



## *Pension Maximization*

**An Illustration That Compares the Wealth Accumulation Potential  
& Net Present Value of Cash Flows of a Single Life Annuity  
+ Life Insurance Plan with a Joint & Survivor Annuity**

**AN ANALYSIS PREPARED EXCLUSIVELY FOR**

**Jack & Jill Flash**

***\$100K Single Life Annuity + \$362,500 Insurance vs. J&S 75 Annuity***

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## Disclaimer

This financial plan is designed to provide educational and/or general information and is not intended to provide specific legal, accounting and/or tax advice. Any comparisons and projections including expected rates of return are presented for purposes of illustration only. Nevertheless, we believe that the comparisons as well as the other projections shown provide an important and valid basis for consideration when planning for your financial future.

**IMPORTANT: *The projections or other information generated by this financial plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results herein may vary with each use of the software tool(s) used to generate this financial plan and over time.***

The financial plan may contain ideas for your consideration concerning aspects of your life such as tax, retirement and estate planning, but these are not presented as, and must not be taken for, legal or tax advice. It is your responsibility to determine if, and how, the suggestions contained in the financial plan should be implemented or otherwise followed. You must carefully consider all relevant factors in making these types of decisions. For specific advice on these aspects of your overall financial plan, you should consult your professional tax and legal advisors. The report that follows is based upon:

- information and assumptions that you have provided or reviewed;
- current tax laws;
- appropriate financial planning concepts;
- historic asset class characteristics;
- additional assumptions and information discussed with your advisor.

The outcome of the analysis will be dependent to a significant extent upon the information and the reasonableness of the planning assumptions. It is your responsibility to provide accurate and complete information. Please contact your advisor with any changes to your information and/or planning assumptions. Inaccurate information and/or unreasonable planning assumptions can materially impact the results of this financial plan.

The simulation of returns at the individual asset, account and/or portfolio level drives the investment projections and proposed financial plan. In all cases investment projections are not to be considered definitive estimates of how the individual assets you own now or in the future will perform. Therefore, it is important that you recognize that the comparisons shown may include comparisons of two asset allocation models—the asset allocation of your current portfolio and the asset allocation projected in our proposed plan—and not comparisons of the individual securities you own. Model comparisons and the projected rates of return are based on past performance of the relevant asset classes. Past performance is not a guarantee of future results. No future rate of return can be predicted with certainty.

The report that follows does not make specific investment recommendations or analyze particular securities. Rather, the report typically contains a proposed asset allocation model based upon your stated risk tolerance, age, current asset allocation and value of your assets. The asset allocation models we use are continuously re-evaluated and are periodically changed as a result. We are under no obligation to revise any financial planning report already prepared if an allocation model is changed after it is issued to you.

Actual results are influenced by events that are both within and outside of your control. The rates actually returned by asset classes will differ from our projections. The rates actually returned by any allocation model noted within the financial plan will likely differ from those returned by any individual portfolio of securities constructed to follow a specific allocation model. Any rate of return shown or used in the financial plan is not intended to predict nor guarantee the actual results of an investment product.



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## Disclaimer

**IMPORTANT: *Investments in stocks, bonds, mutual funds, and other securities are not bank products, are not FDIC insured, and may be subject to loss of principal.***

We have read and understand the above information and disclosures. We understand the basis upon which the report that follows was prepared. We recognize the nature of the asset allocation comparisons and estimated returns as illustrations only. We acknowledge that the report may contain a recommendation for adjusting the asset allocation of our current investment portfolio(s), but it does not provide any guaranteed rates of return, advice on particular securities or any specific legal, tax or accounting advice.

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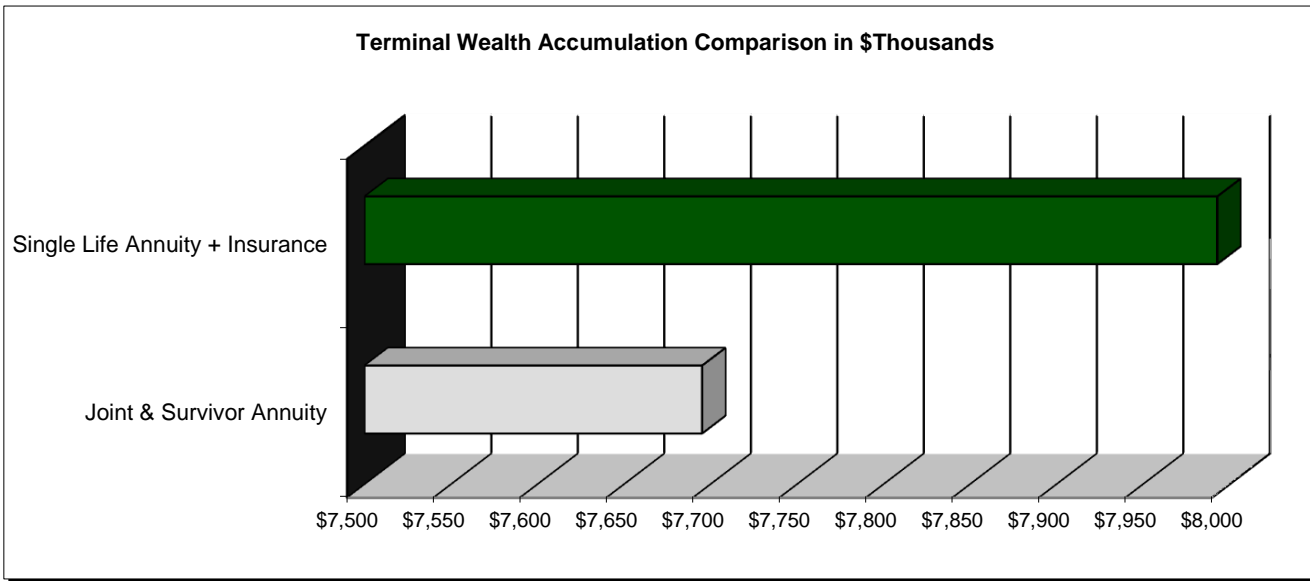
Customer Signature



