

# FINANCIAL PLAN FOR JOHN AND JANE SMITH

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XYZ Financial Services

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**Jack Johnson, Financial Advisor\***

**123 Main St., Ste 301 Anytown, USA, 12345**

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\*Registered Representative offering securities through ABC Securities LLC.  
Member FINRA/SIPC. A licensed insurance agency.  
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\*Financial Advisor offering investment advisory services through ABC Investments. A Registered Investment Adviser.

\*XYZ Financial Services is not owned or operated by ABC Life Insurance Company or its affiliates.

# PRELIMINARY OBJECTIVES

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Create A Healthy Income

Build Economic Value Outside of Yourself

Maximize Your Impact To Heirs

# FAMILY INFORMATION

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## Primary Clients

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Name	Age	Relationship	Occupation
John Smith	Nov 02, 1971 – 50	Is Spouse of Jane Smith Is Parent of Sally Smith Is Parent of Tommy Smith Is Business Partner of Jeff Smith	Cage Fighter
Jane Smith	Oct 13, 1971 – 50	Is Spouse of John Smith Is Parent of Tommy Smith Is Parent of Sally Smith	Accountant

## John Smith's and Jane Smith's Family

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Name	Age	Relationship	Occupation
Tommy Smith	Nov 01, 1996 – 25	Is Child of Jane Smith Is Child of John Smith	Student
Sally Smith	Nov 01, 1999 – 22	Is Child of Jane Smith Is Child of John Smith	Student

# TRUSTS

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## Trusts - Inside

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Name	Grantor / Settlor	Beneficiaries - Primary	Beneficiaries - Secondary
Smith Management Trust	<ul style="list-style-type: none"><li>• Jane Smith</li><li>• John Smith</li></ul>	<ul style="list-style-type: none"><li>• Jane Smith - 50%</li><li>• John Smith - 50%</li></ul>	<ul style="list-style-type: none"><li>• Sally Smith - 50%</li><li>• Tommy Smith - 50%</li></ul>

## Trusts - Outside

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Name	Grantor / Settlor	Beneficiaries - Primary	Beneficiaries - Secondary
Smith Family Trust	<ul style="list-style-type: none"><li>• John Smith</li></ul>	<ul style="list-style-type: none"><li>• Jane Smith - 100%</li></ul>	<ul style="list-style-type: none"><li>• Sally Smith - 50%</li><li>• Tommy Smith - 50%</li></ul>

# ENTITIES

Name	Ownership Type	Ownership	Buy / Sell	Income Tax Treatment
Smith's Gym	Limited Liability Company	<ul style="list-style-type: none"><li>• John Smith (50%)</li><li>• Jeff Smith (50%)</li></ul>	-	Passes through to the Shareholder Level

# DISCUSSION OUTLINE

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- Review Meeting Objectives
- Review Current Balance Sheet
- Discuss Strategy for Creating Income and Building Economic Value
  - Currently
  - Long term
  - Unexpected Scenarios
- Discuss Strategy for Impacting Heirs
  - Currently
  - Long term
  - Unexpected Scenarios

# CREATE A HEALTHY INCOME

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## Objective and Strategy Details

- Throughout the lives of John & Jane, maintain an after-tax income of \$200,000 before retirement & \$175,000 after retirement
- Currently income will be created through working in the business. In the future income will be created by the business and liquid assets John & Jane have built.
  - See the section on building economic value outside of yourself for details
- In the event of John's death, create the liquidity needed to
- Maintain an after-tax income of \$200,000
- Pay off \$134K of the debt below

Line of Credit	\$3,500	5%
Mortgage	\$130,000	3.25%
Total	\$133,500	

- Create college reserve of \$200K (4 years @ \$25K for and 4 years @ \$25K for your grandchildren)
- In the event of Jane's death, create the liquidity needed to
- Maintain an after-tax income of \$200,000
- Pay off \$134K of the debt below

Line of Credit	\$3,500	5%
Mortgage	\$130,000	3.25%
Total	\$133,500	

- Create college reserve of \$200K (4 years @ \$25K for and 4 years @ \$25K for your grandchildren)
- Maintain a minimum of \$5M death benefit on John
- Maintain a minimum of \$5M death benefit on Jane

## Additional Considerations

- Examine income and liquidity available in the event of **John's** death

\$1,500,001 Before Taxes @ 5% = \$75,000.05 Annually Before Taxes

See the financial snapshot at John's death

Consider obtaining an additional \$4.5M of death benefit on John to maintain a total of \$5M to meet your liquidity objectives in the event of John's death.

- Examine income and liquidity available in the event of **Jane's** death

\$1,895,001 Before Taxes @ 5% = \$94,750.05 Annually Before Taxes

See the financial snapshot at Jane's death

Consider obtaining an additional \$4M of death benefit on Jane to maintain a total of \$5M to meet your liquidity objectives in the event of Jane's death.



# BUILD VALUE OUTSIDE YOURSELF

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## **Objective and Strategy Details - Personal Assets**

- John & Jane desire to continue to build economic value outside of their ability to work.
- For the next 20 years, income will be drawn from working in the business while the business value & liquidity continues to grow.
- In the 21st year, accumulated liquidity will be used to generate some or all of the income needed to maintain \$175,000 annually (Before Tax).
- For example liquidity of \$3,500,000 earning an assumed rate of 5% annually, could be used to provide a pretax income of \$175,000 annually dependent upon distribution strategy. Additional liquidity may be desired to offset potential income tax liability.
- Based on a starting amount of \$1,000,001 growing at an assumed rate of 8% annually and adding \$59,000 annually from cash flow, you would have liquid assets totaling \$3,500,000 in 12 years
  - [See Growth Chart for details](#)
- Other sources of income could include social security, business and consulting income.
- Other variables that could impact your income stream are increasing savings, decreasing expenses, sale of real estate and overall investment strategy.
- Overall investment strategy
- Based on business and personal assets, risk tolerance and time horizon, [dyn\_client\_first\_name] and Jane wish to keep their liquid assets allocated 20% variable and 80% fixed.
- Factors such as tax volatility, interest rates, and behavioral and fundamental market dynamics should be incorporated into the overall strategy.

## **Additional Considerations**

- Align your asset allocation and management strategy to better reflect the accumulation and distribution objectives above, taking into consideration
  - Tax diversification
  - Interest Rates
  - Behavioral and Fundamental Economics
  - Spending habits and possible liquidity needs

### **Objective and Strategy Details - Business Assets**

- Create the liquidity needed to buyout the business interest in the event of a partner's death.
- Create the liquidity needed to help absorb the loss of your key employees.
- Create a deferred compensation plan for your key employees to both reward their loyalty and protect your investment in them.

