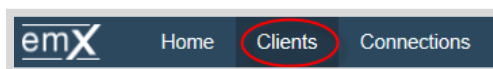


This user guide will give an overview of the Retirement Income Tool.

The **Retirement Income Tool** allows entry of client data and the creation of a presentation specific to Retirement Income. Planning for Retirement incorporates all of the elements of financial planning. The advisor must account for Income, Expenses, Investments, and Taxes. It is also important to recognize the unique aspects of the retirement phase of life.

1. Click on **Clients** and choose a client.



2. From the Client Overview, click **Plans**.

Category	Value	Percentage
Equities	\$1,835,413.75	59.42%
Taxable Bonds	\$780,646.00	25.27%
Cash	\$224,698.25	7.27%
Other	\$190,000.00	6.15%
Tax Exempt Bonds	\$58,369.75	1.89%

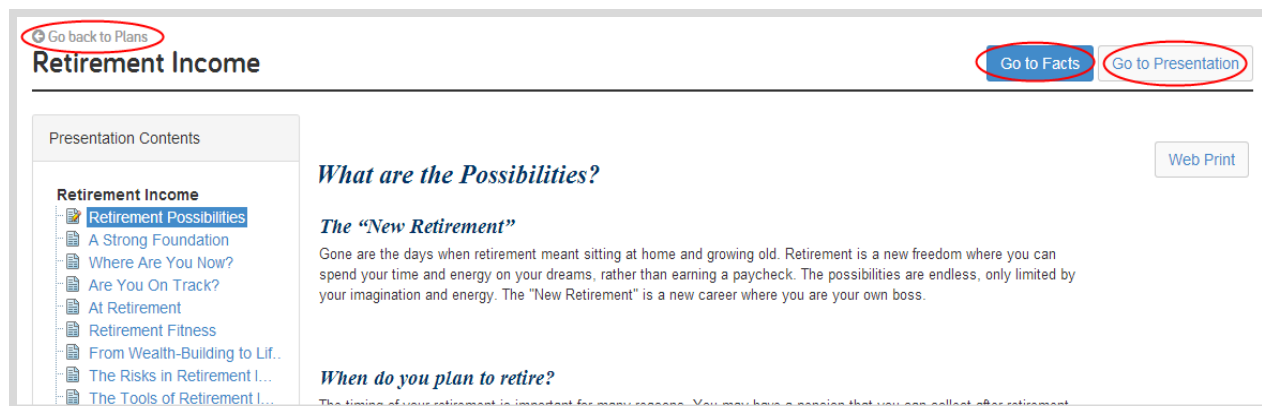
3. From Plans, click **Additional Tools** and then select **Retirement Income**.

Overview	
What-ifs	9
Investment Planning	0
Needs Analysis	0
Portfolio Analysis	0
Financial Concepts	0
Additional Tools	2


Retirement Income
Analyze your client's income needs during their retirement years.

Calculators
Get answers to your client's basic financial questions.

- Once in Retirement Income, navigating back to the Plans screen can be done by clicking **Go back to Plans**. If the facts have not been entered, click on **Go to Facts** in order to enter the client facts. The Go to Presentation button would further move into the presentation area.



Please Note:

 This icon identifies key pages that are active reports and may require further data entry. Data entered into a report page is saved with the analysis, so when returning to the analysis later all of the entries will remain.

 This icon identifies supplemental pages that do not require any data entry.

5. Click into Retirement Possibilities.

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Web Print

What are the Possibilities?

The "New Retirement"

Gone are the days when retirement meant sitting at home and growing old. Retirement is a new freedom where you can spend your time and energy on your dreams, rather than earning a paycheck. The possibilities are endless, only limited by your imagination and energy. The "New Retirement" is a new career where you are your own boss.

When do you plan to retire?

The timing of your retirement is important for many reasons. You may have a pension that you can collect after retirement. Working longer can help you earn additional income to make your retirement assets last longer. Or, you may simply want to begin your new possibilities as soon as possible.