## Wealth Accumulation Summary

Jack & Jill Flash

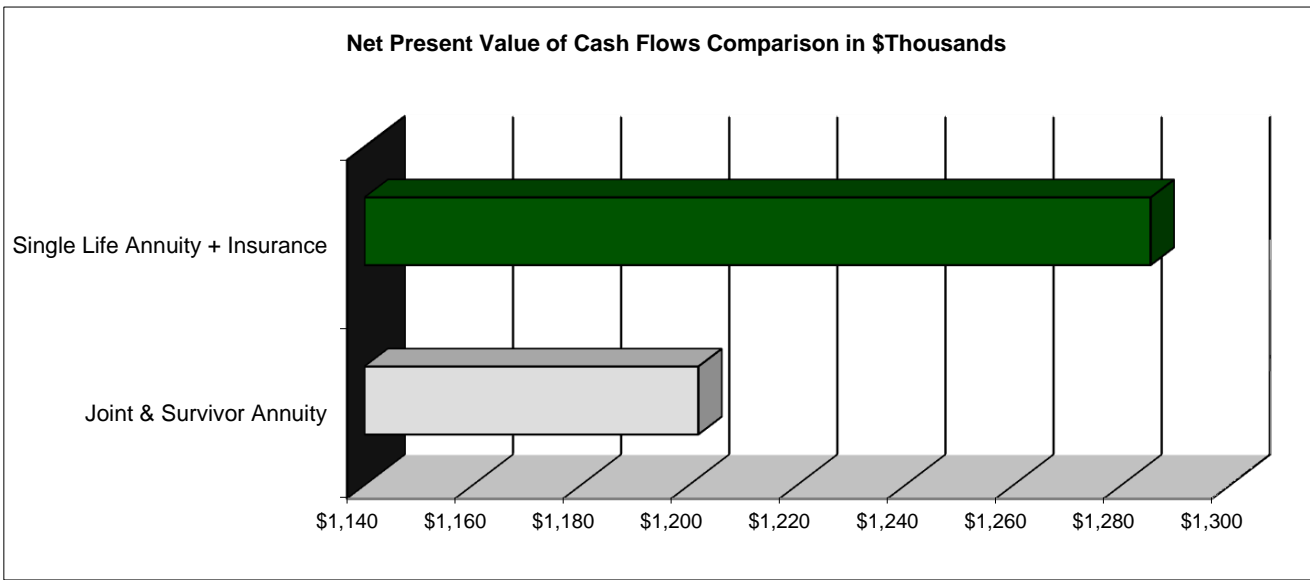
Projected results in 2052	Single Life Annuity + Insurance	Joint & Survivor Annuity	Single Life Annuity Adv/-Disadv
Cumulative after-tax annuity payments	2,066,400	1,983,744	82,656
Cumulative insurance premiums	208,800	NA	-208,800
Insurance proceeds payable in 2050	362,500	NA	362,500
<b>Terminal after-tax wealth accumulations</b>	<b>7,992,908</b>	<b>7,695,146</b>	<b>297,762</b>



## Net Present Value of Cash Flows Summary

Jack & Jill Flash

Projected results in 2052	Single Life Annuity + Insurance	Joint & Survivor Annuity	Single Life Annuity Adv-/Disadv
Present value of after-tax annuity payments	1,290,766	1,201,739	89,028
Present value of insurance premiums	130,426	NA	-130,426
Present value of insurance proceeds payable in 2050	125,074	NA	125,074
<b>Net present value of cumulative cash flows</b>	<b>1,285,415</b>	<b>1,201,739</b>	<b>83,676</b>



