

# **RETIREMENT INCOME STRATEGY PROPOSAL**

*Designed For:*

**Valued Client**

123 Main Street  
Phoenix, AZ 85021

**Retirement Income Plan**

**October-09**

*Presented By:*

**Valued Producer**

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## General Plan Information

Plan Based On Life Of	Valued Client
Current Age	61
Desired Retirement Date	10/1/2013
Years To Retirement	4.0
Age At Retirement	65
Plan For Income To Age	100
Years Of Income In Plan	36

## Planning Objectives

1. **Guarantee basic living expenses (Required income) are covered for life**
2. **Project a reasonable rate of return for Lifestyle Savings of 5%**
3. **Protect principal against any market losses but have upside potential on market gains.**
4. **Ensure either spouse is protected income wise if the other passes prematurely**
5. **Target a total estate value (Life insurance, Savings, Investments and home) to be passed on of at least \$1.5 million**

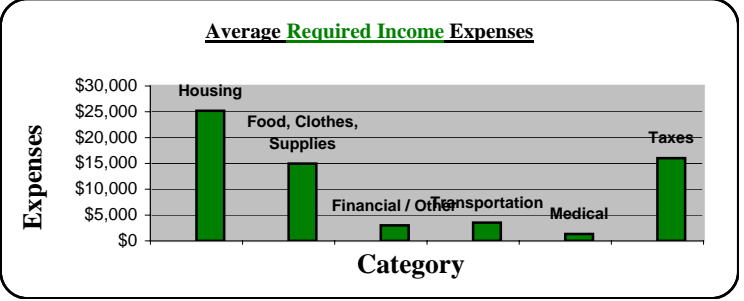
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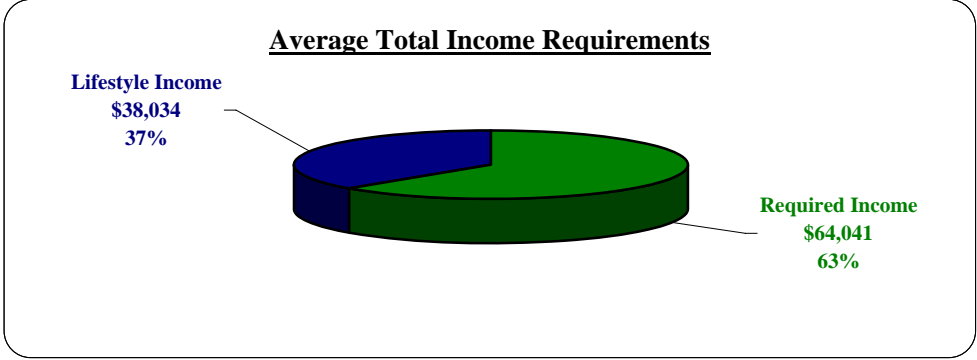
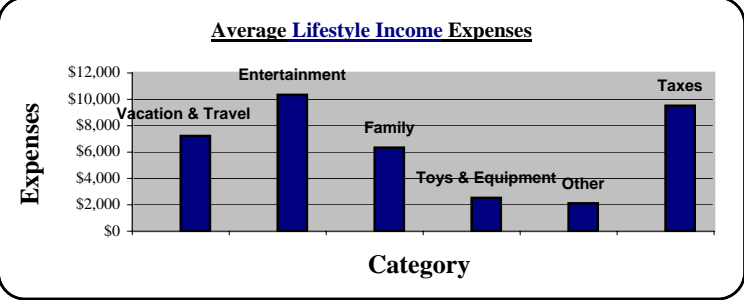
Designed For:  
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## Retirement Spending Plan

Required Expenses Over Planning Period			
	First Year	Average	Last Year
Housing	\$29,567	\$25,186	\$30,286
Food, Clothes, Supplies	\$8,524	\$14,983	\$23,986
Financial / Other	\$1,713	\$3,011	\$4,820
Transportation	\$3,291	\$3,524	\$0
Medical	\$755	\$1,328	\$2,125
Taxes	\$14,617	\$16,010	\$20,406
<b>Total</b>	<b>\$58,467</b>	<b>\$64,041</b>	<b>\$81,622</b>



