

Assumptions

The purpose of the following scenarios is to show the difference between taking an annuity pension vs a lump sum pension

General Assumptions

- Inflation Rate – 4%
- Both Bob and Mary are retired.
- Expected Rate of return on investments is 6%
- Social Security
 - Social Security inflation is 1.5%.
 - Social Security benefit is \$2,896, starting at age 70 for each client. Full retirement age benefit would be \$2,000 each.
- Life expectancy is age 90.
- The clients have \$1,300,000 in assets (excluding Lump sum pension).
 - \$650,000 in retirement assets
 - \$650,000 in their taxable accounts
 - All assets are in a moderate portfolio
- Living Expenses are \$120,000 per year, not including taxes.

Scenarios


- Mary is entitled to a \$94,000 annuity pension per year (Joint and Survivor).
 - Mary is entitled to a \$1,585,000 lump sum which she rolls over into an IRA.
 - Mary is entitled to ½ pension (\$47,000) and ½ lump sum which she rolls over into an IRA.
 - Monte Carlo analysis includes above Scenarios to age 90 and to age 100
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Retirement Cash Flow - Annuity Pension | Base Facts (All Years) (Only Show Future Values)

The Cash Flow report illustrates your income, savings, expenses, and resulting net cash flow on an annual basis.

Retirement Cash Flow - Annuity Pension

 Bob L. - Retirement / Mary L. - Retirement - 2024

	Year	Age	Income Flows	Planned Distributions	Total Inflows	Total Expenses	Total Outflows	Net Cash Flow	Portfolio Growth	Other Portfolio Activity	Total Portfolio Assets
	2024	63/63	\$94,000	\$0	\$94,000	\$136,135	\$136,135	(\$42,135)	\$77,936	\$0	\$1,335,801
	2025	64/64	\$94,000	\$0	\$94,000	\$140,474	\$140,474	(\$46,474)	\$80,081	\$0	\$1,369,408
	2026	65/65	\$94,000	\$0	\$94,000	\$147,341	\$147,341	(\$53,341)	\$82,089	\$0	\$1,398,156
	2027	66/66	\$94,000	\$0	\$94,000	\$151,505	\$151,505	(\$57,505)	\$83,798	\$0	\$1,424,449
	2028	67/67	\$94,000	\$0	\$94,000	\$156,357	\$156,357	(\$62,357)	\$85,308	\$0	\$1,447,400
	2029	68/68	\$94,000	\$0	\$94,000	\$161,408	\$161,408	(\$67,408)	\$86,653	\$0	\$1,466,645
	2030	69/69	\$94,000	\$0	\$94,000	\$166,573	\$166,573	(\$72,573)	\$87,772	\$0	\$1,481,844
	2031	70/70	\$151,801	\$0	\$151,801	\$180,682	\$180,682	(\$28,881)	\$88,640	\$0	\$1,541,603
	2032	71/71	\$161,048	\$0	\$161,048	\$187,948	\$187,948	(\$26,900)	\$92,419	\$0	\$1,607,122
	2033	72/72	\$162,054	\$0	\$162,054	\$193,633	\$193,633	(\$31,579)	\$96,347	\$0	\$1,671,890
	2034	73/73	\$163,074	\$0	\$163,074	\$199,829	\$199,829	(\$36,755)	\$100,230	\$0	\$1,735,365
	2035	74/74	\$164,110	\$0	\$164,110	\$206,299	\$206,299	(\$42,189)	\$104,031	\$0	\$1,797,207
	2036	75/75	\$165,162	\$53,138	\$218,300	\$227,785	\$227,785	(\$9,485)	\$107,685	(\$53,138)	\$1,842,269
	2037	76/76	\$166,230	\$56,220	\$222,450	\$235,692	\$235,692	(\$13,242)	\$110,444	(\$56,220)	\$1,883,251
	2038	77/77	\$167,314	\$59,217	\$226,531	\$243,749	\$243,749	(\$17,218)	\$112,900	(\$59,217)	\$1,919,716
	2039	78/78	\$168,414	\$62,643	\$231,057	\$252,219	\$252,219	(\$21,162)	\$115,088	(\$62,643)	\$1,950,999
	2040	79/79	\$169,530	\$66,262	\$235,792	\$261,144	\$261,144	(\$25,352)	\$116,963	(\$66,262)	\$1,976,348
	2041	80/80	\$170,662	\$70,084	\$240,746	\$270,311	\$270,311	(\$29,565)	\$118,482	(\$70,084)	\$1,995,181
	2042	81/81	\$171,812	\$73,736	\$245,548	\$279,652	\$279,652	(\$34,104)	\$119,611	(\$73,736)	\$2,006,952