## Assumptions

Jack & Jill Flash

Personal	Jack	Jill
Age	55.0	52.0
Calculated life expectancy	84.6	84.3
Life expectancy override	90.0	90.0
Year of death	2049	2052

### Planning Illustration

Analysis date	01-Jan-2014
Permanent policy type	Type A universal life
Insured	Jack
Initial policy death benefit	362,500

### Insurance Premiums

Last scheduled premium	2049
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### Annuity Payments

	Single Life	Joint & Survivor
First-year payment: annuitant	100,000	89,750
Age at first payment	55	55
First-year payment: survivor	NA	75,000
Annual payment growth rate	0.0%	0.0%

### Tax Rates

Federal ordinary income tax rate	See schedule
Federal capital gains tax rate	See schedule
State income tax rate	5.0%

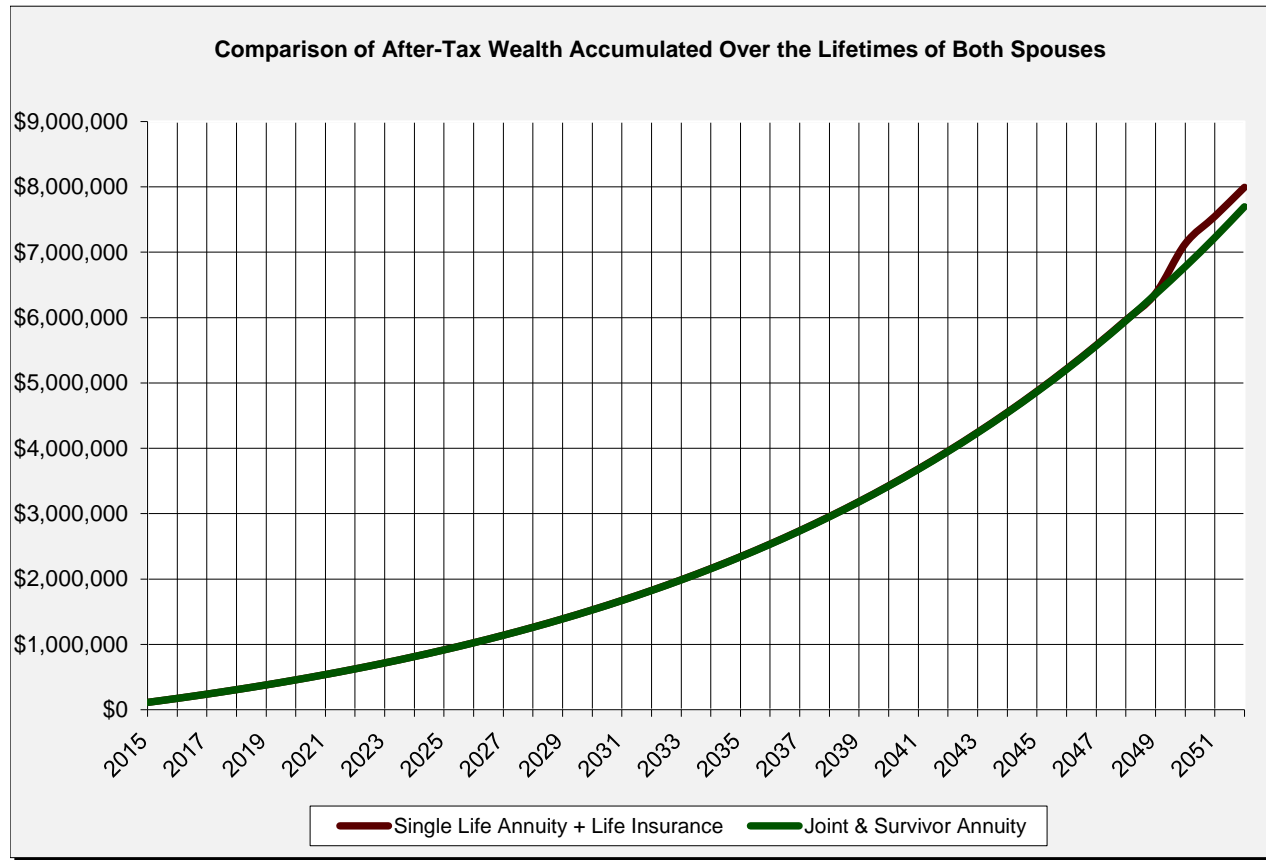
### Investment Rates

Taxable income rate	2.0%
Qualified dividend percentage	100.0%
Growth rate	6.0%
Percentage of income and capital gains subject to Medicare surtax	100.0%
Present value discount rate	3.0%



