Keys for Planning a Happy Retirement

Larry Gaffey, CPA

July 21, 2006

AIA Trust

Legacy Advisors

RETIREMENT GOAL
Worksheet

Handout 2

DESCRIPTION	HOW IMPORTANT IS THIS TO ME (Scale of 1-10)

Family/Relationships
Visit chidren/grandchildren 2x/year for at least 10 days each

Sports/Hobbies/Travel

Health

Spirituality

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RETIREMENT GOAL
Worksheet

Handout 2

DESCRIPTION	COST OF ACHIEVING THE GOAL ANNUALLY$
Travel outside the U.S. 1x/year	
Visit children/grandchildren 2x/year	

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RETIREMENT NEEDS Worksheet

Handout 3

DESCRIPTION	TOTALS
Current Income	
Wages	
Interest/Divedends	
Other	
	(A)
Subtract	
Social security taxes	
401(k) savings	
College education	
Other savings	
Mortgage	
	(B)
Add	
Additional travel costs	
Second home costs	
Senior education	
Other costs	
	(C)
Total need in retirement (a-b+c)	

EXPENSE COMPARISON
Worksheet

Handout 4

DESCRIPTION	PRE-RETIREMENT ANNUAL SPENDING	POST-RETIREMENT ANNUAL SPENDING
Automobiles		
Insurance		
Payments		
Operation & Maintenance		
Housing		
Furniture		
Home Improvement/Maintenance		
Insurance		
Mortgage/Rent/Cond Fees		
Investments		
Education payments		
401k/Deferred Comp Plan contributions		
IRA contributions		
Insurance Payments		
Life Insurance		
Disability		
Long Term Care		
Living		
Alimony/Child Support		
Charitable Donations		
Child Care		
Clothing/Laundry/Dry Cleaning		
Domestic Help		
Entertainment/Dining Out		
Food		
Gifts		
Vacations		
Medical		
Expenses		
Insurance		

EXPENSE COMPARISON

Worksheet cont'd

Handout 4

DESCRIPTION	PRE-RETIREMENT ANNUAL SPENDING	POST-RETIREMENT ANNUAL SPENDING
Taxes FICA		
Federal		
Local		
State		
Other		

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RETIREMENT SAVINGS
Worksheet

Handout 5

HOW WILL I MEET MY YEARLY RETIREMENT NEEDS?	EXAMPLE	YOURSELF	
A. In today's dollars, enter your anticipated annual retirement expenses (use between 80-120%)	**$45,000**	**$______________**	
B. Subtract the total amount you expect to receive each year from current retirement plans, social security ,etc.	**($29,000)**	**($______________)**	
C. Calculate the amount you will need annually in retirement from your personal savings	**=$16,000**	**Line A - Line B**	**= $______________**

WHAT IS MY TOTAL RETIREMENT SAVINGS GOAL?	EXAMPLE	YOURSELF	
D. What is your target retirement age? (Select age and insert factor from Table A)	**x 18.2**	**x __________**	
E. Calculate the amount you may need to have saved (in today's dollars) by your desired retirement age.	**=$291,000**	**Line C x Line D**	**= $______________**

WHAT WILL MY CURRENT SAVINGS BE WORTH?	EXAMPLE	YOURSELF	
F. Enter the amount you've saved already (in today's dollars), including IRAs, 401ks, and other savings/investments	**$50,000**	**$ _______________**	
G. How many years do you have until you retire? (Enter the factor from Table B)	**x 2.02**	**x ____________**	
H. Calculate the estimated value of your current savings at the time of retirement.	**=$101,000**	**Line F x Line G**	**= $______________**

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RETIREMENT SAVINGS
Worksheet cont'd

HOW DO I ACHIEVE MY RETIREMENT SAVINGS GOAL?	EXAMPLE	YOURSELF	
I. This is the amount you still need in addtion to your current savings.	**=$190,200**	**Line E - Line H**	
J. Enter the factor from Table C below for the number of years until you retire.	**x .028**	**x ____________**	
K. Calculate the amount you need to save each year (in today's dollars) to reach your goals.	**=$5,326**	**Line I x Line J**	**= $________________**

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RETIREMENT WORKSHEET

Tables

Handout 6

TABLE A

Retirement Age	55	57	60	62	65	67
Factor	22.6	21.8	20.5	19.6	18.2	17.2

TABLE B

Years Until Retirement	5	7	9	11	13	15	20	25	30
Factor	1.15	1.22	1.29	1.36	1.44	1.53	1.76	2.02	2.33

TABLE C

Years Until Retirement	5	7	9	11	13	15	20	25	30
Factor	0.188	0.131	0.099	0.079	0.065	0.054	0.038	0.028	0.022

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LIFE INSURANCE NEEDS Analysis

Handout 7

DESCRIPTION	EXAMPLE	YOURSELF	CATEGORY TOTALS
Cash Needs			
Funeral Expenses	$15,000	$____________	
Mortgage Balance	$250,000	$____________	
Personal Debt		$____________	
Education Funds		$____________	
Other		$____________	
A. Total Cash Needed			$____________
Income Needs			
Annual Income Needed	$75,000	$____________	
B. Capital Needed to provide this level of income (Annual Income Needed/.05)(Annual Income Needed/ .05)			$____________
Available Resources:			
Existing Life Insurance	$250,000	$____________	
Government Benefits	$3,500	$____________	
Savings	$50,000	$____________	
Investments	$100,000	$____________	
C. Total Resources at Death			$____________

Fill in sum from Category Totals column

$____________	**Fill in from B. Capital Needed**
$____________	**Subtract C. Total Resources at Death**
$____________	**Subtotal**
$____________	**Add A. Total Cash Needed**
$____________	**Additional Life Insurance Needed**

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