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Year	Age	Income Flows	Planned Distributions	Total Inflows	Total Expenses	Total Outflows	Net Cash Flow	Portfolio Growth	Other Portfolio Activity	Total Portfolio Assets
2043	82/82	\$172,980	\$77,973	\$250,953	\$289,648	\$289,648	(\$38,695)	\$120,318	(\$77,973)	\$2,010,602
2044	83/83	\$174,164	\$81,977	\$256,141	\$299,985	\$299,985	(\$43,844)	\$120,535	(\$81,977)	\$2,005,316
2045	84/84	\$175,366	\$86,667	\$262,033	\$310,864	\$310,864	(\$48,831)	\$120,217	(\$86,667)	\$1,990,035
2046	85/85	\$176,586	\$91,040	\$267,626	\$321,504	\$321,504	(\$53,878)	\$119,298	(\$91,040)	\$1,964,415
2047	86/86	\$177,824	\$95,587	\$273,411	\$332,709	\$332,709	(\$59,298)	\$117,716	(\$95,587)	\$1,927,246
2048	87/87	\$179,082	\$100,308	\$279,390	\$344,644	\$344,644	(\$65,254)	\$115,440	(\$100,308)	\$1,877,124
2049	88/88	\$180,358	\$104,432	\$284,790	\$356,850	\$356,850	(\$72,060)	\$112,407	(\$104,432)	\$1,813,039
2050	89/89	\$181,654	\$109,462	\$291,116	\$369,584	\$369,584	(\$78,468)	\$108,528	(\$109,462)	\$1,733,637
2051	90/90	\$182,968	\$113,709	\$296,677	\$382,560	\$382,560	(\$85,883)	\$103,724	(\$113,709)	\$1,622,769

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Retirement Cash Flow - Lump Sum | Lump Sum (All Years) (Only Show Future Values)

The Cash Flow report illustrates your income, savings, expenses, and resulting net cash flow on an annual basis.

