

Average Annual Expense and Income Illustration

Roll cursor here for instructions to unprotect sheet		Alternate Scenarios/Goals					
DATE: <input style="width: 150px;" type="text"/>	Current Annual	"How would income/expenses change if..."					
	<u>Sub-Totals</u>	<u>Totals</u>	<u>CL Death</u>	<u>SP Death</u>	<u>CL Disabled</u>	<u>SP Disabled</u>	<u>Retirement</u>
Mortgage Payments (P&I Only)	\$0		\$0	\$0	\$0	\$0	\$0
Other Loans (Tax Deductible)	\$0		\$0	\$0	\$0	\$0	\$0
Auto Loan/Lease Payments	\$0		\$0	\$0	\$0	\$0	\$0
Other Loans (Non Deductible)	\$0		\$0	\$0	\$0	\$0	\$0
Credit Card (Payments on Balance)	\$0		\$0	\$0	\$0	\$0	\$0
TOTAL SHORT & LONG TERM DEBTS		\$0	\$0	\$0	\$0	\$0	\$0
PROPERTY TAXES		\$0	\$0	\$0	\$0	\$0	\$0
FOOD EXPENSE (Groceries)		\$0	\$0	\$0	\$0	\$0	\$0
CLOTHING EXPENSE		\$0	\$0	\$0	\$0	\$0	\$0
Rent (primary residence)	\$0						
Water, Garbage, Recycling, Sewer	\$0						
Gas, Electricity	\$0						
Cell Phone Service	\$0						
Phone, Internet ISP, Cable TV	\$0						
Hired help: Home, yard, pool	\$0						
Home maint/repairs	\$0						
Pest Control, security, other services	\$0						
Association Dues	\$0						
Other (<input style="width: 100px;" type="text"/>)	\$0						
HOUSING EXPENSES		= \$0	\$0	\$0	\$0	\$0	\$0
Auto Service	\$0						
Gas/Fuel	\$0						
Public transportation	\$0						
Parking/tolls/I-Pass/License/Sticker	\$0						
Extended Warranty	\$0						
TRANSPORTATION EXPENSES		= \$0	\$0	\$0	\$0	\$0	\$0
Hair cuts/salon/personal care	\$0						
Dry cleaning/shoe shine	\$0						
Shipping/Postage/Fed Ex	\$0						
Service/Finance fees (bank, CC, ATM)	\$0						
Professional fees - legal, tax, tech, etc	\$0						
OTHER COMMITTED EXPENSES		= \$0	\$0	\$0	\$0	\$0	\$0
CHILDREN'S EXP (not incl elsewhere)		= \$0	\$0	\$0	\$0	\$0	\$0

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	<u>Sub-Totals</u>	<u>Totals</u>	<u>CL Death</u>	<u>SP Death</u>	<u>CL Disabled</u>	<u>SP Disabled</u>	<u>Retirement</u>
Life Insurance (CL)	\$0		\$0	\$0	\$0	\$0	\$0
Life Insurance (SP)	\$0		\$0	\$0	\$0	\$0	\$0
Disability Insurance (CL)	\$0		\$0	\$0	\$0	\$0	\$0
Disability Insurance (SP)	\$0		\$0	\$0	\$0	\$0	\$0
Long Term Nursing Care Ins (CL)	\$0		\$0	\$0	\$0	\$0	\$0
Long Term Nursing Care Ins (SP)	\$0		\$0	\$0	\$0	\$0	\$0
Other (_____)	\$0		\$0	\$0	\$0	\$0	\$0
LIFE/DISABILITY INSURANCE	= \$0		\$0	\$0	\$0	\$0	\$0
Auto Insurance	\$0						
Homeowners Insurance	\$0						
Umbrella Liability Insurance	\$0						
Personal Property Insurance	\$0						
Other (_____)	\$0						
PROPERTY/CASUALTY INSURANCE	= \$0		\$0	\$0	\$0	\$0	\$0
Medical Insurance, incl Medicare	\$0		\$0	\$0	\$0	\$0	\$0
Dental Insurance	\$0		\$0	\$0	\$0	\$0	\$0
Vision Insurance	\$0						
Other (_____)	\$0		\$0	\$0	\$0	\$0	\$0
HEALTH & WELLNESS INSURANCE	= \$0		\$0	\$0	\$0	\$0	\$0
Doctor/Dentist Expenses OOP	\$0						
Glasses/Contact lenses OOP	\$0						
Prescriptions OOP	\$0						
Other (_____)	\$0						
"OUT OF POCKET" MEDICAL/DENTAL	= \$0		\$0	\$0	\$0	\$0	\$0
PRE TAX FLEX SAVE PLAN (MEDICAL)	\$0						
PRE TAX FLEX SAVE PLAN (DEP CARE)	\$0						
DEDUCTIBLE INVESTMNT INTEREST EXP	\$0						
DEPENDENT CARE EXPENSES		\$0	\$0	\$0	\$0	\$0	\$0
CHARITABLE CONTRIBUTIONS		\$0	\$0	\$0	\$0	\$0	\$0