## Wealth Accumulation Illustration

Jack & Jill Flash

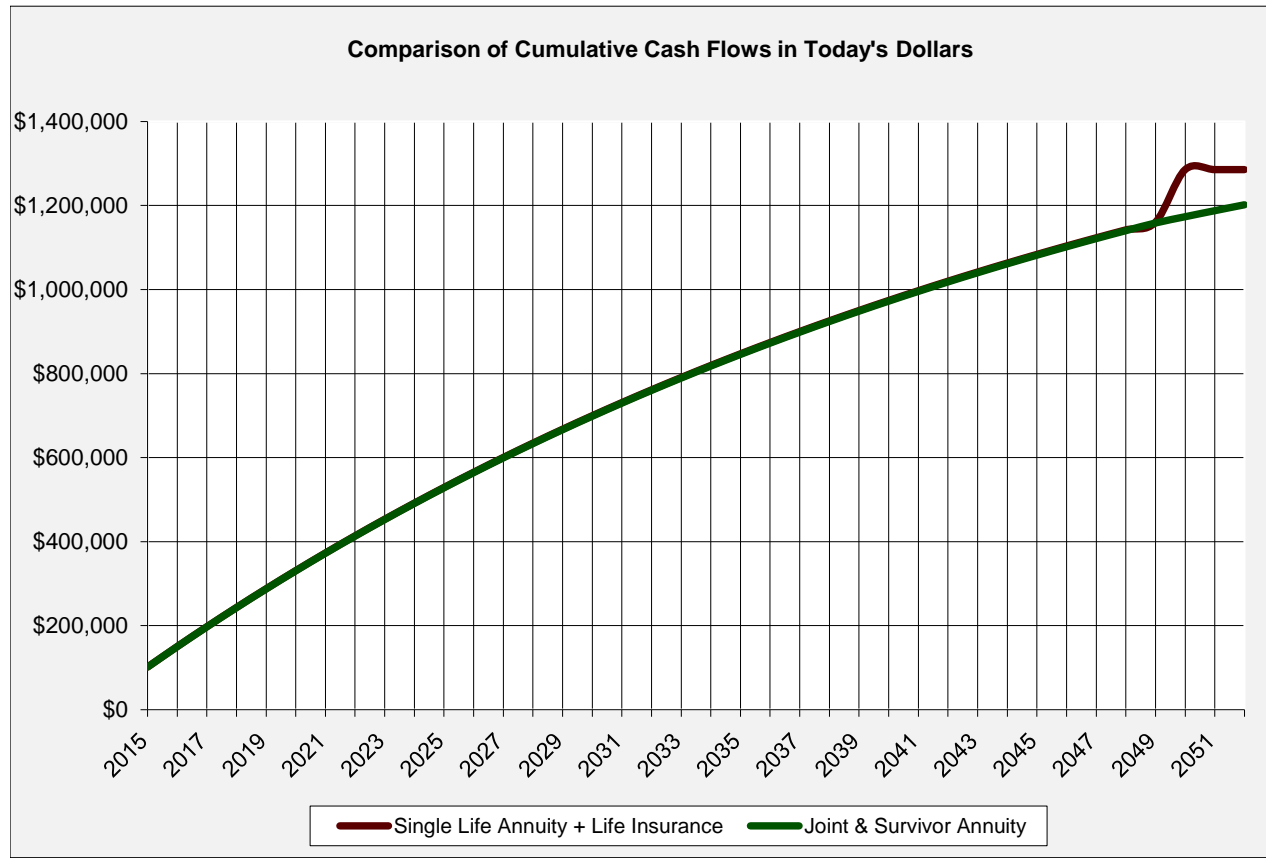


The illustration above compares the after-tax wealth accumulation under alternative planning scenarios.



## Net Present Value of Cash Flows Illustration

Jack & Jill Flash



The illustration above compares the net present value of cumulative cash flows under alternative planning scenarios.