Retirement Cash Flow - Lump Sum

 Bob L. - Retirement / Mary L. - Retirement - 2024

	Year	Age	Income Flows	Planned Distributions	Total Inflows	Total Expenses	Total Outflows	Net Cash Flow	Portfolio Growth	Other Portfolio Activity	Total Portfolio Assets
	2024	63/63	\$0	\$0	\$0	\$122,321	\$122,321	(\$122,321)	\$172,957	\$0	\$2,935,636
	2025	64/64	\$0	\$0	\$0	\$126,301	\$126,301	(\$126,301)	\$175,480	\$0	\$2,984,815
	2026	65/65	\$0	\$0	\$0	\$130,892	\$130,892	(\$130,892)	\$178,409	\$0	\$3,032,332
	2027	66/66	\$0	\$0	\$0	\$136,026	\$136,026	(\$136,026)	\$181,183	\$0	\$3,077,489
	2028	67/67	\$0	\$0	\$0	\$141,360	\$141,360	(\$141,360)	\$183,809	\$0	\$3,119,938
	2029	68/68	\$0	\$0	\$0	\$146,753	\$146,753	(\$146,753)	\$186,264	\$0	\$3,159,449
	2030	69/69	\$0	\$0	\$0	\$182,562	\$182,562	(\$182,562)	\$189,369	\$0	\$3,166,256
	2031	70/70	\$57,801	\$0	\$57,801	\$177,918	\$177,918	(\$120,117)	\$189,511	\$0	\$3,235,650
	2032	71/71	\$67,048	\$0	\$67,048	\$186,440	\$186,440	(\$119,392)	\$193,978	\$0	\$3,310,236
	2033	72/72	\$68,054	\$0	\$68,054	\$194,089	\$194,089	(\$126,035)	\$198,449	\$0	\$3,382,650
	2034	73/73	\$69,074	\$0	\$69,074	\$202,094	\$202,094	(\$133,020)	\$202,790	\$0	\$3,452,420
	2035	74/74	\$70,110	\$0	\$70,110	\$210,409	\$210,409	(\$140,299)	\$206,973	\$0	\$3,519,094
	2036	75/75	\$71,162	\$143,052	\$214,214	\$219,071	\$219,071	(\$4,857)	\$210,970	(\$143,052)	\$3,582,155
	2037	76/76	\$72,230	\$151,146	\$223,376	\$228,080	\$228,080	(\$4,704)	\$214,750	(\$151,146)	\$3,641,055
	2038	77/77	\$73,314	\$158,998	\$232,312	\$237,428	\$237,428	(\$5,116)	\$218,282	(\$158,998)	\$3,695,223
	2039	78/78	\$74,414	\$167,965	\$242,379	\$247,122	\$247,122	(\$4,743)	\$221,529	(\$167,965)	\$3,744,044
	2040	79/79	\$75,530	\$177,443	\$252,973	\$257,304	\$257,304	(\$4,331)	\$224,455	(\$177,443)	\$3,786,725
	2041	80/80	\$76,662	\$187,462	\$264,124	\$267,830	\$267,830	(\$3,706)	\$227,014	(\$187,462)	\$3,822,571
	2042	81/81	\$77,812	\$197,040	\$274,852	\$278,791	\$278,791	(\$3,939)	\$229,163	(\$197,040)	\$3,850,755

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Year	Age	Income Flows	Planned Distributions	Total Inflows	Total Expenses	Total Outflows	Net Cash Flow	Portfolio Growth	Other Portfolio Activity	Total Portfolio Assets
2043	82/82	\$78,980	\$208,149	\$287,129	\$290,222	\$290,222	(\$3,093)	\$230,854	(\$208,149)	\$3,870,367
2044	83/83	\$80,164	\$218,665	\$298,829	\$302,031	\$302,031	(\$3,202)	\$232,028	(\$218,665)	\$3,880,528
2045	84/84	\$81,366	\$230,984	\$312,350	\$314,408	\$314,408	(\$2,058)	\$232,638	(\$230,984)	\$3,880,124
2046	85/85	\$82,586	\$242,508	\$325,094	\$327,233	\$327,233	(\$2,139)	\$232,613	(\$242,508)	\$3,868,090
2047	86/86	\$83,824	\$254,479	\$338,303	\$340,623	\$340,623	(\$2,320)	\$231,892	(\$254,479)	\$3,843,183
2048	87/87	\$85,082	\$266,888	\$351,970	\$354,513	\$354,513	(\$2,543)	\$230,399	(\$266,888)	\$3,804,151
2049	88/88	\$86,358	\$277,675	\$364,033	\$368,974	\$368,974	(\$4,941)	\$228,059	(\$277,675)	\$3,749,594
2050	89/89	\$87,654	\$290,666	\$378,320	\$384,029	\$384,029	(\$5,709)	\$224,789	(\$290,666)	\$3,678,008
2051	90/90	\$88,968	\$301,476	\$390,444	\$399,684	\$399,684	(\$9,240)	\$220,497	(\$301,476)	\$3,572,789


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Retirement Cash Flow - 1/2 Annuity Pension 1/2 Lump Sum | 1/2 Lump Sum 1/2 Annuity (All Years) (Only Show Future Values)

The Cash Flow report illustrates your income, savings, expenses, and resulting net cash flow on an annual basis.

