

# Personal Financial Plan



*Prepared Exclusively for:*

**Frank and Kathy Married**

Fairport, New York

*Prepared by:*

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Fairport, New York

October 27, 2004

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# Disclaimer

This report is intended to provide you with an analysis of your major financial goals. It is based on the data and assumptions you have provided or instructed us to make. Consequently, the outcome of the analysis will be dependent upon the accuracy of your data and reasonableness of your assumptions. Assumed rates of return may also either be assigned by your Adviser, or if utilizing Asset Allocation, be based on the historical returns of the benchmark indexes for the asset class. **Please review all assumptions in the *Appendix - Plan Data Summary* section before reviewing the rest of the report to ensure the accuracy and reasonableness of the assumptions.** Inaccurate or unreasonable assumptions may materially impact the results of the plan. It is important to note that actual results may differ due to any number of events. Some events are within your control, such as your spending habits, while other events, such as market performance, interest rates and tax policies, are not. To the extent that any of the referenced assets represent current account holdings there is no guarantee that these rates will be achieved.

In addition, we have made no attempt to review your property and liability insurance policies (auto and homeowners, for example). We strongly recommend that in conjunction with this financial plan, you consult with your property and liability agent to review your current coverage to ensure it continues to be appropriate. In doing so, you may wish to review the dollar amount of your coverage, the deductibles, the liability coverage (including an umbrella policy), and the premium amounts.


While assumptions are based on historical index data, past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Assumed rates of return are hypothetical and are not representative of any specific securities. Your results will vary.


Linsco/Private Ledger does not provide tax or legal advice. The information contained in this report should be used for informational purposes only. The appropriate professionals should be consulted on all legal and accounting matters prior to or in conjunction with implementation of the plan.

# Overview

The following report is an assessment of your current financial position. Throughout this report, you may find the following symbols:

 = Opportunity


 = Success

 = Problem

In performing this assessment, we have made the following observations:


## Net Worth and Cash Flow

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 You have a **net worth of \$790,776** and you currently have a cash flow surplus of approximately **\$8,208 in 2004**.


## Asset Allocation

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 Based on our analysis of your current asset mix, you may be incurring less risk than your risk tolerance indicates you would be comfortable with in your investment portfolio. We recommend a rebalancing of your portfolio to more closely represent your risk tolerance and time horizon.


## Retirement

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 It appears that no additional savings are required to meet the Retirement goal.


## College for Tasha

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 It appears that no additional savings are required to meet the “College for Tasha” goal.


## College for James

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 It appears that no additional savings are required to meet the “College for James” goal.


## Wedding for Tasha

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 It appears that no additional savings are required to meet the “Wedding for Tasha” goal.

## Disability Insurance – If Frank were Disabled

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 If Frank becomes disabled at the start of next year, it appears that no deficits occur.

### Disability Insurance – If Kathy were Disabled

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- ✓ If Kathy becomes disabled at the start of next year, it appears that no deficits occur.

### Life Insurance – If Frank Dies

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- ✓ If Frank dies at the end of the current year, Kathy requires no additional capital to meet ongoing needs.

### Life Insurance – If Kathy Dies

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- ✓ If Kathy dies at the end of the current year, Frank requires no additional capital to meet ongoing needs.

### Life Insurance – If Both Frank and Kathy Die

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- ✓ If both Frank and Kathy die at the end of the current year, no additional capital will be required to meet ongoing needs.

### Long-Term Care – Frank

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- ✗ Frank currently has \$0 per day in long-term care insurance. Frank has indicated that his long-term care expenses will be \$155 per day, resulting in a long-term care benefit deficit of **\$155 per day**.

### Long-Term Care – Kathy

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- ✗ Kathy currently has \$0 per day in long-term care insurance. Kathy has indicated that her long-term care expenses will be \$155 per day, resulting in a long-term care benefit deficit of **\$155 per day**.

### Estate Planning – Frank Dies in 2015 and Kathy Dies in 2020

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If Frank dies in 2015 and Kathy dies in 2020, at Kathy's death in 2020 the estate will distribute \$2,848,312 to heirs, \$0 to charity, and \$1,192,650 to taxes

### Estate Planning – Kathy Dies in 2015 and Frank Dies in 2020

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If Kathy dies in 2015 and Frank dies in 2020, at Frank's death in 2020 the estate will distribute \$2,910,749 to heirs, \$0 to charity, and \$1,639,289 to taxes

## Goal Attainability

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It appears you currently have sufficient cash flow resources to meet the additional savings requirements for your goals.

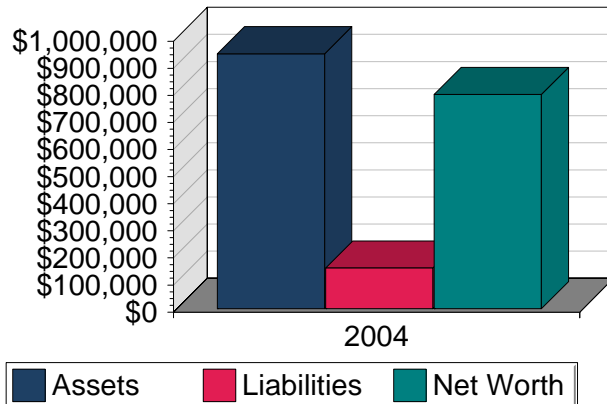
# Current Financial Position

## Analysis

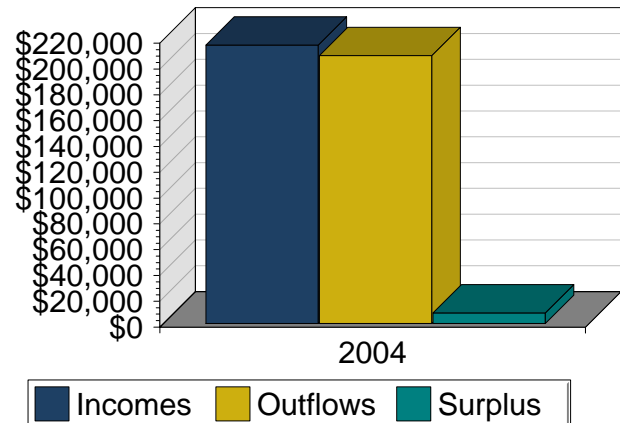
To determine your Net Worth we take the current value of all of your assets, and then subtract the current value of all of your liabilities. Based on the information you have provided, you currently have a **Net Worth of \$790,776**.

We have also evaluated your current Cash Flow position. We determine your cash flow surplus or deficit by adding together all of your cash inflows, then subtracting all of your cash outflows, which include lifestyle expenses, savings, and taxes. Based on the information you have provided, you currently have a **cash flow surplus of \$8,208** in 2004.

### Net Worth



### Cash Flow



### Net Worth

Qualified Assets	\$332,416
Non Qualified Assets	\$316,353
Lifestyle Assets	\$292,104
Liabilities	(\$150,098)
Net Worth	\$790,776

### Cash Flow

Income	\$215,822
Lifestyle Expenses	\$98,800
Savings	\$48,882
Taxes	\$59,932
Surplus	\$8,208

### Consider the Following

- Review your current expenses to determine which items are discretionary.
- Decide on the sacrifices you are currently willing to make to achieve your financial goals.

## Notes

# Asset Allocation

## Objectives

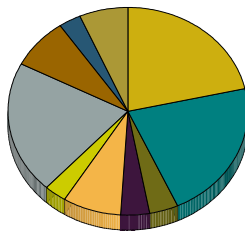
To maximize the return of your investment portfolio given your personal risk tolerance and investment time horizons.

## Analysis

The estimated average return rate for your current asset mix is 7.30%. Your investment objective is Growth with Income, which represents an estimated average return rate of 7.36% for your proposed asset mix.

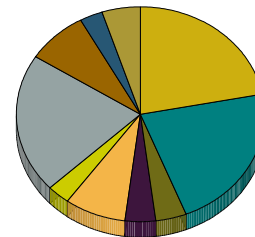
Based on our analysis of your current asset mix, you may be incurring less risk than your risk tolerance indicates you would be comfortable with in your investment portfolio. We recommend a rebalancing of your portfolio to more closely represent your risk tolerance and time horizon.