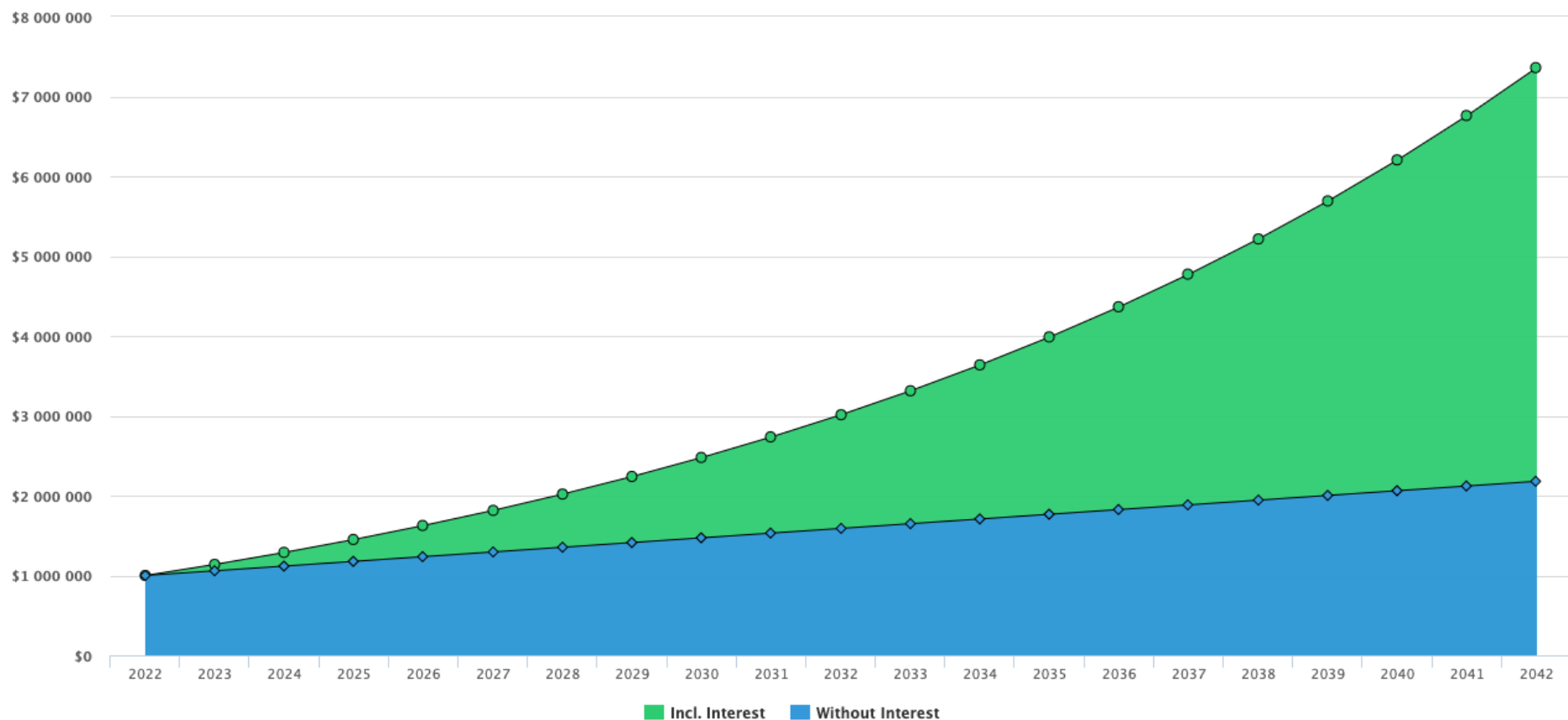
### **Additional Considerations**

- Obtain life insurance death benefit on each partner.
- Execute a formal buy/sell agreement.
- Obtain life insurance death benefit on key employees.
- Execute a Deferred Compensation Plan for key employees.
- Set up the informal funding for the Deferred Compensation Plan.

# HYPOTHETICAL GROWTH CHART #1

Balance at Start of Year: \$1,000,001

#	Year	Amounts Added	Amounts Withdrawn	Annual Rate of Return	Income Earned	Ending Balance With Interest	Ending Balance Without Interest
1	2022	\$59,000.00	\$0	8%	\$80,000.08	\$1,139,001.08	\$1,059,001.00
2	2023	\$59,000.00	\$0	8%	\$91,120.09	\$1,289,121.17	\$1,118,001.00
3	2024	\$59,000.00	\$0	8%	\$103,129.69	\$1,451,250.86	\$1,177,001.00
4	2025	\$59,000.00	\$0	8%	\$116,100.07	\$1,626,350.93	\$1,236,001.00
5	2026	\$59,000.00	\$0	8%	\$130,108.07	\$1,815,459.00	\$1,295,001.00
6	2027	\$59,000.00	\$0	8%	\$145,236.72	\$2,019,695.72	\$1,354,001.00
7	2028	\$59,000.00	\$0	8%	\$161,575.66	\$2,240,271.38	\$1,413,001.00
8	2029	\$59,000.00	\$0	8%	\$179,221.71	\$2,478,493.09	\$1,472,001.00
9	2030	\$59,000.00	\$0	8%	\$198,279.45	\$2,735,772.54	\$1,531,001.00
10	2031	\$59,000.00	\$0	8%	\$218,861.80	\$3,013,634.34	\$1,590,001.00
11	2032	\$59,000.00	\$0	8%	\$241,090.75	\$3,313,725.09	\$1,649,001.00
12	2033	\$59,000.00	\$0	8%	\$265,098.01	\$3,637,823.10	\$1,708,001.00
13	2034	\$59,000.00	\$0	8%	\$291,025.85	\$3,987,848.94	\$1,767,001.00
14	2035	\$59,000.00	\$0	8%	\$319,027.92	\$4,365,876.86	\$1,826,001.00
15	2036	\$59,000.00	\$0	8%	\$349,270.15	\$4,774,147.01	\$1,885,001.00
16	2037	\$59,000.00	\$0	8%	\$381,931.76	\$5,215,078.77	\$1,944,001.00
17	2038	\$59,000.00	\$0	8%	\$417,206.30	\$5,691,285.07	\$2,003,001.00
18	2039	\$59,000.00	\$0	8%	\$455,302.81	\$6,205,587.88	\$2,062,001.00
19	2040	\$59,000.00	\$0	8%	\$496,447.03	\$6,761,034.91	\$2,121,001.00
20	2041	\$59,000.00	\$0	8%	\$540,882.79	\$7,360,917.70	\$2,180,001.00
21	2042	\$59,000.00	\$0	8%	\$588,873.42	\$8,008,791.11	\$2,239,001.00



\* The illustrated chart represents the calculations on the preceding page. These calculations and chart are meant for educational purposes only and not meant to be an indication of future investment performance. Additional considerations such as taxes, inflation, real time fluctuations of return are not represented.