Retirement Cash Flow - 1/2 Annuity Pension 1/2 Lump Sum

 Bob L. - Retirement / Mary L. - Retirement - 2024

	Year	Age	Income Flows	Planned Distributions	Total Inflows	Total Expenses	Total Outflows	Net Cash Flow	Portfolio Growth	Other Portfolio Activity	Total Portfolio Assets
	2024	63/63	\$47,000	\$0	\$47,000	\$127,886	\$127,886	(\$80,886)	\$125,446	\$0	\$2,137,060
	2025	64/64	\$47,000	\$0	\$47,000	\$132,114	\$132,114	(\$85,114)	\$127,914	\$0	\$2,179,860
	2026	65/65	\$47,000	\$0	\$47,000	\$137,235	\$137,235	(\$90,235)	\$130,447	\$0	\$2,220,072
	2027	66/66	\$47,000	\$0	\$47,000	\$141,634	\$141,634	(\$94,634)	\$132,802	\$0	\$2,258,240
	2028	67/67	\$47,000	\$0	\$47,000	\$146,161	\$146,161	(\$99,161)	\$135,038	\$0	\$2,294,117
	2029	68/68	\$47,000	\$0	\$47,000	\$150,823	\$150,823	(\$103,823)	\$137,130	\$0	\$2,327,424
	2030	69/69	\$47,000	\$0	\$47,000	\$155,251	\$155,251	(\$108,251)	\$139,062	\$0	\$2,358,235
	2031	70/70	\$104,801	\$0	\$104,801	\$167,432	\$167,432	(\$62,631)	\$140,809	\$0	\$2,436,413
	2032	71/71	\$114,048	\$0	\$114,048	\$174,419	\$174,419	(\$60,371)	\$145,849	\$0	\$2,521,891
	2033	72/72	\$115,054	\$0	\$115,054	\$180,345	\$180,345	(\$65,291)	\$151,023	\$0	\$2,607,623
	2034	73/73	\$116,074	\$0	\$116,074	\$195,297	\$195,297	(\$79,223)	\$156,124	\$0	\$2,684,524
	2035	74/74	\$117,110	\$0	\$117,110	\$210,399	\$210,399	(\$93,289)	\$160,935	\$0	\$2,752,170
	2036	75/75	\$118,162	\$111,877	\$230,039	\$222,419	\$222,419	\$7,620	\$164,993	(\$111,877)	\$2,812,906
	2037	76/76	\$119,230	\$118,366	\$237,596	\$230,985	\$230,985	\$6,611	\$168,177	(\$118,366)	\$2,869,328
	2038	77/77	\$120,314	\$124,676	\$244,990	\$239,735	\$239,735	\$5,255	\$171,164	(\$124,676)	\$2,921,071
	2039	78/78	\$121,414	\$131,890	\$253,304	\$249,009	\$249,009	\$4,295	\$173,951	(\$131,890)	\$2,967,427
	2040	79/79	\$122,530	\$139,509	\$262,039	\$258,750	\$258,750	\$3,289	\$176,472	(\$139,509)	\$3,007,679
	2041	80/80	\$123,662	\$147,555	\$271,217	\$268,864	\$268,864	\$2,353	\$178,688	(\$147,555)	\$3,041,165
	2042	81/81	\$124,812	\$155,244	\$280,056	\$279,177	\$279,177	\$879	\$180,554	(\$155,244)	\$3,067,354

