

# Assumptions

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**The purpose of the following scenarios is to show you how your liquidation strategy can impact your retirement plan**

## **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 benefit would be \$2,000 each.
- Life expectancy is age 90.
- The clients have \$2,000,000 in assets.
  - \$1,200,000 in retirement assets
  - \$ 800,000 in their taxable accounts
  - All assets are in a moderate portfolio
- Living Expenses are \$120,000 per year, not including taxes.

## **Scenarios**

- Clients follow a "tax efficient" liquidity strategy, withdrawing most tax efficient assets first and least tax efficient assets last.
- Client withdraws money first from their retirement accounts to fund their life style.

# Retirement Cash Flow - Liq. Strat. Taxable First | Liq Strat -\$800,000 taxable / \$1,200,000 in 401k Taxable 1st (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 - Liq. Strat. Taxable First

Bob - Retirement / Mary - 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	\$36,000	\$0	\$36,000	\$127,848	\$127,848	(\$91,848)	\$119,900	\$0	\$2,028,052
	2025	64/64	\$36,000	\$0	\$36,000	\$132,020	\$132,020	(\$96,020)	\$121,360	\$0	\$2,053,392
	2026	65/65	\$36,000	\$0	\$36,000	\$137,043	\$137,043	(\$101,043)	\$122,848	\$0	\$2,075,197
	2027	66/66	\$36,000	\$0	\$36,000	\$141,390	\$141,390	(\$105,390)	\$124,095	\$0	\$2,093,902
	2028	67/67	\$80,576	\$0	\$80,576	\$151,150	\$151,150	(\$70,574)	\$125,160	\$0	\$2,148,488
	2029	68/68	\$87,708	\$0	\$87,708	\$157,324	\$157,324	(\$69,616)	\$128,617	\$0	\$2,207,489
	2030	69/69	\$88,484	\$0	\$88,484	\$162,638	\$162,638	(\$74,154)	\$132,139	\$0	\$2,265,474
	2031	70/70	\$89,272	\$0	\$89,272	\$168,128	\$168,128	(\$78,856)	\$135,564	\$0	\$2,322,182
	2032	71/71	\$90,072	\$0	\$90,072	\$173,766	\$173,766	(\$83,694)	\$138,915	\$0	\$2,377,403
	2033	72/72	\$90,884	\$0	\$90,884	\$179,567	\$179,567	(\$88,683)	\$142,198	\$0	\$2,430,918
	2034	73/73	\$91,708	\$0	\$91,708	\$185,580	\$185,580	(\$93,872)	\$145,394	\$0	\$2,482,440
	2035	74/74	\$92,544	\$0	\$92,544	\$191,755	\$191,755	(\$99,211)	\$148,446	\$0	\$2,531,675
	2036	75/75	\$93,392	\$98,100	\$191,492	\$214,955	\$214,955	(\$23,463)	\$151,363	(\$98,100)	\$2,561,475
	2037	76/76	\$94,252	\$103,791	\$198,043	\$223,471	\$223,471	(\$25,428)	\$153,505	(\$103,791)	\$2,585,761
	2038	77/77	\$95,126	\$109,324	\$204,450	\$231,950	\$231,950	(\$27,500)	\$154,907	(\$109,324)	\$2,603,844
	2039	78/78	\$96,012	\$115,649	\$211,661	\$240,865	\$240,865	(\$29,204)	\$155,974	(\$115,649)	\$2,614,965
	2040	79/79	\$96,912	\$122,330	\$219,242	\$250,160	\$250,160	(\$30,918)	\$156,621	(\$122,330)	\$2,618,338
	2041	80/80	\$97,826	\$129,385	\$227,211	\$268,018	\$268,018	(\$40,807)	\$156,802	(\$129,385)	\$2,604,948