# BALANCE INHERITANCE TO PROVIDE OPPORTUNITIES

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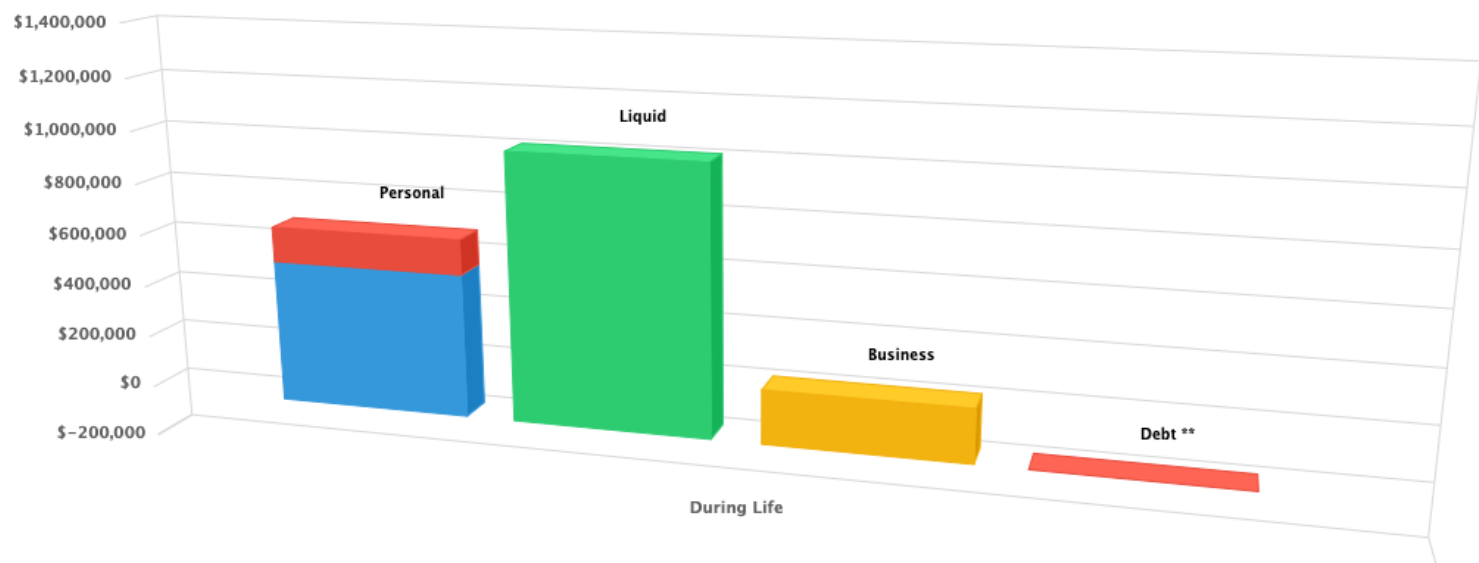
## Objective and Strategy Details

- During the lives of John and Jane, they wish to have use and control of their entire estate (All trusts used during their lives must not violate that desire).
- John and Jane wish to leverage their wealth to provide opportunities to their children, grandchildren and charity both during and after their lifetimes.
- At the second to die of John and Jane they wish to pass the entire value of their estate to their children and grandchildren.

## Considerations

- **Option 1** Obtain Wills with Testamentary Trust Provisions including Credit Shelter Trust
- **Option 2** Obtain Wills with All-to-Spouse provisions (in trust or outright) with authority to disclaim wealth into a Credit Sheltered Trust.
- **Option 3** Obtain Pour-Over Wills and a Revocable Living Trust (RTL) with Credit Shelter Trust and Charitable Trust Provisions
- Appoint Trustee Advisory Committee
- Appoint Trust Protector/Consultant
- Appoint distributions amounts upon both John Nylic's death:
- The children shall each receive \$\_\_\_\_ in trust, total, from all sources
  - Children to become
    - Co-Trustee at age \_\_\_\_
    - Sole Trustee at age \_\_\_\_
- All trusts are to be long term trusts to protect the assets of the estate from predatory litigation/creditors, divorce and mismanagement
- The full Estate Tax exemption amounts shall be utilized
- Create Irrevocable Life Insurance Trusts for John and Jane Smith
- Obtain Living Wills, Powers of Attorney and Guardianship
- Estate Planning Documents are to be stored at the attorney's office

# FINANCIAL SNAPSHOT (DURING LIFE)



## During Life

Value	\$668,000	\$1,000,001	\$200,000	-
Debt	\$130,000	\$0	\$0	\$3,500
Total	\$538,000	\$1,000,001	\$200,000	\$3,500

## Current Pre Tax / After Tax Allocation

\$1,000,001.00	100.00%	Total Liquidity
\$462,000.00	46.20%	Pre Tax
\$538,001.00	53.80%	After Tax

## Current Variable / Fixed Allocation

\$1,000,001.00	100.00%	Total Liquidity
\$747,000.00	74.70%	Variable
\$253,001.00	25.30%	Fixed

## Ideal Pre Tax / After Tax Allocation

\$1,000,001.00	100.00%	Total Liquidity
\$500,000.50	50.00%	Pre Tax
\$500,000.50	50.00%	After Tax

## Ideal Variable / Fixed Allocation

\$1,000,001.00	100.00%	Total Liquidity
\$700,000.70	70.00%	Variable
\$300,000.30	30.00%	Fixed

\* For details behind all values shown refer to the following Financial Snapshot Detail page  
\*\* Represents all unsecured debt. Secured debt is represented against the asset column it is

# Cash Flow

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## During Life

### Current Cash Flow

Jane's Salary	\$275,000
John's Salary	\$170,000
<b>Total</b>	<b>\$445,000</b>

### Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$12,000
<b>Total</b>	<b>\$83,000</b>

\* For details behind all values shown refer to the following Financial Snapshot Detail page

## Financial Snapshot Detail - During Life

Personal Asset	John Smith	Jane Smith	Total
Boat	\$19,000	\$19,000	\$38,000
Jane's Car	\$20,000	\$20,000	\$40,000
John's Car	\$7,500	\$7,500	\$15,000
Personal Residence	\$287,500	\$287,500	\$575,000
Mortgage 3.25% Int (loan)	\$-65,000	\$-65,000	\$-130,000
<b>Total</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$538,000</b>

Liquid Asset	John Smith	Jane Smith	Total
Cash - CK/SAV	\$72,500	\$72,500	\$145,000
Cash - Secret Stash	\$3,000		\$3,000
Life - Jane's \$500K Term Ins.			\$0
Life - Jane's \$500K Whole Life		\$105,000	\$105,000
Life - John's \$500K Term Ins.			\$0
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.5	\$0.5	\$1
NQ - XYZ Investments	\$142,500	\$142,500	\$285,000
Q - Jane's 401K		\$242,000	\$242,000
Q - John's SEP IRA Variable Annuity	\$220,000		\$220,000
<b>Total</b>	<b>\$438,000.5</b>	<b>\$562,000.5</b>	<b>\$1,000,001</b>

Business Asset	John Smith	Jane Smith	Total
Smith's Gym	\$200,000		\$200,000
<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>

Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-3,500		\$-3,500
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>

