

# Comparison of Options for Long-Term Care

For

*John Sandor  
& Fran Sandor*



Presented by:

John Jones, CFP  
Jones and Associates  
12345 Main St.  
Philadelphia, PA 11121  
Phone: 555-555-5555  
Date: [Current date appears here]

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# **Client Information Summary**

# Client Information Summary

Client Information Summary Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor, Age 65  
& Fran Sandor, Age 60

## Current Assets

<u>Liquid Assets:</u>	Liquid Assets (Taxable Interest)	\$	300,000	
	Liquid Assets (Tax Exempt Interest)		400,000	
	Equity Assets		1,500,000	
	Tax Deferred Assets		0	
	Retirement Plan Assets		500,000	
			<hr/>	
		Total Liquid Assets		2,700,000
<u>Illiquid Assets:</u>	Principal Residence		500,000	
	Personal Property		150,000	
	Vacation Home		150,000	
			<hr/>	
		Total Illiquid Assets		800,000
<u>Other Assets:</u>		Total Other Assets Inside the Estate		0
				<hr/>
		Total Estate Assets		\$3,500,000
		Total Other Assets Outside the Estate		0

## Funding Options for Required Cash Flow

Retirement Plan Assets: Minimum Distribution, Unless More Is Needed

Cash Flow Funding: Interest and Dividend Income First

The information in this presentation is not guaranteed; it is for illustration purposes only. Tax rates, interest and inflation rates, and IRS tax codes may, and probably will, change in the future; therefore, you should consult your tax adviser for additional information about potential taxes and IRS revisions.

# Client Information Summary

Client Information Summary Page: 2  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor, Age 65  
& Fran Sandor, Age 60

## Assumptions Used

<u>Income Tax Rates:</u>	Retirement	31.00%
<u>Life Expectancy:</u>	Joint	29 Years
	John Sandor	Age 93
	Fran Sandor	Age 88
<u>Taxable Account:</u>		Taxable
	Yield Assumption	5.00%
<u>Tax Exempt Account:</u>		Tax Exempt
	Yield Assumption	4.00%
<u>Equities:</u>		Equity
	Growth Rate	6.00%
	Dividend Rate	2.00%
<u>Retirement Plan Assets John Sandor:</u>		
	Defined Contr. Yield Assumption	8.00%

# **Compare LTC Options**

# Testing Financial Tolerance for Long-Term Care

## Preface

In the accompanying report, you will find an analysis that should assist you in determining if you should consider self-insuring potential long-term care (LTC) liabilities or purchasing a long-term care policy to help cover those potential costs.

The material covers the following three situations:

Strategy 1 takes into account the effect of your cash flow requirements on your overall net worth as well as the wealth transferred to your heirs at your death. This Strategy is designed primarily to produce a snapshot of your current situation and answer the question, "Can our estate assets tolerate the cash flow needed with enough left over to cover unforeseen emergencies and other contingencies?" The purpose of Strategy 1 is to help you determine if your current spendable cash flow desires can be met while maintaining a desirable long-range "comfort zone" of net worth.

Strategy 2 adds an assumed level of long-term care claims and assumes you self-insure the risk, i.e., pay those claims from your own assets.

Strategy 3 assumes the long-term care claims are covered by a long-term care policy.

An analysis of the results of the three Strategies should be useful in evaluating the merit of self-insuring or insuring potential long-term care liabilities.

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

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

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.

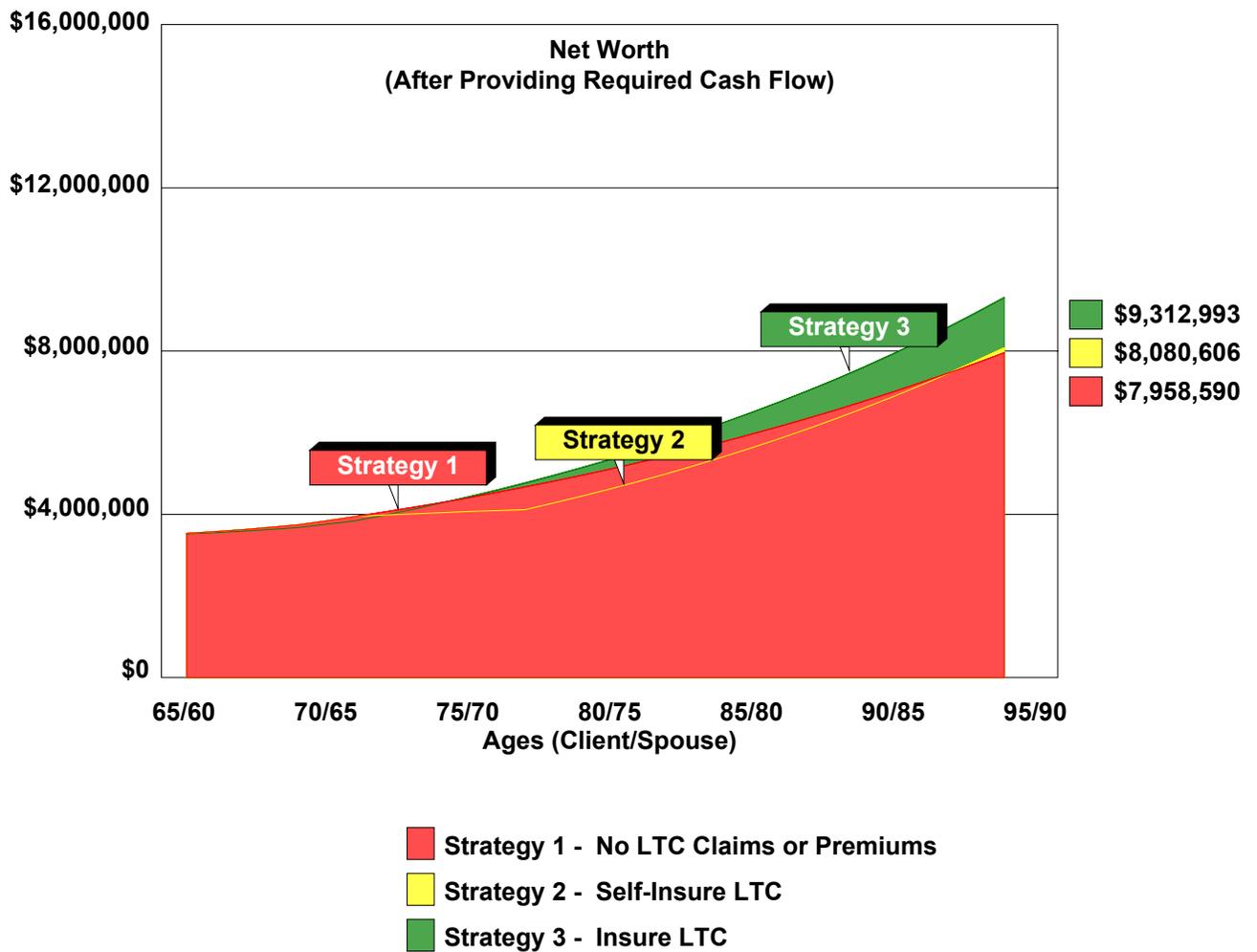
The material presented should provide a sound basis for evaluating your current situation as well as the effect that this planning strategy has on preservation of your family's wealth.

