

## Overview

*This contains 5 sheets to provide possible retirement distribution options needed for retirement.*

**SEPP:** This determines 2 of the 3 possible penalty free withdrawals allowed by the IRS. The **Amortization** method determines a fixed distribution amount based on your current age. The **Life Expectancy** method is a second method requiring a recalculation yearly. This method starts out with the smallest distribution and changes yearly based on remaining balance and new age factored in. A help screen is provided.

**Amortize:** This is a spreadsheet used with the numbers generated with SEPP (above) using the *amortization method*. Enter the lump sum, age and annual SEPP calculated, then input your expected inflation rate, tax rate at withdrawal time and rate of return on investment balance. This estimates your yearly balance based on those figures.

**Life Expectancy:** This is a spreadsheet that will roughly calculate in advance what can be expected if you take the Life Expectancy option. It allows for penalized withdrawals to be factored in, if you want.

**Retirement:** This calculates where you stand in your retirement planning. It calculates what you have, will have and will need based on what you think you need to live on over and above other sources of income like Social Security.

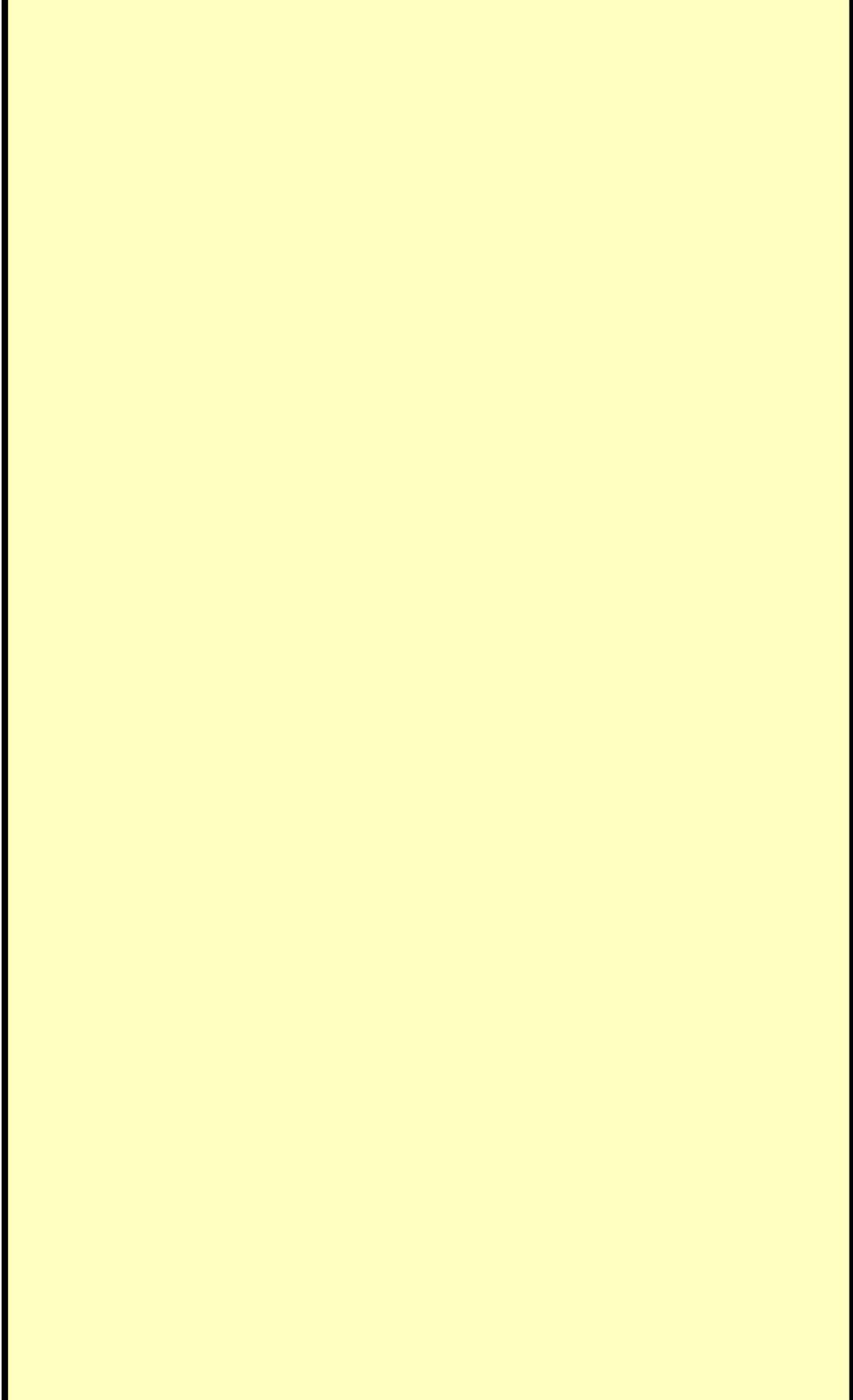
**Allocate:** A "guideline" for determining asset allocations.