### Current Asset Mix



Equity (0%)	Real Estate Investment Trust (0%)
Large Cap Growth US Stock (21.5%)	Large Cap Foreign Stock (7.9%)
Large Cap Value US Stock (21.7%)	Small Cap/Emerging Markets (0%)
Large Cap (0%)	Intermediate/Long-Term High Yield Bond (3%)
Mid Cap Growth (0%)	Intermediate/Long-Term High Quality Bond (20.7%)
Mid Cap Value (0%)	Short/Intermediate-Term High Quality ... (7.9%)
Small Cap Growth US Stock (3.9%)	Intermediate/Long-Term Foreign Bond (3%)
Small Cap Value US Stock (3.9%)	Cash (6.5%)

### Proposed Asset Mix



Equity (0%)	Real Estate Investment Trust (0%)
Large Cap Growth US Stock (22%)	Large Cap Foreign Stock (8%)
Large Cap Value US Stock (22%)	Small Cap/Emerging Markets (0%)
Large Cap (0%)	Intermediate/Long-Term High Yield Bond (3%)
Mid Cap Growth (0%)	Intermediate/Long-Term High Quality Bond (21%)
Mid Cap Value (0%)	Short/Intermediate-Term High Quality ... (8%)
Small Cap Growth US Stock (4%)	Intermediate/Long-Term Foreign Bond (3%)
Small Cap Value US Stock (4%)	Cash (5%)



	<b>Current Proposed</b>
Rate of Return	7.30% 7.36%
Standard Deviation	12.47% 12.67%
Investment Objective	Growth with Income
<small>These projections are based on current asset mix and assumed rate of return.</small>	

***Consider the Following***

- A proper asset allocation helps you maximize your return rate for the level of risk that is within your comfort zone.
- A well diversified portfolio also reduces the risk of having “all of your eggs in one basket.”

***Notes***

# Retirement

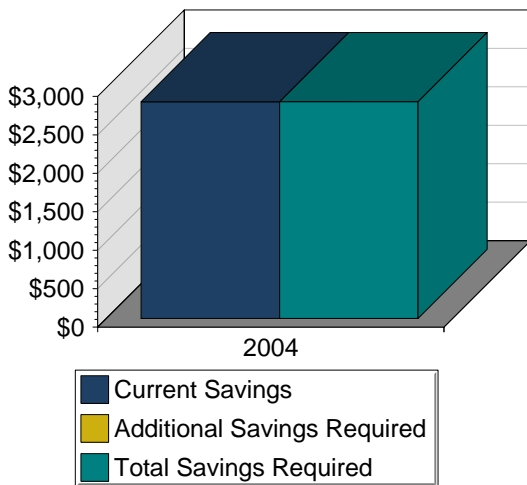
## Objectives

Frank plans to retire in the year 2022 at age 65. Kathy plans to retire in the year 2022 at age 61. Your retirement income goal in the year 2022 is \$75,000, in today's dollars.

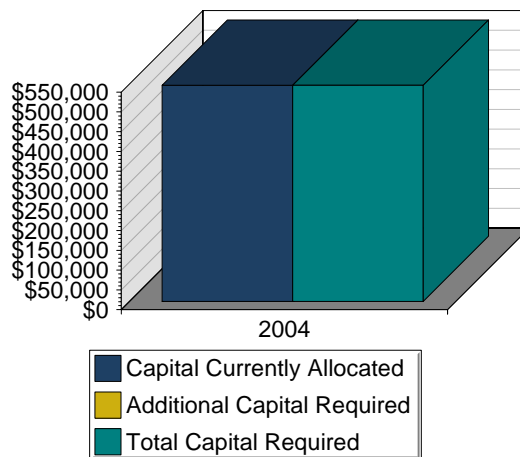
## Analysis ✓

Based on our assessment, it appears you have sufficient savings strategies in place, or sufficient capital allocated, to meet your retirement goal.

### Monthly Savings for Retirement



### Capital for Retirement



Current Savings	\$2,817 /month*
Assets Currently Allocated	\$547,000
Assumed Rate of Return	7.36%

Additional Savings Required	\$0 /month
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or

Additional Capital Required	\$0
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\*May include surplus savings.

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- The additional required monthly savings amount is based on savings to non-qualified assets.
- Maximize contributions to tax-advantaged qualified retirement plans such as IRAs, Roth IRAs, and 401(k) plans.
- If you have not already done so, begin investing on a regular basis.

## Notes

# Attainable Retirement

## Objectives

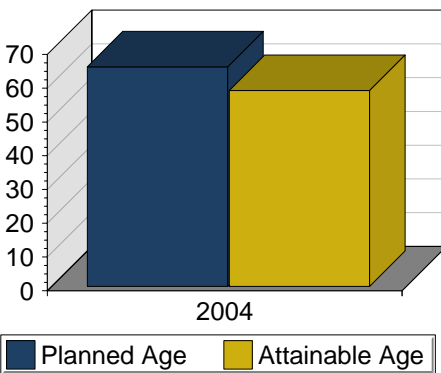
Frank plans to retire in the year 2022 at age 65. Kathy plans to retire in the year 2022 at age 61. Your retirement income goal in the year 2022 is \$75,000, in today's dollars.

## Analysis

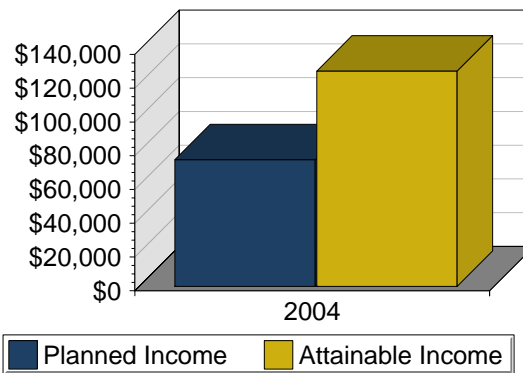
In order to achieve your retirement income goal of \$75,000 per year, it appears you may be able to **retire early, in the year 2015**, when Frank is 58 and Kathy is 54.

If you were to retire in the year 2022, when Frank is 65 and Kathy is 61, it appears your current savings strategies and retirement capital may provide you with an **income of \$127,470 per year**, in today's dollars.

**Attainable Retirement Age**  
\$75,000 /Year



**Attainable Retirement Income**  
Retire At 65/61



### Attainable Retirement Age

Frank 58 (2015)  
Kathy 54 (2015)

### Planned Retirement Age

Frank 65 (2022)  
Kathy 61 (2022)

### Attainable Retirement Income

\$127,470/year

### Planned Retirement Income

\$75,000/year

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- If the amount of required savings is unmanageable, we should review your goals to find a solution.
- If your projected savings exceed your need, you may be able to spend more in retirement.

## Notes

# College for Tasha

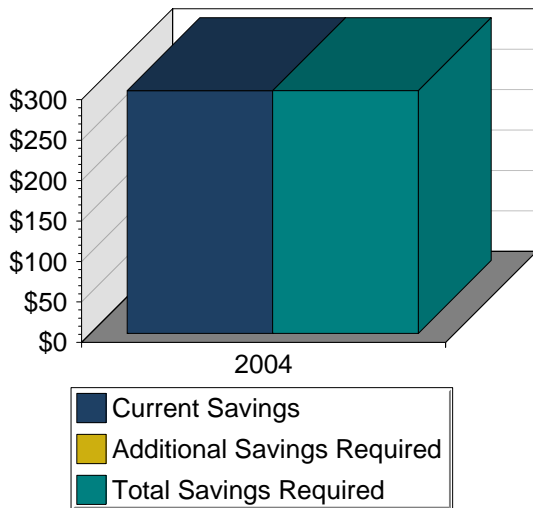
## Objectives

You want to accumulate sufficient assets to fund Tasha's education goals for 4 years at a total cost of \$10,000 per year, in today's dollars, beginning in the year 2015.

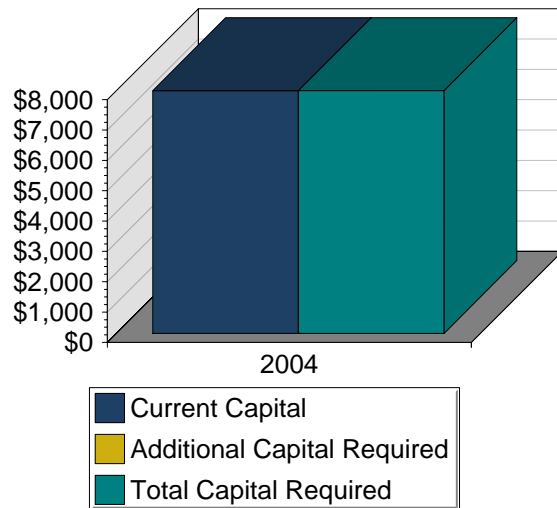
## Analysis

Based on our assessment, it appears you have sufficient savings strategies in place, or sufficient capital allocated, to meet your goal.