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DATE:		Current Annual	"How would income/expenses change if..."							
		Sub-Totals	Totals	<u>CL Death</u>	<u>SP Death</u>	<u>CL Disabled</u>	<u>SP Disabled</u>	<u>Retirement</u>		
Entertain/Outside Meals		\$0								
Travel & Vacation		\$0								
Recreation/hobby/sports		\$0								
Club dues/union dues		\$0								
Gifts -Bday/Xmas/Wedding		\$0								
Furniture and decorating		\$0								
Media-Newspaper/mags/books/music		\$0								
Pet & Veterinary expenses		\$0								
Misc. spending cash		\$0								
Other ()		\$0								
Other ()		\$0								
LIFESTYLE DISCRETIONARY TOTAL		=	\$0	\$0	\$0	\$0	\$0	\$0		
EMPLOYER RETIREMENT CONTRIB (CL)		\$0								
EMPLOYER RETIREMENT CONTRIB (SP)		\$0								
Pre-Tax IRA, 401k, TSA (CL)		\$0		Regarding Alternative Scenarios for savings, taxes, & income						
Pre-Tax IRA, 401k, TSA (SP)		\$0								
529 Plan education savings		\$0								
Savings for new home, next auto, etc		\$0								
Other systematic savings		\$0								
TOTAL SAVINGS & INVESTMENT		=	\$0	\$0	\$0	\$0	\$0	\$0		
Fed tax withholding/est - CL & SP		\$0								
St tax withholding/est - CL & SP		\$0								
Payroll Tax -CL & SP		\$0								
Other Mandated Tax W/H - CL & SP		\$0								
TOTAL INCOME TAXES		=	\$0	\$0	\$0	\$0	\$0	\$0		
Gross SS Wages - CL		\$0		Annual Disability Benefits <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="width: 50px; text-align: center;">\$0</td> <td style="width: 50px; text-align: center;">\$0</td> </tr> </table>					\$0	\$0
\$0	\$0									
Gross SS Wages - SP		\$0								
Non-SS Wages - CL		\$0								
Non-SS Wages - SP		\$0								
Other Non-Invest Inc (SS, etc)		\$0								
Non-Reinvested Investment Income		\$0								
TOTAL INCOME		=	\$0	\$0	\$0	\$0	\$0	\$0		

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DATE:		Current Annual		"How would income/expenses change if..."		
		<u>Sub-Totals</u>	<u>Totals</u>	<u>CL Death</u>	<u>SP Death</u>	<u>CL Disabled</u> <u>SP Disabled</u> <u>Retirement</u>
TOTAL ANNUAL INFLOWS			\$0			
TOTAL ANNUAL OUTFLOWS			\$0			
ESTIMATED ANNUAL DISCRETIONARY INCOME			\$0			
ESTIMATED MONTHLY DISCRETIONARY INCOME			\$0			

	\$0	\$0	\$0	\$0	\$0	\$0
Long & Short Term Debts	\$0	\$0	\$0	\$0	\$0	\$0
Food and Clothing	\$0	\$0	\$0	\$0	\$0	\$0
Housing and Transportation Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Other Committed Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Dependent Care & Children's Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Life and Disability Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0
Property/Casualty and Health Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0
"Out of Pocket" Health Care Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Charitable and Discretionary Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Savings and Investment	\$0	\$0	\$0	\$0	\$0	\$0
Income Tax Payments	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OUTFLOWS	\$0	\$0	\$0	\$0	\$0	\$0
Alt. Scenario Exp as % of Today's Exp		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Current Outflows

