

# **Testing Financial Tolerance for a Single Premium Immediate Annuity**

## **Preface**

The accompanying report contains an analysis of your current financial plan compared to the addition of a single premium immediate annuity.

The material examines the following two situations:

Strategy 1 reflects your current financial plan.

Strategy 2 illustrates the results of your purchasing a single premium immediate annuity, the purpose of which is to help guarantee a portion of your retirement cash flow.

The accompanying report is presented in three parts, as follows:

1. Comparison of the results from each Strategy;
2. Details of Strategy 1;
3. Details of Strategy 2.

Although all the material should be reviewed, you may find the most valuable information is in the Comparison section. The most important individual reports are the Cash Flow Analysis, Hypothetical Net Worth Illustration, and Wealth Transfer Summary. The balance of the material provides backup for the overall analysis.

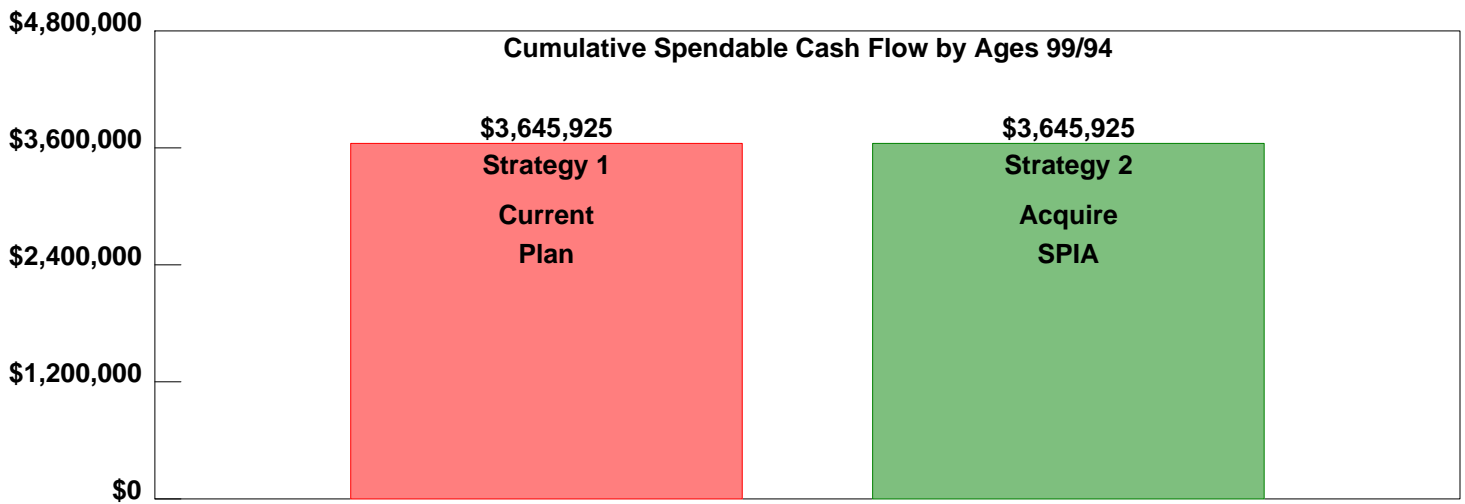
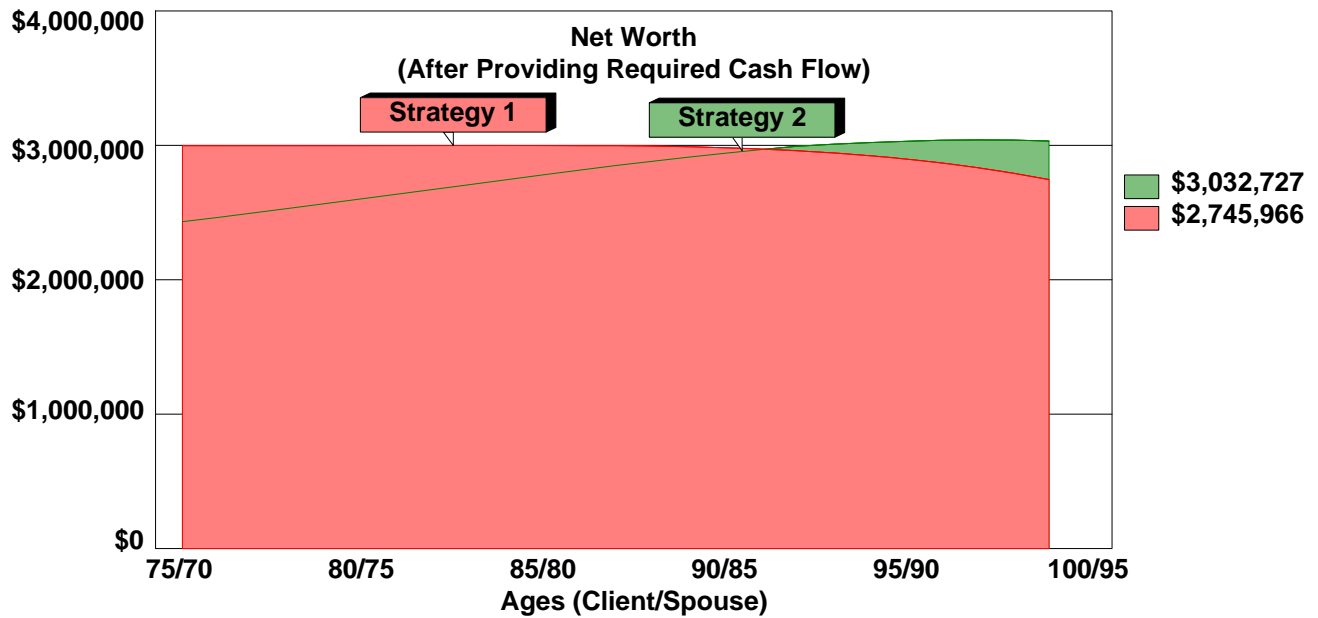
The material presented should provide a sound basis for evaluating your current situation as well as the effect that this planning strategy has on preservation of your family's wealth.

