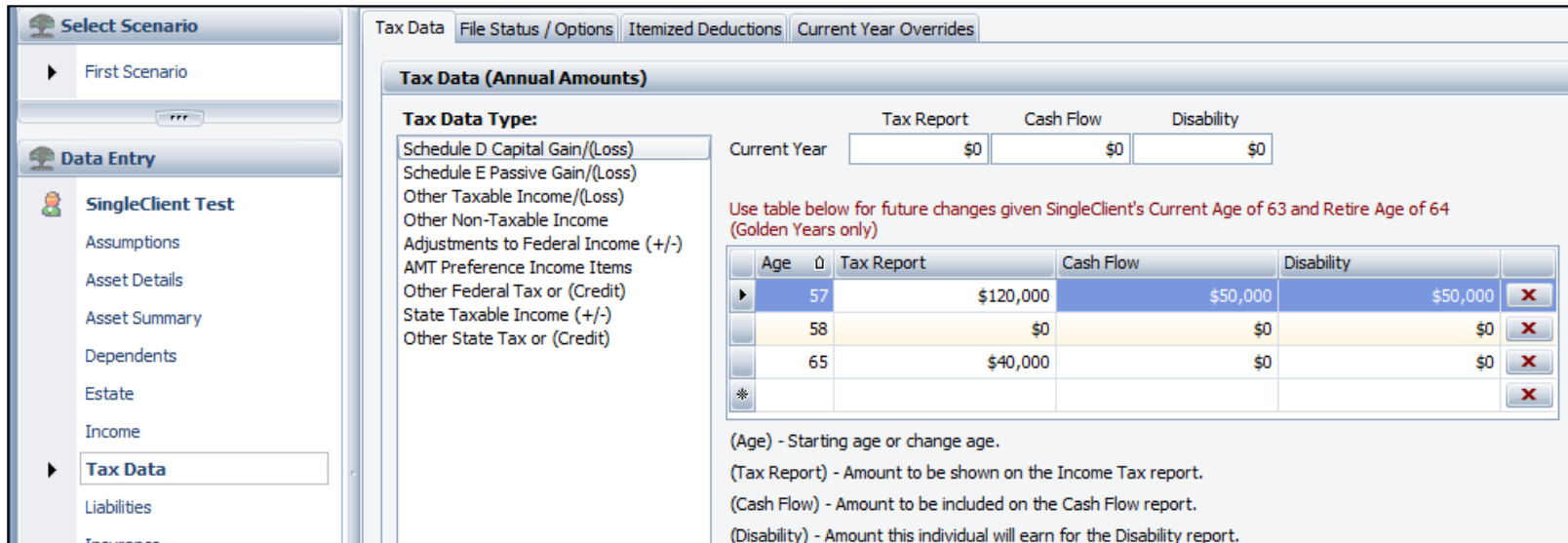
\* For non-Equity/Other assets appropriate tax treatment applies.

Taxable assets, tax deferred, tax free and retirement assets require only an interest rate. (These are the assets where the rate of return is taxed at the ordinary rate or is tax free.)

# Tax Data

Use the Cash Flow and Disability fields to indicate if the same or a different amount than the Tax Data amount will be included for the Cash Flow or Disability reports.

In this example the client anticipates a reportable capital gain at age 57 and again at age 65. This will be over and above normal gains that will be computed from the asset projection.