Jon

- is currently age 56
- and plans to retire at age

Katie

- is currently age 51
- and plans to retire at age

What is important to you?

Everybody has a different vision of retirement. Family, hobbies, community, and activities mean different things to different people.

New Attitudes
91% said they would ideally like to retire by age 65.

6. Complete the fields for years of Retirement and click Update.

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What are the Possibilities?

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When do you plan to retire?

The timing of your retirement is important for many reasons. You may have a pension that you can collect after retirement. Working longer can help you earn additional income to make your retirement assets last longer. Or, you may simply want to begin your new possibilities as soon as possible.

Jon

- is currently age 56
- and plans to retire at age

Katie

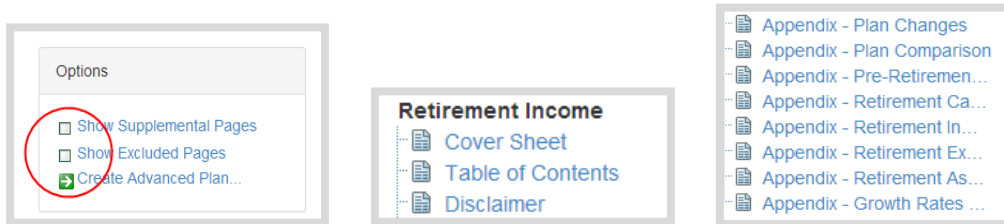
- is currently age 51
- and plans to retire at age

What is important to you?

Everybody has a different vision of retirement. Family, hobbies, community, and activities mean different things to different people.

New Attitudes
91% said they would ideally like to retire by age 65.

7. Supplemental pages will include Cover Sheet, Table of Contents, Disclaimer and multiple Appendix pages. Check **Show Supplemental Pages** to view these additional pages.



8. Click on the first page which can be edited, **Analyze Your Spending**.

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Options

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Legend

a page that is key to the story of the presentation; may require data entry

Analyze Your Spending

Before we can plan a retirement income strategy, we need to understand your retirement spending.

Your retirement expenses

Below is a worksheet for creating a retirement spending budget. Figure out how much you expect to spend on housing, food, energy, and health care. Look at your retirement dreams and see what it would cost to follow your dreams of travel, recreation and social activities. It is also important to determine which items are your basic, required expenses and which are your discretionary expenses.

Description	Req'd	Current Amount	Retire Amount	Growth Rate
Basic Expenses	<input type="checkbox"/>	\$75,000	\$65,000	0.00%
cretionary Expenses	<input type="checkbox"/>	\$25,000	\$20,000	0.00%
Total		\$100,000	\$85,000	

Note: Changes made here will affect the Interview and Fact Finder.

A typical budget

Typical married adults ages 65 and older spend...

- 29% on housing
 - 9% on utilities
 - 8% on taxes and insurance
 - 6% on rent/mortgage
 - 6% on maintenance
- 20% on healthcare
 - 8% on insurance
 - 6% on drugs
 - 4% on health services
 - 2% on medical supplies
- 13% on food
- 12% on transportation
- 10% on entertainment
- 10% on gifts
- 6% on other expenses

Create a Typical Budget

Your Budget

Built using ChartFX for .NET Development

- Housing (29.00%)
- Healthcare (20.00%)
- Food (13.00%)
- Transportation (12.00%)
- Entertainment (10.00%)
- Gifts (10.00%)
- Other (6.00%)

9. Complete the appropriate fields for entering Living Expenses and click **Save**.

Create a Typical Budget with creating the living expenses to reflect these statistical numbers. Once clicked, the Living Expense Worksheet will be displayed. Click **Save** once added.

Please Note: Changes made to the Living Expense Worksheet will affect the Fact Finder.

10. Click **Social Security Benefits**.

11. Complete the field for **Age Assumed to receive Social Security Benefits** and click **Update**.

Show Supplemental Pages
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Legend
 a page that is key to the story of the presentation; may

Assuming that you begin receiving Social Security benefits at:

- Jon - age - \$2,367 per month (in today's dollars).
- Katie - age - \$1,809 per month (in today's dollars).