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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
2042	81/81	\$98,754	\$134,276	\$233,030	\$280,801	\$280,801	(\$47,771)	\$156,166	(\$134,276)	\$2,579,067
2043	82/82	\$99,696	\$139,409	\$239,105	\$292,262	\$292,262	(\$53,157)	\$154,615	(\$139,409)	\$2,541,116
2044	83/83	\$100,652	\$143,566	\$244,218	\$304,103	\$304,103	(\$59,885)	\$152,339	(\$143,566)	\$2,490,004
2045	84/84	\$101,622	\$148,215	\$249,837	\$316,511	\$316,511	(\$66,674)	\$149,276	(\$148,215)	\$2,424,391
2046	85/85	\$102,606	\$151,524	\$254,130	\$329,365	\$329,365	(\$75,235)	\$145,342	(\$151,524)	\$2,342,974
2047	86/86	\$103,606	\$154,143	\$257,749	\$342,789	\$342,789	(\$85,040)	\$140,462	(\$154,143)	\$2,244,253
2048	87/87	\$104,620	\$155,851	\$260,471	\$356,710	\$356,710	(\$96,239)	\$134,543	(\$155,851)	\$2,126,706
2049	88/88	\$105,650	\$155,234	\$260,884	\$371,207	\$371,207	(\$110,323)	\$127,496	(\$155,234)	\$1,988,645
2050	89/89	\$106,694	\$154,158	\$260,852	\$386,291	\$386,291	(\$125,439)	\$119,219	(\$154,158)	\$1,828,267
2051	90/90	\$107,754	\$149,858	\$257,612	\$401,982	\$401,982	(\$144,370)	\$109,605	(\$149,858)	\$1,643,644

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# Retirement Cash Flow - Liq. Strat. 401k First | Liq Strat -\$800,000 taxable / \$1,200,000 in 401k - Retirement 1s (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 - Liq. Strat. 401k First

Bob - Retirement / Mary - 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	\$36,000	\$0	\$36,000	\$157,921	\$157,921	(\$121,921)	\$119,900	\$0	\$1,997,979
	2025	64/64	\$36,000	\$0	\$36,000	\$164,603	\$164,603	(\$128,603)	\$119,778	\$0	\$1,989,154
	2026	65/65	\$36,000	\$0	\$36,000	\$178,897	\$178,897	(\$142,897)	\$119,250	\$0	\$1,965,507
	2027	66/66	\$36,000	\$0	\$36,000	\$186,519	\$186,519	(\$150,519)	\$117,832	\$0	\$1,932,820
	2028	67/67	\$80,576	\$0	\$80,576	\$187,934	\$187,934	(\$107,358)	\$115,872	\$0	\$1,941,334
	2029	68/68	\$87,708	\$0	\$87,708	\$195,338	\$195,338	(\$107,630)	\$116,382	\$0	\$1,950,086
	2030	69/69	\$88,484	\$0	\$88,484	\$204,604	\$204,604	(\$116,120)	\$116,907	\$0	\$1,950,873
	2031	70/70	\$89,272	\$0	\$89,272	\$214,369	\$214,369	(\$125,097)	\$116,955	\$0	\$1,942,731
	2032	71/71	\$90,072	\$0	\$90,072	\$224,526	\$224,526	(\$134,454)	\$116,466	\$0	\$1,924,743
	2033	72/72	\$90,884	\$0	\$90,884	\$235,110	\$235,110	(\$144,226)	\$115,388	\$0	\$1,895,905
	2034	73/73	\$91,708	\$0	\$91,708	\$246,218	\$246,218	(\$154,510)	\$113,659	\$0	\$1,855,054
	2035	74/74	\$92,544	\$0	\$92,544	\$257,986	\$257,986	(\$165,442)	\$111,211	\$0	\$1,800,823
	2036	75/75	\$93,392	\$7,804	\$101,196	\$269,627	\$269,627	(\$168,431)	\$107,959	(\$7,804)	\$1,732,547
	2037	76/76	\$94,252	\$1,150	\$95,402	\$228,549	\$228,549	(\$133,147)	\$103,866	(\$1,150)	\$1,702,116
	2038	77/77	\$95,126	\$0	\$95,126	\$229,257	\$229,257	(\$134,131)	\$102,042	\$0	\$1,670,027
	2039	78/78	\$96,012	\$0	\$96,012	\$236,882	\$236,882	(\$140,870)	\$100,049	\$0	\$1,629,206
	2040	79/79	\$96,912	\$0	\$96,912	\$244,775	\$244,775	(\$147,863)	\$97,580	\$0	\$1,578,923
	2041	80/80	\$97,826	\$0	\$97,826	\$252,908	\$252,908	(\$155,082)	\$94,535	\$0	\$1,518,376