### Monthly Savings



### Capital Allocated



Current Savings	\$300 /month
Assets Currently Allocated	\$8,000
Assumed Rate of Return	7.36%
Additional Savings Required	\$0 /month
or	
Additional Capital Required	\$0

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- Determine realistic values for tuition and related college expenses. Factor in the effects of inflation. College costs have historically increased at a significantly higher rate than inflation.
- Invest regularly for your children's education, starting as early as possible.
- Where possible, take advantage of educational savings vehicles such as Coverdell ESAs, 529 Plans, UTMA accounts and UGMA accounts.

## Notes

# College for James

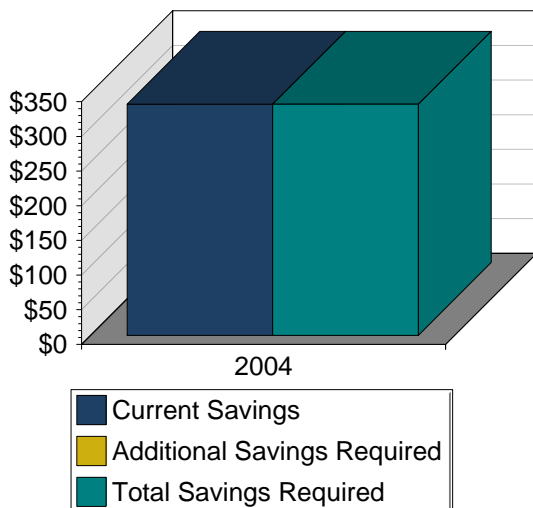
## Objectives

You want to accumulate sufficient assets to fund James' education goals for 4 years at a total cost of \$10,000 per year, in today's dollars, beginning in the year 2013.

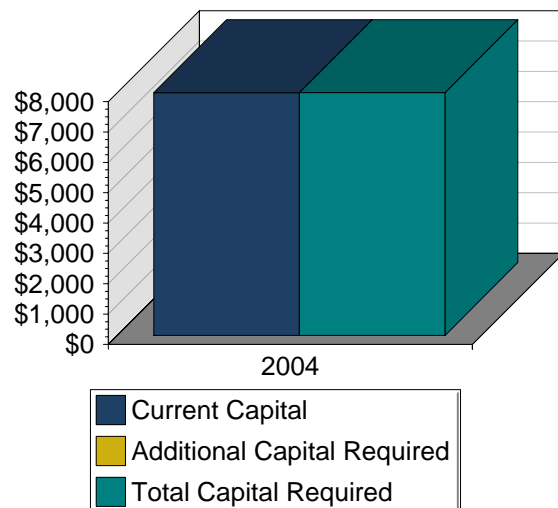
## Analysis

Based on our assessment, it appears you have sufficient savings strategies in place, or sufficient capital allocated, to meet your goal.

### Monthly Savings



### Capital Allocated



Current Savings	\$333 /month
Assets Currently Allocated	\$8,000
Assumed Rate of Return	7.36%
Additional Savings Required	\$0 /month
or	
Additional Capital Required	\$0

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- Determine realistic values for tuition and related college expenses. Factor in the effects of inflation. College costs have historically increased at a significantly higher rate than inflation.
- Invest regularly for your children's education, starting as early as possible.
- Where possible, take advantage of educational savings vehicles such as Coverdell ESAs, 529 Plans, UTMA accounts and UGMA accounts.

## Notes

# Wedding for Tasha

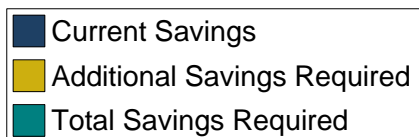
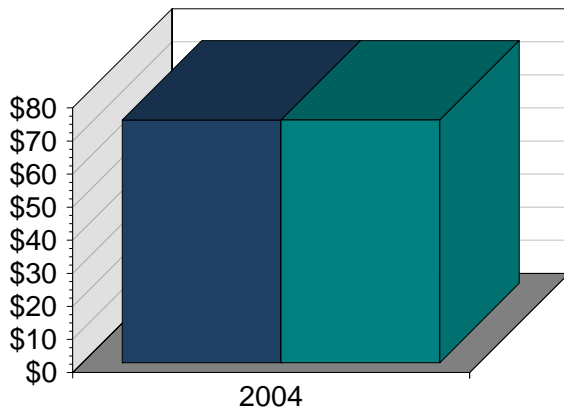
## Objectives

You want to purchase a “Wedding for Tasha” in 18 years, in the year 2022, for the amount of 20,000, in today’s dollars.

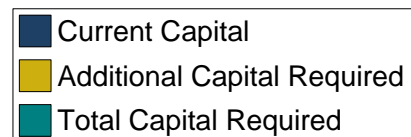
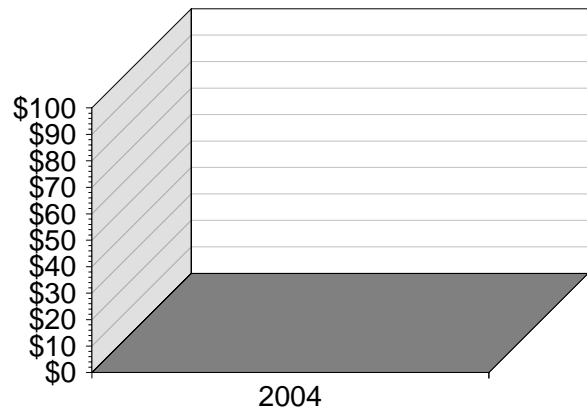
## Analysis

Based on our assessment, it appears you have sufficient savings strategies in place, or sufficient capital allocated, to meet your goal.

### Monthly Savings



### Capital Allocated



Current Savings	\$110 /month
Assets Currently Allocated	\$0
Assumed Rate of Return	7.30%
Additional Savings Required	\$0 /month
or	
Additional Capital Required	\$0
These projections are based on current asset mix and assumed rate of return.	

### Consider the Following

- Prioritize the financial goals for your family and give them realistic time lines.
- Determine your investment strategy for each goal based on your time horizon and risk tolerance.
- Start saving as early as possible.

## Notes

# Disability Insurance – Frank

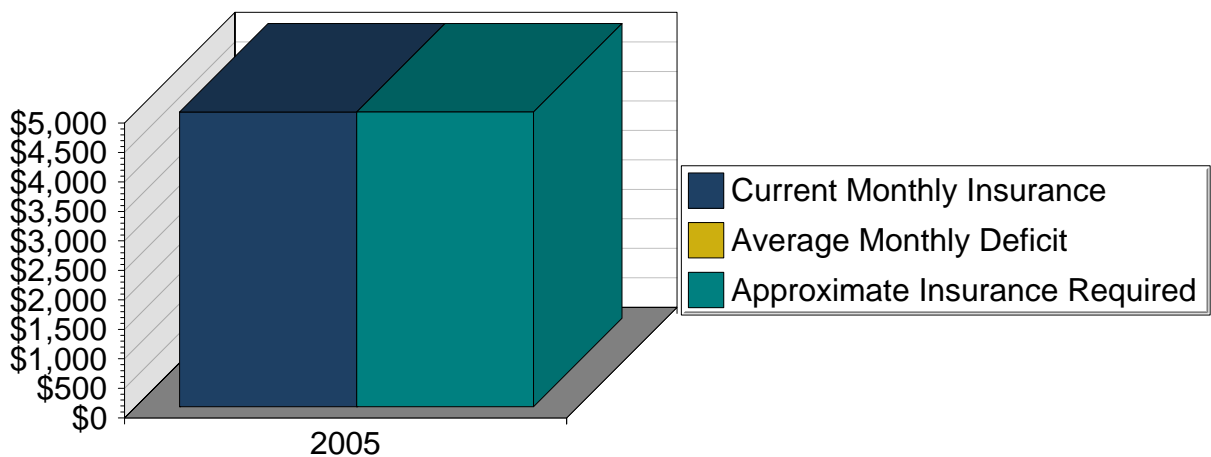
## Objectives

To ensure there is sufficient income replacement to maintain your desired lifestyle, should Frank become disabled.

## Analysis

Based on our assessment, it appears you may not experience any deficits from now until you retire in the year 2022, should Frank become disabled.

### If Frank becomes Disabled



### If Frank becomes Disabled

Current Monthly Disability Insurance	\$5,000
Average Monthly Deficit	\$0
Approximate Monthly Disability Insurance Required*	\$5,000

\*Depending on the circumstances, you may or may not be able to purchase this amount of disability insurance.