\* All Insurance and annuity values reflect accumulated cash value



Totals Summary	John Smith	Jane Smith	Total
Personal Asset	\$269,000	\$269,000	\$538,000
Liquid Asset	\$438,000.5	\$562,000.5	\$1,000,001
Business Asset	\$200,000		\$200,000
Unsecured Loans	\$-3,500		\$-3,500
<b>Total</b>	<b>\$903,500.5</b>	<b>\$831,000.5</b>	<b>\$1,734,501</b>

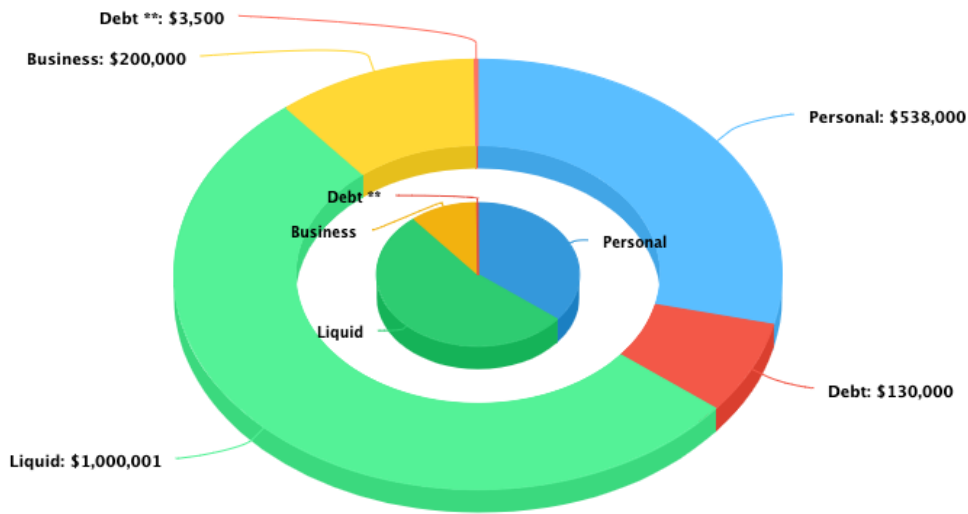
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Liquid Asset Allocations	Pre Tax	After Tax	
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	\$0.00	\$0.00	<b>Variable</b>
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	\$0.00	\$0.00	<b>Variable</b>
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	\$0.00	\$0.00	<b>Variable</b>
NQ - XYZ Investments	\$0.00	\$0.00	<b>Fixed</b>
	\$0.00	\$285,000.00	<b>Variable</b>
Q - Jane's 401K	\$0.00	\$0.00	<b>Fixed</b>
	\$242,000.00	\$0.00	<b>Variable</b>
Q - John's SEP IRA Variable Annuity	\$0.00	\$0.00	<b>Fixed</b>
	\$220,000.00	\$0.00	<b>Variable</b>
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# FINANCIAL SNAPSHOT (DURING LIFE) - PIE CHART

During Life



During Life

Value	\$668,000	\$1,000,001	\$200,000	-
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# Cash Flow

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## During Life

### Current Cash Flow

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Business Asset	John Smith	Jane Smith	Total
Smith's Gym	\$200,000		\$200,000
<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>

Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-3,500		\$-3,500
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>

\* All Insurance and annuity values reflect accumulated cash value

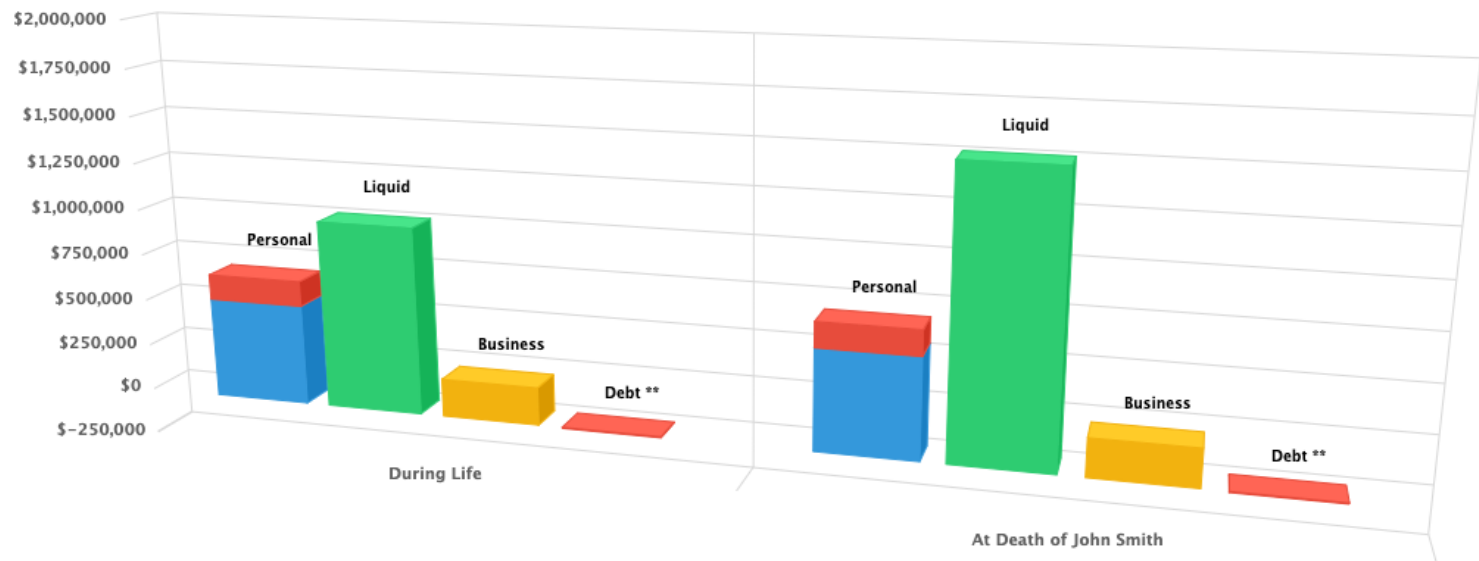
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Life - Jane's \$500K Whole Life	\$0.00	\$105,000.00	<b>Fixed</b>
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# FINANCIAL SNAPSHOT (DURING LIFE & AT JOHN SMITH'S DEATH)



## During Life

Value	\$668,000	\$1,000,001	\$200,000	-
Debt	\$130,000	\$0	\$0	\$3,500
Total	\$538,000	\$1,000,001	\$200,000	\$3,500

## At Death of John Smith

Value	\$668,000	\$1,500,001	\$200,000	-
Debt	\$130,000	\$0	\$0	\$3,500
Total	\$538,000	\$1,500,001	\$200,000	\$3,500

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# Cash Flow

## During Life

### Current Cash Flow

Jane's Salary	\$275,000
John's Salary	\$170,000
<b>Total</b>	<b>\$445,000</b>

### Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$12,000
<b>Total</b>	<b>\$83,000</b>

## At Death of John Smith

### Current Cash Flow

Liquidity @ 5% Assumed Rate	\$75,000.05
Jane's Salary	\$275,000
John's Salary	\$0
<b>Total</b>	<b>\$350,000.05</b>

### Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$0
<b>Total</b>	<b>\$71,000</b>

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Personal Asset	John Smith	Jane Smith	Total
Boat	\$19,000	\$19,000	\$38,000
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<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>

Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-3,500		\$-3,500
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>

\* All Insurance and annuity values reflect accumulated cash value

Totals Summary	John Smith	Jane Smith	Total
Personal Asset	\$269,000	\$269,000	\$538,000
Liquid Asset	\$438,000.5	\$562,000.5	\$1,000,001
Business Asset	\$200,000		\$200,000
Unsecured Loans	\$-3,500		\$-3,500
<b>Total</b>	<b>\$903,500.5</b>	<b>\$831,000.5</b>	<b>\$1,734,501</b>

\* All Insurance and annuity values reflect accumulated cash value

Liquid Asset Allocations	Pre Tax	After Tax	
Cash - CK/SAV	\$0.00	\$145,000.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
Cash - Secret Stash	\$0.00	\$3,000.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
Life - Jane's \$500K Whole Life	\$0.00	\$105,000.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.00	\$1.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
NQ - XYZ Investments	\$0.00	\$0.00	<b>Fixed</b>
	\$0.00	\$285,000.00	<b>Variable</b>
Q - Jane's 401K	\$0.00	\$0.00	<b>Fixed</b>
	\$242,000.00	\$0.00	<b>Variable</b>
Q - John's SEP IRA Variable Annuity	\$0.00	\$0.00	<b>Fixed</b>
	\$220,000.00	\$0.00	<b>Variable</b>
	\$462,000.00	\$538,001.00	
	\$1,000,001.00		

\* All Insurance and annuity values reflect accumulated cash value

## Financial Snapshot Detail - At Death of John Smith

Personal Asset	John Smith	Jane Smith	Total
Boat	\$19,000	\$19,000	\$38,000
Jane's Car	\$20,000	\$20,000	\$40,000
John's Car	\$7,500	\$7,500	\$15,000
Personal Residence	\$287,500	\$287,500	\$575,000
Mortgage 3.25% Int (loan)	\$-65,000	\$-65,000	\$-130,000
<b>Total</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$538,000</b>

Liquid Asset	John Smith	Jane Smith	Total
Cash - CK/SAV	\$72,500	\$72,500	\$145,000
Cash - Secret Stash	\$3,000		\$3,000
Life - Jane's \$500K Term Ins.			\$0
Life - Jane's \$500K Whole Life		\$105,000	\$105,000
Life - John's \$500K Term Ins.	\$500,000		\$500,000
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.5	\$0.5	\$1
NQ - XYZ Investments	\$142,500	\$142,500	\$285,000
Q - Jane's 401K		\$242,000	\$242,000
Q - John's SEP IRA Variable Annuity	\$220,000		\$220,000
<b>Total</b>	<b>\$938,000.5</b>	<b>\$562,000.5</b>	<b>\$1,500,001</b>

Business Asset	John Smith	Jane Smith	Total
Smith's Gym	\$200,000		\$200,000
<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>

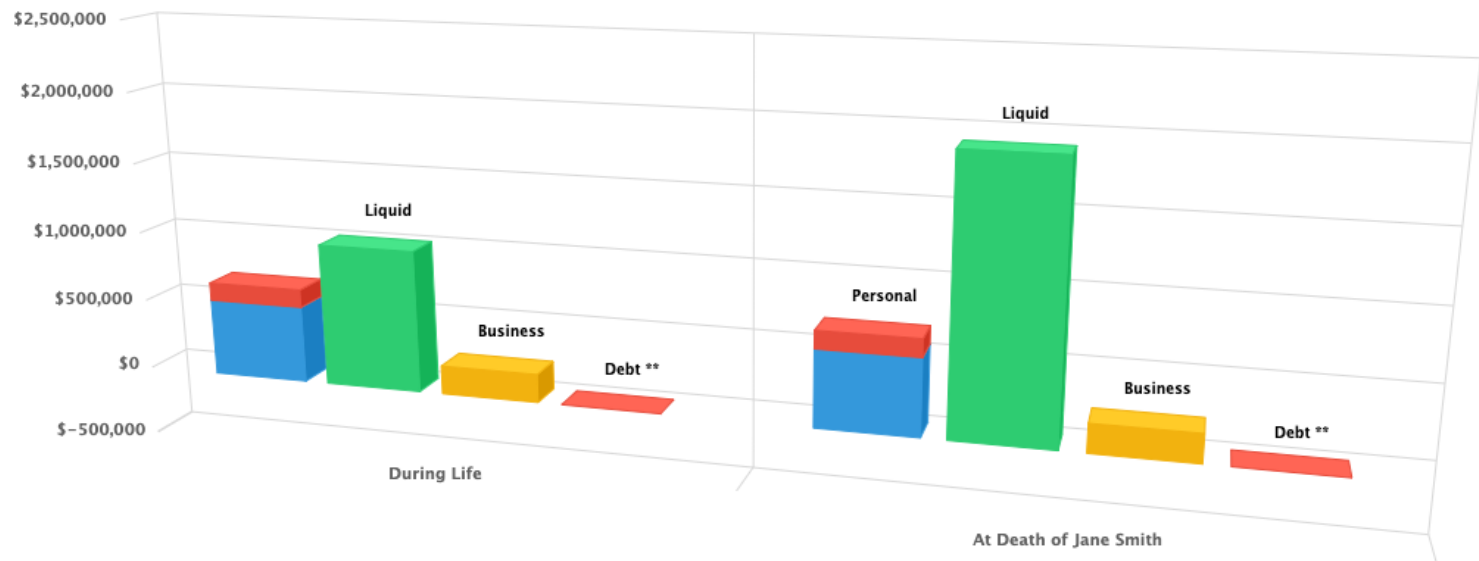
Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-3,500		\$-3,500
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>

\* Insurance and annuity values reflect death benefit for John Smith. All other Insurance and annuity values reflect accumulated cash value.

Totals Summary	John Smith	Jane Smith	Total
Personal Asset	\$269,000	\$269,000	\$538,000
Liquid Asset	\$938,000.5	\$562,000.5	\$1,500,001
Business Asset	\$200,000		\$200,000
Unsecured Loans	\$-3,500		\$-3,500
<b>Total</b>	<b>\$1,403,500.5</b>	<b>\$831,000.5</b>	<b>\$2,234,501</b>

\* Insurance and annuity values reflect death benefit for John Smith. All other Insurance and annuity values reflect accumulated cash value.

# FINANCIAL SNAPSHOT (DURING LIFE & AT JANE SMITH'S DEATH)



## During Life

Value	\$668,000	\$1,000,001	\$200,000	-
Debt	\$130,000	\$0	\$0	\$3,500
Total	\$538,000	\$1,000,001	\$200,000	\$3,500

## At Death of Jane Smith

Value	\$668,000	\$1,895,001	\$200,000	-
Debt	\$130,000	\$0	\$0	\$3,500
Total	\$538,000	\$1,895,001	\$200,000	\$3,500

\* For details behind all values shown refer to the following Financial Snapshot Detail page

\*\* Represents all unsecured debt. Secured debt is represented against the asset column it is secured against.