# Comparison of Alternatives

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: John Sandor  
& Fran Sandor

## Comparative Analysis



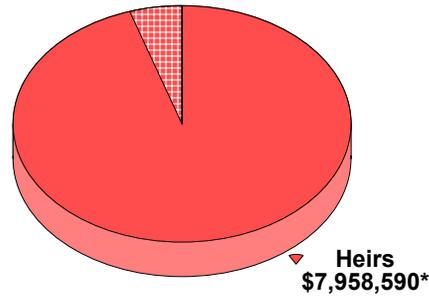
# Comparison of Alternatives

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Date: [Current date appears here]

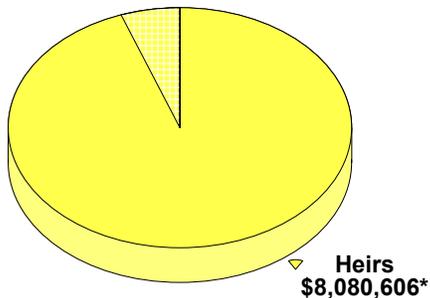
For: John Sandor  
& Fran Sandor

## Comparative Analysis at Ages 94/89

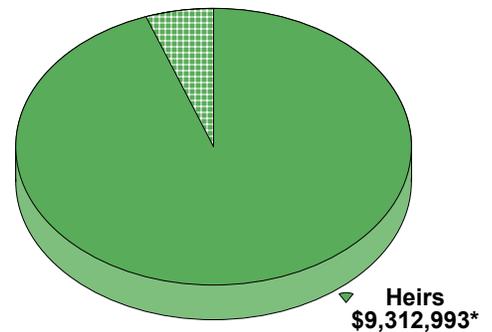
**Strategy 1**  
No LTC Claims or Premiums  
Total Wealth Distributed: \$7,958,590



**Strategy 2**  
Self-Insure LTC  
Total Wealth Distributed: \$8,080,606



**Strategy 3**  
Insure LTC  
Total Wealth Distributed: \$9,312,993



\*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: \$348,726; Strategy 2: \$398,586; Strategy 3: \$474,256.

**No LTC Claims or Premiums**

# Cash Flow Analysis

Cash Flow Analysis Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Spouse		Annual Cash Flow Required		Annual Cash Flow Provided				Total After Tax Cash Flow Provided*
	Age	Age	(1) After Tax Spendable Cash Flow Required*	(2) Expected After Tax Cash Flow	(3) After Tax Cash Flow from Retirement + Plan Assets +	(4) After Tax Cash Flow from Taxable & Tax Exempt Accounts +	(5) After Tax Cash Flow from Equity Assets =	(6)	
1	65	60	100,000	19,310	25,556	31,134	24,000	100,000	
2	66	61	103,000	19,889	25,556	33,302	24,253	103,000	
3	67	62	106,090	20,486	25,335	35,576	24,693	106,090	
4	68	63	109,273	21,101	25,116	37,770	25,286	109,273	
5	69	64	112,551	21,734	24,899	39,913	26,005	112,551	
6	70	65	115,927	45,738	19,816	23,542	26,831	115,927	
7	71	66	119,405	47,110	21,003	23,542	27,750	119,405	
8	72	67	122,987	48,523	22,172	23,542	28,750	122,987	
9	73	68	126,677	49,979	23,331	23,542	29,825	126,677	
10	74	69	130,477	51,479	24,486	23,542	30,970	130,477	
11	75	70	134,392	53,023	24,692	24,497	32,180	134,392	
12	76	71	138,423	54,614	24,478	25,875	33,456	138,423	
13	77	72	142,576	56,252	24,267	27,263	34,794	142,576	
14	78	73	146,853	57,940	24,057	28,660	36,196	146,853	
15	79	74	151,259	59,678	23,849	30,071	37,661	151,259	
16	80	75	155,797	61,468	23,644	31,493	39,192	155,797	
17	81	76	160,471	63,312	23,439	32,931	40,789	160,471	
18	82	77	165,285	65,211	23,236	34,384	42,454	165,285	
19	83	78	170,243	67,168	23,036	35,849	44,190	170,243	
20	84	79	175,351	69,183	22,837	37,333	45,998	175,351	
21	85	80	180,611	71,258	22,640	38,831	47,882	180,611	
22	86	81	186,029	73,396	22,444	40,344	49,845	186,029	
23	87	82	191,610	75,598	22,250	41,874	51,888	191,610	
24	88	83	197,359	77,866	23,259	42,218	54,016	197,359	
25	89	84	203,279	80,202	24,296	42,550	56,231	203,279	
26	90	85	209,378	82,608	25,117	43,115	58,538	209,378	
27	91	86	215,659	85,086	25,912	43,721	60,940	215,659	
28	92	87	222,129	87,639	26,673	44,377	63,440	222,129	
29	93	88	228,793	90,268	27,385	45,097	66,043	228,793	
30	94	89	235,657	92,976	27,728	46,200	68,753	235,657	
			4,757,541	1,770,095	722,509	1,032,088	1,232,849	4,757,541	

**\*IMPORTANT NOTE:** For this plan to be financially sound, column (6) must equal column (1).

Column (1): assumes 3.00% inflation.