## Comparison of Alternatives

Presented By: [Licensed user's name appears here]  
Date: 01/01/2013

For: Aaron Bigelow  
& Connie Bigelow

### Comparative Analysis

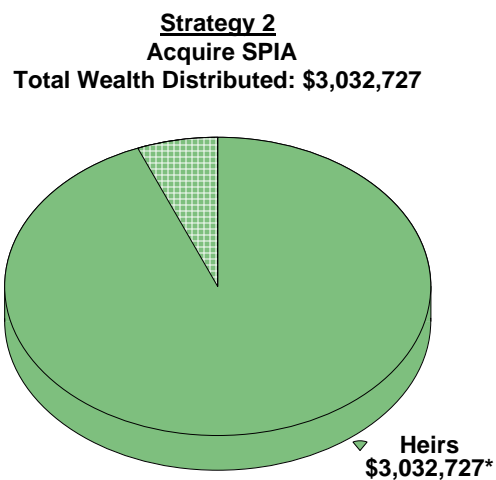
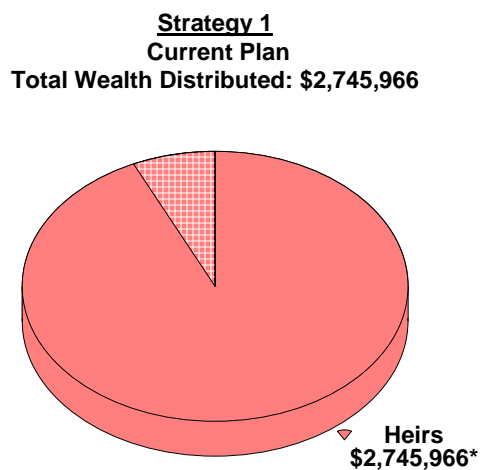


## Comparison of Alternatives

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& Connie Bigelow

### Comparative Analysis at Ages 99/94



Due to the illustrated results of "stretch-out" tax planning, the checkered section of the Heirs slices represents the amount in retirement assets in the following amounts on which income tax is still due by Heirs: Strategy 1: \$172,554; Strategy 2: \$172,554.

