

David Hopkins, Married Age 58  
Tammy Hopkins, Married Age 57

Background: Married and they wanted a full blown Lifetime Income Plan, which would include leaving money to their kids along with some charitable contributions.

Occupation: David, Civil Engineer  
Occupation: Tammy, Marketing Director (Telecom Company)

Annual Salary David \$175,000  
Annual Salary Tammy \$133,500 | Total Annual Salary \$308,500

### **Situation**

Tammy had a Roth from a previous employer, a Traditional IRA she had rolled over and was currently saving in her company's 401k plan. Both David and Tammy had accumulated \$1,000,000 in retirement savings a piece for a total of \$2 Million.

### **Concerns**

One major concern was over \$ 1.2 million was taxable or was on loan from the government and depending on their tax bracket at retirement would be far less after taxes.

### **Expectations**

They both expected their money would last for about 20 years and they would have money left to pass on to their charity and kids.

### **Solution**

We created an annually scheduled plan to convert some of their pre-taxed Traditional retirement savings to an after tax Roth plan. This would remove some of the Required Minimum Distribution (RMD) restrictions that would make them withdraw before they were ready. We wanted to move their current portfolio from heavy bonds with an average return of 4.72 to a more total return portfolio that would give them more exposure to stocks with an average return of about 5.81%. David and Tammy would be able to take a monthly withdrawal of about \$15,000 per month (a reduction in monthly expenses of about \$10,000) and based on the median outcome of a Monte Carlo Simulation (model the probability of the stock market using historical information capturing both good and bad years ) still have an estimated 2.3 million to bequest to their charities and their children. It was also important to mention that we would withdraw from their taxable traditional accounts first, and because Tammy feared that because of family history, David would precede her in death, so purchasing some type of long term care insurance would be an additional option as well.

## Lifetime Income Plan

### David and Tammy Hopkins



**Prepared by:**

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Financial Consultant

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Total Return I		
	Low Value	Median Value	High Value
2018	\$2,305,892	\$2,563,059	\$2,203,280
2019	\$2,379,131	\$2,966,234	\$2,706,292
2020	\$2,518,023	\$3,438,391	\$3,034,361
2021	\$2,291,968	\$3,755,528	\$3,503,332
2022	\$2,570,026	\$4,474,782	\$4,429,223
2023	\$3,077,192	\$4,418,294	\$5,795,973
2024	\$3,287,879	\$4,152,619	\$6,528,566
2025 / Withdrawals Begin	\$3,325,892	\$4,146,099	\$7,543,513
2026	\$2,959,915	\$4,305,211	\$7,539,050
2027	\$2,645,790	\$4,813,078	\$7,473,482
2028	\$2,156,651	\$4,579,833	\$8,071,047
2029	\$1,547,438	\$4,297,177	\$7,962,129
2030	\$1,372,038	\$3,703,240	\$7,590,591
2031	\$1,242,757	\$4,331,167	\$8,860,366
2032	\$1,018,906	\$4,265,361	\$8,804,725
2033	\$787,647	\$4,569,736	\$9,696,716
2034	\$491,510	\$3,916,294	\$10,206,561
2035	\$138,357	\$4,152,976	\$10,571,295
2036	\$0	\$4,298,027	\$10,916,932
2037	\$0	\$4,701,861	\$12,815,044
2038	\$0	\$3,921,626	\$15,323,768
2039	\$0	\$4,063,103	\$20,810,154
2040	\$0	\$3,296,665	\$22,762,118
2041	\$0	\$3,137,086	\$22,821,941
2042	\$0	\$2,551,176	\$21,789,316
2043	\$0	\$2,468,293	\$20,577,155
2044	\$0	\$2,362,339	\$16,948,434

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

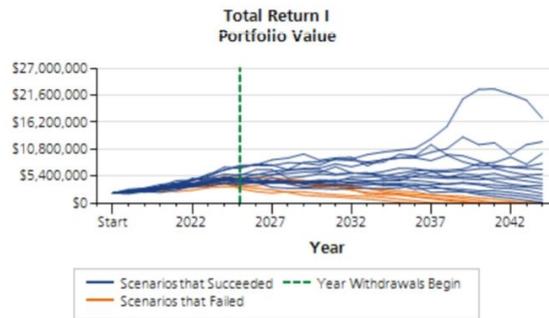
# Monte Carlo Results - Income Distribution

This analysis shows how variations in rates of return can affect the results of the analysis. The simulations were calculated assuming a beginning portfolio value of \$2,000,000, assets and an allocation you have identified, and an after-tax withdrawal of \$15,000 per month starting in 2025. The analysis is for a total period of 27 years-- 7 years of accumulation and 20 years of withdrawals.

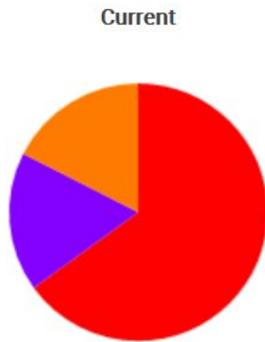
This table illustrates the likelihood of sustaining a specified withdrawal amount, given the beginning portfolio value, additions, return assumptions, and time frame that you have indicated. The results shown below include only the assets selected. If any annual additions are included, the additions will occur until the year before the withdrawals begin.

The selected target portfolio is Total Return I.

Total Return I			
Likelihood your money could last for 20 years of distribution is:		68%	
Hypothetical Value in 27 Years			
Result	Years Money Lasted	Current Dollars	Future Dollars
High Value:	20 years	\$8,743,333	\$16,948,434
Median Value:	20 years	\$1,151,393	\$2,362,339
Low Value:	11 years	\$0	\$0

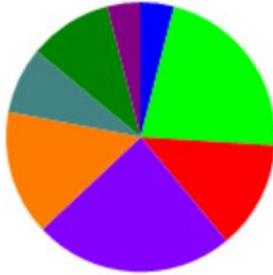


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Asset Class	%
Cash & Cash Alternatives	0%
Short Term Bonds	0%
Intermediate Term Bonds	65%
Long Term Bonds	0%
Large Cap Value Stocks	18%
Large Cap Growth Stocks	18%
Mid Cap Stocks	0%
Small Cap Stocks	0%
International Developed Stocks	0%
International Emerging Stocks	0%
Unclassified	0%

Total Return I



Asset Class	%
Cash & Cash Alternatives	4%
Short Term Bonds	22%
Intermediate Term Bonds	13%
Long Term Bonds	0%
Large Cap Value Stocks	24%
Large Cap Growth Stocks	15%
Mid Cap Stocks	0%
Small Cap Stocks	8%
International Developed Stocks	10%
International Emerging Stocks	4%
Unclassified	0%

**IMPORTANT DISCLOSURE INFORMATION:**

The projections or other information generated by the aforementioned report regarding the likelihood of various investment outcomes are hypothetical in nature. They do not reflect actual investment results, and are not guarantees of future results.