Column (2): see "Expected Cash Flow".

Column (3): see "Summary of Retirement Plan Assets".

Column (4): see detail reports for Taxable and Tax Exempt Accounts.

Column (5): see "Details of Equity Assets" and "Details of Portfolio Turnover".

## Details of Spendable Cash Flow Required

Required Cash Flow Details Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Age	Spouse Age	(1) After Tax Cash Flow for Living Expenses	(2) After Tax Spendable Cash Flow Required
1	65	60	100,000	100,000
2	66	61	103,000	103,000
3	67	62	106,090	106,090
4	68	63	109,273	109,273
5	69	64	112,551	112,551
6	70	65	115,927	115,927
7	71	66	119,405	119,405
8	72	67	122,987	122,987
9	73	68	126,677	126,677
10	74	69	130,477	130,477
11	75	70	134,392	134,392
12	76	71	138,423	138,423
13	77	72	142,576	142,576
14	78	73	146,853	146,853
15	79	74	151,259	151,259
16	80	75	155,797	155,797
17	81	76	160,471	160,471
18	82	77	165,285	165,285
19	83	78	170,243	170,243
20	84	79	175,351	175,351
21	85	80	180,611	180,611
22	86	81	186,029	186,029
23	87	82	191,610	191,610
24	88	83	197,359	197,359
25	89	84	203,279	203,279
26	90	85	209,378	209,378
27	91	86	215,659	215,659
28	92	87	222,129	222,129
29	93	88	228,793	228,793
30	94	89	235,657	235,657
			4,757,541	4,757,541

Column (1) assumes 3.00% inflation.

## Hypothetical Net Worth Numerical Illustration (After Providing Required Cash Flow)

Hypothetical Net Worth Illustration Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Age	Spouse Age	(1) Year End Value of Illiquid Assets	(2) Year End Value of Retirement Plan Assets	(3) Year End Value of Taxable Assets	(4) Year End Value of Tax Exempt Assets	(5) Year End Value of Equity Assets	(6) Year End Hypothetical Net Worth
1	65	60	825,000	496,000	294,058	400,000	1,515,782	3,530,840
2	66	61	852,000	491,715	285,668	400,000	1,543,311	3,572,694
3	67	62	881,063	487,467	274,636	400,000	1,580,377	3,623,543
4	68	63	912,255	483,255	260,954	400,000	1,625,333	3,681,797
5	69	64	945,650	479,080	244,583	400,000	1,676,959	3,746,272
6	70	65	981,326	482,499	244,583	400,000	1,734,359	3,842,767
7	71	66	1,019,366	484,319	244,583	400,000	1,796,884	3,945,152
8	72	67	1,059,859	484,454	244,583	400,000	1,864,072	4,052,968
9	73	68	1,102,900	482,799	244,583	400,000	1,935,605	4,165,887
10	74	69	1,148,592	479,232	244,583	400,000	2,011,278	4,283,685
11	75	70	1,197,041	475,091	243,595	400,000	2,090,970	4,406,697
12	76	71	1,248,360	470,986	241,147	400,000	2,174,622	4,535,115
13	77	72	1,302,673	466,917	237,179	400,000	2,262,230	4,668,999
14	78	73	1,360,107	462,883	231,629	400,000	2,353,831	4,808,450
15	79	74	1,420,797	458,884	224,428	400,000	2,449,491	4,953,600
16	80	75	1,484,887	454,919	215,507	400,000	2,549,304	5,104,617
17	81	76	1,552,530	450,989	204,791	400,000	2,653,385	5,261,695
18	82	77	1,623,885	447,092	192,202	400,000	2,761,869	5,425,048
19	83	78	1,699,121	443,229	177,663	400,000	2,874,903	5,594,916
20	84	79	1,778,417	439,399	161,087	400,000	2,992,651	5,771,554
21	85	80	1,861,959	435,602	142,390	400,000	3,115,288	5,955,239
22	86	81	1,949,949	431,838	121,482	400,000	3,243,001	6,146,270
23	87	82	2,042,595	428,107	98,270	400,000	3,375,988	6,344,960
24	88	83	2,140,113	422,542	73,902	400,000	3,514,457	6,551,014
25	89	84	2,242,738	414,970	48,349	400,000	3,658,627	6,764,684
26	90	85	2,350,715	405,584	21,330	400,000	3,808,728	6,986,357
27	91	86	2,464,298	394,293	0	392,713	3,965,000	7,216,304
28	92	87	2,583,758	381,015	0	362,269	4,127,693	7,454,735
29	93	88	2,709,378	365,683	0	329,859	4,297,069	7,701,989
30	94	89	2,841,458	348,726	0	295,005	4,473,401	7,958,590