## Wealth Accumulation Comparison

Jack & Jill Flash

Year	Single Life Annuity + Life Insurance						Accumulated Value of After-Tax J&S Annuity Payments	Single Life Annuity + Insurance Advantage/-Disadvantage
	Jack's After-Tax Annuity	Insurance Premiums	Discretionary Cash Flows	Accumulated Value of Net Cash Flows	Accumulated Value of Insurance Proceeds	Total Net Accumulated Value		
2014	57,400	5,800	51,600	54,644	0	54,644	54,556	88
2015	57,400	5,800	51,600	112,513	0	112,513	112,331	182
2016	57,400	5,800	51,600	173,795	0	173,795	173,514	281
2017	57,400	5,800	51,600	238,694	0	238,694	238,308	386
2018	57,400	5,800	51,600	307,421	0	307,421	306,924	497
2019	57,400	5,800	51,600	380,203	0	380,203	379,588	615
2020	57,400	5,800	51,600	457,280	0	457,280	456,540	740
2021	57,400	5,800	51,600	538,904	0	538,904	538,032	872
2022	57,400	5,800	51,600	625,343	0	625,343	624,331	1,012
2023	57,400	5,800	51,600	716,883	0	716,883	715,723	1,160
2024	57,400	5,800	51,600	813,824	0	813,824	812,507	1,317
2025	57,400	5,800	51,600	916,484	0	916,484	915,001	1,483
2026	57,400	5,800	51,600	1,025,201	0	1,025,201	1,023,542	1,659
2027	57,400	5,800	51,600	1,140,332	0	1,140,332	1,138,486	1,845
2028	57,400	5,800	51,600	1,262,256	0	1,262,256	1,260,213	2,043
2029	57,400	5,800	51,600	1,391,373	0	1,391,373	1,389,122	2,252
2030	57,400	5,800	51,600	1,528,109	0	1,528,109	1,525,636	2,473
2031	57,400	5,800	51,600	1,672,911	0	1,672,911	1,670,204	2,707
2032	57,400	5,800	51,600	1,826,258	0	1,826,258	1,823,302	2,955
2033	57,400	5,800	51,600	1,988,651	0	1,988,651	1,985,433	3,218
2034	57,400	5,800	51,600	2,160,626	0	2,160,626	2,157,130	3,496
2035	57,400	5,800	51,600	2,342,747	0	2,342,747	2,338,956	3,791
2036	57,400	5,800	51,600	2,535,614	0	2,535,614	2,531,511	4,103
2037	57,400	5,800	51,600	2,739,859	0	2,739,859	2,735,426	4,434
2038	57,400	5,800	51,600	2,956,156	0	2,956,156	2,951,372	4,784
2039	57,400	5,800	51,600	3,185,213	0	3,185,213	3,180,059	5,154
2040	57,400	5,800	51,600	3,427,785	0	3,427,785	3,422,238	5,547
2041	57,400	5,800	51,600	3,684,669	0	3,684,669	3,678,706	5,963
2042	57,400	5,800	51,600	3,956,709	0	3,956,709	3,950,306	6,403
2043	57,400	5,800	51,600	4,244,799	0	4,244,799	4,237,930	6,869
2044	57,400	5,800	51,600	4,549,886	0	4,549,886	4,542,524	7,363
2045	57,400	5,800	51,600	4,872,974	0	4,872,974	4,865,089	7,886
2046	57,400	5,800	51,600	5,215,124	0	5,215,124	5,206,685	8,439
2047	57,400	5,800	51,600	5,577,461	0	5,577,461	5,568,435	9,026
2048	57,400	5,800	51,600	5,961,175	0	5,961,175	5,951,529	9,646
2049	57,400	5,800	51,600	6,367,529	0	6,367,529	6,357,225	10,304
2050	0	0	0	6,743,213	383,888	7,127,101	6,777,891	349,210
2051	0	0	0	7,141,063	406,537	7,547,600	7,223,377	324,223
2052	0	0	0	7,562,386	430,523	7,992,908	7,695,146	297,762



## Net Present Value of Cash Flows Comparison

Jack & Jill Flash

Year	Single Life Annuity + Life Insurance					Joint & Survivor Annuity			Single Life Annuity + Insurance Advantage/ -Disadvantage
	Present Value of After-Tax Annuity Payments	Present Value of Insurance Premiums	Net Present Value of Discretionary Cash Flows	Present Value of Insurance Proceeds	Present Value of Cumulative Net Cash Flows	PV of Jack's Annuity Payments	PV of Jill's Annuity Payments	Present Value of Cumulative Net Cash Flows	
2014	57,400	5,800	51,600	0	51,600	51,517	0	51,517	84
2015	55,728	5,631	50,097	0	101,697	50,016	0	101,533	165
2016	54,105	5,467	48,638	0	150,335	48,559	0	150,092	243
2017	52,529	5,308	47,221	0	197,556	47,145	0	197,237	320
2018	50,999	5,153	45,846	0	243,402	45,772	0	243,008	394
2019	49,514	5,003	44,511	0	287,913	44,439	0	287,447	466
2020	48,072	4,857	43,214	0	331,127	43,144	0	330,591	536
2021	46,671	4,716	41,956	0	373,083	41,888	0	372,479	604
2022	45,312	4,579	40,734	0	413,816	40,668	0	413,146	670
2023	43,992	4,445	39,547	0	453,363	39,483	0	452,630	734
2024	42,711	4,316	38,395	0	491,758	38,333	0	490,963	796
2025	41,467	4,190	37,277	0	529,035	37,217	0	528,179	856
2026	40,259	4,068	36,191	0	565,227	36,133	0	564,312	915
2027	39,087	3,950	35,137	0	600,364	35,080	0	599,392	972
2028	37,948	3,834	34,114	0	634,477	34,058	0	633,451	1,027
2029	36,843	3,723	33,120	0	667,597	33,066	0	666,517	1,080
2030	35,770	3,614	32,155	0	699,753	32,103	0	698,621	1,132
2031	34,728	3,509	31,219	0	730,972	31,168	0	729,789	1,183
2032	33,716	3,407	30,310	0	761,281	30,261	0	760,049	1,232
2033	32,734	3,308	29,427	0	790,708	29,379	0	789,428	1,280
2034	31,781	3,211	28,570	0	819,278	28,523	0	817,952	1,326
2035	30,855	3,118	27,738	0	847,015	27,693	0	845,645	1,371
2036	29,957	3,027	26,930	0	873,945	26,886	0	872,531	1,414
2037	29,084	2,939	26,145	0	900,090	26,103	0	898,634	1,457
2038	28,237	2,853	25,384	0	925,474	25,343	0	923,976	1,498
2039	27,415	2,770	24,644	0	950,118	24,605	0	948,581	1,537
2040	26,616	2,689	23,927	0	974,045	23,888	0	972,469	1,576
2041	25,841	2,611	23,230	0	997,275	23,192	0	995,661	1,614
2042	25,088	2,535	22,553	0	1,019,828	22,517	0	1,018,178	1,650
2043	24,357	2,461	21,896	0	1,041,724	21,861	0	1,040,039	1,686
2044	23,648	2,390	21,259	0	1,062,983	21,224	0	1,061,263	1,720
2045	22,959	2,320	20,639	0	1,083,622	20,606	0	1,081,869	1,754
2046	22,291	2,252	20,038	0	1,103,660	20,006	0	1,101,874	1,786
2047	21,641	2,187	19,455	0	1,123,115	19,423	0	1,121,297	1,817
2048	21,011	2,123	18,888	0	1,142,003	18,857	0	1,140,155	1,848
2049	20,399	2,061	18,338	0	1,160,341	18,308	0	1,158,463	1,878
2050	0	0	0	125,074	1,285,415	0	14,854	1,173,317	112,098
2051	0	0	0	0	1,285,415	0	14,421	1,187,738	97,677
2052	0	0	0	0	1,285,415	0	14,001	1,201,739	83,676