# Cash Flow

## During Life

### Current Cash Flow

Jane's Salary	\$275,000
John's Salary	\$170,000
<b>Total</b>	<b>\$445,000</b>

### Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$12,000
<b>Total</b>	<b>\$83,000</b>

## At Death of Jane Smith

### Current Cash Flow

Liquidity @ 5% Assumed Rate	\$94,750.05
Jane's Salary	\$0
John's Salary	\$170,000
<b>Total</b>	<b>\$264,750.05</b>

### Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$0
<b>Total</b>	<b>\$71,000</b>

\* For details behind all values shown refer to the following Financial Snapshot Detail page



## Financial Snapshot Detail - During Life

Personal Asset	John Smith	Jane Smith	Total
Boat	\$19,000	\$19,000	\$38,000
Jane's Car	\$20,000	\$20,000	\$40,000
John's Car	\$7,500	\$7,500	\$15,000
Personal Residence	\$287,500	\$287,500	\$575,000
Mortgage 3.25% Int (loan)	\$-65,000	\$-65,000	\$-130,000
<b>Total</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$538,000</b>

Liquid Asset	John Smith	Jane Smith	Total
Cash - CK/SAV	\$72,500	\$72,500	\$145,000
Cash - Secret Stash	\$3,000		\$3,000
Life - Jane's \$500K Term Ins.			\$0
Life - Jane's \$500K Whole Life		\$105,000	\$105,000
Life - John's \$500K Term Ins.			\$0
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.5	\$0.5	\$1
NQ - XYZ Investments	\$142,500	\$142,500	\$285,000
Q - Jane's 401K		\$242,000	\$242,000
Q - John's SEP IRA Variable Annuity	\$220,000		\$220,000
<b>Total</b>	<b>\$438,000.5</b>	<b>\$562,000.5</b>	<b>\$1,000,001</b>

Business Asset	John Smith	Jane Smith	Total
Smith's Gym	\$200,000		\$200,000
<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>

Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-3,500		\$-3,500
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>

\* All Insurance and annuity values reflect accumulated cash value

Totals Summary	John Smith	Jane Smith	Total
Personal Asset	\$269,000	\$269,000	\$538,000
Liquid Asset	\$438,000.5	\$562,000.5	\$1,000,001
Business Asset	\$200,000		\$200,000
Unsecured Loans	\$-3,500		\$-3,500
<b>Total</b>	<b>\$903,500.5</b>	<b>\$831,000.5</b>	<b>\$1,734,501</b>

\* All Insurance and annuity values reflect accumulated cash value

Liquid Asset Allocations	Pre Tax	After Tax	
Cash - CK/SAV	\$0.00	\$145,000.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
Cash - Secret Stash	\$0.00	\$3,000.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
Life - Jane's \$500K Whole Life	\$0.00	\$105,000.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.00	\$1.00	<b>Fixed</b>
	\$0.00	\$0.00	<b>Variable</b>
NQ - XYZ Investments	\$0.00	\$0.00	<b>Fixed</b>
	\$0.00	\$285,000.00	<b>Variable</b>
Q - Jane's 401K	\$0.00	\$0.00	<b>Fixed</b>
	\$242,000.00	\$0.00	<b>Variable</b>
Q - John's SEP IRA Variable Annuity	\$0.00	\$0.00	<b>Fixed</b>
	\$220,000.00	\$0.00	<b>Variable</b>
	\$462,000.00	\$538,001.00	
	\$1,000,001.00		

\* All Insurance and annuity values reflect accumulated cash value

## Financial Snapshot Detail - At Death of Jane Smith

Personal Asset	John Smith	Jane Smith	Total
Boat	\$19,000	\$19,000	\$38,000
Jane's Car	\$20,000	\$20,000	\$40,000
John's Car	\$7,500	\$7,500	\$15,000
Personal Residence	\$287,500	\$287,500	\$575,000
Mortgage 3.25% Int (loan)	\$-65,000	\$-65,000	\$-130,000
<b>Total</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$538,000</b>

Liquid Asset	John Smith	Jane Smith	Total
Cash - CK/SAV	\$72,500	\$72,500	\$145,000
Cash - Secret Stash	\$3,000		\$3,000
Life - Jane's \$500K Term Ins.		\$500,000	\$500,000
Life - Jane's \$500K Whole Life		\$500,000	\$500,000
Life - John's \$500K Term Ins.			\$0
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.5	\$0.5	\$1
NQ - XYZ Investments	\$142,500	\$142,500	\$285,000
Q - Jane's 401K		\$242,000	\$242,000
Q - John's SEP IRA Variable Annuity	\$220,000		\$220,000
<b>Total</b>	<b>\$438,000.5</b>	<b>\$1,457,000.5</b>	<b>\$1,895,001</b>

Business Asset	John Smith	Jane Smith	Total
Smith's Gym	\$200,000		\$200,000
<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>

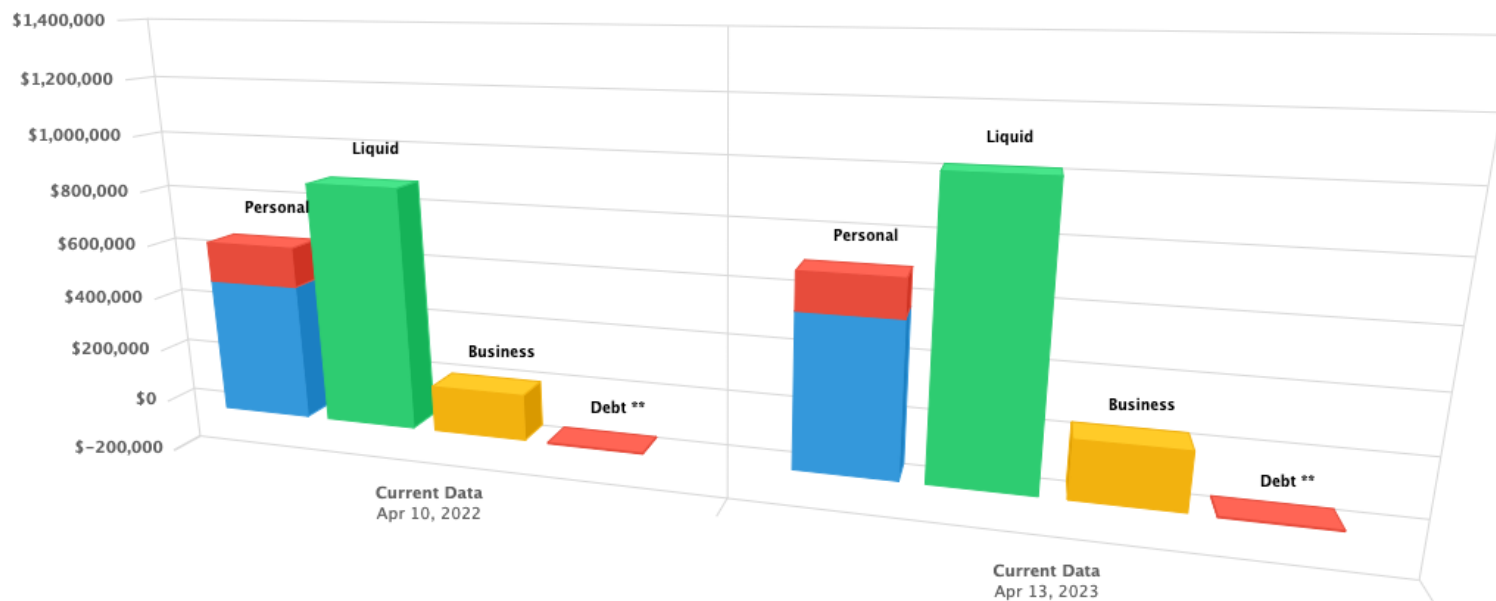
Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-3,500		\$-3,500
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>