## Comparison of Alternatives

Comparison Page: 1  
Date: 01/01/2013

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& Connie Bigelow

| Year | Client Age | Spouse Age | Spendable Cash Flow |              | Net Worth*   |              | Wealth to Heirs |              |
|------|------------|------------|---------------------|--------------|--------------|--------------|-----------------|--------------|
|      |            |            | Strategy 1          | Strategy 2   | Strategy 1   | Strategy 2   | Strategy 1      | Strategy 2   |
|      |            |            | Current Plan        | Acquire SPIA | Current Plan | Acquire SPIA | Current Plan    | Acquire SPIA |
| 1    | 75         | 70         | 100,000             | 100,000      | 2,998,433    | 2,431,995    | 2,998,433       | 2,725,372    |
| 2    | 76         | 71         | 103,000             | 103,000      | 2,997,681    | 2,465,047    | 2,997,681       | 2,724,485    |
| 3    | 77         | 72         | 106,090             | 106,090      | 2,997,489    | 2,498,902    | 2,997,489       | 2,723,655    |
| 4    | 78         | 73         | 109,273             | 109,273      | 2,997,622    | 2,533,327    | 2,997,622       | 2,722,631    |
| 5    | 79         | 74         | 112,551             | 112,551      | 2,997,952    | 2,568,196    | 2,997,952       | 2,721,270    |
| 6    | 80         | 75         | 115,927             | 115,927      | 2,998,362    | 2,603,394    | 2,998,362       | 2,719,441    |
| 7    | 81         | 76         | 119,405             | 119,405      | 2,998,758    | 2,638,829    | 2,998,758       | 2,717,033    |
| 8    | 82         | 77         | 122,987             | 122,987      | 2,999,069    | 2,674,430    | 2,999,069       | 2,713,958    |
| 9    | 83         | 78         | 126,677             | 126,677      | 2,999,225    | 2,710,130    | 2,999,225       | 2,710,130    |
| 10   | 84         | 79         | 130,477             | 130,477      | 2,999,170    | 2,745,876    | 2,999,170       | 2,745,876    |
| 11   | 85         | 80         | 134,392             | 134,392      | 2,998,911    | 2,781,647    | 2,998,911       | 2,781,647    |
| 12   | 86         | 81         | 138,423             | 138,423      | 2,998,413    | 2,816,279    | 2,998,413       | 2,816,279    |
| 13   | 87         | 82         | 142,576             | 142,576      | 2,997,651    | 2,849,649    | 2,997,651       | 2,849,649    |
| 14   | 88         | 83         | 146,853             | 146,853      | 2,995,326    | 2,881,623    | 2,995,326       | 2,881,623    |
| 15   | 89         | 84         | 151,259             | 151,259      | 2,990,447    | 2,912,073    | 2,990,447       | 2,912,073    |
| 16   | 90         | 85         | 155,797             | 155,797      | 2,982,928    | 2,940,943    | 2,982,928       | 2,940,943    |
| 17   | 91         | 86         | 160,471             | 160,471      | 2,972,624    | 2,968,119    | 2,972,624       | 2,968,119    |
| 18   | 92         | 87         | 165,285             | 165,285      | 2,959,382    | 2,993,481    | 2,959,382       | 2,993,481    |
| 19   | 93         | 88         | 170,243             | 170,243      | 2,943,047    | 3,008,388    | 2,943,047       | 3,008,388    |
| 20   | 94         | 89         | 175,351             | 175,351      | 2,923,575    | 3,020,537    | 2,923,575       | 3,020,537    |
| 21   | 95         | 90         | 180,611             | 180,611      | 2,900,832    | 3,030,364    | 2,900,832       | 3,030,364    |
| 22   | 96         | 91         | 186,029             | 186,029      | 2,870,916    | 3,037,765    | 2,870,916       | 3,037,765    |
| 23   | 97         | 92         | 191,610             | 191,610      | 2,835,013    | 3,041,301    | 2,835,013       | 3,041,301    |
| 24   | 98         | 93         | 197,359             | 197,359      | 2,793,427    | 3,039,127    | 2,793,427       | 3,039,127    |
| 25   | 99         | 94         | 203,279             | 203,279      | 2,745,966    | 3,032,727    | 2,745,966       | 3,032,727    |

|           |           |
|-----------|-----------|
| 3,645,925 | 3,645,925 |
|-----------|-----------|

\*After spendable cash flow.