***Instructions***

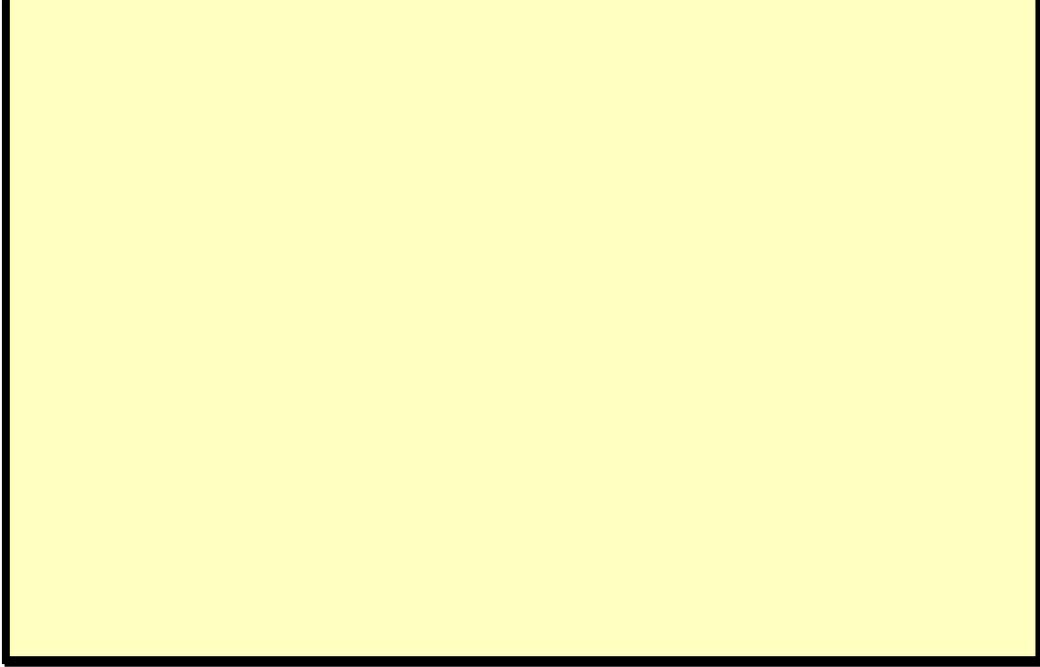
This file contains 5 separate sheets to help in the calculation and determination of retirement dollars required to survive in your retirement years. It is based primarily on receiving or accumulating at least a large portion of your retirement dollars in a lump sum. Whether this is received through many years of building up and adding to a 401K or 403B type retirement, a defined pension given with an optional lump sum or a IRA built up over many years. It could be a combination of all of these. Other possibilities also exist.

As corporate America downsizes, it has become a common practice (for those fortunate) for companies to offer early retirement packages for extra incentive to get you off their payroll. Some are too good to turn down regardless of your age and financial situation. This program should help for those nearing retirement or many years away to help determine just where you stand and what you may have to do to be able to retire.