12. View Supplemental pages on A Look at Income, The Retirement Balancing Act, and Your Guaranteed Income. If there is a need to guarantee more retirement income, annuities may be a suitable product. Annuities can provide a guaranteed income for a number of years or for a lifetime.

13. Click **Additional Guaranteed Income**.

14. Complete the field for **Your Total Guaranteed Income** and click **Recalculate**.

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Retirement Income

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Additional Guaranteed Income

If you wish to guarantee more of your retirement income, annuities may be a suitable product. Annuities can provide a guaranteed income for a number of years or for your lifetime.

What is an income annuity?

An annuity is a contract between you and an insurance company, where the company agrees to make regular payments to you. You can purchase an annuity with a lump sum or multiple payments. In return, the issuing company agrees to guarantee payments for a period of years or your lifetime.

Note that the guarantees of an annuity are based on the financial strength and claims paying ability of the issuing insurance company.

Laddering

If you choose a lifetime annuity, you will receive payments for your entire lifetime. At your death, the annuity company keeps the rest of the investments. This tradeoff may allow the annuity company to offer you a higher rate of return than if you were to simply invest the money. Purchasing additional annuity contracts may subject you to additional fees and expenses.

Hypothetical Annuity: Lifetime Income Payments for a Male for a \$100,000 Purchase Payment*

Age	Monthly Income	Annual Income
65	\$488	\$5,857
70	\$554	\$6,653
75	\$641	\$7,689
80	\$757	\$9,082

One strategy to take advantage of this is a "laddering" strategy. Making regular annual purchases of annuities gives you the flexibility of changing strategies in early years, but takes advantage of potentially higher guaranteed rates in later years.

Note that Laddering does not guarantee higher income payments.

* Income Payment amounts are not representative of any actual annuity product. Income Payment amounts for issue ages shown above are for a hypothetical Single Life immediate annuity for a Male using the Annuity 2000 Mortality Table using a 3.55% interest rate. Amounts do not take into account the effect of taxes.

Your total guaranteed income

Assuming that you purchase an annuity for each year, from year to

by the end of the period, the annuities could generate an estimated monthly income of \$0. (Payments based on the Annuity 2000 mortality tables.) This covers 0% of your Basic Expenses in that year. In 2033, along with other sources of guaranteed income, your guaranteed income will cover 53% of your Basic Expenses.

15. View the supplemental page titled Make the Most of your Money. Now that the client's basic expenses have been planned for, what Investment Plan might give them the most discretionary income, and will they be comfortable with that plan?

16. Click **What Would You Do?**

17. Complete the below questions and click **Update**.

The screenshot displays the eMoney Advisor interface. On the left is a 'Presentation Contents' sidebar with a list of topics. The 'What Would You Do?' item is circled in red. The main content area is titled 'What Would You Do?' and contains five numbered questions with radio button options.

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What Would You Do?

Please answer the following questions:

- If you own a home, do you have more than 30% equity?
 - No
 - Yes
 - I don't own a home
- Do you plan to work during retirement?
 - Full-time, for as long as possible
 - Full-time, for a few years
 - Part-time
 - Not at all
- From an original investment of \$15,000, your portfolio now worth \$25,000 suddenly declines \$3,750 or 15%, which best describes your response?
 - I would look for a way to invest more
 - I would take no action
 - I would be somewhat concerned
 - I would avoid any investment that could suddenly lose 15% of its value (Choose last answer for next question)
- Your portfolio, from previous question, now worth \$21,250 suddenly declines another \$2,125 or 10%, which best describes your response?
 - I would look for a way to invest more
 - I would take no action
 - I would be somewhat concerned
 - I would probably sell
 - I would never have made this investment (Chose last answer on previous question)
- Have you invested in Equities?
 - No
 - Yes

18. View supplemental pages on Types of Investments and Understanding Risk. Deciding on the Right Portfolio for the client depends on how much risk the clients are willing to take and the amount of time willing to invest.