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- You may not want to rely solely on group policies at work. Should you change jobs or your employer change to another insurer, you may no longer be eligible for group benefits.
- Review your existing policy's monthly disability benefit, definition of disability, waiting period, and duration of benefits.
- Review the coverage periodically and adjust it according to changes in your income and expenses.

## Notes

# Disability Insurance – Kathy

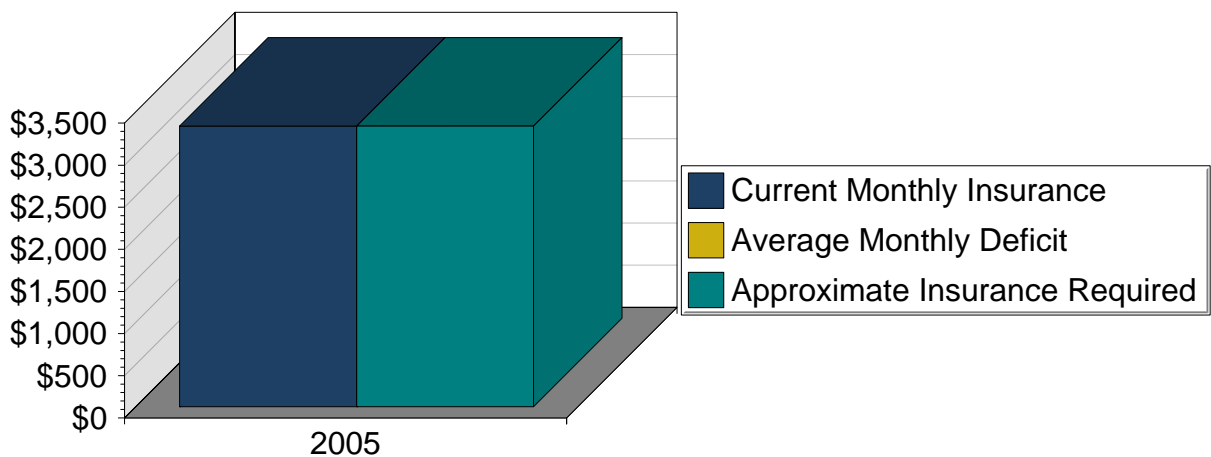
## Objectives

To ensure there is sufficient income replacement to maintain your desired lifestyle, should Kathy become disabled.

## Analysis

Based on our assessment, it appears you may not experience any deficits from now until you retire in the year 2022, should Kathy become disabled.

### If Kathy becomes Disabled



### If Kathy becomes Disabled

Current Monthly Disability Insurance	\$3,333
Average Monthly Deficit	\$0
Approximate Monthly Disability Insurance Required*	\$3,333

\*Depending on the circumstances, you may or may not be able to purchase this amount of disability insurance.

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- You may not want to rely on just group policies at work. Should you change jobs or your employer change to another insurer, you may no longer be eligible for group benefits.
- Review your existing policy's monthly disability benefit, definition of disability, waiting period, and duration of benefits.
- Review the coverage periodically and adjust it according to changes in your income and expenses.

## Notes



# Life Insurance – Frank

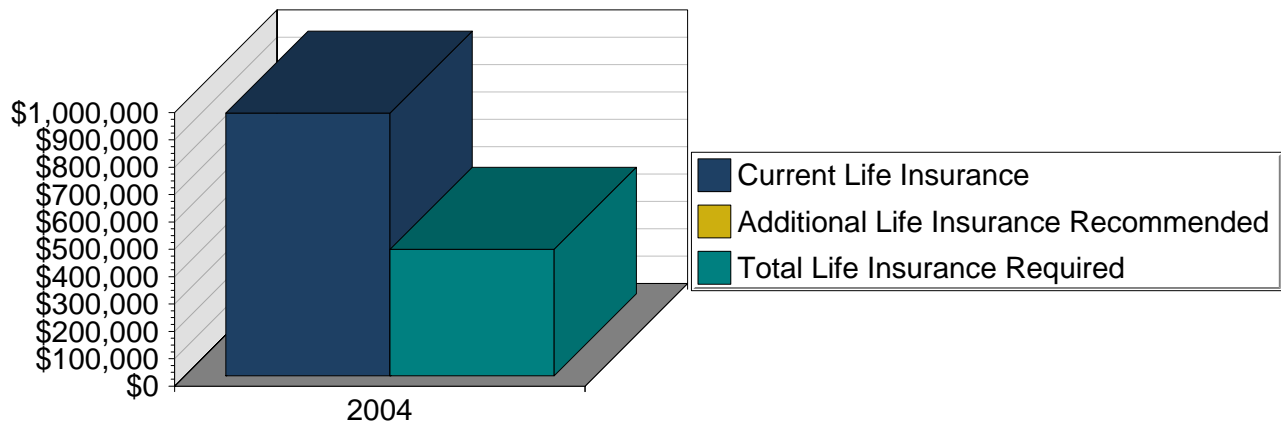
## Objectives

In the event of Frank's death you want to ensure that Kathy has enough income and capital to cover the family's expenses and to fund your education and major purchase goals.

## Analysis

Based on our assessment, it appears you currently have sufficient capital and life insurance to meet your family's ongoing needs.

### If Frank Dies



### If Frank Dies

Immediate Life Insurance Needs	\$207,367
Ongoing Life Insurance Needs	\$262,400
Current Life Insurance Owned	\$960,000
Additional Life Insurance Required	\$0

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your coverage periodically to ensure it continues to meet your family's changing needs.
- It is also important to consider continued savings to fund other financial goals.

## Notes

# Life Insurance – Kathy

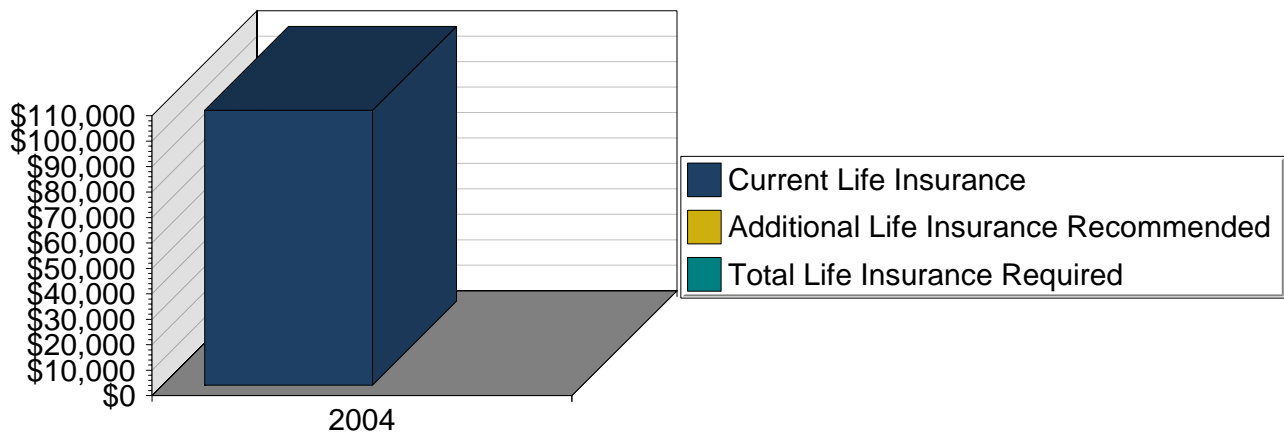
## Objectives

In the event of Kathy's death you want to ensure that Frank has enough income and capital to cover the family's expenses and to fund your education and major purchase goals.

## Analysis ✓

Based on our assessment, it appears you currently have sufficient capital and life insurance to meet your family's ongoing needs.

### If Kathy Dies



### If Kathy Dies

Immediate Life Insurance Needs	\$155,047
Ongoing Life Insurance Needs	\$0
Current Life Insurance Owned	\$108,000
Additional Life Insurance Required	\$0

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your coverage periodically to ensure it continues to meet your family's changing needs.
- It is also important to consider continued savings to fund other financial goals.