# Wealth Transfer Summary (After Providing Required Cash Flow)

Wealth Transfer Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

			(1)	(2)	(3)	(4)	(5)	(6)
Year	Client Age	Spouse Age	Total Estate Assets*	Total Transfer Taxes	Net Estate to Heirs	Year End Total Assets Outside the Estate	Year End Wealth Transferred to Heirs	Portion of Column (5) Subject to Income Tax**
1	65	60	3,530,840	0	3,530,840	0	3,530,840	496,000
2	66	61	3,572,694	0	3,572,694	0	3,572,694	491,715
3	67	62	3,623,543	0	3,623,543	0	3,623,543	487,467
4	68	63	3,681,797	0	3,681,797	0	3,681,797	483,255
5	69	64	3,746,272	0	3,746,272	0	3,746,272	479,080
6	70	65	3,842,767	0	3,842,767	0	3,842,767	482,499
7	71	66	3,945,152	0	3,945,152	0	3,945,152	484,319
8	72	67	4,052,968	0	4,052,968	0	4,052,968	484,454
9	73	68	4,165,887	0	4,165,887	0	4,165,887	482,799
10	74	69	4,283,685	0	4,283,685	0	4,283,685	479,232
11	75	70	4,406,697	0	4,406,697	0	4,406,697	475,091
12	76	71	4,535,115	0	4,535,115	0	4,535,115	470,986
13	77	72	4,668,999	0	4,668,999	0	4,668,999	466,917
14	78	73	4,808,450	0	4,808,450	0	4,808,450	462,883
15	79	74	4,953,600	0	4,953,600	0	4,953,600	458,884
16	80	75	5,104,617	0	5,104,617	0	5,104,617	454,919
17	81	76	5,261,695	0	5,261,695	0	5,261,695	450,989
18	82	77	5,425,048	0	5,425,048	0	5,425,048	447,092
19	83	78	5,594,916	0	5,594,916	0	5,594,916	443,229
20	84	79	5,771,554	0	5,771,554	0	5,771,554	439,399
21	85	80	5,955,239	0	5,955,239	0	5,955,239	435,602
22	86	81	6,146,270	0	6,146,270	0	6,146,270	431,838
23	87	82	6,344,960	0	6,344,960	0	6,344,960	428,107
24	88	83	6,551,014	0	6,551,014	0	6,551,014	422,542
25	89	84	6,764,684	0	6,764,684	0	6,764,684	414,970
26	90	85	6,986,357	0	6,986,357	0	6,986,357	405,584
27	91	86	7,216,304	0	7,216,304	0	7,216,304	394,293
28	92	87	7,454,735	0	7,454,735	0	7,454,735	381,015
29	93	88	7,701,989	0	7,701,989	0	7,701,989	365,683
30	94	89	7,958,590	0	7,958,590	0	7,958,590	348,726

### Summary at Life Expectancy (Year 29)

Total Estate Assets	\$ 7,701,989
Wealth Transferred to Heirs	\$ 7,701,989

\*Net of cash flow provided  
\*\*See column (5) on the Details of Transfer Taxation of Retirement Plan Assets.

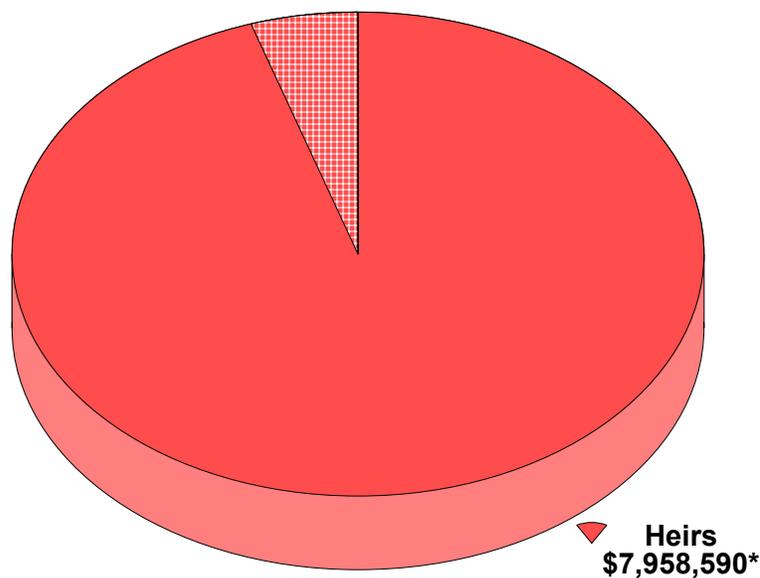
## Distribution of Assets

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: John Sandor  
& Fran Sandor

### Summary Analysis at Ages 94/89

#### Estate Distribution



\*Due to the illustrated results of "stretch-out" tax planning, the Heirs \$7,958,590 includes retirement plan assets of \$348,726 on which income tax is still due. (The \$348,726 is represented by the checkered section.)

# **Self-Insure LTC**

# Cash Flow Analysis

Cash Flow Analysis Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Spouse		Annual Cash Flow Required			Annual Cash Flow Provided			Total After Tax Cash Flow Provided*
	Age	Age	(1) After Tax Spendable Cash Flow Required*	(2) Expected After Tax Cash Flow	(3) After Tax Cash Flow from Retirement + Plan Assets +	(4) After Tax Cash Flow from Taxable & Tax Exempt Accounts +	(5) After Tax Cash Flow from Equity Assets =		
1	65	60	100,000	19,310	25,556	31,134	24,000	100,000	
2	66	61	103,000	19,889	25,556	33,302	24,253	103,000	
3	67	62	106,090	20,486	25,335	35,576	24,693	106,090	
4	68	63	109,273	21,101	25,116	37,770	25,286	109,273	
5	69	64	112,551	21,734	24,899	39,913	26,005	112,551	
6	70	65	115,927	45,738	19,816	23,542	26,831	115,927	
7	71	66	119,405	47,110	21,003	23,542	27,750	119,405	
8	72	67	193,552	48,523	24,954	91,325	28,750	193,552	
9	73	68	201,385	49,979	24,738	96,843	29,825	201,385	
10	74	69	209,554	51,479	24,525	102,580	30,970	209,554	
11	75	70	218,074	53,023	24,312	108,559	32,180	218,074	
12	76	71	226,962	54,614	24,102	114,790	33,456	226,962	
13	77	72	236,234	56,252	23,894	121,294	34,794	236,234	
14	78	73	110,140	57,940	15,627	3,385	33,188	110,140	
15	79	74	113,444	59,678	16,570	3,385	33,811	113,444	
16	80	75	116,848	61,468	17,563	3,385	34,432	116,848	
17	81	76	120,353	63,312	18,606	3,385	35,050	120,353	
18	82	77	123,964	65,211	19,700	3,385	35,668	123,964	
19	83	78	127,682	67,168	20,848	3,385	36,281	127,682	
20	84	79	131,513	69,183	22,047	3,385	36,898	131,513	
21	85	80	135,458	71,258	23,141	3,385	37,674	135,458	
22	86	81	139,522	73,396	24,265	3,385	38,476	139,522	
23	87	82	143,708	75,598	25,415	3,385	39,310	143,708	
24	88	83	148,019	77,866	26,585	3,385	40,183	148,019	
25	89	84	152,460	80,202	27,770	3,385	41,103	152,460	
26	90	85	157,033	82,608	28,707	3,385	42,333	157,033	
27	91	86	161,744	85,086	29,618	3,385	43,655	161,744	
28	92	87	166,597	87,639	30,486	3,385	45,087	166,597	
29	93	88	171,595	90,268	31,301	3,385	46,641	171,595	
30	94	89	176,742	92,976	31,692	3,385	48,689	176,742	
			4,448,829	1,770,095	723,747	917,715	1,037,272	4,448,829	