Lifestyle Expenses Over Planning Period			
	First Year	Average	Last Year
Vacation & Travel	\$6,744	\$7,222	\$0
Entertainment	\$5,881	\$10,336	\$16,547
Family	\$3,601	\$6,330	\$10,133
Toys & Equipment	\$2,360	\$2,528	\$0
Other	\$1,200	\$2,110	\$3,378
Taxes	\$6,595	\$9,508	\$10,019
<b>Total</b>	<b>\$26,382</b>	<b>\$38,034</b>	<b>\$40,077</b>



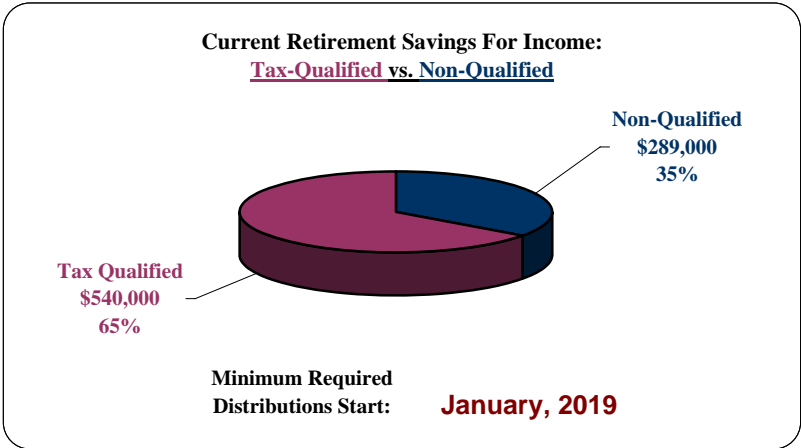
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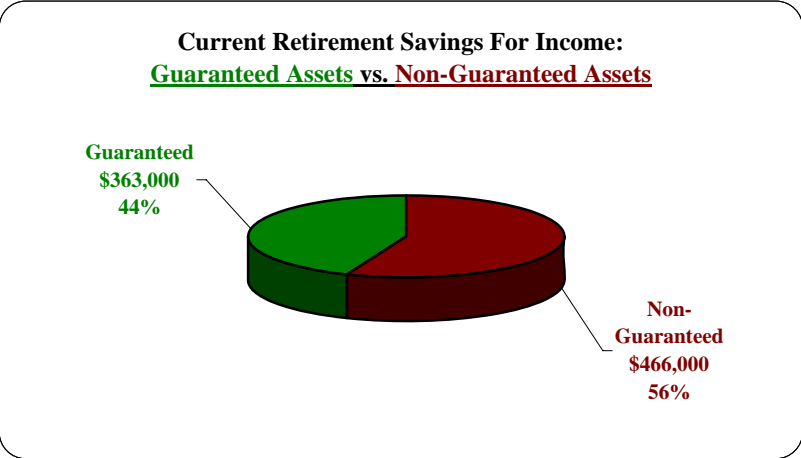
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## Retirement Savings Summary

<u>Assets Available For Income</u>	<u>Current Values</u>
Non-Qualified Non-Guaranteed Assets	\$145,000
Tax-Qualified Non-Guaranteed Assets	\$321,000
Non-Qualified Guaranteed Assets	\$144,000
Tax-Qualified Guaranteed Assets	\$219,000
<i>Retirement Savings For Income</i>	<b>\$829,000</b>



<u>Financial Snapshot</u>	<u>Amounts</u>
Retirement Savings For Income	\$829,000
Other Assets	\$400,000
Current Total Assets	\$1,229,000
Current Total Liabilities	\$150,000
Current Estimated Net Worth	\$1,079,000
Current Estimated Gross Estate	<b>\$1,329,000</b>
Estimated Gross Estate At Age 100	<b>\$1,836,860</b>