## Notes

# Life Insurance – Frank and Kathy

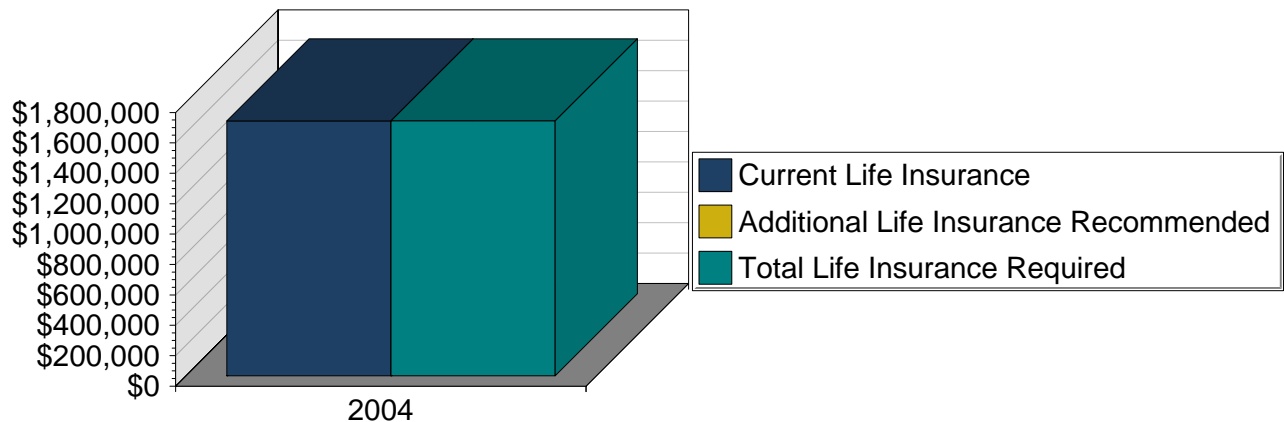
## Objectives

In the event of Frank's and Kathy's deaths you want to ensure that your dependents have enough income and capital to cover lifestyle needs and education goals.

## Analysis

Based on our assessment, it appears you currently have sufficient capital and life insurance to meet your family's ongoing needs.

### If Frank and Kathy die



### If Frank and Kathy Die

Immediate Life Insurance Needs	\$290,583
Ongoing Life Insurance Needs	\$785,625
Current Life Insurance Owned	\$1,676,988
Additional Life Insurance Required	\$0

These projections are based on current asset mix and assumed rate of return.

### Consider the Following

- You may not want to rely only on group policies, as you may change jobs or your employer could change to another insurer where you may no longer be eligible.
- Review your coverage periodically to ensure it continues to meet your family's changing needs.
- It is also important to consider continued savings to fund other financial goals.

## Notes

# Long-Term Care Insurance – Frank

## Objectives

Entering into long-term care can have a dramatic impact on your ability to achieve your goals. In the event that Frank requires long-term care you would like to ensure that there is enough income and capital to cover long-term care expenses and to cover the family's expenses and stated goals.

## Analysis ✘

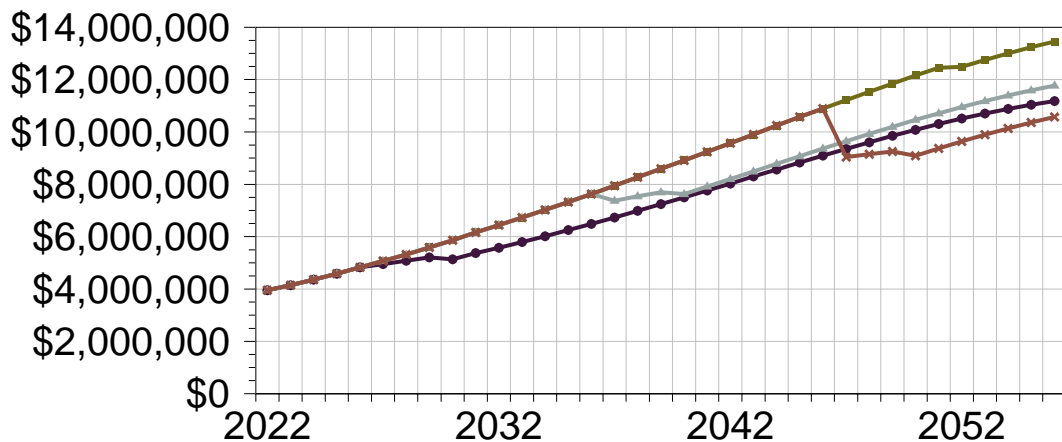
If Frank requires long-term care at age 70, your net worth at Kathy's death will be \$11,180,615.

If Frank requires long-term care at age 80, your net worth at Kathy's death will be \$11,778,574.

If Frank requires long-term care at age 90, your net worth at Kathy's death will be \$10,573,231.

By comparison, if Frank does not require long-term care, your net worth at Kathy's death would be \$13,456,686.

## Net Worth When Requiring Long-Term Care



■ Never Require LTC    
 ● Require LTC age 70-73    
 ▲ Require LTC age 80-83    
 ✘ Require LTC age 90-93

### If Frank Requires Long-Term Care

Existing LTC Insurance	\$0/day+
Long-Term Care Expenses	\$155/day*
LTC Benefit Surplus/(Deficit)	(\$155/day)

+In Today's Dollars. This benefit may be indexed.

\*In Today's Dollars. Individual LTC expenses may be indexed at different rates.

### Consider the Following

- Review your family health history to help determine the likelihood of requiring long-term care.
- Review your existing coverage to determine whether it will meet your needs.
- Assess your long-term care options within your family and your community, and the costs of each.

## Notes

# Long-Term Care Insurance – Kathy

## Objectives

Entering into long-term care can have a dramatic impact on your ability to achieve your goals. In the event that Kathy requires long-term care you would like to ensure that there is enough income and capital to cover long-term care expenses and to cover the family's expenses and stated goals.

## Analysis ✘

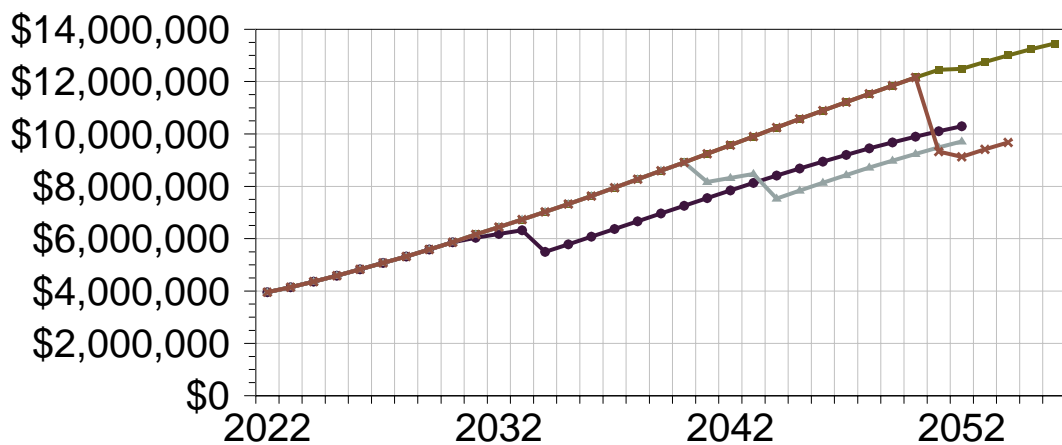
If Kathy requires long-term care at age 70, your net worth at Frank's death will be \$10,293,810.

If Kathy requires long-term care at age 80, your net worth at Frank's death will be \$9,715,733.

If Kathy requires long-term care at age 90, your net worth at Kathy's death will be \$9,675,933.

By comparison, if Kathy does not require long-term care, your net worth at Kathy's death would be \$13,456,686.

## Net Worth When Requiring Long-Term Care



■ Never Require LTC    
 ● Require LTC age 70-73    
 ▲ Require LTC age 80-83    
 ✘ Require LTC age 90-93

### If Kathy Requires Long-Term Care

Existing LTC Insurance	\$0/day+
Long-Term Care Expenses	\$155/day*
LTC Benefit Surplus/(Deficit)	(\$155/day)

+In Today's Dollars. This benefit may be indexed.

\*In Today's Dollars. Individual LTC expenses may be indexed at different rates.

### Consider the Following

- Review your family health history to help determine the likelihood of requiring long-term care.
- Review your existing coverage to determine whether it will meet your needs.
- Assess your long-term care options within your family and your community, and the costs of each.