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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
2042	81/81	\$98,754	\$0	\$98,754	\$261,317	\$261,317	(\$162,563)	\$90,872	\$0	\$1,446,685
2043	82/82	\$99,696	\$0	\$99,696	\$269,983	\$269,983	(\$170,287)	\$86,541	\$0	\$1,362,939
2044	83/83	\$100,652	\$0	\$100,652	\$278,870	\$278,870	(\$178,218)	\$81,484	\$0	\$1,266,205
2045	84/84	\$101,622	\$0	\$101,622	\$288,042	\$288,042	(\$186,420)	\$75,645	\$0	\$1,155,430
2046	85/85	\$102,606	\$0	\$102,606	\$297,458	\$297,458	(\$194,852)	\$68,955	\$0	\$1,029,533
2047	86/86	\$103,606	\$0	\$103,606	\$307,215	\$307,215	(\$203,609)	\$61,355	\$0	\$887,279
2048	87/87	\$104,620	\$0	\$104,620	\$317,238	\$317,238	(\$212,618)	\$52,772	\$0	\$727,433
2049	88/88	\$105,650	\$0	\$105,650	\$327,596	\$327,596	(\$221,946)	\$43,141	\$0	\$548,628
2050	89/89	\$106,694	\$0	\$106,694	\$338,967	\$338,967	(\$232,273)	\$32,356	\$0	\$348,711
2051	90/90	\$107,754	\$0	\$107,754	\$350,697	\$350,697	(\$242,943)	\$20,318	\$0	\$126,086

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# Income Tax | Liq Strat -\$800,000 taxable / \$1,200,000 in 401k Taxable 1st vs. Liq Strat -\$800,000 taxable / \$1,200,000 in 401k - Retirement 1s (All Years)

The Income Tax report projects your future Federal, Capital Gains, Dividends, and Other Income taxes.

## Income Tax

👤 Bob - Retirement / Mary - Retirement - 2024 🗓️ Bob - Retirement / Mary - Retirement - 2024