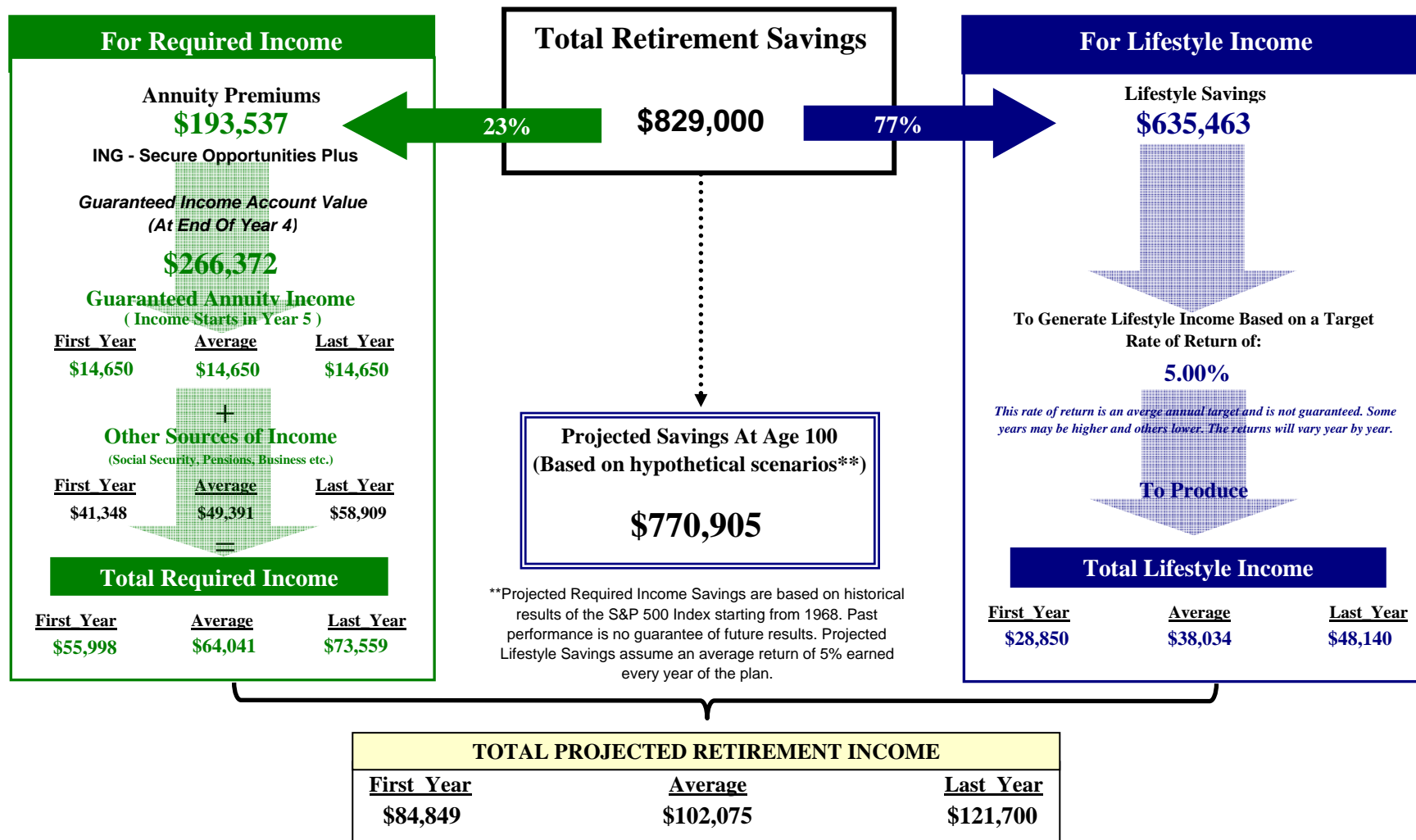


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# RETIREMENT INCOME STRATEGY PROPOSAL

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## Proposed Strategy Graphical Summary