- Long & Short Term Debts
- Food and Clothing
- Housing and Transportation Expenses
- Other Committed Expenses
- Dependent Care & Children's Expenses
- Life and Disability Insurance Premiums
- Property/Casualty and Health Insurance Premiums
- "Out of Pocket" Health Care Expenses
- Charitable and Discretionary Expenses
- Savings and Investment
- Income Tax Payments

Cell: B3

Comment: COMPLETE SHADED AREAS PLEASE: Specific (shaded) cells within the worksheet are designated for your input. Other cells are calculated for you, based on formulas or "rules of thumb". Non-shaded cells (calculated totals and alternate scenarios) are "protected" (they cannot be changed without "unprotecting" the worksheet) in order to reduce the possibility that a user would inadvertently change a cell that contains formulas, which might be difficult for the user to recreate.

Clients are, however, encouraged to customize their financial plan to reflect their unique goals and objectives, so no password is required to "unprotect" the worksheet. If you are unfamiliar with how to unprotect a worksheet in your version of Excel, feel free to call or email us with your software version.

Cell comments, like this one, will detail the assumptions made and rationale behind each expense and income item for your consideration.

Cell: A9

Comment: OTHER [TAX DEDUCTIBLE] LOAN PAYMENTS: Payments for loans other than the primary mortgage, on which interest may be tax deductible for federal income tax purposes (as it may be in the case of a home equity loan or line of credit).

Cell: A10

Comment: AUTO LOAN PAYMENTS: on one or more automobiles.

Cell: A11

Comment: OTHER [NON-DEDUCTIBLE] LOAN PAYMENTS: Annual loan payments for other loans on which interest expense is NOT deductible. Examples might include an installment loan for a boat or RV, or some other non-business, non-residential loan.

Cell: A12

Comment: CREDIT CARD (Balance Pay Down): This entry refers ONLY to payments to reduce credit card balances that have been carried over from month to month. Routine monthly uses of the credit card would be presumed to appear under the applicable expense (Clothing, Dining, etc).

Your analysis will determine when the debt will be paid off based on the current balance, interest rate, and payments being made.

Credit card debt is presumed to be paid off in the event of premature death and prior to or at retirement. Payments are presumed to continue until the debt is paid off in the event of disability.

Cell: A13

Comment: SHORT & LONG TERM DEBTS (P&I Only): Totals loan payments on all debts. This entry includes only principal and interest payments (not escrowed real estate or insurance costs) and not mortgages on investment (rental) properties.

To more easily illustrate both short term and long term family income needs in the event of premature death, your analysis presumes that loans are paid off at either death. Loan payments are presumed to continue to be paid on schedule in the event of disability.

If any loan is due to be paid off by your desired retirement age, or is scheduled to continue past retirement but you would like to plan to pay it off before then, indicate this by typing "0" in the retirement column for this entry.

Cell: A15

Comment: PROPERTY TAXES: on primary and secondary residences. Real estate taxes are presumed to continue unchanged under all scenarios. If you would like your analysis to reflect different assumptions (as may result from a move or downsizing of a residence), please change the values in the relevant cells.

Cell: A17

Comment: FOOD EXPENSE: including groceries, paper products, vitamins, etc. are presumed to decrease (based on the number of family members) in the event of a premature death, and remain unchanged in the event of disability. In retirement, the expense is presumed to decrease if the household currently includes dependent children.

If you would like your analysis to reflect different assumptions, please change the values in the relevant cells.

Cell: A19

Comment: CLOTHING EXPENSE: including shoes, coats, sport or work uniforms, etc. is presumed to decrease (based on the number of family members) in the event of a premature death, and remain unchanged in the event of disability. In retirement, the expense is presumed to decrease if the household currently includes dependent children.

If you would like your analysis to reflect different assumptions, please change the values in the relevant cells.

Cell: A31

Comment: HOUSING EXPENSES: are presumed to continue unchanged under all scenarios. If you would like your analysis to reflect different assumptions, please change the values in the relevant cells.

Cell: A38

Comment: TRANSPORTATION EXPENSES: are presumed to continue unchanged under all alternate scenarios. If you would like your analysis to reflect different assumptions (for instance, selling one car or eliminating a monthly parking or I-Pass expense), please change the values in the relevant cells.