For those who have build up a substantial sum in a tax deferred account but have not reached the traditional retirement age of 62 or 65 years of age (but would like to retire), the government offers an option to access these funds by also avoiding the 10% or more in penalties usually associated with such withdrawals. They call these plans Substantially Equal Periodic Payments or SEPP's. Basically they say you can access these tax deferred lump sums if you withdraw them in equal payments based on your life expectancy for at least 5 years or until you are 59 1/2 years old, whichever is longer. Should you start this process and before you have fulfilled these requirements you decide to stop, a 10% penalty is due retro



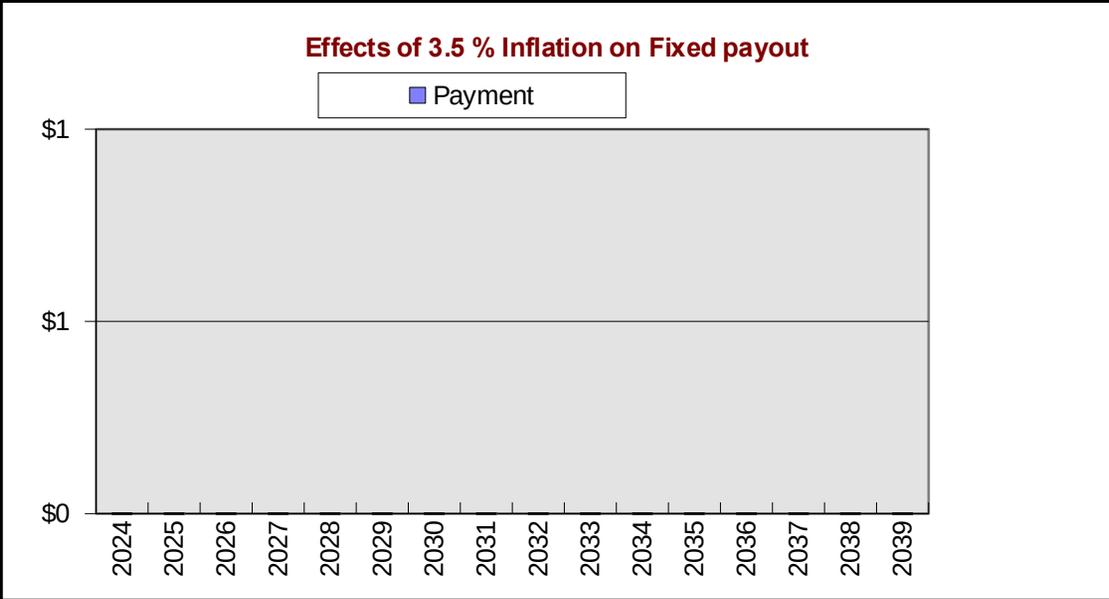
Detailed Instructions



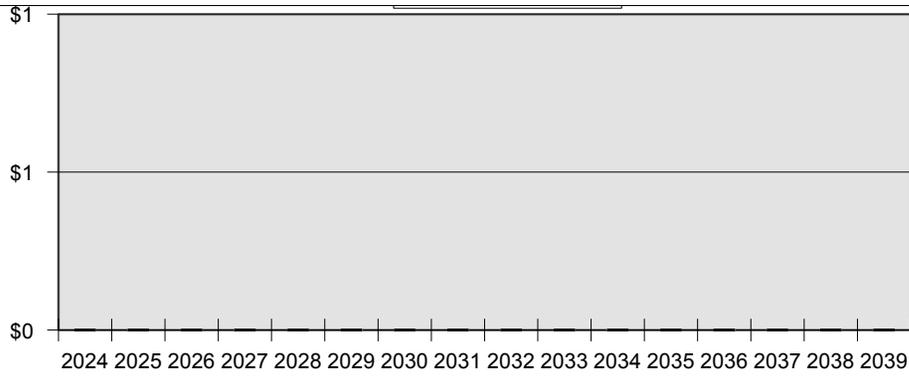
SEPP

Lump Sum >	
Current Age >	48
Interest Rate >	8.5
Annual SEPP>	\$0
Monthly SEPP>	\$0
Amortization Method	

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SEPP



SEPP

					2024	2025	2026	2027
8.5	41.5	34.9	Life Expectancy Method		\$0	\$0	\$0	\$0
	40.6	34.9	Amortization Method	\$0				
	39.6	34.9		\$0.00	2024	2025	2026	2027
	38.7	34.9			\$0	\$0	\$0	\$0
	37.7	34.9						
	36.8	34.9						
	35.9	34.9						
	34.9	34.9						
	34	0						
	33.1	0						
	32.2	0						
	31.3	0						
	30.4	0						
	29.5	0						
	28.6	0						
	27.7	0						
	26.8	0						
	25.9	0						
	25	0						
	24.2	0						
	23.3	0						
	22.5	0						
	21.6	0						
	20.8	0						
	20	0						

