A COACH PETE APPROVED WORKBOOK

ANNUITY ALMANAC

The Companion Workbook

Fifty pages of charts, worksheets, graphs and worked samples to go with *The Complete Blueprint for Safe Retirement Income*.

COACH PETE D'ARRUDA

FINANCIAL SAFARI PRESS

START HERE

How to Use This Workbook

Nobody has ever changed a retirement by reading about one. This is the part you do.

The Almanac is the book. This is the pen-and-paper half of it. Fifty pages, twelve sessions, and at the end of them you will know the one number your whole retirement turns on. Most people carry the fear of running out around with them for twenty years and never once put a price tag on it.

DO IT IN PEN

Fill these pages out badly the first time and fix them the second time. A rough number on paper beats a perfect number in your head. Write in the margins, photocopy anything you want two of, and let it get beat up.

HOW EACH SESSION IS LAID OUT

THE PAGE	WHAT IT DOES
The summary	One page on the idea, the numbers that go with it, and the line worth remembering.
The exhibit	A chart or a graph, on its own page, so you can look at it while you work.
The worksheet	Your numbers. Blank lines and boxes, sized for a pen.
The sample	The same worksheet filled in for a household I made up out of round numbers, so you can see what finished looks like before you start.

WHAT YOU NEED ON THE TABLE

- ☐ Last month's bank statement and credit card bill
- ☐ Your Social Security statement, and your spouse's
- ☐ The most recent statement from every retirement account you own
- ☐ Any pension estimate you have been sent
- ☐ Any annuity contract you already own
- ☐ A pen. Not a pencil.

> **ONE EVENING, NOT ONE SITTING**
>
> Sessions one through three are the arithmetic and they are the hardest. Do those on a night when nothing else is going on.
>
> If you reach a page you cannot answer, leave it blank and keep going. A blank is information too. It usually means nobody has ever asked you that question before.

FIFTY PAGES, TWELVE SESSIONS

Contents

Page numbers live in the print edition. This is the editing copy, so the contents runs in order rather than by folio.

THE SCOREBOARD

Your Retirement at a Glance

Leave this page blank for now. You will come back and fill it in on the last night, and every number on it comes off a worksheet further in.

THE NUMBER	WHERE IT COMES FROM	YOURS
What the month costs, essentials only	Worksheet 2, step one	$ ____________________
Guaranteed income you already own	Worksheet 2, step two	$ ____________________
THE MONTHLY GAP	**Worksheet 2, step three**	**$ ____________________**
The annual gap	Monthly gap × 12	$ ____________________
Your playcheck number, per month	Worksheet 2, step four	$ ____________________
Everything you own, all accounts	Worksheet 3	$ ____________________
Green money today	Worksheet 3	$ ____________________
Yellow money today	Worksheet 3	$ ____________________
Red money today	Worksheet 3	$ ____________________
Your fill-up reading, in percent	Worksheet 8	____________________ %
Years to your goal line	Worksheet 1	____________________
What it would cost to close the gap	Worksheet 11	$ ____________________

THE ONE SENTENCE

When the twelve boxes above are full, write out what they add up to in your own words. One sentence. If you cannot get it into one sentence, the plan is not finished yet.

MY RETIREMENT, IN ONE SENTENCE

Every figure on this page is yours and nobody else's. Nothing here is a recommendation.

The Mailbox and the Green Flag

Picture the mailbox at the end of your driveway. Every source of income that shows up whether or not you go to work is a green flag going up on that box.

Social Security is a flag. A pension is a flag. A rental check is a flag. Lifetime income from a contract you already own is a flag. Now count yours. Most people get to two and stop, and they have never once said the number out loud.

That count is the whole question this book is about. Not what your accounts are worth, not what the market did last quarter, and not what some fellow on television thinks is going to happen in the spring, but how many flags go up on that box in a month where you do nothing at all and nobody calls you. Count them. That is the number.

> *A pile of money is not a paycheck. The flag is the paycheck.*

WHY THE COUNT MATTERS MORE THAN THE BALANCE

A balance is what your money is worth on the day the statement was printed. It is a photograph. A flag is a behavior, and it repeats. The difference between the two is the difference between hoping and knowing, and people who know sleep better. I have watched it happen at my own kitchen table for well over three decades.

2

flags the average household I sit with can actually name

1

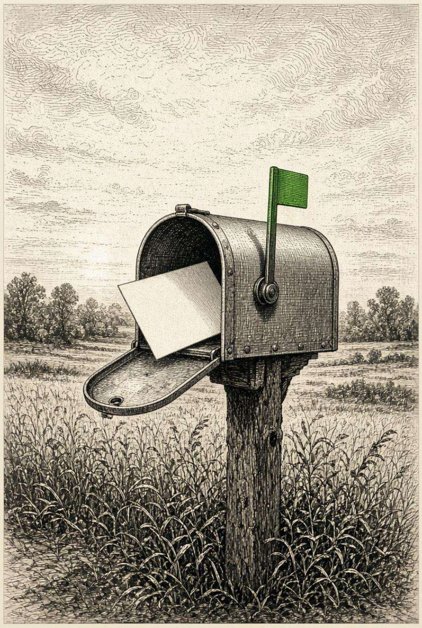
of them is usually Social Security

0

is the most common green-money count before we start

> **COACH'S CORNER**
>
> Go look at your mailbox tonight. I mean it. Stand at the end of the driveway for ten seconds and ask yourself how many flags go up in a month when you do nothing.
>
> Whatever that number is, it is the honest starting point, and an honest starting point is worth more than an optimistic one. We can work with two. We cannot work with a guess.