**Select Scenario**

- First Scenario

**Data Entry**

- SingleClient Test
  - Assumptions
  - Asset Details
  - Asset Summary
  - Dependents
  - Estate
  - Income
  - Tax Data**
  - Liabilities
  - Insurance

**Tax Data (Annual Amounts)**

Tax Data Type:

- Schedule D Capital Gain/(Loss)
- Schedule E Passive Gain/(Loss)
- Other Taxable Income/(Loss)
- Other Non-Taxable Income
- Adjustments to Federal Income (+/-)
- AMT Preference Income Items
- Other Federal Tax or (Credit)
- State Taxable Income (+/-)
- Other State Tax or (Credit)

		Tax Report	Cash Flow	Disability
Current Year		\$0	\$0	\$0

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64 (Golden Years only)

Age	Tax Report	Cash Flow	Disability	
57	\$120,000	\$50,000	\$50,000	X
58	\$0	\$0	\$0	X
65	\$40,000	\$0	\$0	X
*				X

(Age) - Starting age or change age.  
(Tax Report) - Amount to be shown on the Income Tax report.  
(Cash Flow) - Amount to be included on the Cash Flow report.  
(Disability) - Amount this individual will earn for the Disability report.

The Tax Data Type selection allows for gains/losses and other modifications to State taxes, Federal taxes, and AMT items.

*Note: Current year Tax Report , Cash Flow, and Disability amounts will apply to both Easy Money and Golden Years reports however future change entries for Tax Report and Cash Flow amounts will only apply to Golden Years reports and future changes for Disability will only be applied to Easy Money.*

# Itemized Deductions

**Select Scenario**

First Scenario

**Data Entry**

SingleClient Test

Assumptions

Asset Details

Asset Summary

Dependents

Estate

Income

**Tax Data**

Liabilities

Insurance

Personal Expenses

Tax Data | File Status / Options | Itemized Deductions | Current Year Overrides

**Itemized Deductions (Annual Amounts)**

**Itemized Deduction Type:**

Charitable Contributions

Medical Expenses

Miscellaneous

Other Deductible Interest

Other Tax (non property/state)

Property Tax

	% of Gross	Annual \$ Amount	% Increase
Current Age	10.00%	\$250	3.00%
Retirement Age	10.00%	\$250	3.00%

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

Age	% of Gross	Annual \$ Amount	% Increase
75	0.00%	\$2,500	3.00%
*			

(Age) - Starting age or change age.  
 (% of Gross) - Deduction as percent of gross income  
 (Annual \$ Amount) - Annual dollar amount  
 (% Increase) - Percent increase rate applied to dollar amount

In this example, the client is currently making contributions of 10% of their gross income to their church, plus and additional \$250 to the Scouts and intends to continue doing so during their early retirement years. These amounts will increase at 3% every year.

At age 75, the client will stop the 10% amount and change the total charitable contribution amount to \$2,500 with an increase of 3% each year.

# Itemized Deductions

**Select Scenario**

First Scenario

**Data Entry**

SingleClient Test

Assumptions

Asset Details

Asset Summary

Dependents

Estate

Income

**Tax Data**

Liabilities

Insurance

Personal Expenses

**Tax Data | File Status / Options | Itemized Deductions | Current Year Overrides**

**Itemized Deductions (Annual Amounts)**

**Itemized Deduction Type:**

Charitable Contributions

Medical Expenses

Miscellaneous

Other Deductible Interest

Other Tax (non property/state)

Property Tax

		% of Gross	Annual \$ Amount	% Increase
Current Age		0.00%	\$2,500	5.00%
Retirement Age		0.00%	\$2,500	5.00%

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

	Age	% of Gross	Annual \$ Amount	% Increase	
	84	0.00%	\$15,000	3.00%	X
*					X

(Age) - Starting age or change age.  
(% of Gross) - Deduction as percent of gross income  
(Annual \$ Amount) - Annual dollar amount  
(% Increase) - Percent increase rate applied to dollar amount

In this example, the client anticipates medical expenses of \$2,500 per year (in excess of medical premiums) increasing at 5.00%.

Then starting at age 84, changing to \$15,000 per year increasing at 3.00%.