19. Click **The Right Portfolio**.

20. Select the **Portfolio** and click **Reset**.

21. Select the Portfolio for **At Retirement, Mid-Retirement, and Later Retirement**.

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The Right Portfolio

Deciding on the right portfolio for you depends on how much risk you are willing to take and your investment time horizon, among other things. According to your answers to the questionnaire, the overall portfolio that fits your risk profile is **No Growth (0.00%)**.

[Reset](#)


However, as your income needs change over time, the composition of your portfolio should change to reflect these needs.

Time Period:	At Retirement	Mid-Retirement	Later Retirement
Starting:	Age 65/64	When Jon is <input type="text" value="75"/> (2033)	When Jon is <input type="text" value="85"/> (2043)
Model:	<input type="text" value="Asset Pres (4.99%)"/>	<input type="text" value="Asset Pres (4.99%)"/>	<input type="text" value="Asset Pres (4.99%)"/>
Relative Risk:	2.2	2.2	2.2
		Update	




Asset Allocation:

- Built using ChartFX for .NET Devel
- Large Growth (10.00%)
- Large Value (5.00%)
- Inv Grd Bnd (25.00%)
- Shrt Trm Bnd (50.00%)
- Cash (10.00%)



Asset Allocation:

- Built using ChartFX for .NET Devel
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- Large Growth (10.00%)
- Large Value (5.00%)
- Inv Grd Bnd (25.00%)
- Shrt Trm Bnd (50.00%)
- Cash (10.00%)

Time Period:	At Retirement	Mid-Retirement	Later Retirement
Assumed Return:	4.99%	4.99%	4.99%
Est. Assets:	\$4,580,715	\$2,859,089	(\$1,778,946)

Options

Show Supplemental Pages

Show Excluded Pages

[Create Advanced Plan...](#)

Legend

a page that is key to the story of the presentation; may require data entry

22. Your Retirement Plan is a summary of the client's Retirement Assumptions, Retirement Resources, Income Sources, Retirement Expenses, Guaranteed Income Plan, and Investment Plan.

23. Click **Your Retirement Plan**.

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Your Retirement Plan

Assumptions

- Jon is currently age 56, and plans to retire at age .
- Katie is currently age 51, and plans to retire at age .
- Jon plans to begin Social Security payments at age of \$2,367 per month (in today's dollars).
- Katie plans to begin Social Security payments at age of \$1,809 per month (in today's dollars).

Retirement Resources

Asset / Liability	Value Now	At Retirement
Cash and Savings	\$40,000	\$40,000
Investments	291,673	685,503
Retirement Assets	638,105	1,576,555
Real Estate and Property	300,000	416,757
Other Assets	0	0
Total Assets	1,269,778	2,718,815
Mortgages	(110,000)	0
Loans	0	0
Total Liabilities	(110,000)	0
Net Worth	1,159,778	2,718,815

Income Sources

	Starts	Monthly Income	Annual Income	Growth Rate
Jon's Social Security	Age 65	\$3,288	\$39,459	3.72%
Katie's Social Security	Age 65	\$3,028	\$36,340	3.72%
Katie's Hospital Pension	When Katie is 65 (2028)	\$1,000	\$12,000	0.00%
Total		\$7,317	\$87,799	

Note: Some of the income above may start or stop, and your total income may vary from year to year. See the appendix

Show Supplemental Pages

Show Excluded Pages

Create Advanced Plan...