SEPP

2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

SEPP

2041	2042	2043	2044	2045
\$0	\$0	\$0	\$0	\$0
2041	2042	2043	2044	2045
\$0	\$0	\$0	\$0	\$0

Amortize

<b>Starting \$</b>	<b>\$250,000</b>				
<b>Current Age</b>	<b>48</b>				
<b>Inflation Rate</b>	<b>3.50</b>				
<b>Gross Wanted</b>	<b>\$22,547</b>				
<b>Int. Rate on Balance</b>	<b>7.00</b>				
<b>Total Tax Rate</b>	<b>12.0</b>				
<b>Starting \$</b>	<b>AGE</b>	<b>Withdrawal</b>	<b>Taxes</b>	<b>Take Home</b>	<b>Withdrawal with Inflation</b>
\$250,000	48	\$22,547	\$2,705.64	\$19,841	\$22,547
\$244,953	49	\$22,547	\$2,705.64	\$19,841	\$23,336
\$239,553	50	\$22,547	\$2,705.64	\$19,841	\$24,153
\$233,774	51	\$22,547	\$2,705.64	\$19,841	\$24,998
\$227,592	52	\$22,547	\$2,705.64	\$19,841	\$25,873
\$220,976	53	\$22,547	\$2,705.64	\$19,841	\$26,779
\$213,897	54	\$22,547	\$2,705.64	\$19,841	\$27,716
\$206,323	55	\$22,547	\$2,705.64	\$19,841	\$28,686
\$198,219	56	\$22,547	\$2,705.64	\$19,841	\$29,690
\$189,547	57	\$22,547	\$2,705.64	\$19,841	\$30,729
\$180,268	58	\$22,547	\$2,705.64	\$19,841	\$31,805
\$170,340	59	\$22,547	\$2,705.64	\$19,841	\$32,918
\$159,717	60	\$22,547	\$2,705.64	\$19,841	\$34,070
\$148,350	61	\$22,547	\$2,705.64	\$19,841	\$35,263
\$136,188	62	\$22,547	\$2,705.64	\$19,841	\$36,497
\$123,174	63	\$22,547	\$2,705.64	\$19,841	\$37,774
\$109,249	64	\$22,547	\$2,705.64	\$19,841	\$39,096
\$94,349	65	\$22,547	\$2,705.64	\$19,841	\$40,465
\$78,407	66	\$22,547	\$2,705.64	\$19,841	\$41,881
\$61,348	67	\$22,547	\$2,705.64	\$19,841	\$43,347
\$43,096	68	\$22,547	\$2,705.64	\$19,841	\$44,864
\$23,565	69	\$22,547	\$2,705.64	\$19,841	\$46,434
\$2,668	70	\$22,547	\$2,705.64	\$19,841	\$48,059
\$0	71	\$22,547	\$2,705.64	\$19,841	\$49,741
\$0	72	\$22,547	\$2,705.64	\$19,841	\$51,482
\$0	73	\$22,547	\$2,705.64	\$19,841	\$53,284



Life Expectancy

Starting \$	\$250,000
Current Age	46
Inflation Rate	3.50
Gross Wanted	\$10,000
Int. Rate on Balance	9.00
Total Tax Rate	13.0

Enter data in yellow only. This will calculate the **Life Expect** for one of three options allowed by the IRS. It also allows a penalized withdrawals to be included. As long as you are in years, you may stop it after age 59.5. Therefore disregard c or 5 years, whichever is later.