\*IMPORTANT NOTE: For this plan to be financially sound, column (6) must equal column (1).  
 Column (1): see "Details of Spendable Cash Flow Required".  
 Column (2): see "Expected Cash Flow".  
 Column (3): see "Summary of Retirement Plan Assets".  
 Column (4): see detail reports for Taxable and Tax Exempt Accounts.  
 Column (5): see "Details of Equity Assets" and "Details of Portfolio Turnover".

## Details of Spendable Cash Flow Required

Required Cash Flow Details Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Age	Spouse Age	(1) After Tax Cash Flow for Living Expenses	+	(2) After Tax Cash Flow for Hypothetical LTC Claims	=	(3) After Tax Spendable Cash Flow Required
1	65	60	100,000		0		100,000
2	66	61	103,000		0		103,000
3	67	62	106,090		0		106,090
4	68	63	109,273		0		109,273
5	69	64	112,551		0		112,551
6	70	65	115,927		0		115,927
7	71	66	119,405		0		119,405
8	72	67	92,241		101,311		193,552
9	73	68	95,008		106,377		201,385
10	74	69	97,858		111,696		209,554
11	75	70	100,794		117,280		218,074
12	76	71	103,818		123,144		226,962
13	77	72	106,932		129,302		236,234
14	78	73	110,140		0		110,140
15	79	74	113,444		0		113,444
16	80	75	116,848		0		116,848
17	81	76	120,353		0		120,353
18	82	77	123,964		0		123,964
19	83	78	127,682		0		127,682
20	84	79	131,513		0		131,513
21	85	80	135,458		0		135,458
22	86	81	139,522		0		139,522
23	87	82	143,708		0		143,708
24	88	83	148,019		0		148,019
25	89	84	152,460		0		152,460
26	90	85	157,033		0		157,033
27	91	86	161,744		0		161,744
28	92	87	166,597		0		166,597
29	93	88	171,595		0		171,595
30	94	89	176,742		0		176,742
			3,759,719		689,110		4,448,829

Column (1) assumes 3.00% inflation.  
Column (2) assumes 5.00% inflation.

## Hypothetical Net Worth Numerical Illustration (After Providing Required Cash Flow)

Hypothetical Net Worth Illustration Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Age	Spouse Age	(1) Year End Value of Illiquid Assets	(2) Year End Value of Retirement Plan Assets	(3) Year End Value of Taxable Assets	(4) Year End Value of Tax Exempt Assets	(5) Year End Value of Equity Assets	(6) Year End Hypothetical Net Worth
1	65	60	825,000	496,000	294,058	400,000	1,515,782	3,530,840
2	66	61	852,000	491,715	285,668	400,000	1,543,311	3,572,694
3	67	62	881,063	487,467	274,636	400,000	1,580,377	3,623,543
4	68	63	912,255	483,255	260,954	400,000	1,625,333	3,681,797
5	69	64	945,650	479,080	244,583	400,000	1,676,959	3,746,272
6	70	65	981,326	482,499	244,583	400,000	1,734,359	3,842,767
7	71	66	1,019,366	484,319	244,583	400,000	1,796,884	3,945,152
8	72	67	1,059,859	480,134	174,461	400,000	1,864,072	3,978,526
9	73	68	1,102,900	475,986	96,212	400,000	1,935,605	4,010,703
10	74	69	1,148,592	471,873	9,328	400,000	2,011,278	4,041,071
11	75	70	1,197,041	467,796	0	312,800	2,090,970	4,068,607
12	76	71	1,248,360	463,754	0	205,930	2,174,622	4,092,666
13	77	72	1,302,673	459,747	0	88,021	2,262,230	4,112,671
14	78	73	1,360,107	468,290	0	88,021	2,356,814	4,273,232
15	79	74	1,420,797	475,978	0	88,021	2,456,485	4,441,281
16	80	75	1,484,887	482,674	0	88,021	2,561,465	4,617,047
17	81	76	1,552,530	488,228	0	88,021	2,672,003	4,800,782
18	82	77	1,623,885	492,480	0	88,021	2,788,376	4,992,762
19	83	78	1,699,121	495,253	0	88,021	2,910,893	5,193,288
20	84	79	1,778,417	496,362	0	88,021	3,039,876	5,402,676
21	85	80	1,861,959	495,851	0	88,021	3,175,521	5,621,352
22	86	81	1,949,949	493,558	0	88,021	3,318,168	5,849,696
23	87	82	2,042,595	489,317	0	88,021	3,468,176	6,088,109
24	88	83	2,140,113	482,956	0	88,021	3,625,919	6,337,009
25	89	84	2,242,738	474,302	0	88,021	3,791,786	6,596,847
26	90	85	2,350,715	463,574	0	88,021	3,965,929	6,868,239
27	91	86	2,464,298	450,668	0	88,021	4,148,725	7,151,712
28	92	87	2,583,758	435,492	0	88,021	4,340,556	7,447,827
29	93	88	2,709,378	417,968	0	88,021	4,541,812	7,757,179
30	94	89	2,841,458	398,586	0	88,021	4,752,541	8,080,606