## *Pension Maximization*

Sensitivity Analyses

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

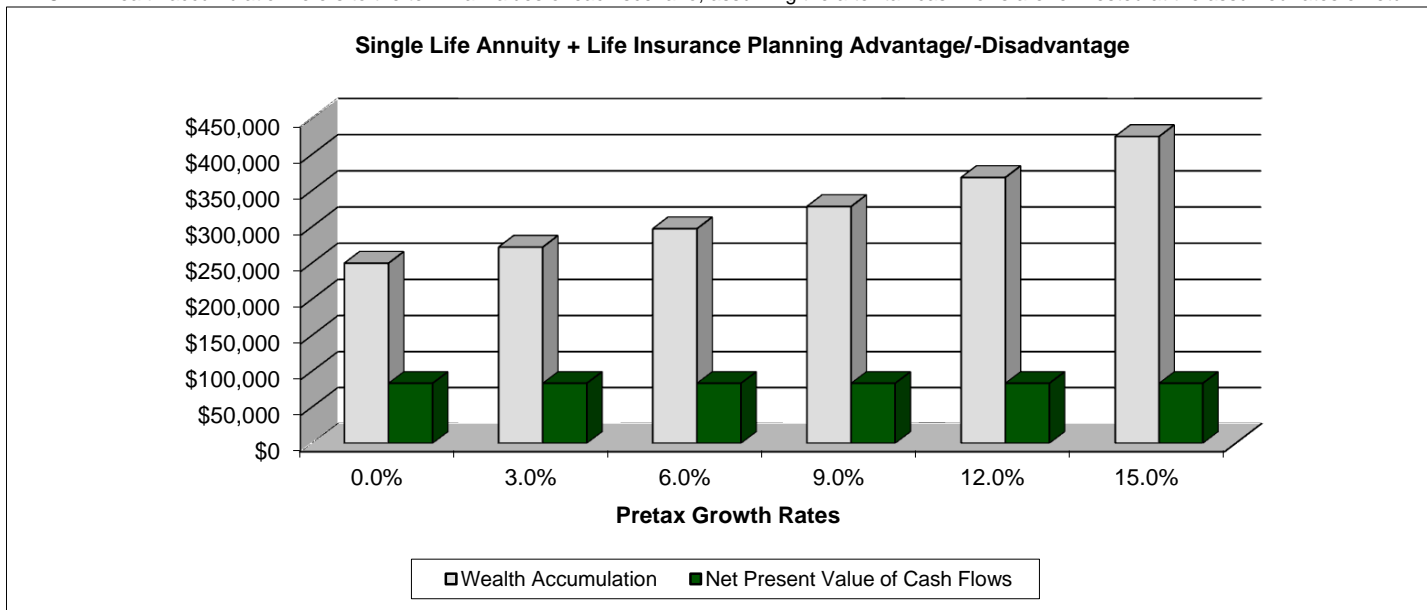
*\$100K Single Life Annuity + \$362,500 Insurance vs. J&S 75 Annuity*