Starting \$	AGE	Life Expentancy Withdrawal	Penalized Withdrawal	Amount Wanted	Take Home
\$250,000	46	\$6,793	\$3,207	\$10,000	\$8,379
\$261,600	47	\$7,287	\$3,063	\$10,350	\$8,698
\$273,863	48	\$7,847	\$2,865	\$10,712	\$9,033
\$286,834	49	\$8,436	\$2,651	\$11,087	\$9,381
\$300,564	50	\$9,080	\$2,395	\$11,475	\$9,744
\$315,107	51	\$9,786	\$2,091	\$11,877	\$10,124
\$330,520	52	\$10,560	\$1,733	\$12,293	\$10,521
\$346,868	53	\$11,410	\$1,313	\$12,723	\$10,938
\$364,219	54	\$12,346	\$822	\$13,168	\$11,374
\$382,645	55	\$13,379	\$250	\$13,629	\$11,832
\$402,228	56	\$14,521	\$0	\$14,106	\$12,633
\$422,600	57	\$15,769	\$0	\$14,600	\$13,719
\$443,446	58	\$17,121	\$0	\$15,111	\$14,896
\$464,694	59	\$18,588	\$0	\$15,640	\$16,171
\$486,256	60	\$20,093	\$0	\$16,187	\$17,481
\$508,117	61	\$21,808	\$0	\$16,753	\$18,973
\$530,078	62	\$23,559	\$0	\$17,340	\$20,496
\$552,105	63	\$25,560	\$0	\$17,947	\$22,238
\$573,934	64	\$27,593	\$0	\$18,575	\$24,006
\$595,512	65	\$28,630	\$0	\$19,225	\$24,908
\$617,901	66	\$29,707	\$0	\$19,898	\$25,845
\$641,131	67	\$30,824	\$0	\$20,594	\$26,817
\$665,235	68	\$31,982	\$0	\$21,315	\$27,825
\$690,246	69	\$33,185	\$0	\$22,061	\$28,871
\$716,196	70	\$34,433	\$0	\$22,833	\$29,956
\$743,123	71	\$35,727	\$0	\$23,632	\$31,083
\$771,061	72		\$0		
\$0	73				
\$0	74				
	81				
	70				
	71				
	72				

Life Expectancy

	73				

Life Expectancy

**tancy Method**  
Additional  
this plan for 5  
data after age 60

Balance Year End
\$261,600.00
\$273,862.50
\$286,833.77
\$300,563.79
\$315,106.53
\$330,520.33
\$346,868.28
\$364,218.58
\$382,645.04
\$402,227.51
\$422,600.26
\$443,446.44
\$464,694.20
\$486,256.01
\$508,117.44
\$530,077.70
\$552,105.38
\$573,933.99
\$595,511.70
\$617,900.65
\$641,131.34
\$665,235.41
\$690,245.70
\$716,196.29
\$743,122.51
\$771,061.06

## Life Expectancy


Retirement

<b>Desired Yearly Income</b> (Retirement money not covered by other sources:,i.e.-SS,Pension,annuity,etc.)	\$25,000	
<b>Rate of Return</b> on Savings During Retirement	6.000	
<b>Years</b> Expected to be in Retirement	25.0	<b>Section 1</b>
<b>Amount Needed by Retirement (in todays dollars)</b>	<b>\$319,583.90</b>	
Average <b>Inflation Rate</b> anticipated	3.500	
<b>Inflation adjusted amount required</b>	<b>\$472,124.65</b>	
<b>Current Savings</b>		
<b>Current Savings</b>	\$100,000	
Expected <b>Rate of Return</b> until retirement	10.000	
<b>Years</b> until Retirement	15.0	<b>Section 2</b>
<b>Calculated Savings at Retirement</b>	<b>\$417,724.82</b>	
<b>Money required to save until retirement</b>		
<b>Money required to save until retirement</b>	<b>\$54,399.83</b>	
<b>Rate of return</b> on new investments	7.000	
<b>Yearly Savings Required</b>	<b>\$2,164.82</b>	<b>Section 3</b>
<b>Monthly Savings Required</b>	<b>\$180.40</b>	
<p><b>Enter data in yellow only.</b> This will help determine where you stand in your retirement planning.</p> <p><b>Section 1:</b> This determines, based on todays dollars, how much money you will need to generate that yearly income. It includes the inflation adjusted amount required.</p> <p><b>Section 2:</b> This calculates what you currently have saved toward retirement and what that will be at retirement time.</p> <p><b>Section 3:</b> This calculates what you need to save between now and retirement to meet the goals of section one.</p>		

Allocate

AGE  
40-60

Non-Retirement Asset Allocation

Net Worth  
Under \$200K

Annual Income  
Under \$100K

% STOCKS 54

Risk Tolerance  
Medium

% BONDS 26

Stock Market Optimism  
Medium

% CASH 20

Interest Rate Optimism  
Medium

Allocation