Retirement Expenses

Description ▲	Req'd	Current Amount	Retire Amount	Growth Rate
Entertainment	<input type="checkbox"/>	\$0 >	\$14,250	3.72% <input type="checkbox"/>
Food	<input checked="" type="checkbox"/>	\$0 >	\$18,525	3.72% <input type="checkbox"/>
Gifts	<input type="checkbox"/>	\$0 >	\$14,250	3.72% <input type="checkbox"/>
Healthcare	<input checked="" type="checkbox"/>	\$0 >	\$28,500	3.72% <input type="checkbox"/>
Housing	<input checked="" type="checkbox"/>	\$0 >	\$41,325	3.72% <input type="checkbox"/>
Other	<input type="checkbox"/>	\$0 >	\$8,550	3.72% <input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	\$0 >	\$17,100	3.72% <input type="checkbox"/>
Total		\$0	\$142,500	

Other Expense **Annual Amount in Today's Dollars** **Starts** **Ends**

Guaranteed Income Plan

Assuming that you purchase an annuity for each year, from year to , at the end of the period, the annuities will generate an estimated monthly income of . This covers 0.0% of your Basic Expenses. In that year, along with other sources of guaranteed income, your guaranteed income will cover 53% of your basic expenses.

Investment Plan

Time Period:	At Retirement	Mid-Retirement	Later Retirement
Starting:	Age 65/60	When Jon is <input type="text" value="75"/> (2033)	When Jon is <input type="text" value="85"/> (2043)
Model:	<input type="text" value="Asset Pres (4.97%)"/>	<input type="text" value="Asset Pres (4.97%)"/>	<input type="text" value="Asset Pres (4.97%)"/>
Assumed Return:	4.97%	4.97%	4.97%
Relative Risk:	2.2	2.2	2.2

Please Note: This page will allow the editing of information for the client's Retirement Plan. If changes are made, click **Update** located at the bottom of the page.

Your Income Plan shows how the client's income is derived throughout retirement.

10 | Plans: Retirement Income Overview

These training materials are intended solely for subscribers licensed with eMoney Advisor and are not to be used with clients or other members of the general public.

15. Click Your Income Plan

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Your Income Plan

Your retirement income is from several sources:

- Social Security and Pension
- Annuities and other Guaranteed Income Sources
- Earnings and withdrawals from your retirement portfolio

The table below shows how your income is derived throughout retirement. See the appendix for more detail on estimated income and expenses.

Year	Age	Income Sources			Income from Assets				Total Income
		Guaranteed Income	Social Security	Total Income Sources	Req'd Distributions	Add'l Qualified Withdrawals	Non-Qualified Withdrawals	Total Withdrawals	
2023	65/60	\$0	\$39,459	\$39,459	\$0	\$0	\$168,868	\$168,868	\$208,327
2024	66/61	0	40,927	40,927	0	0	167,679	167,679	208,606
2025	67/62	0	42,449	42,449	0	0	172,974	172,974	215,423
2026	68/63	0	44,028	44,028	0	0	178,690	178,690	222,718
2027	69/64	0	45,666	45,666	0	45,898	144,711	190,609	236,275
2028	70/65	12,000	83,705	95,705	41,640	148,461	0	190,101	285,806
2029	71/66	12,000	86,819	98,819	38,021	156,648	0	194,669	293,488
2030	72/67	12,000	90,049	102,049	33,709	168,770	0	202,479	304,528
2031	73/68	12,000	93,399	105,399	28,476	181,978	0	210,454	315,853
2032	74/69	12,000	96,873	108,873	22,179	196,607	0	218,786	327,659
2033	75/70	12,000	100,476	112,476	33,671	193,598	0	227,269	339,745
2034	76/71	12,000	104,214	116,214	26,468	205,904	2,714	235,086	351,300
2035	77/72	12,000	108,091	120,091	18,477	231,020	0	249,497	369,588
2036	78/73	12,000	112,112	124,112	10,001	187,731	4,468	202,200	326,312
2037	79/74	12,000	116,283	128,283	2,587	62,049	144,635	209,271	337,554
2038	80/75	12,000	120,609	132,609	0	0	217,429	217,429	350,038
2039	81/76	12,000	125,096	137,096	0	0	225,900	225,900	362,996
2040	82/77	12,000	129,749	141,749	0	0	234,683	234,683	376,432
2041	83/78	12,000	134,575	146,575	0	0	243,784	243,784	390,359
2042	84/79	12,000	139,581	151,581	0	0	253,235	253,235	404,816
2043	85/80	12,000	144,773	156,773	0	0	263,038	263,038	419,811
2044	86/81	12,000	150,158	162,158	0	0	273,201	273,201	435,359
2045	87/82	12,000	155,744	167,744	0	0	283,752	283,752	451,496
2046	88/83	12,000	161,537	173,537	0	0	294,667	294,667	468,204
2047	89/84	12,000	167,546	179,546	0	0	306,032	306,032	485,578
2048	90/85	12,000	173,779	185,779	0	0	317,784	317,784	503,563
2049	91/86	12,000	180,244	192,244	0	0	329,987	329,987	522,231
2050	92/87	12,000	186,949	198,949	0	0	342,627	342,627	541,576
2051	93/88	12,000	193,903	205,903	0	0	355,757	355,757	561,660
2052	94/89	12,000	201,117	213,117	0	0	369,375	369,375	582,492
2053	95/90	12,000	208,599	220,599	0	0	383,501	383,501	604,100

