



## **Retirement Income Report**

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**Report for**

**Mr. and Mrs. Thurston Howell III**

**January 30, 2015**

**Provided by:**

**John Advisor  
CFA**

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# Personal Information & Assumptions

## Personal Information

Current Age:	Thurston 64	Lovey 64
Retirement Age:	70	70
Current Annual Job Income:	\$85,000	\$45,678
Estimated Annual Raise:	0.00%	2.00%

## Tax-Deferred Investments

Current Balance:	\$204,811	\$0
Annual Contribution:	\$6,000	\$1,200
Company Matching Funds:	\$3,000	\$0
Estimated Annual Return:	5.11%	0.00%
Estimated Annual Retirement Return:	5.00%	0.00%

## Taxable Investments

Current Balance:	\$223,455	\$0
Annual Contribution:	\$2,000	\$0
Estimated Annual Return:	5.24%	0.00%
Estimated Annual Retirement Return:	5.00%	0.00%

## Tax-Free Investments

Current Balance:	\$55,558	\$0
Annual Contribution:	\$0	\$0
Estimated Annual Return:	5.22%	0.00%
Estimated Annual Retirement Return:	5.00%	0.00%

## Social Security Benefits

Estimated First Year Annual Benefit:	\$15,000	\$0
Start Age:	70	65
Cost of Living Adjustment (COLA):	2.70%	

## Pension/Defined Benefit Payments

Annual Benefit Amount:	\$12,000	\$0
Start Age:	70	65
COLA Applied Before Benefits Begin:	0.00%	0.00%
COLA Applied After Benefits Begin:	0.00%	0.00%

## Other Assumptions

Annual Retirement Income Goal:	\$65,000	
Estimated Annual Inflation Rate:	3.00%	
Assumed Tax Rates:	Before Retirement	During Retirement
- Federal Marginal	20.00%	20.00%
- State/Local	5.00%	0.00%
- Total Effective	25.00%	20.00%

# Cash Infusions

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<u>Infusion Description</u>	<u>Initial Value</u>	<u>Estimated Return BEFORE Start</u>	<u>Start Age</u>	<u>Number of Years</u>	<u>Estimated Return AFTER Start</u>	<u>Tax Rate</u>	<u>Extra Infusion Added To</u>
Sale of Home	\$125,000	3.00%	66	1	3.00%	0.0%	Taxable
Inheritance	\$234,567	2.00%	72	1	2.00%	0.0%	Taxable
Part-time Job	\$8,000	1.00%	65	5	1.00%	0.0%	Taxable
Life Insurance Proceeds	\$100,000	2.00%	75	1	2.00%	0.0%	Tax-Free
Annuity Payments	\$2,500	3.00%	65	1	3.00%	0.0%	Tax-Def.(Non-Qual)
Retirement Package	\$1,234	2.00%	65	1	2.00%	0.0%	Tax-Def.(Qual)
Severance Payments	\$1,234	1.00%	65	1	1.00%	0.0%	Taxable
Lumpsum Severance	\$3,000	2.00%	65	1	2.00%	0.0%	Taxable
Rental Property Income	\$2,400	3.00%	65	15	3.00%	0.0%	Taxable
Deferred Compensation	\$1,000	2.00%	65	1	2.00%	0.0%	Tax-Def.(Qual)
Reverse Mortgage	\$1,000	1.00%	65	25	1.00%	0.0%	Taxable

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No Other Cash Infusions Were Entered.

