

Inputs for Alternative 1 (No Roth IRA)

7/10/2020

Prepared for Fred

General Inputs

First Year of Analysis:	2020
Length of Analysis:	48
12/31/2019 Retirement Plan Balance:	\$1,500,000
12/31/2019 Roth IRA Balance:	\$0
12/31/2019 Other Assets Balance:	\$480,282
Inflation Rate:	3.00%
Plan Owner: Fred's Birth Date:	1/1/1952
Spousal Beneficiary: Ethel's Birth Date:	1/1/1955
Child: Jim's Birth Date:	1/1/1981
Assume Fred Dies in:	2038
Assume Ethel Performs a Spousal Rollover in:	2038
After Spousal Rollover, Ethel Names Jim as Beneficiary	
Assume Ethel Dies in:	2044
Assume Jim Survives the Analysis	
Assume Maximum Possible Deferral for Estate Analysis	

Minimum Distributions Options

Start Minimum Distributions (Client's RMD Age Year):	2024
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Retirement Plan Information

12/31/2019 Balance:	\$1,500,000
12/31/2019 Non-Deductible Balance:	\$0
Growth Rate:	5.00%

Roth IRA Information

12/31/2019 Balance:	\$0
Growth Rate:	5.00%

Other Assets Information

12/31/2019 Balance:	\$480,282
Non-Liquid Portion of Balance:	\$0
Growth Rate:	5.00%

Income Tax Information:

Method for Calculating Income Tax:	AGI
Fred: Married, Filing Joint with 2 Exemptions	
Fred's Itemized Deductions:	\$0
Ethel: Single with 1 Exemptions	
Ethel's Itemized Deductions:	\$0
Jim: Married, Filing Joint with 2 Exemptions	
Jim's Itemized Deductions:	\$0
Jim's AGI:	\$60,000
Income Tax Rate on Growth of Other Assets:	15.0%
Use Annuity Method for Distributing Section 691(c) Deduction	

Entered Amounts for Adjusted Gross Income:

2020 - 2079: \$60,000 growing at 3.00%

Calculation Details

Estate Taxes Not Included in Analysis	
Distributions & Contributions Made at Beginning of Year	
Include Pre-59½ Distribution Penalties:	Yes

Inputs for Alternative 2 (Roth IRA Conversion, Tax Paid from Other) 7/10/2020

Prepared for Fred

General Inputs

First Year of Analysis:	2020
Length of Analysis:	48
12/31/2019 Retirement Plan Balance:	\$1,500,000
12/31/2019 Roth IRA Balance:	\$0
12/31/2019 Other Assets Balance:	\$480,282
Inflation Rate:	3.00%
Plan Owner: Fred's Birth Date:	1/1/1952
Spousal Beneficiary: Ethel's Birth Date:	1/1/1955
Child: Jim's Birth Date:	1/1/1981
Assume Fred Dies in:	2038
Assume Ethel Performs a Spousal Rollover in:	2038
After Spousal Rollover, Ethel Names Jim as Beneficiary	
Assume Ethel Dies in:	2044
Assume Jim Survives the Analysis	
Assume Maximum Possible Deferral for Estate Analysis	

Minimum Distributions Options

Start Minimum Distributions (Client's RMD Age Year):	2024
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Retirement Plan Information

12/31/2019 Balance:	\$1,500,000
12/31/2019 Non-Deductible Balance:	\$0
Growth Rate:	5.00%

Roth IRA Information

12/31/2019 Balance:	\$0
Growth Rate:	5.00%

Other Assets Information

12/31/2019 Balance:	\$480,282
Non-Liquid Portion of Balance:	\$0
Growth Rate:	5.00%

Income Tax Information:

Method for Calculating Income Tax:	AGI
Fred: Married, Filing Joint with 2 Exemptions	
Fred's Itemized Deductions:	\$0
Ethel: Single with 1 Exemptions	
Ethel's Itemized Deductions:	\$0
Jim: Married, Filing Joint with 2 Exemptions	
Jim's Itemized Deductions:	\$0
Jim's AGI:	\$60,000
Income Tax Rate on Growth of Other Assets:	15.0%
Use Annuity Method for Distributing Section 691(c) Deduction	
Pay Conversion Taxes From:	Other Assets

Entered Amounts for Adjusted Gross Income:

2020 - 2079: \$60,000 growing at 3.00%

Calculation Details

Estate Taxes Not Included in Analysis	
Distributions & Contributions Made at Beginning of Year	
Include Pre-59½ Distribution Penalties:	Yes