## Notes

# Estate Planning

## Frank dies in 2015, Kathy dies in 2020

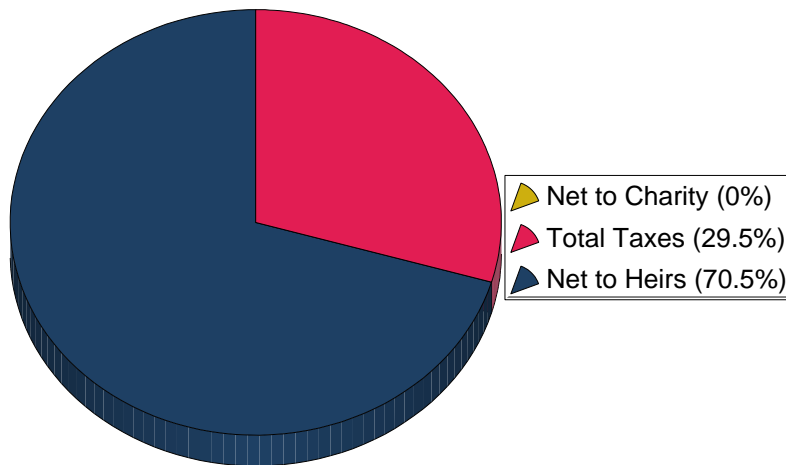
### Objectives

Minimize estate taxes and maximize distribution of assets in the event that Frank dies in the year 2015 and Kathy dies in the year 2020.

### Analysis

Based on our current analysis at Kathy's death in 2020 your estate will distribute **\$2,848,312 to your heirs, \$0 to charity, and \$1,192,650 to taxes.**

## Frank dies in 2015 Kathy dies in 2020



## Frank dies in 2015, Kathy dies in 2020

Gross Estate	\$3,137,954
Net to Charities	\$0
Total Estate Taxes	\$1,192,650
Net to Heirs	\$2,848,312

These projections are based on current asset mix and assumed rate of return.

## Consider the Following

- Regardless of the size of your estate, everyone should have a will, durable power of attorney, medical power of attorney, living will and health care proxy.
- Many estate planning strategies reduce taxes and fees that would otherwise have to be paid upon your death.
- Each strategy has its advantages and disadvantages and may provide various degrees of control over the assets once they leave the estate.
- We should discuss some of these alternatives with your attorney to determine if your wills and other legal documents need updating.

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**Notes**

# Estate Planning - Alternate Life Expectancy

## *Kathy dies in 2015, Frank dies in 2020*

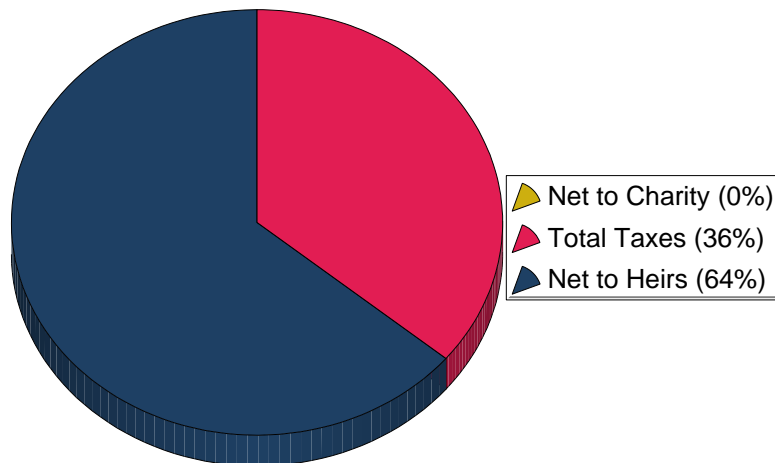
### **Objectives**

Minimize estate taxes and maximize distribution of assets in the event that Kathy dies in the year 2015 and Frank dies in the year 2020.

### **Analysis**

Based on our current analysis at Frank's death in 2020 your estate will distribute **\$2,910,749 to your heirs, \$0 to charity, and \$1,639,289 to taxes.**

## *Kathy dies in 2015 Frank dies in 2020*



## *Kathy dies in 2015, Frank dies in 2020*

Net to Charities	\$0
Total Estate Taxes	\$1,639,289
Net to Heirs	\$2,910,749
Total	\$4,550,038

These projections are based on current asset mix and rate of return.

## **Consider the Following**

- Regardless of the size of your estate, everyone should have a will, durable power of attorney, medical power attorney, living will and health care proxy.
- Many estate planning strategies reduce taxes and fees that would otherwise have to be paid upon your death.
- Each strategy has its advantages and disadvantages and may provide various degrees of control over the assets once they leave the estate.
- We should discuss some of these alternatives with your attorney to determine if your wills and other legal documents need updating.



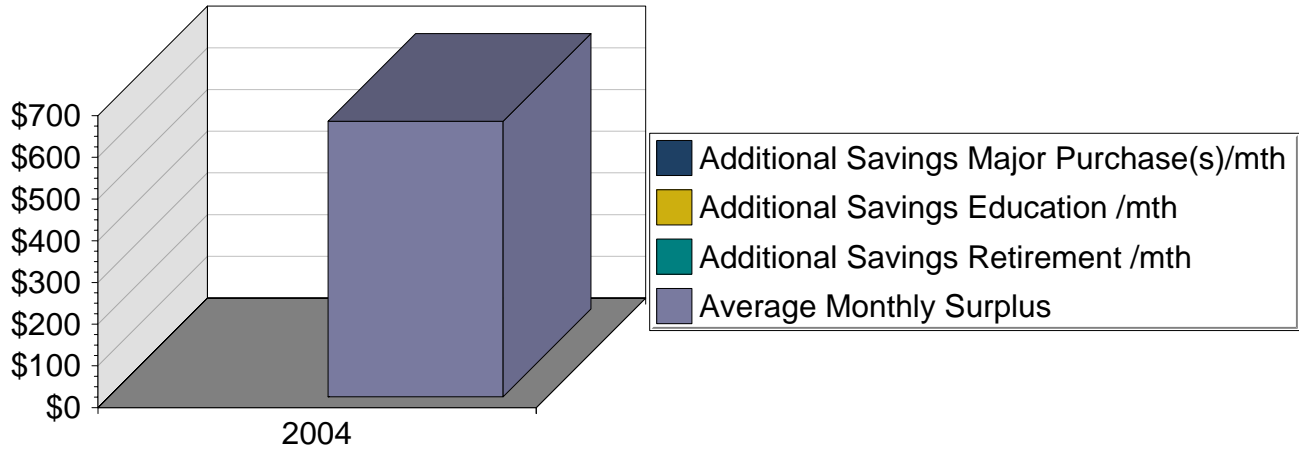
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**Notes**

# Goal Attainability

## Analysis ✓

Based on our assessment, it appears you currently have sufficient cash flow resources to meet the additional savings requirements for your goals.



Additional Savings for:	
Retirement	\$0/month
Education:	
"College for Tasha"	\$0/month
"College for James"	\$0/month
Major Purchases:	
"Wedding for Tasha"	\$0/month
Average Monthly Surplus/Deficit*	\$660

\*Represents your average surplus/deficit over the next 5 years.  
 These projections do not take into consideration potential premium increases for additional Life Insurance, Disability Insurance and Long Term Care Insurance.  
 These projections are based on current asset mix and assumed rate of return.

## Consider the Following

1. It is important to balance future goals with current lifestyle needs.
  - Assess the priority future goals based on available cash flow.

## Notes

# Appendix - Plan Data Summary

This report summarizes the data, entered in your **Base Plan**.

## General Information

Detail	Frank	Kathy
Birth Date	Jun 27 1957	Jul 30 1961
Proposed Retirement Date	Jan 2022	Jan 2022
Life Expectancy	Dec 2052	Dec 2056
<b>Pre-Retirement Tax Rates</b>		
State Tax Rate	5.0%	5.0%
Average Tax Rate	26.3%	26.3%
Marginal Tax Rate	31.6%	31.6%
Short Term Capital Gains Tax Rate	31.6%	31.6%
Long Term Capital Gains Tax Rate	18.6%	18.6%
<b>Retirement Tax Rates</b>		
State Tax Rate	5.0%	5.0%
Average Tax Rate	26.3%	26.3%
Marginal Tax Rate	31.6%	31.6%
Short Term Capital Gains Tax Rate	31.6%	31.6%
Long Term Capital Gains Tax Rate	18.6%	18.6%
<b>Death Tax Rates</b>		
State Tax Rate	5.0%	5.0%
Average Tax Rate	32.6%	32.6%
Marginal Tax Rate	36.4%	36.4%
Short Term Capital Gains Tax Rate	36.4%	36.4%
Long Term Capital Gains Tax Rate	18.4%	18.4%

## Tax Options

The option "**As legislated**" was selected. In 2011, the calculations outlined will revert to the tax laws used in 2001.