# Special Expenses

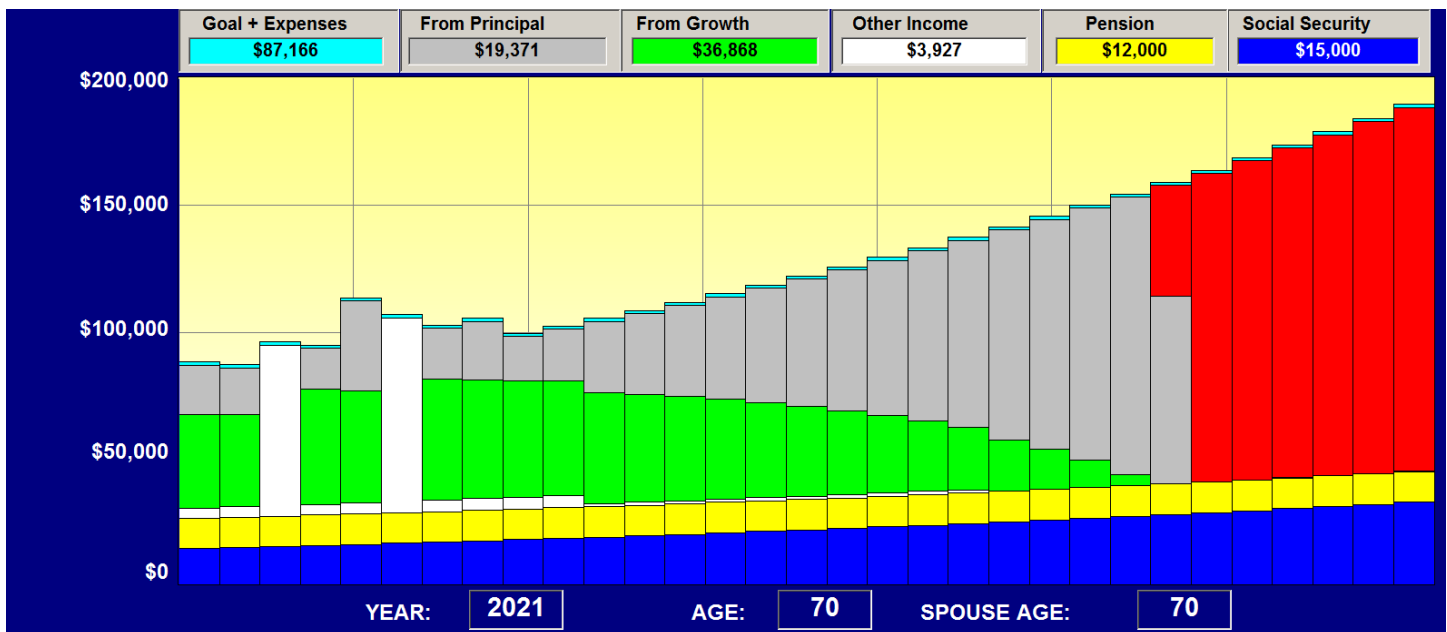
<b>Expense Description</b>	<b>Initial Value</b>	<b>Estimated Inflation BEFORE Start</b>	<b>Start Age</b>	<b>Number of Years</b>	<b>Estimated Inflation AFTER Start</b>	<b>Investments to Withdraw Expense from</b>
Long Term Care Claim	\$12,345	3.00%	65	1	0.00%	Any Available
Long Term Care Insurance Prem	\$1,234	3.00%	66	1	0.00%	Any Available
Life Insurance Premiums	\$1,234	3.00%	67	1	0.00%	Any Available
Annuity Purchase	\$25,000	0.00%	68	1	0.00%	Any Available
Buy Second Home	\$5,000	3.00%	69	1	0.00%	Any Available
College Funding	\$25,000	6.00%	70	4	6.00%	Any Available
Big Vacation or Travel	\$8,000	3.00%	70	1	0.00%	Any Available
Medical Expenses	\$5,000	3.00%	71	1	0.00%	Any Available
Buy an RV	\$10,000	3.00%	72	1	0.00%	Any Available
72t Payments	\$6,789	3.00%	73	5	0.00%	Any Available
Wedding	\$12,000	3.00%	74	1	0.00%	Any Available
Survivor Cash Fund	\$5,000	3.00%	75	1	0.00%	Any Available
Debt Cancellation	\$123	3.00%	65	1	0.00%	Any Available
Emergency Fund	\$123	3.00%	65	1	0.00%	Any Available
Mortgage Payoff Fund	\$123	3.00%	65	1	0.00%	Any Available
Child Care Fund	\$123	3.00%	65	1	0.00%	Any Available
Bequests (school, charity)	\$123	3.00%	65	1	0.00%	Any Available
Start in Life/Education Fund	\$123	3.00%	65	1	0.00%	Any Available

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No Other Special Expenses Were Entered.

# Retirement Income Graph

The following graph shows a visual picture of your retirement income throughout retirement. The light blue shows your retirement income needs plus any special expenses you may have entered. If you see red, then you have a shortfall in those years. The dollar values shown in the data boxes are the values at the selected age shown at the bottom of the graph.