Every Green Flag Is a Check



The check that keeps showing up.

Every green flag is a check that arrives whether you are watching or not.

WHAT TO NOTICE

The flag does not know what the market did. It does not know what quarter it is. It goes up because somebody wrote down, in a contract you can hold in your hand and read at your own kitchen table on a Sunday afternoon, that it would go up, and that promise is the only thing in this whole picture that is not somebody's opinion.

Everything in the rest of this workbook is about getting more flags on your own box, at the lowest cost, without giving up anything you actually need.

SESSION ONE · YOUR TURN

Worksheet 1: Count Your Flags

Count only income that arrives every month, cannot be outlived, and does not care what the market did. Anything that fails one of those three belongs on Worksheet 3.

THE FLAG	WHOSE	STARTS AT AGE	PER MONTH
Social Security	________________	_____	$ ________________
Social Security, spouse	________________	_____	$ ________________
Pension	________________	_____	$ ________________
Pension, spouse	________________	_____	$ ________________
Lifetime income already switched on	________________	_____	$ ________________
A second contract already paying	________________	_____	$ ________________
Rental income you would keep if you were ill	________________	_____	$ ________________
Anything else you cannot outlive	________________	_____	$ ________________
HOW MANY FLAGS DID YOU COUNT?	________________		**$** ________________

NOW THE CLOCK

The other half of the question is how long you have to do something about the count. Ten years out from the day you stop working, you are in the Financial REDZONE®, and nobody sends a letter about it.

THE DATE	YOURS
The age you plan to stop working	_____
Your age today	_____
YEARS TO YOUR GOAL LINE	_____
The earliest this could plausibly happen, if it were not your choice	_____

> **PLAN FROM THE SECOND DATE, NOT THE FIRST**
>
> I have sat across from a lot of people whose retirement date was picked for them. By a reorganization. By a diagnosis. By a phone call about a parent who cannot live alone anymore. The plan said sixty-six and the body said sixty-one.
>
> So when I ask how far you are from the goal line, I mean the earliest year this could happen.

Sample: Bill and Carol, Age 61

A made-up household, built out of round numbers on purpose so nobody mistakes it for a quote. Same worksheet, filled in.

THE FLAG	WHOSE	STARTS AT AGE	PER MONTH
Social Security	Bill	67	$2,240
Social Security, spouse	Carol	67	$1,180
Pension	Carol, school district	62	$480
Pension, spouse	none	n/a	$0
Lifetime income already switched on	none	n/a	$0
A second contract already paying	none	n/a	$0
Rental income kept if ill	none	n/a	$0
Anything else you cannot outlive	none	n/a	$0
FLAGS COUNTED: THREE			**$3,900**

AND THE CLOCK

THE DATE	BILL AND CAROL
The age they plan to stop working	65
Age today	61
YEARS TO THE GOAL LINE	**4**
Earliest this could plausibly happen	62, if Bill's plant closes

WHAT I NOTICE FIRST

Three flags, and two of them do not start for six years. They are in the Financial REDZONE® and have been for six years already without anybody telling them. The pension is small and it does not adjust for the cost of living.

Nothing here is a problem yet. It is a starting point, and it is an honest one. Turn the page and we price it.

Illustrative only. Not a projection or a guarantee.

The Pile and the Paycheck

You do not retire on a pile of money. You retire on a paycheck. Every working year of your life, a paycheck showed up and you built a life on top of it. Then one Friday it stops, and nothing about the way you spend has changed.

A pile has one property that a paycheck does not. It can be spent to zero. Everything else about it is a detail. You can be careful with a pile for eighteen years and hit a wall in year nineteen, and the pile will not care, because a pile has no opinion about how long you live.

That is the whole reason the order of the years matters so much. Two people can earn the same average return over twenty years and end up in completely different places, because one of them took the bad years first while they were also taking withdrawals.

> *The scoreboard does not pay for yardage.*

WHAT ACTUALLY CHANGES AT THE GOAL LINE

WHILE YOU ARE WORKING	ONCE YOU STOP
A down year is a sale	A down year is a withdrawal out of a smaller pile
Time fixes almost anything	Time is the thing you are short of
The paycheck covers the month	The pile covers the month
You add money in a bad year	You take money out in a bad year

1

Friday is all it takes for the paycheck to stop

0

is what a pile is worth once it reaches it

12

checks a year is what we are trying to buy back

COACH'S CORNER

I am not against a pile. I want you to have one. A pile is what pays for the new roof and the trip you did not plan and the grandchild's tuition.

