



PENSION DECISION ANALYSIS

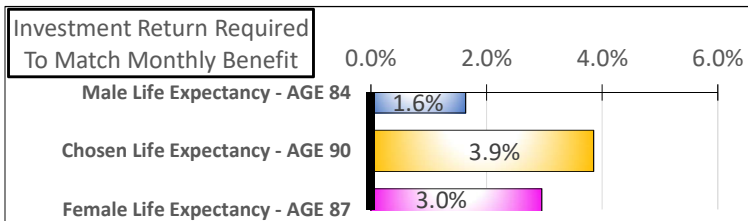
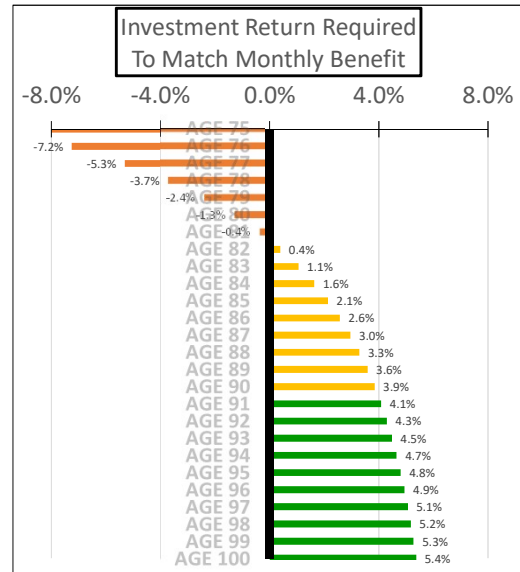
Your Pension Information

Age at Pension Start	65
Lump Sum Amount	\$ 356,000
Monthly Benefit	\$ 1,800
Life Expectancy	90
Inflation	2.50%
Expected Return	6%

The math behind your pension decision can be broken down in to what is called a "Required Return". This is the amount of growth or interest that is "required" to replicate your monthly pension. The required return will vary based on your specific pension information like the lump sum and monthly amounts or how long you live.

The chart to the right shows your required return for many ages.

The chart below highlights the required return for important life expectancy ages.



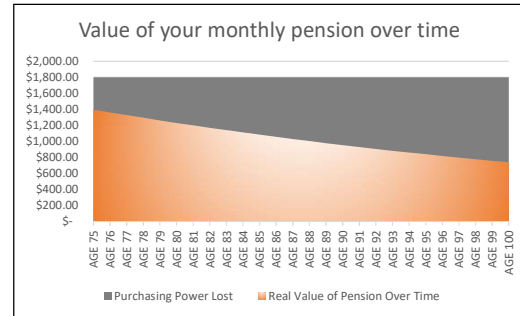
Inflation Effect

The two charts to the right are designed to show the effect of inflation on a monthly stream of income. Keep in mind that whether it comes from a lump sum monthly withdrawal or a monthly pension benefit, the effect of inflation is the same.

Often people believe that a lump sum benefit does better to combat inflation. It is often true, however, you must exceed the required rate of return.

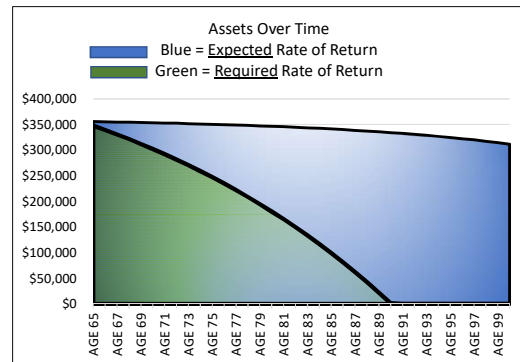
Your Pension of 1800 per month will be worth this much in spending power in the future:

	2% Inflation	3% Inflation	4% Inflation
10 Years	\$1,471	\$1,327	\$1,197
20 Years	\$1,202	\$979	\$796
30 Years	\$982	\$722	\$529



Beyond The Math

	Pros/Risks avoided	Cons/Risks assumed
Taking a Monthly Pension Benefit	<ul style="list-style-type: none"> Steady income Employer assumes market risk Fairly high payout rates Longevity protection, income for life 	<ul style="list-style-type: none"> Inflexible (tax and withdrawals) Lack inflation protection, COLA (most) Inheritance of lump sum forfeited Dependency on employer to pay
Taking a Lump Sum Pension Benefit	<ul style="list-style-type: none"> Inheritance of lump sum Tax and SS strategy flexible withdrawal Possible inflation hedge with growth Employer no longer involved 	<ul style="list-style-type: none"> Underperform required return Market/investment risk Spendthrift retirees overspend Emotionally difficult for low risk tolerance



This analysis is a tool intended to review your current financial situation and suggest potential planning ideas and concepts that may be of benefit. The purpose of the tool is to illustrate various considerations when making a financial decision. This report is based upon information and assumptions provided by you (the client). This report provides broad and general guidelines on the advantages of certain financial planning concepts and does not constitute a recommendation of any particular technique. The consolidated report is provided for informational purposes as a courtesy to you. We recommend that you review your plan annually, unless changes in your personal or financial circumstances require more frequent review. Past performance is no guarantee of future performance and it is important to realize that actual results may differ from the projections contained in this report, perhaps to a significant degree. The presentation of investment returns set forth in this report does not reflect the deduction of any commissions and/or fees. Projected valuations and/or rates of return may not take into account surrender charges on products you might own. The information contained in this report is not written or intended as financial, tax or legal advice. You are encouraged to seek financial, tax and legal advice from your professional advisors. Expected rate of return input can be modified to your preference. It starts at 6% considering that the majority of our pensioners are allocated approximately 50% equity and 50% bonds. Our long term capital market assumptions show that 6% has been lower than historical returns. It is up to you to direct us to use a different rate of return if your risk preferences are different. We are assuming inflation at 2.5%. According to US CPI through Ycharts as of May 2019, the last 70 years of data shows 3.50%, the last 20 years shows 2.19% and the last 10 years shows 1.81%.

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