Inputs for Alternative 3 (Roth IRA Conversion, Tax Paid from Roth IRA) 7/10/2020

Prepared for Fred

General Inputs

First Year of Analysis:	2020
Length of Analysis:	48
12/31/2019 Retirement Plan Balance:	\$1,500,000
12/31/2019 Roth IRA Balance:	\$0
12/31/2019 Other Assets Balance:	\$480,282
Inflation Rate:	3.00%
Plan Owner: Fred's Birth Date:	1/1/1952
Spousal Beneficiary: Ethel's Birth Date:	1/1/1955
Child: Jim's Birth Date:	1/1/1981
Assume Fred Dies in:	2038
Assume Ethel Performs a Spousal Rollover in:	2038
After Spousal Rollover, Ethel Names Jim as Beneficiary	
Assume Ethel Dies in:	2044
Assume Jim Survives the Analysis	
Assume Maximum Possible Deferral for Estate Analysis	

Minimum Distributions Options

Start Minimum Distributions (Client's RMD Age Year):	2024
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Retirement Plan Information

12/31/2019 Balance:	\$1,500,000
12/31/2019 Non-Deductible Balance:	\$0
Growth Rate:	5.00%

Roth IRA Information

12/31/2019 Balance:	\$0
Growth Rate:	5.00%

Other Assets Information

12/31/2019 Balance:	\$480,282
Non-Liquid Portion of Balance:	\$0
Growth Rate:	5.00%

Income Tax Information:

Method for Calculating Income Tax:	AGI
Fred: Married, Filing Joint with 2 Exemptions	
Fred's Itemized Deductions:	\$0
Ethel: Single with 1 Exemptions	
Ethel's Itemized Deductions:	\$0
Jim: Married, Filing Joint with 2 Exemptions	
Jim's Itemized Deductions:	\$0
Jim's AGI:	\$60,000
Income Tax Rate on Growth of Other Assets:	15.0%
Use Annuity Method for Distributing Section 691(c) Deduction	
Pay Conversion Taxes From:	Roth IRA

Entered Amounts for Adjusted Gross Income:

2020 - 2079: \$60,000 growing at 3.00%

Calculation Details

Estate Taxes Not Included in Analysis	
Distributions & Contributions Made at Beginning of Year	
Include Pre-59½ Distribution Penalties:	Yes

Retirement Plan Conversions to Roth IRA

7/10/2020

Prepared for Fred

<u>Year</u>	<u>No Roth IRA</u>	<u>Roth IRA Conversion, Tax Paid from Other</u>	<u>Roth IRA Conversion, Tax Paid from Roth IRA</u>
2020	0%	100%	100%

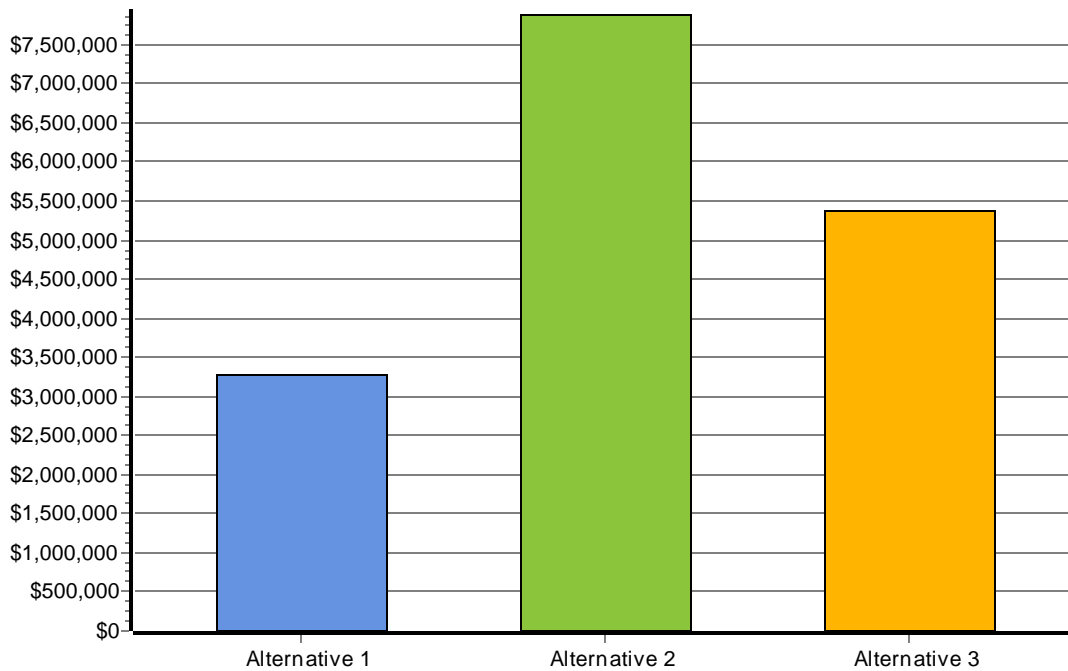
Net Distributions Comparison

7/10/2020

Prepared for Fred

Assumptions	
2020 Retirement Plan Balance:	\$1,500,000
Retirement Plan Annual Growth Rate:	5.00%
Inflation Rate:	3.00%
Birth Date of Fred:	1/1/1952
Birth Date of Ethel:	1/1/1955