Market losses combined with retirement withdrawals can quickly deplete the client's retirement assets. Also, an increase in income taxes could cause the client to withdraw additional funds from their qualified retirement plans to pay for expenses.

Testing Your Plan-Stress Test shows the behavior of the client's retirement plan in the worst of market conditions.

- Complete the fields for the Stress Test including, **Inflation, Portfolio Rate of Return and Income Tax Adjustment** and click **Update**.

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Retirement Income

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Testing Your Plan - Stress Test

One of the worst things that could happen to a retirement plan is to have a market crash just as you retire. Market losses combined with retirement withdrawals can quickly deplete your retirement assets. Also, an increase in income taxes could cause you to withdraw additional funds from your qualified retirement plans to pay for your expenses.

The Stress Test lets you look at the behavior of your retirement plan in the worst of market conditions.

The Stress Test

To test your plan, we looked at what would happen if, in most years, inflation and market returns were average, except for years to , when:

Inflation: -10% 25%

Portfolio Rate of Return: -50% 0%

Income Tax Adjustment (+/-): -10% 10%

How did your plan do?

During the Stress Test:

- Your assets lasted until age 73/68 in 2031.
- You were able to fully fund 7 of 30 years of your retirement.
- You were able to fund 51% of your basic expenses after your other assets were depleted.

Portfolio Longevity

Built using ChartFX for .NET Development
— Normal Conditions — Test Conditions

Please Note: This page does not affect anything with a Custom Growth Rate. It only affects Model Portfolio return and does not affect cash accounts if there is an inflation rate connected to it.

Testing Your Plan-Monte Carlo uses a Monte Carlo Analysis to run multiple simulations of the client's retirement plan against possible future market conditions.

17. Click **Calculate**.

Testing Your Plan - Monte Carlo

Another way of testing your plan is to analyze the statistics. *Monte Carlo Analysis* runs multiple simulations of your retirement plan against possible future market conditions. Looking at the results can give you a measure of confidence that your plan will succeed in a wide variety of conditions.

After running your plan for a total of **1000 different possible futures**, we've calculated the following statistics for your retirement plan. The table below shows the best, worst, and middle-of-the-road cases for how long you can expect to be able to meet your retirement expenses with this plan.

Chance of Success

Calculate

Press "Calculate" to begin testing your plan.

This Monte Carlo analysis illustrates the potential results of your financial plan using up to 1000 randomly generated market returns and volatility called trial runs. In each trial run, the mean and standard deviation of a selected benchmark index for each account or portfolio is used for a randomly chosen year. This hypothetical investment performance is combined with the detailed cash flow and tax calculations for your plan. The trial runs produce a range of potential results and are one way of illustrating and evaluating the probability of your plan's results.

Limitations of this Monte Carlo simulation include: (a) Investments assigned fixed rates of return reflect a constant growth rate, which is compounded on an annual basis with no variation and have no underlying correlation data. The growth on investments is the flat rate throughout the Monte Carlo simulation. (b) Market volatility may be more extreme than what is represented by the simulation. (c) The accuracy of the simulation is reduced in periods of market crisis. (d) The simulation does not consider all investments, and those not considered might have characteristics similar or superior to those analyzed in this report.