*Note: Enter Gross amounts of medical and miscellaneous ID, the program will determine the allowable amounts.*

# Life Insurance

Select Scenario

First Scenario

Data Entry

SingleClient Test

Assumptions

Asset Details

Asset Summary

Dependents

Estate

Income

Tax Data

Liabilities

Insurance

Personal Expenses

Rental Real Estate

Survivor

Stock Options

Financial Goals

Monte Carlo

Life Insurance

Life Summary

Misc. Insurance

Disability / Long-Term Care

All Policies

Suppress Life Insurance Benefits on Retirement Report? ☐ Individual 1 ☐ Individual 2

☐ Include cash values in Asset Allocation and Liquidity reports?

☐ Insurance Needed: Make lower limit equal to Immediate Cash Need (on Survivor Estimate report)

+ Add Policy

- Delete Policy

Description	Type	Insured	Face Amount	Premium	Cash Value	
LICA	Permanent	Individual 1	\$400,000	\$3,500	\$26,000	X

(Premium) - Annual Premium  
(Face Amount) - Face amount of the policy (if UL, VUL with CV entered as an asset, then net benefit)  
(Cash Value) - Cash value on permanent policy

General

Worksheet

Description	LICA	Current Annual Premium	\$3,500
Type	Permanent	Current Face Amount	\$400,000
Company	Anum	Current Cash Value	\$26,000
Insured	Individual 1	Retirement Annual Premium	\$3,500
Beneficiary	Individual 2	Retirement Face Amount	\$400,000
Owner	Individual 2	Retirement Cash Value	\$212,000
Policy Number		Current Loan Amount	\$5,000

Enter Life Insurance information on the "General" tab.



# Life Insurance Worksheet

**Select Scenario**

First Scenario

**Data Entry**

SingleClient Test

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**Life Insurance** Life Summary Misc. Insurance Disability / Long-Term Care

**All Policies**

Suppress Life Insurance Benefits on Retirement Report? ☐ Individual 1 ☐ Individual 2

☐ Include cash values in Asset Allocation and Liquidity reports?

☐ Insurance Needed: Make lower limit equal to Immediate Cash Need (on Survivor Estimate report)

+ Add Policy - Delete Policy

Description	Type	Insured	Face Amount	Premium	Cash Value	
LICA	Permanent	Individual 1	\$400,000	\$3,500	\$26,000	X
Term Life	Permanent	Individual 1	\$250,000	\$374	\$0	X

(Premium) - Annual Premium  
(Face Amount) - Face amount of the policy (if UL, VUL with CV entered as an asset, then net benefit)  
(Cash Value) - Cash value on permanent policy

**General** Worksheet

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

Age	Premium	Face Amount	Cash Value	
45	\$650	\$250,000	\$0	X
50	\$823	\$250,000	\$0	X
55	\$1,270	\$250,000	\$0	X
60	\$1,820	\$250,000	\$0	X
65	\$0	\$0	\$0	X

(Premium) - Annual Premium  
(Face Amount) - Face amount of the policy (if UL, VUL with CV entered as an asset, then net death benefit)

The Future Change "Worksheet" tab is particularly Important for term policies. Make entries here to indicate premium changes at various ages.

When the policy terminates, enter the age at termination with no premium or face amount.

# Personal Expenses

**Select Scenario**

First Scenario

**Data Entry**

SingleClient Test

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**Expense Table:**

Expense	Current Age Expenses			Retirement Age Expenses			Percent for Disability/Survivor Reports*		
	Monthly \$	Annual \$	Increase %	Monthly \$	Annual \$	Increase %	Disability %	Survivor %	
Description									
Rent or lease payments not mor...	\$1,200	\$0	3.20%	\$800	\$0	3.20%	80%	80%	X
Food and Household Expenses	\$75	\$0	3.20%	\$75	\$0	3.20%	80%	80%	X
Groceries	\$300	\$0	3.20%	\$200	\$0	3.20%	80%	80%	X
Household Supplies	\$100	\$0	3.20%	\$80	\$0	3.20%	80%	80%	X
Eating Out	\$200	\$0	3.20%	\$250	\$0	3.20%	80%	80%	X
Utilities	\$200	\$0	3.20%	\$150	\$0	3.20%	80%	80%	X
	\$2,075	\$0		\$1,555	\$0				

**Do not include itemized deductions, debt payments or insurance premiums in this section.**

\* Percent for Disability/ Survivor - Percent of current amount to be used in the Disability or Survivor reports.