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# RETIREMENT INCOME STRATEGY PROPOSAL

Designed For: **Valued Client**

Retirement Income Projected Cash Flow and Remaining Savings Balances										
1. End of Plan Year	2. Calendar Year	3. Age at start	4. Other Income	5. Annuity Income	6. Projected Lifestyle Income	7. Projected Total Income	8. Annuity Balance (Guaranteed)	9. Annuity Balance (Projected)	10. Lifestyle Savings Balance (Projected)	11. Total Savings Balance (Projected)
1	2009	61	\$0	\$0	\$0	\$0	\$202,366	\$216,531	\$667,236	\$883,767
2	2010	62	\$0	\$0	\$0	\$0	\$201,458	\$215,624	\$700,598	\$916,222
3	2011	63	\$0	\$0	\$0	\$0	\$200,487	\$214,846	\$735,628	\$950,474
4	2012	64	\$0	\$0	\$0	\$0	\$199,448	\$228,773	\$772,409	\$1,001,183
5	2013	65	\$41,348	\$14,650	\$28,850	\$84,849	\$183,732	\$227,972	\$780,737	\$1,008,709
6	2014	66	\$41,733	\$14,650	\$30,258	\$86,642	\$168,016	\$212,256	\$788,003	\$1,000,258
7	2015	67	\$42,124	\$14,650	\$31,715	\$88,489	\$152,300	\$196,540	\$794,102	\$990,642
8	2016	68	\$42,521	\$14,650	\$33,220	\$90,392	\$136,823	\$193,481	\$798,926	\$992,408
9	2017	69	\$42,924	\$14,650	\$34,777	\$92,351	\$124,616	\$190,209	\$802,357	\$992,566
10	2018	70	\$43,332	\$14,650	\$36,387	\$94,370	\$112,165	\$174,493	\$804,269	\$978,762
11	2019	71	\$43,747	\$14,650	\$38,051	\$96,449	\$99,465	\$160,460	\$804,529	\$964,989
12	2020	72	\$44,169	\$14,650	\$39,771	\$98,590	\$86,511	\$154,876	\$802,996	\$957,872
13	2021	73	\$44,596	\$14,650	\$41,549	\$100,795	\$73,298	\$148,902	\$799,519	\$948,421
14	2022	74	\$45,030	\$14,650	\$43,387	\$103,067	\$59,820	\$133,186	\$793,939	\$927,125
15	2023	75	\$45,470	\$14,650	\$45,286	\$105,407	\$46,073	\$125,693	\$786,086	\$911,779
16	2024	76	\$45,917	\$14,650	\$47,249	\$107,817	\$32,051	\$117,675	\$775,779	\$893,454
17	2025	77	\$46,371	\$14,650	\$24,206	\$85,227	\$17,749	\$103,387	\$789,152	\$892,538
18	2026	78	\$46,832	\$14,650	\$26,302	\$87,784	\$3,160	\$93,808	\$800,992	\$894,800
19	2027	79	\$47,299	\$14,650	\$28,468	\$90,418	\$0	\$83,558	\$811,150	\$894,708
20	2028	80	\$47,773	\$14,650	\$30,706	\$93,130	\$0	\$69,219	\$819,466	\$888,685
21	2029	81	\$48,255	\$14,650	\$33,019	\$95,924	\$0	\$57,249	\$825,770	\$883,019
22	2030	82	\$48,744	\$14,650	\$35,408	\$98,802	\$0	\$44,440	\$829,880	\$874,320
23	2031	83	\$49,240	\$14,650	\$37,876	\$101,766	\$0	\$28,724	\$831,605	\$860,329
24	2032	84	\$49,743	\$14,650	\$40,425	\$104,819	\$0	\$13,919	\$830,739	\$844,658
25	2033	85	\$50,255	\$14,650	\$43,058	\$107,963	\$0	\$0	\$827,065	\$827,065
26	2034	86	\$50,773	\$14,650	\$45,779	\$111,202	\$0	\$0	\$820,351	\$820,351
27	2035	87	\$51,300	\$14,650	\$48,588	\$114,538	\$0	\$0	\$810,351	\$810,351
28	2036	88	\$51,834	\$14,650	\$51,490	\$117,975	\$0	\$0	\$796,804	\$796,804
29	2037	89	\$52,377	\$14,650	\$54,487	\$121,514	\$0	\$0	\$779,433	\$779,433
30	2038	90	\$52,927	\$14,650	\$57,581	\$125,159	\$0	\$0	\$757,945	\$757,945
31	2039	91	\$53,486	\$14,650	\$25,136	\$93,273	\$0	\$0	\$769,449	\$769,449
32	2040	92	\$54,053	\$14,650	\$27,367	\$96,071	\$0	\$0	\$779,187	\$779,187
33	2041	93	\$54,629	\$14,650	\$29,673	\$98,953	\$0	\$0	\$786,989	\$786,989
34	2042	94	\$55,214	\$14,650	\$32,057	\$101,921	\$0	\$0	\$792,678	\$792,678
35	2043	95	\$55,807	\$14,650	\$34,522	\$104,979	\$0	\$0	\$796,064	\$796,064