Cell: A45

Comment: OTHER COMMITTED EXPENSES: are presumed to continue unchanged under all scenarios. If you would like your analysis to reflect different assumptions, please change the values in the relevant cells.

Cell: A47

Comment: CHILDREN' EXPENSES - included as a line item for client's who can and wish to segregate those expenses they would expect to cease when the children are grown. This entry should not duplicate the entry in Dependent Care Expenses.

Cell: D49

Comment: Is a risk analysis being prepared in Wealthvision that requires these premiums to be separate from "Living Expenses"? Y or N

Cell: A56

Comment: LIFE/DISABILITY INSURANCE:

LIFE INSURANCE: Include all life insurance premiums on policies insuring Client or Spouse, including both privately owned coverage and employer group plans. Also indicate whether these premiums are paid "before tax" through an employer program.

Of course, these premiums are presumed to cease in the event of premature death of the insured, and continue in the event of disability and during retirement. If your life insurance policies carry a "waiver of premium at disability" feature, adjust premiums accordingly in the appropriate cell(s).

If the insurance is scheduled to expire (term life) prior to retirement, or will not be needed in retirement, place a "0" in the retirement column.

DISABILITY INSURANCE: Include all disability insurance premiums on policies insuring Client or Spouse, including both privately owned coverage and employer group plans.

Indicate whether this premium is paid "before tax" through an employer program.

Of course, these premiums are presumed to cease in the event of premature death or disability of the insured. Further, since long term disability insurance is designed to replace earned income, this coverage is presumed to cease at retirement (where long term nursing care coverage is the more relevant risk anagement tool).

Cell: A63

Comment: PROPERTY/CASUALTY INSURANCE: are presumed to continue unchanged under all scenarios. If you would like your analysis

to reflect different assumptions (for instance, if one car would be sold), please change the values in the relevant cells.

Cell: A69

Comment: HEALTH RELATED INSURANCE:

MEDICAL/DENTAL/VISION: Provide the cost of medical and dental insurance plans, whether employer provided or privately owned, major medical, medicare supplement, etc.

Premiums are presumed to remain unchanged under all alternate scenarios. In practice, however, these expenses can change dramatically after disability or premature death, depending on the availability of group health coverage for family or survivors. It is also subject to wide variation if retirement occurs prior to medicare eligibility.

Indicate to your advisor (or provide a recent payroll stub) whether premiums paid are tax deductible through an employer plan (this does not refer to tax deductibility as an itemized deduction subject to the 7.5%/10% of AGI threshold on your federal income tax return).

You may wish to make changes in the alternate scenarios, based on your circumstance and risk tolerance.

LONG TERM CARE INSURANCE: Include all long term care insurance premiums on policies insuring both Client and Spouse, including both privately owned coverage and employer group plans.

Indicate whether this premium is paid "before tax" through an employer program.

This coverage is presumed to be in place starting at ~ age 50 to 55. When current coverage is not in place, your analysis will provide an estimate (based on a range of quotes) for this expense. If coverage is currently in place, it should be determined how (if at all) the premium would change in the event of death or disability to either spouse.

These premiums may or may not be tax deductible, or payable on a pre-tax basis within an employer sponsored plan.

Cell: A75

Comment: MEDICAL/DENTAL "OUT OF POCKET" EXPENSES: Medical expenses vary widely from year to year. While these expenses are left unchanged under alternate scenarios, the expense figures you use should take into account the deductibles and "out of pocket" maximums of health plans available.

If desired, make changes to the default figures in the appropriate cells.

Cell: B77

Comment: Pre Tax Flex Savings (Medical) is for tax information only - this is the pre tax payroll contribution that can be drawn on for reimbursement of qualified medical expenses. Should be less than or equal to "Out of Pocket" Medical/Dental total (below).

Cell: B78

Comment: Pre Tax Flex Savings (Dep Care) is for tax information only - this is the pre tax payroll contribution that can be drawn on for reimbursement of qualified dependent care expenses. It should be less than or equal to Dependent Care Expenses (below).

Cell: B79

Comment: Deductible Investment Expenses is for tax information only - this represents advisory fees withdrawn from portfolio assets. It is included as an itemized deduction subject to the 2% of AGI rule, but is not included in cashflow.