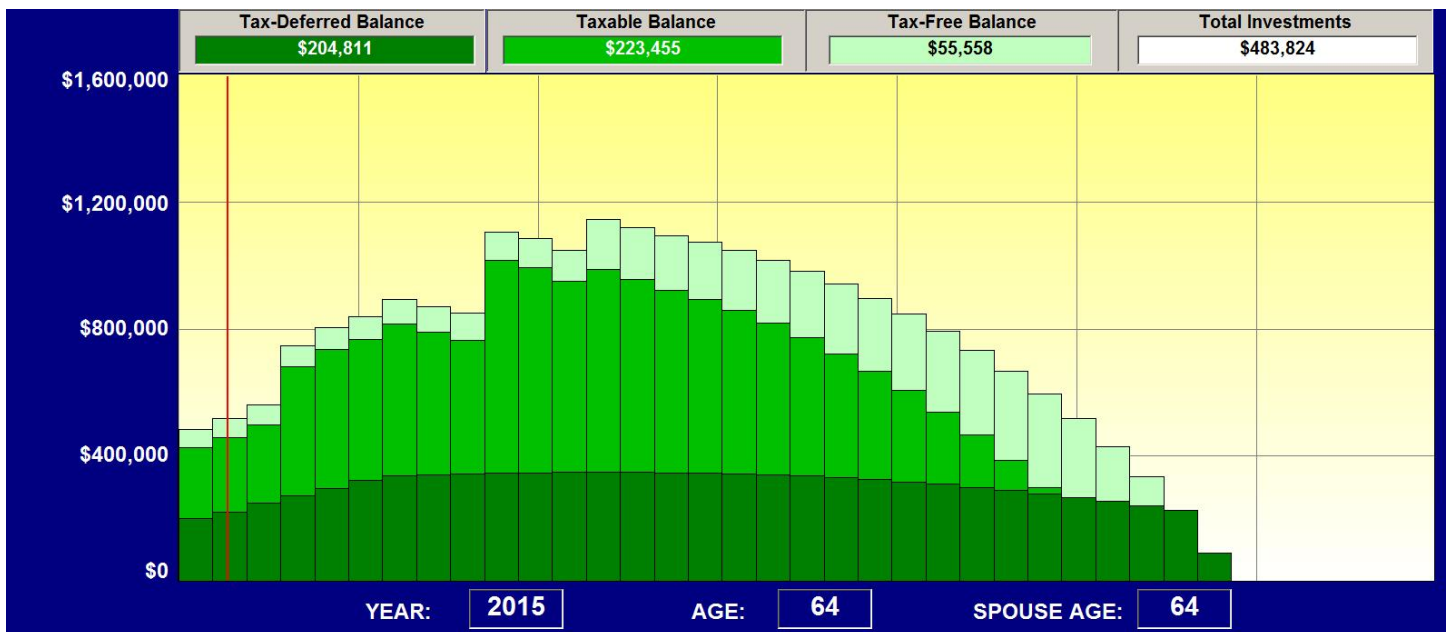


This is a hypothetical illustration based on your assumptions and is for planning purposes only. It is not indicative of any specific product or performance. Investment values will fluctuate with changes in market conditions. Values shown reflect approximate taxes per each investment type, if applicable ; however, these values do not reflect any fees and expenses associated with investing.

# Retirement Savings Graph

The following graph shows a visual picture of your accumulating investment values including contributions and hypothetical growth. The three investment types are each represented by a different shade of green. The white data box shows your Total Investments at the selected age.

NOTE: The dollar values shown in the data boxes are the values at the selected age shown at the bottom and by the red line on the graph.



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# Year-by-Year Spreadsheet Values