\* Insurance and annuity values reflect death benefit for Jane Smith. All other Insurance and annuity values reflect accumulated cash value.

Totals Summary	John Smith	Jane Smith	Total
Personal Asset	\$269,000	\$269,000	\$538,000
Liquid Asset	\$438,000.5	\$1,457,000.5	\$1,895,001
Business Asset	\$200,000		\$200,000
Unsecured Loans	\$-3,500		\$-3,500
<b>Total</b>	<b>\$903,500.5</b>	<b>\$1,726,000.5</b>	<b>\$2,629,501</b>

\* Insurance and annuity values reflect death benefit for Jane Smith. All other Insurance and annuity values reflect accumulated cash value.

# FINANCIAL SNAPSHOT COMPARISONS



Current Data - Apr 10, 2022

Value	\$627,500	\$860,501	\$162,500	-
Debt	\$140,000	\$0	\$0	\$2,500
Total	\$487,500	\$860,501	\$162,500	\$2,500

Current Data - Apr 13, 2023

Value	\$668,000	\$1,000,001	\$200,000	-
Debt	\$130,000	\$0	\$0	\$3,500
Total	\$538,000	\$1,000,001	\$200,000	\$3,500

Cash Flow During Life

Current Data - Apr 10, 2022

Current Cash Flow

Jane's Salary	\$255,000
John's Salary	\$150,000
<b>Total</b>	<b>\$405,000</b>

Current Data - Apr 13, 2023

Current Cash Flow

Jane's Salary	\$275,000
John's Salary	\$170,000
<b>Total</b>	<b>\$445,000</b>

Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$12,000
<b>Total</b>	<b>\$83,000</b>

Future Cash Flow

\$500K Joint Deferred Income Annuity (5/20/2040)	\$35,000
Jane's Soc	\$36,000
John's Soc	\$12,000
<b>Total</b>	<b>\$83,000</b>

## During Life - Current Data - Apr 10, 2022

Personal Asset	John Smith	Jane Smith	Total
Boat	\$20,000	\$20,000	\$40,000
Jane's Car	\$22,500	\$22,500	\$45,000
John's Car	\$8,750	\$8,750	\$17,500
Personal Residence	\$262,500	\$262,500	\$525,000
Mortgage 3.25% Int (loan)	\$-70,000	\$-70,000	\$-140,000
<b>Total</b>	<b>\$243,750</b>	<b>\$243,750</b>	<b>\$487,500</b>

Liquid Asset	John Smith	Jane Smith	Total
Cash - CK/SAV	\$65,000	\$65,000	\$130,000
Cash - Secret Stash	\$500		\$500
Life - Jane's \$500K Term Ins.			\$0
Life - Jane's \$500K Whole Life		\$95,000	\$95,000
Life - John's \$500K Term Ins.			\$0
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.5	\$0.5	\$1
NQ - XYZ Investments	\$107,500	\$107,500	\$215,000
Q - Jane's 401K		\$225,000	\$225,000
Q - John's SEP IRA Variable Annuity	\$195,000		\$195,000
<b>Total</b>	<b>\$368,000.5</b>	<b>\$492,500.5</b>	<b>\$860,501</b>

Business Asset	John Smith	Jane Smith	Total
Smith's Gym	\$162,500		\$162,500
<b>Total</b>	<b>\$162,500</b>	<b>\$0</b>	<b>\$162,500</b>

Unsecured Loans	John Smith	Jane Smith	Total
Line of Credit 5% Int	\$-2,500		\$-2,500
<b>Total</b>	<b>\$-2,500</b>	<b>\$0</b>	<b>\$-2,500</b>

\* All Insurance and annuity values reflect accumulated cash value



Totals Summary	John Smith	Jane Smith	Total
Personal Asset	\$243,750	\$243,750	\$487,500
Liquid Asset	\$368,000.5	\$492,500.5	\$860,501
Business Asset	\$162,500		\$162,500
Unsecured Loans	\$-2,500		\$-2,500
<b>Total</b>	<b>\$771,750.5</b>	<b>\$736,250.5</b>	<b>\$1,508,001</b>

\* All Insurance and annuity values reflect accumulated cash value

## During Life - Current Data - Apr 13, 2023

Personal Asset	John Smith	Jane Smith	Total	Balance Sheet Comparison
Boat	\$19,000	\$19,000	\$38,000	↓ \$2,000
Jane's Car	\$20,000	\$20,000	\$40,000	↓ \$5,000
John's Car	\$7,500	\$7,500	\$15,000	↓ \$2,500
Personal Residence	\$287,500	\$287,500	\$575,000	↑ \$50,000
Mortgage 3.25% Int (loan)	\$-65,000	\$-65,000	\$-130,000	↓ \$10,000
<b>Total</b>	<b>\$269,000</b>	<b>\$269,000</b>	<b>\$538,000</b>	<b>↑ \$50,500</b>

Liquid Asset	John Smith	Jane Smith	Total	Balance Sheet Comparison
Cash - CK/SAV	\$72,500	\$72,500	\$145,000	↑ \$15,000
Cash - Secret Stash	\$3,000		\$3,000	↑ \$2,500
Life - Jane's \$500K Term Ins.			\$0	- \$0
Life - Jane's \$500K Whole Life		\$105,000	\$105,000	↑ \$10,000
Life - John's \$500K Term Ins.			\$0	- \$0
NQ - \$500K Joint Deferred Income Annuity (\$35K Payout 5/20/2040)	\$0.5	\$0.5	\$1	- \$0
NQ - XYZ Investments	\$142,500	\$142,500	\$285,000	↑ \$70,000
Q - Jane's 401K		\$242,000	\$242,000	↑ \$17,000
Q - John's SEP IRA Variable Annuity	\$220,000		\$220,000	↑ \$25,000
<b>Total</b>	<b>\$438,000.5</b>	<b>\$562,000.5</b>	<b>\$1,000,001</b>	<b>↑ \$139,500</b>