			Liq Strat -\$800,000 taxable / \$1,200,000 in 401k Taxable 1st				Liq Strat -\$800,000 taxable / \$1,200,000 in 401k - Retirement 1s			
	Year	Age	Regular Federal Income Tax	Capital Gains Tax	Other Income Taxes	Total Income Tax	Regular Federal Income Tax	Capital Gains Tax	Other Income Tax	Total Income Tax
👤🗓️	2024	63/63	\$6,107	\$0	\$1,741	\$7,848	\$28,976	\$0	\$8,945	\$37,921
	2025	64/64	\$5,603	\$0	\$1,617	\$7,220	\$30,416	\$0	\$9,387	\$39,803
	2026	65/65	\$5,741	\$0	\$1,510	\$7,251	\$38,924	\$0	\$10,181	\$49,105
	2027	66/66	\$4,956	\$0	\$1,450	\$6,406	\$40,850	\$0	\$10,685	\$51,535
	2028	67/67	\$9,782	\$0	\$985	\$10,767	\$39,591	\$0	\$7,960	\$47,551
	2029	68/68	\$10,146	\$0	\$1,180	\$11,326	\$41,265	\$0	\$8,075	\$49,340
	2030	69/69	\$9,625	\$0	\$1,175	\$10,800	\$43,621	\$0	\$9,145	\$52,766
	2031	70/70	\$9,054	\$0	\$1,162	\$10,216	\$46,176	\$0	\$10,281	\$56,457
	2032	71/71	\$8,399	\$0	\$1,139	\$9,538	\$48,827	\$0	\$11,471	\$60,298
	2033	72/72	\$7,647	\$0	\$1,123	\$8,770	\$51,591	\$0	\$12,722	\$64,313
	2034	73/73	\$6,833	\$0	\$1,118	\$7,951	\$54,546	\$0	\$14,043	\$68,589
	2035	74/74	\$5,915	\$0	\$1,106	\$7,021	\$57,801	\$0	\$15,451	\$73,252
	2036	75/75	\$19,608	\$0	\$3,224	\$22,832	\$61,056	\$0	\$16,448	\$77,504
	2037	76/76	\$20,129	\$0	\$3,534	\$23,663	\$24,496	\$0	\$4,245	\$28,741
	2038	77/77	\$20,510	\$0	\$3,640	\$24,150	\$18,695	\$0	\$2,762	\$21,457
	2039	78/78	\$20,971	\$0	\$3,782	\$24,753	\$18,114	\$0	\$2,656	\$20,770
	2040	79/79	\$21,470	\$0	\$3,934	\$25,404	\$17,476	\$0	\$2,543	\$20,019
	2041	80/80	\$28,769	\$127	\$5,376	\$34,272	\$16,718	\$0	\$2,444	\$19,162

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		Liq Strat -\$800,000 taxable / \$1,200,000 in 401k Taxable 1st				Liq Strat -\$800,000 taxable / \$1,200,000 in 401k - Retirement 1s			
Year	Age	Regular Federal Income Tax	Capital Gains Tax	Other Income Taxes	Total Income Tax	Regular Federal Income Tax	Capital Gains Tax	Other Income Tax	Total Income Tax
2042	81/81	\$31,727	\$0	\$5,978	\$37,705	\$15,852	\$0	\$2,369	\$18,221
2043	82/82	\$33,127	\$0	\$6,315	\$39,442	\$14,882	\$0	\$2,281	\$17,163
2044	83/83	\$34,504	\$0	\$6,666	\$41,170	\$13,758	\$0	\$2,179	\$15,937
2045	84/84	\$36,026	\$0	\$7,035	\$43,061	\$12,531	\$0	\$2,061	\$14,592
2046	85/85	\$37,561	\$0	\$7,416	\$44,977	\$11,143	\$0	\$1,927	\$13,070
2047	86/86	\$39,205	\$0	\$7,820	\$47,025	\$9,616	\$0	\$1,835	\$11,451
2048	87/87	\$40,877	\$0	\$8,238	\$49,115	\$7,907	\$0	\$1,736	\$9,643
2049	88/88	\$42,634	\$0	\$8,674	\$51,308	\$6,074	\$0	\$1,623	\$7,697
2050	89/89	\$44,466	\$0	\$9,130	\$53,596	\$4,775	\$0	\$1,497	\$6,272
2051	90/90	\$46,373	\$0	\$9,606	\$55,979	\$3,341	\$0	\$1,353	\$4,694

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# Goal Analysis

## Your Goals

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



Your Goals	Liq Strat -\$800,000 taxable / \$1,200,000 in 401k - Retirement 1s	Liq Strat -\$800,000 taxable / \$1,200,000 in 401k Taxable 1st
Lifestyle		
Income	\$36,000	\$36,000
Expenses	\$157,921	\$127,848
Savings	\$0	\$0
Retirement		
	47% Probability	75% Probability
Retirement Ages	63/63	63/63
Living Expenses	\$120,000 / year	\$120,000 / year

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