# Wealth Transfer Summary (After Providing Required Cash Flow)

Wealth Transfer Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

			(1)	(2)	(3)	(4)	(5)	(6)
Year	Client Age	Spouse Age	Total Estate Assets*	Total Transfer Taxes	Net Estate to Heirs	Year End Total Assets Outside the Estate	Year End Wealth Transferred to Heirs	Portion of Column (5) Subject to Income Tax**
1	65	60	3,530,840	0	3,530,840	0	3,530,840	496,000
2	66	61	3,572,694	0	3,572,694	0	3,572,694	491,715
3	67	62	3,623,543	0	3,623,543	0	3,623,543	487,467
4	68	63	3,681,797	0	3,681,797	0	3,681,797	483,255
5	69	64	3,746,272	0	3,746,272	0	3,746,272	479,080
6	70	65	3,842,767	0	3,842,767	0	3,842,767	482,499
7	71	66	3,945,152	0	3,945,152	0	3,945,152	484,319
8	72	67	3,978,526	0	3,978,526	0	3,978,526	480,134
9	73	68	4,010,703	0	4,010,703	0	4,010,703	475,986
10	74	69	4,041,071	0	4,041,071	0	4,041,071	471,873
11	75	70	4,068,607	0	4,068,607	0	4,068,607	467,796
12	76	71	4,092,666	0	4,092,666	0	4,092,666	463,754
13	77	72	4,112,671	0	4,112,671	0	4,112,671	459,747
14	78	73	4,273,232	0	4,273,232	0	4,273,232	468,290
15	79	74	4,441,281	0	4,441,281	0	4,441,281	475,978
16	80	75	4,617,047	0	4,617,047	0	4,617,047	482,674
17	81	76	4,800,782	0	4,800,782	0	4,800,782	488,228
18	82	77	4,992,762	0	4,992,762	0	4,992,762	492,480
19	83	78	5,193,288	0	5,193,288	0	5,193,288	495,253
20	84	79	5,402,676	0	5,402,676	0	5,402,676	496,362
21	85	80	5,621,352	0	5,621,352	0	5,621,352	495,851
22	86	81	5,849,696	0	5,849,696	0	5,849,696	493,558
23	87	82	6,088,109	0	6,088,109	0	6,088,109	489,317
24	88	83	6,337,009	0	6,337,009	0	6,337,009	482,956
25	89	84	6,596,847	0	6,596,847	0	6,596,847	474,302
26	90	85	6,868,239	0	6,868,239	0	6,868,239	463,574
27	91	86	7,151,712	0	7,151,712	0	7,151,712	450,668
28	92	87	7,447,827	0	7,447,827	0	7,447,827	435,492
29	93	88	7,757,179	0	7,757,179	0	7,757,179	417,968
30	94	89	8,080,606	0	8,080,606	0	8,080,606	398,586

### Summary at Life Expectancy (Year 29)

Total Estate Assets	\$ 7,757,179
Wealth Transferred to Heirs	\$ 7,757,179

\*Net of cash flow provided

\*\*See column (5) on the Details of Transfer Taxation of Retirement Plan Assets.

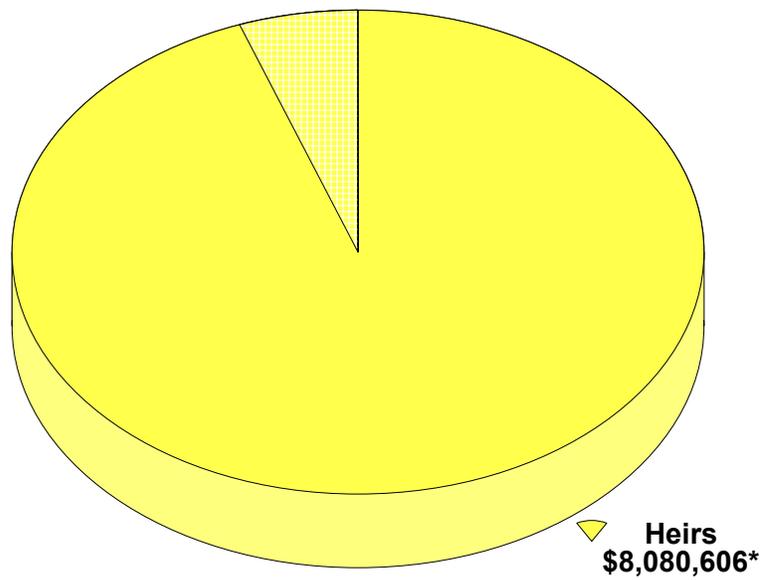
# Distribution of Assets

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: John Sandor  
& Fran Sandor

## Summary Analysis at Ages 94/89

### Estate Distribution



\*Due to the illustrated results of "stretch-out" tax planning, the Heirs \$8,080,606 includes retirement plan assets of \$398,586 on which income tax is still due. (The \$398,586 is represented by the checkered section.)