## Assumptions

Detail	
Inflation Rate	3.00%
Tax Filing Status-Frank	Married Filing Jointly
Tax Filing Status-Kathy	Married Filing Jointly

## Estate Assumptions

Detail	Frank	Kathy
Is there a will?	Yes - Revised: Jul 18 1997	Yes - Revised: Jul 18 1997
Life Expectancy	2015	2020
Alternate Life Expectancy	2020	2015
State Death Tax	2001 Credit Amount	2001 Credit Amount
Probate Fee	1.00%	1.00%
Administration Fee	1.00%	1.00%

## Dependents

Name	Birth Date	Age as of Plan Date	Dependent of (for tax)	Dependent of (for Social Security)
Tasha	Sep 22 1997	7	Frank and Kathy	Frank and Kathy
James	Feb 3 1995	9	Frank and Kathy	Frank and Kathy

## Family Information

Client	
<b>Name</b>	<b>Frank Married</b>
Relationship	Husband
Date of Birth	Jun 27 1957
Gender	Male
Address	123 Caroline Street Fairport, New York 14450 United States
Citizenship	
<b>Name</b>	<b>Kathy Married</b>
Relationship	Wife
Date of Birth	Jul 30 1961
Gender	Female
Address	123 Caroline Street Fairport, New York 14450 United States
Citizenship	

Dependents	
<b>Name</b>	<b>Tasha Married</b>
Relationship	Child
Date of Birth	Sep 22 1997
Gender	Female
Address	123 Caroline Street Fairport, New York 14450 United States
Citizenship	
Dependent of	Frank and Kathy
<b>Name</b>	<b>James Married</b>
Relationship	Child
Date of Birth	Feb 3 1995
Gender	Male
Address	123 Caroline Street Fairport, New York 14450 United States
Citizenship	
Dependent of	Frank and Kathy

## Professional Advisers

Type	Name	Business Phone #	Cell Phone #
Attorney Accountant Financial Advisor Power of Attorney	Ronald Pisaro	585-555-1111	

## Regular Income

Income Source	Member	Applicable	Amount	Indexed
Frank's Salary	Frank	Jan 1 2004 to Dec 31 2021	\$120,000	Inflation
Kathy's Salary	Kathy	Jan 1 2004 to Dec 31 2021	\$75,000	Inflation
Kathy's Bonus	Kathy	Jan 1 2004 to Dec 31 2021	\$2,000	Inflation

## Defined Benefit Pension Plans - Benefit Formula

<b>Description:</b>	Pension Plan	<b>Annual Benefit:</b>	\$59,465
<b>Plan Owner:</b>	Frank	<b>Indexed by:</b>	3.00%
<b>Projected years of service:</b>	21.50	<b>Pct. payable to survivor:</b>	0.00%

## Social Security Retirement Benefits

Member	Start Age/Date	Calculated Monthly Benefit (% / \$) OR Est. Monthly Benefit (today's \$)	Indexed
Frank	Retirement	100% / \$2,211	Inflation <sup>1</sup>
Kathy	Retirement	100% / \$1,832	Inflation <sup>1</sup>

<sup>1</sup> Indexed annually by inflation + -1.0%

## Social Security Survivor Benefits

Member	Monthly Benefit to Survivor and Eligible Dependents (% / \$)	Monthly Benefit to Survivor at Retirement (%/\$)	Spouse's Revised Start Date During Retirement	Indexed
Frank	100% / \$2,939	100% / \$1,712	Retirement	Inflation <sup>1</sup>
Kathy	100% / \$2,877	100% / \$2,090	Retirement	Inflation <sup>1</sup>

<sup>1</sup> Indexed annually by inflation + -1.0%

## Regular Expenses

Expense	Member	Applicable	Amount	Indexed
Vacation	Joint	Jan 1 2004 to Dec 31 2021	\$400/month	Inflation
Household Expenses	Joint	Jan 1 2004 to Dec 31 2021	\$5,500/month	Inflation
Retirement Goal	Joint	Jan 1 2022 to Dec 31 2056	\$6,250/month	Inflation
Child Support	Tasha	Not applicable	\$1,667/month	No
Child Support	James	Not applicable	\$1,667/month	No
Medical	Frank	Not applicable	\$155/day	Inflation
Medical	Kathy	Not applicable	\$155/day	Inflation

## Lump Sum Expenses

Expense	Member	Applicable	Amount	Indexed
Wedding for Tasha	Joint	Jun 1 2022	\$20,000	Inflation
Burial Expense	Kathy	Dec 31 2056 (Kathy's Deceased Date)	\$10,000	Inflation
Burial Expense	Frank	Dec 31 2052 (Frank's Deceased Date)	\$10,000	Inflation

## Personal Use Assets

Asset Name	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate <sup>1</sup>	Standard Deviation
Lifestyle (Joint/Personal Use)	Jun 1 1991	\$200,000	Jan 1 2004	\$265,000	2.0%	0.0%
Subaru (Kathy/Personal Use)	Oct 16 2002	\$30,000	Jan 1 2004	\$25,000	-1.0%	0.0%

<sup>1</sup>The growth rate is a pre-tax amount

## Cash Accounts

Asset Name	Date	Opening Balance	Current Balance	Interest Rate	Standard Deviation
Checking Account (Joint/Non-Qualified)	Jan 1 2004	\$0	\$2,000	0.5%	0.0%
Savings Account (Joint/Non-Qualified)	Jan 1 2004	\$0	\$8,000	3.8%	2.9%

## Portfolio Assets

Asset Name	Market Value Date	Market Value	Market Basis	Int. (%)	Div. (%)	Cap. Gain (%)	Tax Free (%)	Def. Growth (%)	Std. Dev. (%)	Total (%)
Kathy's Portfolio (Non-Qualified)	Jan 1 2004	\$150,000	\$135,000	2.01	2.00	2.21	0.00	1.14	12.67	7.36
Frank's Portfolio (Non-Qualified)	Jan 1 2004	\$112,000	\$90,000	2.01	2.00	2.21	0.00	1.14	12.67	7.36
Investment Account (Joint/Non-Qualified)	Jan 1 2004	\$35,000	\$30,000	2.01	2.00	2.21	0.00	1.14	12.67	7.36
Wedding for Tasha Fund (Joint/Non-Qualified)	Jan 1 2004	\$0	\$0	2.01	2.00	2.21	0.00	1.14	12.67	7.36
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2004	\$8,000	\$0	2.01	2.00	2.21	0.00	1.14	12.67	7.36
Frank's 401(k)	Jan 1 2004	\$150,000	\$0	2.01	2.00	2.21	0.00	1.14	12.67	7.36
529 for James (Frank/529 Plan for James)	Jan 1 2004	\$8,000	\$0	2.01	2.00	2.21	0.00	1.14	12.67	7.36
Kathy's 401(k)	Jan 1 2004	\$135,000	\$0	2.01	2.00	2.21	0.00	1.14	12.67	7.36

The hypothetical rates referenced above are used for illustrative purposes only and are not intended to represent the return of any specific security. The rates are used solely to demonstrate the amount of capital you need to accumulate over time to reach your goals assuming the specified growth rate of the assets. Please keep in mind that receiving a constant return above 12% is generally unlikely. To the extent any of the above referenced assets represent current account holdings, there is no guarantee that these rates will be achieved. Your actual investments will vary.

## Life Insurance Policies

Description:	Group Term	
<b>Policy Type:</b>	Term 1 Life	<b>Owner:</b> Kathy
<b>Effective Date:</b>	Dec 31 2003	<b>Insured:</b> Kathy
<b>Death Benefit:</b>	\$108,000	<b>Beneficiary:</b> Frank
<b>Cash Surrender Value (CSV):</b>	\$0	<b>Premium Payer:</b> Kathy
<b>Premiums cease on:</b>	Jul 30 2021	<b>Annual Premium Payments:</b> \$150
<b>CSV payable with Death Benefit:</b>	No	<b>Coverage ceases on:</b> Jul 30 2021
<b>Death Benefit payable when coverage ceases:</b>	No	<b>Disability Waiver:</b> Yes

<b>Description:</b>	Group Term		
<b>Policy Type:</b>	Term 1 Life	<b>Owner:</b>	Frank
<b>Effective Date:</b>	Dec 31 2003	<b>Insured:</b>	Frank
<b>Death Benefit:</b>	\$100,000	<b>Beneficiary:</b>	Kathy
<b>Cash Surrender Value (CSV):</b>	\$0	<b>Premium Payer:</b>	Frank
<b>Premiums cease on:</b>	Jun 27 2019	<b>Annual Premium Payments:</b>	\$300
<b>CSV payable with Death Benefit:</b>	No	<b>Coverage ceases on:</b>	Jun 27 2019
<b>Death Benefit payable when coverage ceases:</b>	No	<b>Disability Waiver:</b>	Yes