## Wealth Accumulation & Cash Flow Sensitivity Analysis - Growth Rates

Jack & Jill Flash

2052 Growth	Single Life Annuity + Insurance		Joint & Survivor Annuity		Single Life Annuity Adv-/Disadv	
	Wealth Accumulation	NPV Cash Flows	Wealth Accumulation	NPV Cash Flows	Wealth Accumulation	NPV Cash Flows
0.0%	2,968,191	1,285,415	2,718,006	1,201,739	250,185	83,676
3.0%	4,756,342	1,285,415	4,484,000	1,201,739	272,342	83,676
6.0%	7,992,908	1,285,415	7,695,146	1,201,739	297,762	83,676
9.0%	13,949,276	1,285,415	13,620,753	1,201,739	328,522	83,676
12.0%	25,028,195	1,285,415	24,659,664	1,201,739	368,531	83,676
15.0%	45,757,861	1,285,415	45,332,724	1,201,739	425,136	83,676

NOTE: Wealth accumulation refers to the terminal values of each scenario, assuming the after-tax cash flows are reinvested at the assumed rates of return.



The illustration above shows the impact of pretax portfolio growth rate assumptions on the projected results. The graph shows the wealth accumulation and net cash flow advantages or disadvantages of a single life annuity coupled with life insurance as compared to a joint-and-survivor annuity in after-tax dollars. All other assumptions are the same as those listed on the Assumptions schedule.

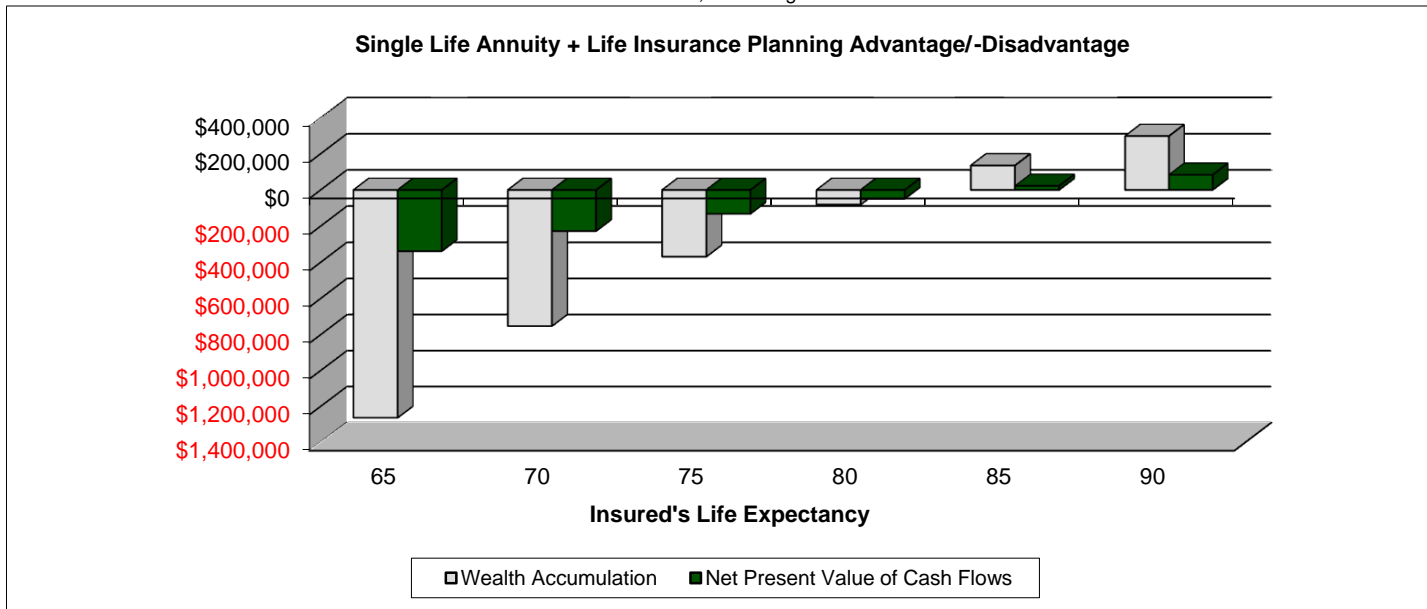


## Wealth Accumulation & Cash Flow Sensitivity Analysis - Life Expectancy

Jack & Jill Flash

2052 Life Expect	Single Life Annuity + Insurance		Joint & Survivor Annuity		Single Life Annuity Adv-/Disadv	
	Wealth Accumulation	NPV Cash Flows	Wealth Accumulation	NPV Cash Flows	Wealth Accumulation	NPV Cash Flows
65	5,856,170	753,636	7,119,084	1,092,038	-1,262,914	-338,402
70	6,555,492	893,495	7,307,620	1,120,889	-752,128	-227,394
75	7,080,537	1,014,139	7,449,172	1,145,777	-368,634	-131,638
80	7,474,738	1,118,208	7,555,448	1,167,245	-80,710	-49,038
85	7,770,701	1,207,978	7,635,239	1,185,764	135,462	22,214
90	7,992,908	1,285,415	7,695,146	1,201,739	297,762	83,676

NOTE: Wealth accumulation refers to the terminal values of each scenario, assuming the after-tax cash flows are reinvested at the assumed rates of return.