# **Insure LTC**

# Cash Flow Analysis

Cash Flow Analysis Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Spouse		Annual Cash Flow Required		Annual Cash Flow Provided				Total After Tax Cash Flow Provided*
	Age	Age	(1) After Tax Spendable Cash Flow Required*	(2) Expected After Tax Cash Flow	(3) After Tax Cash Flow from Retirement + Plan Assets +	(4) After Tax Cash Flow from Taxable & Tax Exempt Accounts +	(5) After Tax Cash Flow from Equity Assets =	(6)	
1	65	60	112,000	19,310	25,556	43,134	24,000	112,000	
2	66	61	115,000	19,889	25,556	45,302	24,253	115,000	
3	67	62	118,090	20,486	25,335	47,576	24,693	118,090	
4	68	63	121,273	21,101	25,116	49,770	25,286	121,273	
5	69	64	124,551	21,734	24,899	51,913	26,005	124,551	
6	70	65	127,927	45,738	24,684	30,674	26,831	127,927	
7	71	66	131,405	47,110	24,470	32,075	27,750	131,405	
8	72	67	98,241	48,523	12,690	20,619	16,409	98,241	
9	73	68	101,008	49,979	13,541	20,619	16,869	101,008	
10	74	69	103,858	51,479	14,447	20,619	17,313	103,858	
11	75	70	106,794	53,023	15,410	20,619	17,742	106,794	
12	76	71	109,818	54,614	16,434	20,619	18,151	109,818	
13	77	72	112,932	56,252	17,441	20,619	18,620	112,932	
14	78	73	116,140	57,940	18,593	20,619	18,988	116,140	
15	79	74	119,444	59,678	19,716	20,619	19,431	119,444	
16	80	75	122,848	61,468	20,897	20,619	19,864	122,848	
17	81	76	126,353	63,312	22,138	20,619	20,284	126,353	
18	82	77	129,964	65,211	23,441	20,619	20,693	129,964	
19	83	78	133,682	67,168	24,805	20,619	21,090	133,682	
20	84	79	137,513	69,183	26,232	20,619	21,479	137,513	
21	85	80	141,458	71,258	27,534	20,619	22,047	141,458	
22	86	81	145,522	73,396	28,872	20,619	22,635	145,522	
23	87	82	149,708	75,598	30,239	20,619	23,252	149,708	
24	88	83	154,019	77,866	31,632	20,619	23,902	154,019	
25	89	84	158,460	80,202	33,042	20,619	24,597	158,460	
26	90	85	163,033	82,608	34,158	20,619	25,648	163,033	
27	91	86	167,744	85,086	35,240	20,619	26,799	167,744	
28	92	87	172,597	87,639	36,274	20,619	28,065	172,597	
29	93	88	177,595	90,268	37,243	20,619	29,465	177,595	
30	94	89	182,742	92,976	37,709	20,619	31,438	182,742	
			3,981,719	1,770,095	753,344	774,681	683,599	3,981,719	

\*IMPORTANT NOTE: For this plan to be financially sound, column (6) must equal column (1).

Column (1): see "Details of Spendable Cash Flow Required".

Column (2): see "Expected Cash Flow".

Column (3): see "Summary of Retirement Plan Assets".

Column (4): see detail reports for Taxable and Tax Exempt Accounts.

Column (5): see "Details of Equity Assets" and "Details of Portfolio Turnover".

## Details of Spendable Cash Flow Required

Required Cash Flow Details Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Age	Spouse Age	(1) After Tax Cash Flow for Living Expenses	+	(2) After Tax Cash Flow for Premium for Long Term Care	=	(3) After Tax Spendable Cash Flow Required
1	65	60	100,000		12,000		112,000
2	66	61	103,000		12,000		115,000
3	67	62	106,090		12,000		118,090
4	68	63	109,273		12,000		121,273
5	69	64	112,551		12,000		124,551
6	70	65	115,927		12,000		127,927
7	71	66	119,405		12,000		131,405
8	72	67	92,241		6,000		98,241
9	73	68	95,008		6,000		101,008
10	74	69	97,858		6,000		103,858
11	75	70	100,794		6,000		106,794
12	76	71	103,818		6,000		109,818
13	77	72	106,932		6,000		112,932
14	78	73	110,140		6,000		116,140
15	79	74	113,444		6,000		119,444
16	80	75	116,848		6,000		122,848
17	81	76	120,353		6,000		126,353
18	82	77	123,964		6,000		129,964
19	83	78	127,682		6,000		133,682
20	84	79	131,513		6,000		137,513
21	85	80	135,458		6,000		141,458
22	86	81	139,522		6,000		145,522
23	87	82	143,708		6,000		149,708
24	88	83	148,019		6,000		154,019
25	89	84	152,460		6,000		158,460
26	90	85	157,033		6,000		163,033
27	91	86	161,744		6,000		167,744
28	92	87	166,597		6,000		172,597
29	93	88	171,595		6,000		177,595
30	94	89	176,742		6,000		182,742
			3,759,719		222,000		3,981,719

Column (1) assumes 3.00% inflation.

## Hypothetical Net Worth Numerical Illustration (After Providing Required Cash Flow)

Hypothetical Net Worth Illustration Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

Year	Client Age	Spouse Age	(1) Year End Value of Illiquid Assets	(2) Year End Value of Retirement Plan Assets	(3) Year End Value of Taxable Assets	(4) Year End Value of Tax Exempt Assets	(5) Year End Value of Equity Assets	(6) Year End Hypothetical Net Worth
1	65	60	825,000	496,000	281,644	400,000	1,515,782	3,518,426
2	66	61	852,000	491,715	260,412	400,000	1,543,311	3,547,438
3	67	62	881,063	487,467	236,095	400,000	1,580,377	3,585,002
4	68	63	912,255	483,255	208,669	400,000	1,625,333	3,629,512
5	69	64	945,650	479,080	178,080	400,000	1,676,959	3,679,769
6	70	65	981,326	474,940	168,407	400,000	1,734,359	3,759,032
7	71	66	1,019,366	470,837	156,951	400,000	1,796,884	3,844,038
8	72	67	1,059,859	484,731	156,951	400,000	1,876,314	3,977,855
9	73	68	1,102,900	498,296	156,951	400,000	1,961,489	4,119,636
10	74	69	1,148,592	511,423	156,951	400,000	2,052,352	4,269,318
11	75	70	1,197,041	523,991	156,951	400,000	2,148,937	4,426,920
12	76	71	1,248,360	535,865	156,951	400,000	2,251,360	4,592,536
13	77	72	1,302,673	547,024	156,951	400,000	2,359,722	4,766,370
14	78	73	1,360,107	557,190	156,951	400,000	2,474,329	4,948,577
15	79	74	1,420,797	566,338	156,951	400,000	2,595,366	5,139,452
16	80	75	1,484,887	574,306	156,951	400,000	2,723,135	5,339,279
17	81	76	1,552,530	580,915	156,951	400,000	2,857,977	5,548,373
18	82	77	1,623,885	585,973	156,951	400,000	3,000,265	5,767,074
19	83	78	1,699,121	589,274	156,951	400,000	3,150,404	5,995,750
20	84	79	1,778,417	590,594	156,951	400,000	3,308,826	6,234,788
21	85	80	1,861,959	589,986	156,951	400,000	3,475,812	6,484,708
22	86	81	1,949,949	587,258	156,951	400,000	3,651,816	6,745,974
23	87	82	2,042,595	582,212	156,951	400,000	3,837,314	7,019,072
24	88	83	2,140,113	574,644	156,951	400,000	4,032,809	7,304,517
25	89	84	2,242,738	564,346	156,951	400,000	4,238,823	7,602,858
26	90	85	2,350,715	551,581	156,951	400,000	4,455,598	7,914,845
27	91	86	2,464,298	536,225	156,951	400,000	4,683,646	8,241,120
28	92	87	2,583,758	518,168	156,951	400,000	4,923,492	8,582,369
29	93	88	2,709,378	497,317	156,951	400,000	5,175,675	8,939,321
30	94	89	2,841,458	474,256	156,951	400,000	5,440,328	9,312,993