Comparison of Value Received from Retirement Accounts



Total Value Received By	Alternative 1 No Roth IRA	Alternative 2 Roth IRA Conversion, Tax Paid from Other	Alternative 3 Roth IRA Conversion, Tax Paid from Roth IRA
Fred	\$1,224,703	\$0	\$0
Ethel	\$540,958	\$0	\$0
Jim	\$1,509,872	\$7,880,032	\$5,374,954
*Conversion Expenses	\$0	\$500,694	\$500,694
Total	\$3,275,533	\$7,880,032	\$5,374,954
Difference	---	140.57%	64.09%

*Conversion expenses are not included in the 'Total' displayed

Retirement Plan Analysis: No Roth IRA

7/10/2020

Prepared for Fred

<u>Year</u>	<u>Age</u>	<u>Begin Value</u>	<u>Life Exp</u>	<u>Distributions</u>	<u>Growth</u>	<u>Ending Value</u>
2020	68	\$1,500,000	18.6	\$0	\$75,000	\$1,575,000
2021	69	\$1,575,000	17.8	\$0	\$78,750	\$1,653,750
2022	70	\$1,653,750	17.0	\$0	\$82,688	\$1,736,438
2023	71	\$1,736,438	16.3	\$0	\$86,822	\$1,823,260
2024	72	\$1,823,260	25.6	\$71,221	\$87,602	\$1,839,641
2025	73	\$1,839,641	24.7	\$74,479	\$88,258	\$1,853,420
2026	74	\$1,853,420	23.8	\$77,875	\$88,777	\$1,864,322
2027	75	\$1,864,322	22.9	\$81,411	\$89,146	\$1,872,057
2028	76	\$1,872,057	22.0	\$85,094	\$89,348	\$1,876,311
2029	77	\$1,876,311	21.2	\$88,505	\$89,390	\$1,877,196
2030	78	\$1,877,196	20.3	\$92,473	\$89,236	\$1,873,959
2031	79	\$1,873,959	19.5	\$96,100	\$88,893	\$1,866,752
2032	80	\$1,866,752	18.7	\$99,826	\$88,346	\$1,855,272
2033	81	\$1,855,272	17.9	\$103,646	\$87,581	\$1,839,207
2034	82	\$1,839,207	17.1	\$107,556	\$86,583	\$1,818,234
2035	83	\$1,818,234	16.3	\$111,548	\$85,334	\$1,792,020
2036	84	\$1,792,020	15.5	\$115,614	\$83,820	\$1,760,226
2037	85	\$1,760,226	14.8	\$118,934	\$82,065	\$1,723,357
2038	86	\$1,723,357	14.1	\$122,224	\$80,057	\$1,681,190
2039	84	\$1,681,190	15.5	\$108,464	\$78,636	\$1,651,362
2040	85	\$1,651,362	14.8	\$111,579	\$76,989	\$1,616,772
2041	86	\$1,616,772	14.1	\$114,665	\$75,105	\$1,577,212
2042	87	\$1,577,212	13.4	\$117,702	\$72,976	\$1,532,486
2043	88	\$1,532,486	12.7	\$120,668	\$70,591	\$1,482,409
2044	89	\$1,482,409	12.0	\$123,534	\$67,944	\$1,426,819
2045	64	\$1,426,819		\$0	\$71,341	\$1,498,160
2046	65	\$1,498,160		\$0	\$74,908	\$1,573,068
2047	66	\$1,573,068		\$0	\$78,653	\$1,651,721
2048	67	\$1,651,721		\$0	\$82,586	\$1,734,307
2049	68	\$1,734,307		\$0	\$86,715	\$1,821,022
2050	69	\$1,821,022		\$0	\$91,051	\$1,912,073
2051	70	\$1,912,073		\$0	\$95,604	\$2,007,677
2052	71	\$2,007,677		\$0	\$100,384	\$2,108,061
2053	72	\$2,108,061		\$0	\$105,403	\$2,213,464
2054	73	\$2,213,464		\$2,213,464	\$0	\$0
Totals				\$4,356,582	\$2,856,582	