Business Asset	John Smith	Jane Smith	Total	Balance Sheet Comparison
Smith's Gym	\$200,000		\$200,000	↑ \$37,500
<b>Total</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>	<b>↑ \$37,500</b>

Unsecured Loans	John Smith	Jane Smith	Total	Balance Sheet Comparison
Line of Credit 5% Int	\$-3,500		\$-3,500	↑ \$1,000
<b>Total</b>	<b>\$-3,500</b>	<b>\$0</b>	<b>\$-3,500</b>	<b>↑ \$1,000</b>

\* All Insurance and annuity values reflect accumulated cash value

Totals Summary	John Smith	Jane Smith	Total	Balance Sheet Comparison
Personal Asset	\$269,000	\$269,000	\$538,000	↑ \$50,500
Liquid Asset	\$438,000.5	\$562,000.5	\$1,000,001	↑ \$139,500
Business Asset	\$200,000		\$200,000	↑ \$37,500
Unsecured Loans	\$-3,500		\$-3,500	↑ \$1,000
<b>Total</b>	<b>\$903,500.5</b>	<b>\$831,000.5</b>	<b>\$1,734,501</b>	<b>↑ \$226,500</b>

\* All Insurance and annuity values reflect accumulated cash value

# SPENDING POWER

## Spending Power of \$175,000.00

HYPOTHETICAL INFLATION %	10 YEARS	20 YEARS	30 YEARS	40 YEARS
0%	\$175,000.00	\$175,000.00	\$175,000.00	\$175,000.00
1%	\$158,425.22	\$143,420.28	\$129,836.51	\$117,539.30
2%	\$143,560.95	\$117,769.98	\$96,612.41	\$79,255.82
3%	\$130,216.44	\$96,893.26	\$72,097.68	\$53,647.45
4%	\$118,223.73	\$79,867.72	\$53,955.77	\$36,450.58
5%	\$107,434.82	\$65,955.66	\$40,491.05	\$24,857.99
6%	\$97,719.09	\$54,565.83	\$30,469.27	\$17,013.88
7%	\$88,961.13	\$45,223.33	\$22,989.25	\$11,686.57
8%	\$81,058.86	\$37,545.94	\$17,391.03	\$8,055.41
9%	\$73,921.89	\$31,225.41	\$13,189.95	\$5,571.58
10%	\$67,470.08	\$26,012.63	\$10,029.00	\$3,866.61

## Spending Equivalent of \$175,000.00

HYPOTHETICAL INFLATION %	10 YEARS	20 YEARS	30 YEARS	40 YEARS
0%	\$175,000.00	\$175,000.00	\$175,000.00	\$175,000.00
1%	\$193,308.87	\$213,533.26	\$235,873.56	\$260,551.15
2%	\$213,324.02	\$260,040.79	\$316,988.28	\$386,406.94
3%	\$235,185.37	\$316,069.47	\$424,770.93	\$570,856.61
4%	\$259,042.75	\$383,446.55	\$567,594.56	\$840,178.61
5%	\$285,056.56	\$464,327.10	\$756,339.92	\$1,231,998.02
6%	\$313,398.35	\$561,248.71	\$1,005,110.96	\$1,800,000.64
7%	\$344,251.49	\$677,194.78	\$1,332,144.63	\$2,620,530.12
8%	\$377,811.87	\$815,667.50	\$1,760,964.96	\$3,801,791.26
9%	\$414,288.64	\$980,771.88	\$2,321,843.73	\$5,496,648.51
10%	\$453,904.93	\$1,177,312.49	\$3,053,645.40	\$7,920,369.72

# APPENDIX

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**Appendix**

# FINANCIAL PLAN ASSUMPTIONS & IMPORTANT DISCLOSURES

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ABC Life Insurance Company, its agent, employees or affiliates as well as any other entity, its principal and employees referenced may not give legal, tax or accounting advice. We must necessarily insist that everyone seek and rely upon the advice of his or her own professional advisors and that such advisors must form their own opinions on these matters based upon their independent knowledge and research.

This report provides a general overview of some aspects of your personal financial situation. It is intended to assist you with the review of your current situation and suggest potential planning ideas and concepts that may improve your current overall situation through the use of various financial and estate planning principles. All assumptions are based on information that you have provided. You are solely responsible for the accuracy or completeness of the information you have provided. The accuracy and completeness may affect the results and any recommendation contained in the report.

This report does not attempt to address all financial issues that may impact you, but is limited to the area included in the specific financial or estate strategy prepared for you. Assumed rates of return, rate of inflation and other variables used are hypothetical and should not be interpreted as a guarantee of future returns or results.

All investments involve some degree of risk. There can be no assurances that any investment or insurance strategy will be successful or that individual goals will be achieved. Your actual results will vary based upon your specific individual situation. Any tax aspects presented are for illustrative purposes only and are based on current federal tax law, assumed average tax rates and may include current state and local taxes. Any income tax estimates are made for the current year only and do not consider the possibility of the Alternative Minimum Tax. Results depicting the disposition of property at death and proposed alternatives are general in nature and do not attempt to examine all potential estate planning techniques.

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. We recommend that you review your specific plan annually, unless changes in your personal or financial circumstances require more frequent review.

Some charts used to illustrate certain estate planning strategies may not take into consideration growth of your estate and changing state tax rates.

Return assumptions do not reflect the deduction of any (commissions, or fees, or charges that may apply to any particular investment or insurance product considered. Deduction of such charges would result in a lower rate of return. The impact of various factors over a long period of time, including changes in the Tax Code, rates of inflation, rates of return, fluctuation in principal, changes in tax bracket, and the objectives of future generations) cannot be calculated and may have a significant bearing upon the alternatives suggested.

The term "plan" or "planning", when used within this report does not imply that a recommendation has been made to implement a financial or estate planning concept. Nor is it intended to be specific legal, accounting, or tax advice. It rather represents a summary of potential considered strategies. Your individual tax and/or legal adviser should be consulted before implementing any tax or legal strategies contained in this report.

Factors such as tax volatility, interest rates, and behavioral and fundamental market dynamics should be incorporated into overall strategy.

Liquid Assets = "Although proceeds from these assets are easily available and therefore considered relatively liquid, there are consequences that would apply depending on individual circumstances at the time of withdrawal, such as tax penalty and income tax due, which would need to be considered."

Life Insurance Cash Value = "Life insurance accumulated cash value may be accessed through loans and partial surrenders, which if not paid back would decrease the ultimate death benefit. Loans are subject to interest."

Lifetime Income Annuity IRA = "Lifetime income annuity cash value is equal to the amount of the premium recommended to meet your discretionary goals. This is not a cash value or a surrender value."

In the context of this document the following terms are intended to refer to the corresponding definitions:

Human Capital - the stock of a persons competences and character embodied in the ability to produce economic value. In essence their ability to trade time for money.

Liquidity - Assets that can be quickly traded for, or converted to cash.