# Wealth Transfer Summary (After Providing Required Cash Flow)

Wealth Transfer Page: 1  
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: John Sandor  
& Fran Sandor

			(1)	(2)	(3)	(4)	(5)	(6)
Year	Client Age	Spouse Age	Total Estate Assets*	Total Transfer Taxes	Net Estate to Heirs	Year End Total Assets Outside the Estate	Year End Wealth Transferred to Heirs	Portion of Column (5) Subject to Income Tax**
1	65	60	3,518,426	0	3,518,426	0	3,518,426	496,000
2	66	61	3,547,438	0	3,547,438	0	3,547,438	491,715
3	67	62	3,585,002	0	3,585,002	0	3,585,002	487,467
4	68	63	3,629,512	0	3,629,512	0	3,629,512	483,255
5	69	64	3,679,769	0	3,679,769	0	3,679,769	479,080
6	70	65	3,759,032	0	3,759,032	0	3,759,032	474,940
7	71	66	3,844,038	0	3,844,038	0	3,844,038	470,837
8	72	67	3,977,855	0	3,977,855	0	3,977,855	484,731
9	73	68	4,119,636	0	4,119,636	0	4,119,636	498,296
10	74	69	4,269,318	0	4,269,318	0	4,269,318	511,423
11	75	70	4,426,920	0	4,426,920	0	4,426,920	523,991
12	76	71	4,592,536	0	4,592,536	0	4,592,536	535,865
13	77	72	4,766,370	0	4,766,370	0	4,766,370	547,024
14	78	73	4,948,577	0	4,948,577	0	4,948,577	557,190
15	79	74	5,139,452	0	5,139,452	0	5,139,452	566,338
16	80	75	5,339,279	0	5,339,279	0	5,339,279	574,306
17	81	76	5,548,373	0	5,548,373	0	5,548,373	580,915
18	82	77	5,767,074	0	5,767,074	0	5,767,074	585,973
19	83	78	5,995,750	0	5,995,750	0	5,995,750	589,274
20	84	79	6,234,788	0	6,234,788	0	6,234,788	590,594
21	85	80	6,484,708	0	6,484,708	0	6,484,708	589,986
22	86	81	6,745,974	0	6,745,974	0	6,745,974	587,258
23	87	82	7,019,072	0	7,019,072	0	7,019,072	582,212
24	88	83	7,304,517	0	7,304,517	0	7,304,517	574,644
25	89	84	7,602,858	0	7,602,858	0	7,602,858	564,346
26	90	85	7,914,845	0	7,914,845	0	7,914,845	551,581
27	91	86	8,241,120	0	8,241,120	0	8,241,120	536,225
28	92	87	8,582,369	0	8,582,369	0	8,582,369	518,168
29	93	88	8,939,321	0	8,939,321	0	8,939,321	497,317
30	94	89	9,312,993	0	9,312,993	0	9,312,993	474,256

### Summary at Life Expectancy (Year 29)

Total Estate Assets	\$ 8,939,321
Wealth Transferred to Heirs	\$ 8,939,321

\*Net of cash flow provided

\*\*See column (5) on the Details of Transfer Taxation of Retirement Plan Assets.

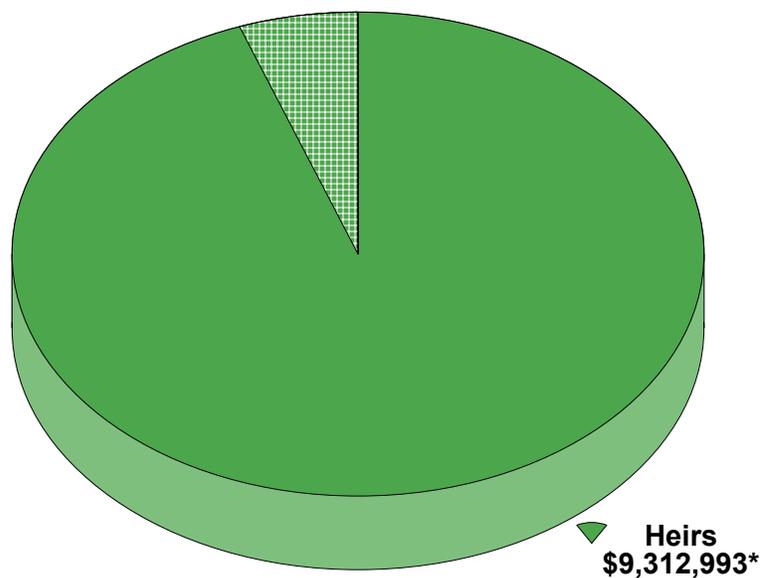
## Distribution of Assets

Presented By: [Licensed user's name appears here]  
Date: [Current date appears here]

For: John Sandor  
& Fran Sandor

### Summary Analysis at Ages 94/89

#### Estate Distribution



\*Due to the illustrated results of "stretch-out" tax planning, the Heirs \$9,312,993 includes retirement plan assets of \$474,256 on which income tax is still due. (The \$474,256 is represented by the checkered section.)