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Retirement Income Projected Cash Flow and Remaining Savings Balances										
1. End of Plan Year	2. Calendar Year	3. Age at start	4. Other Income	5. Annuity Income	6. Projected Lifestyle Income	7. Projected Total Income	8. Annuity Balance (Guaranteed)	9. Annuity Balance (Projected)	10. Lifestyle Savings Balance (Projected)	11. Total Savings Balance (Projected)
36	2044	96	\$56,409	\$14,650	\$37,069	\$108,128	\$0	\$0	\$796,945	\$796,945
37	2045	97	\$57,020	\$14,650	\$39,702	\$111,372	\$0	\$0	\$795,105	\$795,105
38	2046	98	\$57,640	\$14,650	\$42,423	\$114,713	\$0	\$0	\$790,316	\$790,316
39	2047	99	\$58,270	\$14,650	\$45,235	\$118,155	\$0	\$0	\$782,336	\$782,336
40	2048	100	\$58,909	\$14,650	\$48,140	\$121,700	\$0	\$0	\$770,905	\$770,905

**Interest, Bonus & Strategy Assumptions for Illustrated Accumulation Values**

The Secure Opportunities Plus has a 5% initial premium bonus and the interest is based on the Annual Pt-Pt Cap strategy with a cap of 7%.

**Interest, Bonus & Deferral Assumptions for Illustrated Income Account Values**

The Secure Opportunities Plus income account value includes a 5% bonus and a guaranteed interest rate of 7% for the first 4 years.

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## Specific Recommendations For Required Income

**ING - Secure Opportunities Plus**

**\$193,537**

### Required Income Plan Commentary

In order to generate additional Required Income on a guaranteed basis, the product recommendation is the Secure Opportunities Plus Annuity with ING Life Insurance Company. This annuity has been illustrated with 5% premium bonus up-front. Annual interest is credited based on the hypothetical performance of the Annual Pt-Pt Cap strategy with a cap of 7%. The illustrated values are based on the historical results of the S&P 500 Index starting from 1968. This is for illustrative purposes only as the product was not available at that time. Past performance is not an indication of future results. These values do not reflect any surrender charges which may be incurred if the contract is terminated early.

It is further recommended to include the Lifetime Income rider at a cost of 0.4% per year. This rider includes a bonus of 5% and guarantees to credit a rate of 7% while in deferral for up to 10 years. It allows you to trigger a lifetime withdrawal benefit at a future date of your choice. Once the withdrawal benefit is triggered the withdrawal is guaranteed for life even if you exhaust the annuity value. The Income Account value is only used to determine the lifetime income payout amount. It is not a value that is available for withdrawal or surrender.

## Specific Recommendations For Lifestyle Income

No specific products recommendations are being made for your lifestyle income. Your lifestyle income is based on an assumed target rate of return of 5% per year. This rate is not guaranteed and your actual earnings will fluctuate from year to year.