Age	Total Investments	Retirement Income Goal	Income from Growth	Income from Principal	Gross Pension	Gross Social Security	Cash Infusions	Special Expenses	Retirement Income Shortfall
64	\$483,824	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65	\$518,172	\$66,950	\$0	\$0	\$0	\$0	\$20,722	\$13,475	\$0
66	\$561,546	\$68,958	\$0	\$0	\$0	\$0	\$144,340	\$1,309	\$0
67	\$747,981	\$71,027	\$0	\$0	\$0	\$0	\$11,895	\$1,348	\$0
68	\$804,301	\$73,158	\$0	\$0	\$0	\$0	\$12,067	\$25,000	\$0
69	\$836,351	\$75,353	\$0	\$0	\$0	\$0	\$12,241	\$5,796	\$0
----- RETIREMENT BEGINS HERE -----									
70	\$889,762	\$77,613	\$36,868	\$19,371	\$12,000	\$15,000	\$3,927	\$9,552	\$0
71	\$867,746	\$79,942	\$36,118	\$18,544	\$12,000	\$15,405	\$4,024	\$6,149	\$0
72	\$846,439	\$82,340	\$0	\$0	\$12,000	\$15,821	\$278,956	\$12,668	\$0
73	\$1,101,310	\$84,810	\$45,328	\$15,867	\$12,000	\$16,248	\$4,225	\$8,858	\$0
74	\$1,082,428	\$87,355	\$43,907	\$35,416	\$12,000	\$16,687	\$4,330	\$24,985	\$0
75	\$1,043,863	\$89,975	\$0	\$0	\$12,000	\$17,137	\$128,775	\$15,779	\$0
76	\$1,140,949	\$92,674	\$47,380	\$20,004	\$12,000	\$17,600	\$4,549	\$8,858	\$0
77	\$1,117,528	\$95,455	\$46,429	\$23,146	\$12,000	\$18,075	\$4,663	\$8,858	\$0
78	\$1,090,834	\$98,318	\$45,697	\$17,278	\$12,000	\$18,563	\$4,780	\$0	\$0
79	\$1,069,872	\$101,268	\$44,833	\$20,470	\$12,000	\$19,064	\$4,900	\$0	\$0
80	\$1,045,581	\$104,306	\$43,676	\$27,878	\$12,000	\$19,579	\$1,173	\$0	\$0
81	\$1,013,739	\$107,435	\$42,359	\$31,784	\$12,000	\$20,108	\$1,184	\$0	\$0
82	\$977,847	\$110,658	\$40,873	\$35,939	\$12,000	\$20,651	\$1,196	\$0	\$0
83	\$937,653	\$113,978	\$39,206	\$40,355	\$12,000	\$21,208	\$1,208	\$0	\$0
84	\$892,922	\$117,397	\$37,351	\$45,045	\$12,000	\$21,781	\$1,220	\$0	\$0
85	\$843,382	\$120,919	\$35,296	\$50,021	\$12,000	\$22,369	\$1,232	\$0	\$0
86	\$788,750	\$124,547	\$33,030	\$55,298	\$12,000	\$22,973	\$1,245	\$0	\$0
87	\$728,726	\$128,283	\$30,542	\$60,891	\$12,000	\$23,593	\$1,257	\$0	\$0
88	\$663,000	\$132,132	\$27,817	\$66,815	\$12,000	\$24,230	\$1,270	\$0	\$0
89	\$591,289	\$136,095	\$24,433	\$73,495	\$12,000	\$24,885	\$1,282	\$0	\$0
90	\$512,844	\$140,178	\$20,286	\$82,336	\$12,000	\$25,556	\$0	\$0	\$0
91	\$425,517	\$144,384	\$15,753	\$90,384	\$12,000	\$26,246	\$0	\$0	\$0
92	\$330,113	\$148,715	\$10,811	\$98,949	\$12,000	\$26,955	\$0	\$0	\$0
93	\$226,184	\$153,177	\$4,305	\$109,189	\$12,000	\$27,683	\$0	\$0	\$0
94	\$91,966	\$157,772	\$0	\$73,612	\$12,000	\$28,430	\$0	\$0	\$43,729
95	\$2,086	\$162,505	\$0	\$167	\$12,000	\$29,198	\$0	\$0	\$121,140
96	\$1,877	\$167,380	\$0	\$150	\$12,000	\$29,986	\$0	\$0	\$125,244
97	\$1,689	\$172,402	\$0	\$135	\$12,000	\$30,796	\$0	\$0	\$129,471
98	\$1,521	\$177,574	\$0	\$122	\$12,000	\$31,627	\$0	\$0	\$133,825
99	\$1,368	\$182,901	\$0	\$109	\$12,000	\$32,481	\$0	\$0	\$138,310
100	\$1,232	\$188,388	\$0	\$99	\$12,000	\$33,358	\$0	\$0	\$142,931

# Important Notes About This Report

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**IN GENERAL:** Information such as current investments, social security and pension benefits, annual retirement income goal, cash infusions and special expenses were determined based on information you provided. Information concerning the inflation rate(s), assumed tax rate(s) and estimated returns on investments, including individual funds and securities, were determined based on both historical data and assumptions made by you and your advisor. This is a hypothetical illustration and is for planning purposes only. It is not designed or intended to project the actual performance of a specific fund or security or retirement plan. Please note investment values will fluctuate, investment losses are possible, and actual results will vary.

**ASSUMPTIONS USED:** This financial calculator provides a snapshot of retirement income sources and does not attempt to address all financial issues. Consider updating this projection from time to time as changes occur in your situation. It is strongly suggested that you view the projections using lower return assumptions or zero return assumptions to better understand the impact rates of return may have on your situation. Please consult with your advisor as to the specific limitations on the estimates generated by this software.

**TAXES:** Any taxes shown are estimates, and are presented for illustrative purposes only and should not be construed as tax or legal advice. Specific tax laws such as early withdrawal penalties on qualified plan withdrawals prior to age 59 ½ may not be reflected in this report. Withdrawals of tax-deferred accumulations may be subject to ordinary income taxes and/or a 10% penalty. This report assumes that any requirements for tax free or tax-deferred investing are met (for example, the 5 year holding requirement for a Roth IRA). You should consult your tax advisor or legal counsel for advice and information concerning your particular situation.

**REQUIRED MINIMUM DISTRIBUTIONS:** If this report shows estimated required minimum distributions, these

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