**Description**      **Disability %**      **Survivor %**

Utilities      80.00%      80.00%

**Current Age:**      Monthly \$      Annual \$      Increase %

Current Age:      \$200      \$0      3.20%

**Retirement Age:**      Monthly \$      Annual \$      Increase %

Retirement Age:      \$150      \$0      3.20%

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

Age	Monthly \$	Annual \$	Increase %
*			

(Age) - Starting age or change age.  
 (Monthly \$) - Amount of the expense paid monthly  
 (Annual \$) - Amount of the expense paid annually (or annual total of quarterly or other frequency)  
 (Increase %) - Annual increase rate to be applied to this expense

**Total Expense Summary**

Current Age      22,500      Retirement Age      16,860

To enter personal expenses:

- Select an expense description (you may edit these to fit your client's specific need).
- Enter an amount for both "Current" and "Retirement" age. Either monthly or annual amount, not both.
- Specify what percent will still apply in a survivor household or if the client becomes disabled

# Expense Future Changes

Select Scenario

First Scenario

Data Entry

SingleClient Test

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Add Item

Delete Item

Auto Fill Rates

Move Up

Move Down

Expense	Current Age Expenses			Retirement Age Expenses			Percent for Disability/Survivor Reports*			
	Description	Monthly \$	Annual \$	Increase %	Monthly \$	Annual \$	Increase %	Disability %		Survivor %
	Rent or lease payments not mor...	\$1,200	\$0	3.20%	\$800	\$0	3.20%	80%	80%	X
	Food and Household Expenses	\$600	\$0	3.20%	\$400	\$0	3.20%	80%	80%	X
	Groceries	\$300	\$0	3.20%	\$200	\$0	3.20%	80%	80%	X
	Household Supplies	\$100	\$0	3.20%	\$80	\$0	3.20%	80%	80%	X
	Eating Out	\$200	\$0	3.20%	\$250	\$0	3.20%	80%	80%	X
	Utilities	\$200	\$0	3.20%	\$150	\$0	3.20%	80%	80%	X
		\$2,600	\$0		\$1,880	\$0				

Do not include itemized deductions, debt payments or insurance premiums in this section.

\* Percent for Disability/ Survivor - Percent of current amount to be used in the Disability or Survivor reports.

Description

Disability %

Survivor %

Food and Household Expenses

80.00%

80.00%

Monthly \$

Annual \$

Increase %

Current Age:

\$600

\$0

3.20%

Retirement Age:

\$400

\$0

3.20%

Use table below for future changes given SingleClient's Current Age of 63 and Retire Age of 64

Age	0	Monthly \$	Annual \$	Increase %	
57		\$850	\$0	0.00%	X
60		\$400	\$0	0.00%	X
*					X

(Age) - Starting age or change age.

(Monthly \$) - Amount of the expense paid monthly

(Annual \$) - Amount of the expense paid annually (or annual total of quarterly or other frequency)

Total Expense Summary

Current Age

24,900

Retirement Age

18,660

The future change table makes it possible to show different amounts for each expense at different ages, based on individual 1's age.

In the above example, the client anticipates that his son will come home from college with a friend for 3 years at the clients age 57 which would increase this expense for those years. His food bill will change from \$400 to \$850 per month (plus 5% inflation) for those years, then revert to \$400.

# Future Change Table

Thank you for taking the time to review the introduction to Future Change Tables.

## Questions?

Ask Money Tree's Support Team

*Toll free 1.877.421.9815*  
*support@moneytree.com*



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