Retirement Plan Analysis: Roth IRA Conversion, Tax Paid from Other 7/10/2020

Prepared for Fred

<u>Year</u>	<u>Age</u>	<u>Begin Value</u>	<u>Life Exp</u>	<u>Roth IRA Conversion</u>
2020	68	\$1,500,000	18.6	<u>\$1,500,000</u>
Totals				\$1,500,000

Retirement Plan Analysis: Roth IRA Conversion, Tax Paid from Roth IRA 7/10/2020

Prepared for Fred

<u>Year</u>	<u>Age</u>	<u>Begin Value</u>	<u>Life Exp</u>	<u>Roth IRA Conversion</u>
2020	68	\$1,500,000	18.6	\$1,500,000
Totals				\$1,500,000

Distributions Breakdown: No Roth IRA

7/10/2020

Prepared for Fred

<u>Year</u>	<u>Distributions</u>	<u>Income Tax on Retirement Plan Distributions</u>	<u>All Distributions To Other Assets</u>
2024	\$71,221	\$10,312	\$60,909
2025	\$74,479	\$10,871	\$63,608
2026	\$77,875	\$11,652	\$66,223
2027	\$81,411	\$12,265	\$69,147
2028	\$85,094	\$12,906	\$72,187
2029	\$88,505	\$13,490	\$75,015
2030	\$92,473	\$14,178	\$78,295
2031	\$96,100	\$14,793	\$81,308
2032	\$99,826	\$15,411	\$84,415
2033	\$103,646	\$16,074	\$87,573
2034	\$107,556	\$16,728	\$90,828
2035	\$111,548	\$17,388	\$94,160
2036	\$115,614	\$18,073	\$97,541
2037	\$118,934	\$18,588	\$100,347
2038	\$122,224	\$19,074	\$103,150
2039	\$108,464	\$24,249	\$84,215
2040	\$111,579	\$24,942	\$86,636
2041	\$114,665	\$25,627	\$89,038
2042	\$117,702	\$26,301	\$91,401
2043	\$120,668	\$26,954	\$93,715
2044	\$123,534	\$27,581	\$95,954
2045	\$0	\$0	\$0
2046	\$0	\$0	\$0
2047	\$0	\$0	\$0
2048	\$0	\$0	\$0
2049	\$0	\$0	\$0
2050	\$0	\$0	\$0
2051	\$0	\$0	\$0
2052	\$0	\$0	\$0
2053	\$0	\$0	\$0
2054	\$2,213,464	\$703,592	\$1,509,872
Totals	\$4,356,582	\$1,081,049	\$3,275,537

Distributions Breakdown: Roth IRA Conversion, Tax Paid from Other 7/10/2020

Prepared for Fred

<u>Year</u>	<u>Distributions</u>	<u>Other Assets Distributions</u>	<u>Conversion Tax Paid from Accounts</u>	<u>All Distributions To Other Assets</u>
2020	\$0	\$500,694	\$500,694	\$0
2021	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0
2046	\$0	\$0	\$0	\$0
2047	\$0	\$0	\$0	\$0
2048	\$0	\$0	\$0	\$0
2049	\$0	\$0	\$0	\$0
2050	\$0	\$0	\$0	\$0
2051	\$0	\$0	\$0	\$0
2052	\$0	\$0	\$0	\$0
2053	\$0	\$0	\$0	\$0
2054	\$7,880,032	\$0	\$0	\$7,880,032
Totals	\$7,880,032	\$500,694	\$500,694	\$7,880,032

Distributions Breakdown: Roth IRA Conversion, Tax Paid from Roth IRA 7/10/2020

Prepared for Fred

<u>Year</u>	<u>Distributions</u>	<u>Conversion Tax Paid from Accounts</u>	<u>All Distributions To Other Assets</u>
2020	\$500,694	\$500,694	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
2023	\$0	\$0	\$0
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
2029	\$0	\$0	\$0
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
2032	\$0	\$0	\$0
2033	\$0	\$0	\$0
2034	\$0	\$0	\$0
2035	\$0	\$0	\$0
2036	\$0	\$0	\$0
2037	\$0	\$0	\$0
<i>2038</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
2039	\$0	\$0	\$0
2040	\$0	\$0	\$0
2041	\$0	\$0	\$0
2042	\$0	\$0	\$0
2043	\$0	\$0	\$0
<i>2044</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
2045	\$0	\$0	\$0
2046	\$0	\$0	\$0
2047	\$0	\$0	\$0
2048	\$0	\$0	\$0
2049	\$0	\$0	\$0
2050	\$0	\$0	\$0
2051	\$0	\$0	\$0
2052	\$0	\$0	\$0
2053	\$0	\$0	\$0
2054	\$5,374,954	\$0	\$5,374,954
Totals	\$5,875,648	\$500,694	\$5,374,954