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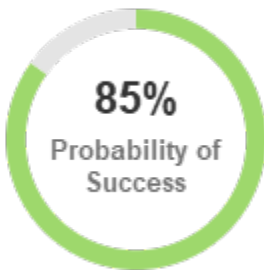
Year	Age	Income Flows	Planned Distributions	Total Inflows	Total Expenses	Total Outflows	Net Cash Flow	Portfolio Growth	Other Portfolio Activity	Total Portfolio Assets
2043	82/82	\$125,980	\$164,165	\$290,145	\$290,199	\$290,199	(\$54)	\$182,071	(\$164,165)	\$3,085,206
2044	83/83	\$127,164	\$172,596	\$299,760	\$301,339	\$301,339	(\$1,579)	\$183,145	(\$172,596)	\$3,094,176
2045	84/84	\$128,366	\$182,471	\$310,837	\$313,317	\$313,317	(\$2,480)	\$183,777	(\$182,471)	\$3,093,002
2046	85/85	\$129,586	\$191,676	\$321,262	\$325,411	\$325,411	(\$4,149)	\$183,856	(\$191,676)	\$3,081,033
2047	86/86	\$130,824	\$201,249	\$332,073	\$338,014	\$338,014	(\$5,941)	\$183,387	(\$201,249)	\$3,057,230
2048	87/87	\$132,082	\$211,190	\$343,272	\$351,082	\$351,082	(\$7,810)	\$182,315	(\$211,190)	\$3,020,545
2049	88/88	\$133,358	\$219,873	\$353,231	\$365,332	\$365,332	(\$12,101)	\$180,585	(\$219,873)	\$2,969,156
2050	89/89	\$134,654	\$230,167	\$364,821	\$384,029	\$384,029	(\$19,208)	\$178,001	(\$230,167)	\$2,897,782
2051	90/90	\$135,968	\$237,524	\$373,492	\$399,684	\$399,684	(\$26,192)	\$173,721	(\$237,524)	\$2,792,787

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Goal Analysis- Inflation at 4%

Your Goals

Probability of Success		
<div></div>	High	80% - 100%
<div></div>	Medium	66% - 79%
<div></div>	Low	0% - 65%



Your Goals	Current Situation	Lump Sum	1/2 Lump Sum 1/2 Annuity
Lifestyle			
Income	\$94,000	\$0	\$47,000
Expenses	\$136,135	\$122,321	\$127,886
Savings	\$0	\$0	\$0
Retirement	85% Probability	85% Probability	85% Probability
Retirement Ages	63/63	63/63	63/63
Living Expenses	\$120,000 / year	\$120,000 / year	\$120,000 / year

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Goal Analysis – Inflation at 3% Life Expectancy to age 90

Your Goals

Probability of Success		
High	80% - 100%	
Medium	66% - 79%	
Low	0% - 65%	



Your Goals	Annuity Pension - Inflation at 3%	Lump Sum - Inflation at 3%	1/2 Lump Sum 1/2 Annuity - Inflation at 3%
Lifestyle			
Income	\$94,000	\$0	\$47,000
Expenses	\$136,135	\$122,321	\$127,886
Savings	\$0	\$0	\$0
Retirement	99% Probability	95% Probability	97% Probability
Retirement Ages	63/63	63/63	63/63
Living Expenses	\$120,000 / year	\$120,000 / year	\$120,000 / year

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Goal Analysis – Inflation at 5% Life Expectancy to Age 90

Your Goals

Probability of Success		
■ High	80% - 100%	
■ Medium	66% - 79%	
■ Low	0% - 65%	



Your Goals	Annuity Pension - Inflation at 5%	Lump Sum - Inflation at 5%	1/2 Lump Sum 1/2 Annuity - Inflation at 5%
Lifestyle			
Income	\$94,000	\$0	\$47,000
Expenses	\$136,135	\$122,321	\$127,886
Savings	\$0	\$0	\$0
Retirement	48% Probability	66% Probability	62% Probability
Retirement Ages	63/63	63/63	63/63
Living Expenses	\$120,000 / year	\$120,000 / year	\$120,000 / year

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Goal Analysis- 4% Inflation to Age 100

Your Goals

Probability of Success		
High	80% - 100%	
Medium	66% - 79%	
Low	0% - 65%	



Your Goals	Annuity Age 100	Lump Sum Age 100	1/2 Lump Sum 1/2 Annuity to Age 100
Lifestyle			
Income	\$94,000	\$0	\$47,000
Expenses	\$136,135	\$122,321	\$127,886
Savings	\$0	\$0	\$0
Retirement	46% Probability	61% Probability	57% Probability
Retirement Ages	63/63	63/63	63/63
Living Expenses	\$120,000 / year	\$120,000 / year	\$120,000 / year

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