The illustration above shows the impact of Jack's life expectancy on the projected results. The graph shows the wealth accumulation and net cash flow advantages or disadvantages of a single life annuity coupled with life insurance as compared to a joint-and-survivor annuity in after-tax dollars. All other assumptions are the same as those listed on the Assumptions schedule.





## *Pension Maximization*

Supporting Schedule for  
ANNUITY PAYMENTS

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*\$100K Single Life Annuity + \$362,500 Insurance vs. J&S 75 Annuity*

Pension Maximization - \$100K Single Life Annuity + \$362,500 Insurance vs. J&S 75 Annuity

### Comparison of After-Tax Annuity Income Streams

Jack & Jill Flash

Year	Jack's Single Life Annuity 0.0%	After-Tax Annuity	Joint & Survivor Annuity				Excess of Single Life Over Joint & Survivor Option
			During Jack's Lifetime 0.0%	After-Tax Annuity	During Jill's Lifetime 0.0%	After-Tax Annuity	
2014	100,000	57,400	89,750	51,517	0	0	5,884
2015	100,000	57,400	89,750	51,517	0	0	5,884
2016	100,000	57,400	89,750	51,517	0	0	5,884
2017	100,000	57,400	89,750	51,517	0	0	5,884
2018	100,000	57,400	89,750	51,517	0	0	5,884
2019	100,000	57,400	89,750	51,517	0	0	5,884
2020	100,000	57,400	89,750	51,517	0	0	5,884
2021	100,000	57,400	89,750	51,517	0	0	5,884
2022	100,000	57,400	89,750	51,517	0	0	5,884
2023	100,000	57,400	89,750	51,517	0	0	5,884
2024	100,000	57,400	89,750	51,517	0	0	5,884
2025	100,000	57,400	89,750	51,517	0	0	5,884
2026	100,000	57,400	89,750	51,517	0	0	5,884
2027	100,000	57,400	89,750	51,517	0	0	5,884
2028	100,000	57,400	89,750	51,517	0	0	5,884
2029	100,000	57,400	89,750	51,517	0	0	5,884
2030	100,000	57,400	89,750	51,517	0	0	5,884
2031	100,000	57,400	89,750	51,517	0	0	5,884
2032	100,000	57,400	89,750	51,517	0	0	5,884
2033	100,000	57,400	89,750	51,517	0	0	5,884
2034	100,000	57,400	89,750	51,517	0	0	5,884
2035	100,000	57,400	89,750	51,517	0	0	5,884
2036	100,000	57,400	89,750	51,517	0	0	5,884
2037	100,000	57,400	89,750	51,517	0	0	5,884
2038	100,000	57,400	89,750	51,517	0	0	5,884
2039	100,000	57,400	89,750	51,517	0	0	5,884
2040	100,000	57,400	89,750	51,517	0	0	5,884
2041	100,000	57,400	89,750	51,517	0	0	5,884
2042	100,000	57,400	89,750	51,517	0	0	5,884
2043	100,000	57,400	89,750	51,517	0	0	5,884
2044	100,000	57,400	89,750	51,517	0	0	5,884
2045	100,000	57,400	89,750	51,517	0	0	5,884
2046	100,000	57,400	89,750	51,517	0	0	5,884
2047	100,000	57,400	89,750	51,517	0	0	5,884
2048	100,000	57,400	89,750	51,517	0	0	5,884
2049	100,000	57,400	89,750	51,517	0	0	5,884
2050	0	0	0	0	75,000	43,050	0
2051	0	0	0	0	75,000	43,050	0
2052	0	0	0	0	75,000	43,050	0





## *Pension Maximization*

Supporting Schedules for  
**TAX & INVESTMENT RATES**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*\$100K Single Life Annuity + \$362,500 Insurance vs. J&S 75 Annuity*



## Tax & Investment Rates

Jack & Jill Flash

Year	Tax Rates				Investment Rates		
	Federal Ordinary Income Tax Rate	Effective State Income Tax Rate 5.0%	Combined Ordinary Income Tax Rate	Combined Cap Gains Tax Rate	After-Tax Income 2.0%	After-Tax Growth 6.0%	After-Tax Total Return
2014	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2015	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2016	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2017	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2018	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2019	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2020	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2021	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2022	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2023	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2024	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2025	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2026	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2027	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2028	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2029	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2030	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2031	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2032	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2033	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2034	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2035	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2036	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2037	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2038	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2039	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2040	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2041	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2042	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2043	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2044	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2045	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2046	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2047	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2048	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2049	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2050	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2051	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%
2052	39.6%	3.0%	42.6%	23.0%	1.5%	4.4%	5.9%