### Lifestyle Income Plan Commentary:

The objective of planning for Required Income first and then Lifestyle Income, is to make sure that under all circumstances your essential quality of life in retirement is guaranteed. Your basic living needs to cover housing, food, clothing, basic medical etc. are intended to be addressed by the Required Income streams regardless of what happens with the economy. This provides peace of mind throughout retirement. Your Lifestyle Income allows for a more flexible savings or investment strategy tailored to your specific risk tolerances. We have illustrated a lifestyle income target rate of return of 5% per year. This rate is not guaranteed. It is a projected rate that may not be achieved as it will depend on how your Lifestyle Savings are managed. If you earn a lower rate than projected, you may not achieve your Lifestyle Income goals in all years. If your actual future earnings are higher than the average projected rate shown here, you may be able to increase your Lifestyle Income or maintain higher Lifestyle Savings balances.

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## Important Additional Information

### Your Plan Will Probably Change

The numerical figures and calculations contained in this proposal are based upon information we collected from you, financial institutions, and other sources. Every attempt has been made to ensure the accuracy of these figures based upon available information; however, retirement can (and hopefully will) last for many years and over that time many of the assumptions made within this proposal, such as rates of annual inflation, your spending habits and income requirements, achievable rates of return (for non-guaranteed elements of the plan), and in some cases fees and charges applicable to any specified financial or insurance products, may change. Implementing a plan may take several days or weeks, in which time it is possible that current values will change. Any of these changes could be either negative or positive. This is particularly true in the event that at some point in the future you experience a life event that significantly affects your financial situation. Therefore, this proposed plan is intended to provide you with a basis upon which to make decisions about your financial strategy during retirement, but the actual results cannot be guaranteed (the exception being any guarantees made by a specified financial institution or insurance company, whose *guarantees are based upon the claims paying ability of the specified insurance company*). You should review your plan at least annually and compare actual results to the proposal and projected results so that you can make adjustments if necessary.

### Rates and Fees May Also Change

The calculations and results in this proposal that relate to a specific financial or insurance product are based upon our best understanding of the specifications of the product and current rates and fees at the time the plan is prepared; these are subject to change by the specific financial institution or insurance company prior to final execution of the plan, and may change throughout the course of your plan. *Calculations that relate to a specific financial or insurance product were not generated by the specific financial institution or insurance company and may not reflect all options or scenarios available to you.*

### Be Sure That You Understand Everything

Annuities may impose charges for excess withdrawals or early contract surrender. **IT IS VERY IMPORTANT THAT YOU CAREFULLY REVIEW FINANCIAL INSTITUTION AND/OR INSURANCE COMPANY PRODUCED AND AUTHORIZED CONSUMER BROCHURES, ILLUSTRATIONS, DISCLOSURES, AND PROSPECTUS WHEN CONSIDERING ANY INSURANCE OR INVESTMENT PRODUCT;** please review these carefully and ask questions if you are unclear about anything, as financial and insurance products can be complex.

### Not Legal or Tax Advice

Components of this proposal will impact your overall income tax situation in one form or another, either positively or negatively. Nothing in this plan should be construed as legal or tax advice, unless your advisor or agent is qualified to provide such advice. You should always consult a qualified legal or tax advisor or counsel when making major financial decisions.

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## Glossary

**Required Income** The income needed for basic expenses over the retirement period, intended to maintain a comfortable but not elaborate standard of living throughout the projected period of retirement.

**Lifestyle Income** The income in addition to Required Income needed or desired. Negative amounts indicate an excess over Total Income goals and are placed back into savings.