IMPORTANT: The projections or other information generated by this Monte Carlo simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. Calculations are based upon market index and growth rate assumptions in your financial plan. Other investments not considered might have characteristics similar or superior to those analyzed in this report.

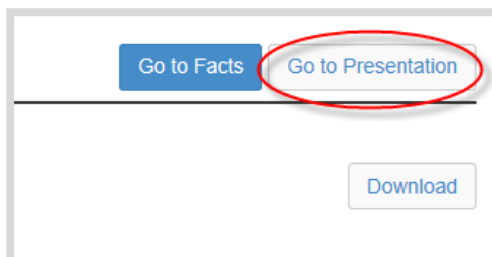
View supplemental pages on Using Your Retirement Assets and Protecting Your Plan. The Appendix pages take you to related Reports.

18. In the Options menu, **Create an Advanced Plan** is available. This option creates a copy of the Needs Analysis in the Advanced Planning Tool.

Options

- Show Supplemental Pages
- Show Excluded Pages
- Create Advanced Plan...

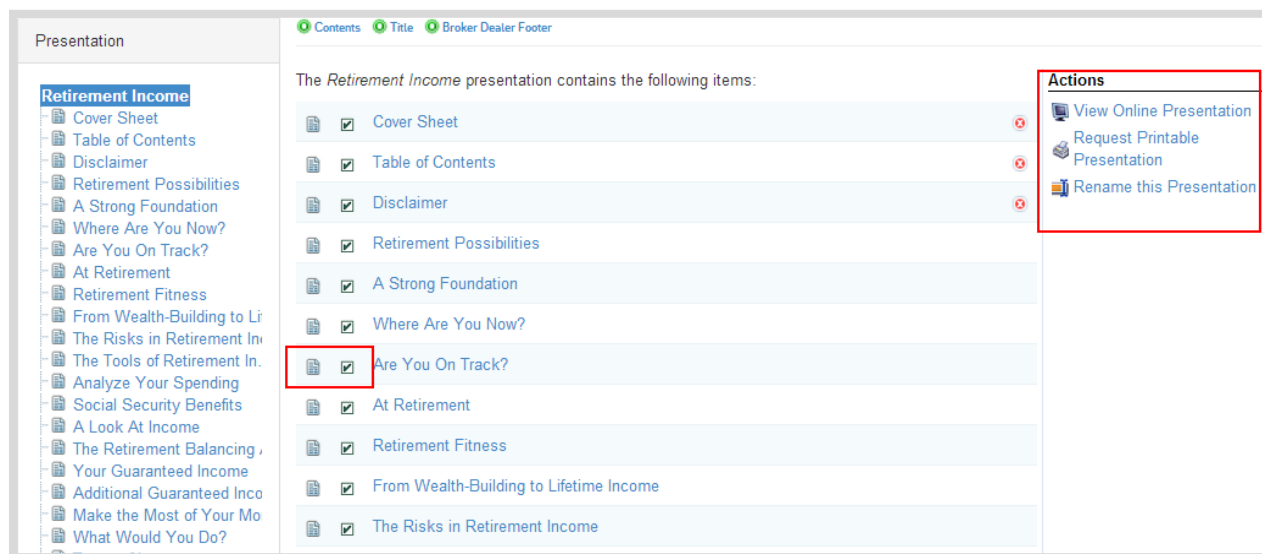
19. Click **Go to Presentation**



20. The Present tab allows the following: Create a Presentation, View and Modify Pages, Customize your Presentation, Preview and Create the Document.

21. To select which pages will appear in the final presentation place or remove a **checkmark** next to the page name. A checkmark indicates that the page will appear in the presentation.

22. To re-order the pages, drag and drop the row to the desired position.



23. View Online Presentation will show a preview of the presentation online as it would look as if it were printed.

24. Request Printable Presentation sends the presentation to the Reports folder of the Client Vault.