<b>Description:</b>	Life Insurance		
<b>Policy Type:</b>	Whole Life	<b>Owner:</b>	Frank
<b>Effective Date:</b>	Dec 31 2003	<b>Insured:</b>	Frank
<b>Death Benefit:</b>	\$860,000	<b>Beneficiary:</b>	Kathy
<b>Cash Surrender Value (CSV):</b>	\$0	<b>Premium Payer:</b>	Frank
<b>Premiums cease on:</b>	Never	<b>Annual Premium Payments:</b>	\$10,000
<b>CSV payable with Death Benefit:</b>	No	<b>Coverage ceases on:</b>	Never
<b>Death Benefit payable when coverage ceases:</b>	No	<b>Disability Waiver:</b>	Yes

## Disability Insurance Policies

<b>Description:</b>	Group LTD		
<b>Policy Type:</b>	Group LTD	<b>Insured:</b>	Kathy
		<b>Effective Date:</b>	Dec 31 2003
Benefits are <b>67% of salary (taxable)</b> indexed during disability by inflation.			
Benefits begin <b>after 3 months</b> and are paid <b>until age 65</b> .			
Premiums are <b>\$600/year</b> indexed by inflation and end on retirement.			

<b>Description:</b>	Group LTD		
<b>Policy Type:</b>	Group LTD	<b>Insured:</b>	Frank
		<b>Effective Date:</b>	Dec 31 2003
Benefits are <b>67% of salary (taxable)</b> indexed during disability by inflation.			
Benefits begin <b>after 3 months</b> and are paid <b>until age 65</b> .			
Premiums are <b>\$600/year</b> indexed by inflation and end on retirement.			

## Liabilities

Liability Name	Liability Date	End Date	Original Principal	Current Principal	Int. Rate	Payment Type
Mortgage	Jun 1 1991	Jun 1 2021	\$170,000	\$136,396	7.000%	Principal & Interest
Subaru Loan	Oct 15 2002	Oct 15 2008	\$20,000	\$16,652	6.000%	Principal & Interest

## Regular Investment Strategies

Asset Name	Applicable	Amount	Indexed
Kathy's 401(k) Employee Contribution (Maximum)	Jan 1 2004 to Dec 31 2021	\$1,083/Month	NA <sup>1</sup>
Employer Contribution		\$350/Month	3.0%
Frank's 401(k) Employee Contribution (Maximum)	Jan 1 2004 to Dec 31 2021	\$1,083/Month	NA <sup>1</sup>
Employer Contribution		\$300/Month	3.0%
529 for James (Frank/529 Plan for James)	Jan 1 2004 to Dec 31 2016	\$4,000/Year	0.0%
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2004 to Dec 31 2021	\$3,600/Year	0.0%
Wedding for Tasha Fund (Joint/Non-Qualified)	May 1 2004 to May 1 2022	\$110/Month	0.0%

<sup>1</sup> This amount is increased annually based on the legislated maximum.

This section of the report shows the investment that can be made regularly in order to implement a disciplined investment plan. A regular investment plan is designed to help you reach your goals. BranchPlan computes the necessary lump sum amount needed at retirement to provide the desired retirement income and the specified amount which will pass to heirs. BranchPlan then calculates the amount of investment required each year to accumulate the required lump sum. Existing assets, Defined Benefit plans and Social Security benefits linked to your goal will reduce the calculated annual investment requirements.

## Lump Sum Asset Redemption Strategies

Asset Name	Applicable	Amount	Indexed
529 for James (Frank/529 Plan for James)	Jan 1 2013	\$16,940	No
529 for James (Frank/529 Plan for James)	Jan 1 2014	\$17,830	No
529 for James (Frank/529 Plan for James)	Jan 1 2015	\$18,749	No
529 for James (Frank/529 Plan for James)	Jan 1 2016	\$19,688	No
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2015	\$18,814	No
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2016	\$19,810	No
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2017	\$20,839	No
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2018	\$21,895	No
Wedding for Tasha Fund (Joint/Non-Qualified)	Jun 1 2022	\$34,871	No

Lump sum redemptions represent redemptions of your assets that do not occur on a regularly scheduled basis but rather occur on an as-needed basis. Any redemptions planned for future years that are indexed by inflation will be increased accordingly - Refer to your **Action Plan** to view the projected amounts to be transferred for the next three years.

## Redemption Strategies

Asset Name	Timing
Kathy's 401(k)	While Retired
Frank's 401(k)	While Retired
Kathy's Portfolio (Non-Qualified)	While Retired
Frank's Portfolio (Non-Qualified)	While Retired



This section of the report lists the assets that will be redeemed as necessary to meet your income goals, particularly retirement income to support your retirement lifestyle objectives.

### Education Expenses

#### College for Tasha

##### Expenses

Member	Start Date	End Date	Annual Amount
Tasha	Jan 1 2015	Dec 31 2018	\$10,000

Expenses Indexed by Inflation: Yes + 2.00%

##### Assets Allocated to Education Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
529 Tasha (Frank/529 Plan for Tasha)	Jan 1 2004	\$8,000.00	7.36%

#### College for James

##### Expenses

Member	Start Date	End Date	Annual Amount
James	Jan 1 2013	Dec 31 2016	\$10,000

Expenses Indexed by Inflation: Yes + 2.00%

##### Assets Allocated to Education Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
529 for James (Frank/529 Plan for James)	Jan 1 2004	\$8,000.00	7.36%

### Trusts

Credit Shelter Trust			
Funding Date	Dec 31 2052	At Death of	Frank
Allocation for GSTT Exemption	Equals trust funding amount	Trust Tax Rate	40.0%
Rates of Return			
Interest	0.0%	Dividends	3.0%
Capital Gains	3.0%	Tax Free	0.0%
Deferred Growth	2.0%	Reinvestment Frequency	Annual
Income Beneficiaries		Remainder Beneficiaries	
Kathy	100%	Tasha (Heir)	50%
		James (Heir)	50%

**Gifting Growth**

<b>Beneficiary</b>	<b>GSTT applicable for Frank's gifts</b>	<b>GSTT applicable for Kathy's gifts</b>	<b>50% Charity</b>	<b>Growth Rate</b>	<b>Average Income Tax Rate</b>	<b>Net After-Tax Growth</b>
Tasha Married (Heir)	No	No		0.00%	0.0%	0.00%
James Married (Heir)	No	No		0.00%	0.0%	0.00%
American Cancer Society (Charity)			Yes	0.00%	0.0%	0.00%

# Conclusion

Now that you have an overview of your current financial situation, where do you go from here? Our recommendations are as follows:

- **Review this document** and ensure you understand the information contained in the report. Be sure to ask us questions on areas that need clarification.
- **Assess the original objectives.** Are they realistic? Can you afford to implement all of your objectives? What are your priorities? If you are unable to fund all of your objectives, consider alternative goal dates, revised goal amounts, and alternative investment strategies. We will work together in the process.
- **Review various strategies** that will help you to achieve your goals and determine a time frame for these strategies.
- **Decide on a course of action.** Together, we will evaluate the alternative that is consistent with your objectives and your financial ability.
- **Review your plan** on a regular basis, generally once a year. In addition, review it whenever a major change occurs in your family (e.g., changes in employment, birth of a child, new income or expenses, etc.). You may need to adjust your plan in light of any of these new circumstances.

*One final thought!*

Remember to maintain a long-term focus with your plan. Do not expect to anticipate every curve in the road but be prepared to adjust your plan when necessary. Your financial plan is not a single event but a journey that can cover ten, twenty, thirty years or more.

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## Notes

# Delivery Acknowledgement

We, Frank and Kathy Married, have reviewed and accept the information contained within this plan and understand the assumptions associated with it. We believe that all information provided by us is complete and accurate to the best of our knowledge. We recognize that performance is not guaranteed and that all future projections are included simply as a tool for decision-making and do not represent a forecast of our financial future. This plan should be reviewed periodically to ensure that decisions made continue to be appropriate, particularly if there are changes in family circumstances, such as an inheritance, birth of a child, death of a family member, or material change in incomes or expenses.

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Frank Married

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Kathy Married

Date:

## ***Please Note...***

*This plan has been prepared based on the information provided. There has been no attempt to verify the accuracy or completeness of this information. As the future cannot be forecast with certainty, actual results will vary from these projections. It is possible that these variations may be material. The degree of uncertainty normally increases with the length of the future period covered*