Cell: B81

Comment: DEPENDENT CARE EXPENSES: could encompass everything from day care, nanny or babysitting expenses to pre-college (grammar school and high school) education and activity (sports, dance, music, etc) expenses, or even allowances & chore \$ for kids.

In addition to providing current expenses, indicate whether you are participating in an employer sponsored "pre-tax dependent care expense" program (this is subject to a maximum \$5000 under current law).

Your analysis presumes that dependent care expenses would continue unchanged in the event of premature death or disability. This assumption may not be sound, particularly when children are very young. Dependent care costs could decrease if it is presumed that a working spouse would not work for "X" years in the event of the death of a spouse, or increase if current day care is part time and would need to be expanded to full time.

Finally, indicate to your advisor the year in which you would like your analysis to presume that these expenses cease. As noted above, if private grammar and high schools are anticipated, you may extend these expenses beyond the traditional child care period.

This information will be taken into account in the alternative scenarios as well. Expenses are presumed to have ceased by retirement. If this is not the case, please add the expense back in the retirement column.

Cell: A83

Comment: CHARITABLE (Cash) CONTRIBUTIONS: are presumed to continue unchanged under all scenarios. If you would like your analysis to reflect different assumptions, please change the values in the relevant cells.

Cell: B98

Comment: EMPLOYER contribution to client's (CL) or spouses's (SP) retirement plans. This typically represents the employee's share of profit sharing contributions (which may be estimated, if necessary) as well as company matching contributions in 401k plans.

Cell: F101

Comment: REGARDING ALTERNATIVE SCENARIOS FOR SAVINGS, TAXES AND INCOME:

This Expense and Income illustration is designed to provide insight as a stand alone tool, as well as serving to provide input for the preparation of a formal financial plan.

The calculations in these categories in the spreadsheet represent broad estimates, designed to help clients begin to assess realistic goals, and realistic levels of available discretionary income.

When a formal financial plan is prepared, estimated income taxes, savings desired or required, and income generated from earned and unearned sources under alternate scenarios are assessed and calculated in considerable detail. As a result, they may be very different from the more simple figures in this spreadsheet.

Cell: A106

Comment: SYSTEMATIC SAVINGS & INVESTMENT:

PRE-TAX IRA, 401K, TSA: Indicate the amount of client/spouse contributions to tax sheltered or tax deferred IRA's, annuities, 401k's and other employer sponsored plans.

529 PLAN, SAVINGS FOR... & OTHER: Indicate the amount of committed annual contributions to investments and savings accounts for intermediate to long term savings goals. That is, do not include funds contributed inconsistently, or contributed monthly to, for instance, a money market fund which is presumed to be the source of funds for real estate tax payments, vacations or other annual expenses which have been listed elsewhere on this worksheet.

ALTERNATE SCENARIOS: It is assumed that, if savings (including employer contributions) are required or desired for the accomplishment of family financial goals, it is desirable that this savings continues in the event of premature death or disability. If your financial goals would change, you may wish to change the assumptions about required savings under these scenarios.

While income may exceed expenses in retirement (and certainly should in the early years of retirement) and the excess reinvested, it is presumed that our financial accumulation objectives have been met by then, so the entry for savings and investment in retirement is zero.

Cell: A112

Comment: INCOME TAXES: This information may be derived from recent income tax returns, or current paystubs, or both. Income may change from year to year, but the best information for this exercise is based on income in the current tax year.

Be sure to provide your advisor with most recent paystubs and income tax returns (federal and state), and provide an indication of how income and itemized deductions from the recent tax returns may change in the current year.

Cell: H114

Comment: ANNUAL DISABILITY BENEFITS: Please provide the amount of disability insurance benefits which would be received over a full year of benefits in the event of a long term disability of the Client or Spouse.

Cell: A120

Comment: INCOME: Includes all earned and non-reinvested investment income -- gross wages before payroll withholding, current pension or social security benefits being received, rental income, structured settlements, etc.

GROSS SS WAGES: Income subject to social security taxation.

NON-SS WAGES: Income from employment that is not subject to social security taxation (such as wages earned by teachers, police officers, other municipal and federal employees that may pay into a separate pension plan and do not participate in the social security system)

OTHER NON-INVESTMENT INCOME: Non-wage, non-interest/dividend income such as social security, pension or annuity income currently received, subchapter S dividend income, income from actively managed rental properties, annual financial gifts received, or annual trust distributions received.