### Page 3 “Retirement Spending Plan”

#### Required Expenses Over Planning Period

A summary, by major category, of Required Income expenses, including effect of specified inflation rate(s), expressed as:

**First Year** The first year of proposed income    **Average** The average of all years of proposed income    **Last Year** The last year of proposed income

#### Lifestyle Expenses Over Planning Period

A summary, by major category, of Lifestyle Income expenses, including effect of specified inflation rate(s), expressed as:

**First Year** The first year of proposed income    **Average** The average of all years of proposed income    **Last Year** The last year of proposed income

### Page 4 “Retirement Savings Summary”

#### Assets Available For Income

Retirement savings assets intended to provide retirement income at time of proposal, expressed as:

**Tax-Qualified Non-Guaranteed Assets** Assets currently positioned in financial vehicles in which and principal and/or earnings are not guaranteed against loss, held in accounts where the original principal has not been subjected to income tax, and are subject to Required Minimum Distributions. Examples include variable annuities, stocks, and mutual funds held in IRA and 401(k) accounts.

**Non-Qualified Non-Guaranteed Assets** Assets currently positioned in financial vehicles in which and principal and/or earnings are not guaranteed against loss, and held in accounts where the original principal has already been subjected to income tax. Examples include variable annuities, stocks, and mutual funds.

**Non-Qualified Guaranteed Assets** Assets currently positioned in financial vehicles in which and principal and/or earnings are guaranteed against loss, and held in accounts where the original principal has already been subjected to income tax. Examples include guaranteed annuities, certificates of deposit, and savings accounts.

**Tax-Qualified Guaranteed Assets** Assets currently positioned in financial vehicles in which and principal and/or earnings are guaranteed against loss, held in accounts where the original principal has not been subjected to income tax, and are subject to Required Minimum Distributions. Examples include guaranteed annuities, certificates of deposit, and money market accounts.

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## Glossary

### Page 4 “Retirement Savings Summary” *Continued*

#### Financial Snapshot

A summary of overall financial situation at time of proposal, expressed as:

**Retirement Savings For Income** The total assets identified to provide retirement income at the time of proposal.

**Other Assets** The total of all other identified assets

**Current Total Assets** The total of Retirement Savings For Income and Other Assets

**Current Total Liabilities** The total of identified current liabilities

**Current Estimated Net Worth** Current Total Assets less Current Total Liabilities

**Current Estimated Gross Estate** Retirement Savings For Income plus Other Assets plus Life Insurance Death Benefits less Current Liabilities

**Estimate Gross Estate at Age (indicated)** The projected total remaining Retirement Savings For Income plus Other Assets and Life Insurance Death Benefit(s) at specified projected rates of return.

### Page 6 “Retirement Income Projected Cash Flow and Remaining Savings Balances”

**End of Plan Year (Column 1)** The end of the specified year after actual implementation of the proposal

**Calendar Year (Column 2)** The Calendar Year corresponding to the End of Plan Year; Plan Years always span two different Calendar Years

**Age (Column 3)** The approximate age of the primary person for whom the proposal is prepared.

**Other Income (Column 4)** The total of non-savings dependent income sources (Social Security, Pension, etc) entered as Other Retirement Income, including COLA if any.

**Annuity Income (Column 5)** The total guaranteed income from annuity income benefits, including COLA or inflation increase if applicable.

**Lifestyle Income (Column 6)** The total projected income from retirement savings allocated to producing Lifestyle Income at the projected target rate of return on page 5.

**Projected Total Income (Column 7)** The total of Other Income (Column 4), Annuity Income (Column 5), and Projected Lifestyle Income (Column 6)

**Annuity Balance (Guaranteed Basis) (Column 8)** Remaining annuity balance based upon 0% indexed interest growth, less income withdrawals at column 5.

**Annuity Balance (Projected Basis) (Column 9)** Remaining annuity balance based historical projected indexed interest growth, less income withdrawals at column 5.

**Lifestyle Savings Balance (Projected) (Column 10)** Remaining balance of retirement savings allocated to producing Lifestyle Income based upon historical projected rate of return or specified rate of return, less income withdrawals at column 6.

**Total Savings Balance (Projected) (Column 11)** Total of Annuity Balance (Projected Basis) at column 9 and Lifestyle Savings Balance (Projected) at column 10.

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