What I am against is a pile being asked to do a paycheck's job. Those are two different jobs and one account cannot do both well.

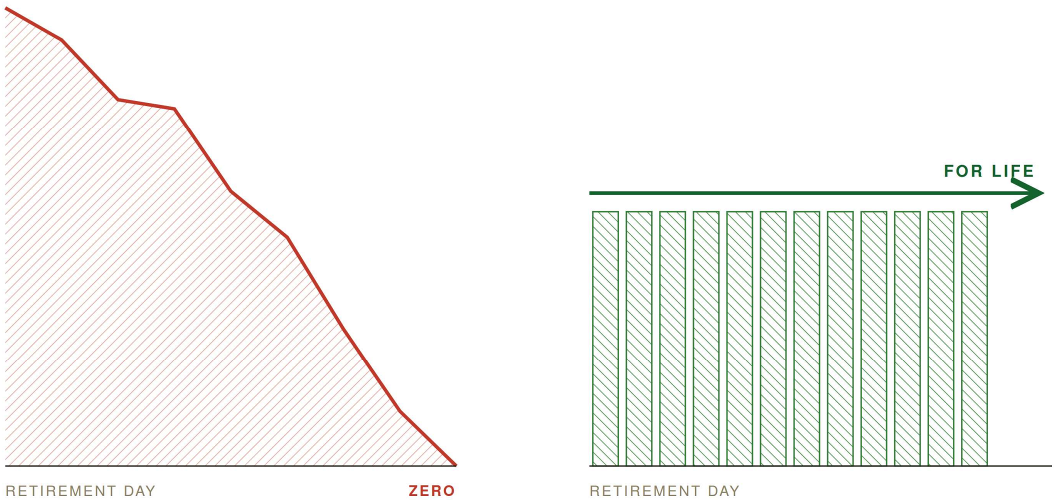
One Runs Out. One Does Not.

THE PILE

Spend it down and it ends. The only question is when.

THE PAYCHECK

It arrives on the same day every month while you are breathing.



Illustrative only. Not a projection or a guarantee.

Exhibit 2. The same retirement, drawn two ways. On the left the balance falls whether the market helps or not. On the right the line runs off the edge of the page, because that is what for life means.

WHAT TO NOTICE

Look at where each picture ends. The one on the left ends at a number. The one on the right does not end at all, and the arrow is not decoration. There is no age on it because there is no age on the contract.

Neither picture is a forecast. The one on the left is arithmetic and the one on the right is a promise somebody wrote down.

Worksheet 2: The Income Gap

This is the arithmetic that runs my whole practice and it is four steps long. Do it tonight with last month's bank statement and you will know the one number your retirement actually turns on.

STEP ONE: WHAT THE MONTH COSTS, NO MATTER WHAT

The bills that show up whether the market is up, down, or asleep. Not your whole budget. The essentials.

THE MONTH, WHETHER YOU LIKE IT OR NOT	PER MONTH
Housing: mortgage or rent, property tax, insurance, upkeep	$ ____________________
Utilities: power, water, gas, trash	$ ____________________
Groceries	$ ____________________
Health insurance, Medicare premiums, medications	$ ____________________
Cars: payment, fuel, insurance, repairs	$ ____________________
Phone and internet	$ ____________________
Insurance: life, long-term care, umbrella	$ ____________________
Debt payments still running	$ ____________________
Everything else that arrives every single month	$ ____________________
ESSENTIAL MONTHLY TOTAL	**$ ____________________**

STEP TWO: THE GUARANTEED INCOME YOU ALREADY OWN

Carry the total down from Worksheet 1. People skip this step, and skipping it is how somebody ends up over-covered and poorer for it.

WHAT ALREADY COMES IN	PER MONTH
Total from Worksheet 1, the flags you counted	$ ____________________
Anything you found since	$ ____________________
GUARANTEED MONTHLY TOTAL	**$ ____________________**

Worksheet 2, Continued

STEP THREE: THE GAP

Subtract. This is the number.

	PER MONTH
Essential monthly total, from step one	$ ____________________
minus Guaranteed monthly total, from step two	$ ____________________
THE MONTHLY GAP	**$ ____________________**
× 12 = THE ANNUAL GAP	**$ ____________________**

> **IF THAT CAME BACK AT ZERO OR BELOW, YOU ARE DONE**
>
> More guaranteed income than essential expenses means your core is covered. Buy nothing. Go enjoy your retirement, and walk out of any office where somebody tells you different.
>
> That happens more often than the industry lets on, and when it is what the arithmetic says, the honest answer is to say so and sell nothing.

STEP FOUR: THE PLAYCHECK NUMBER

The gap above covers the electric bill. It does not cover the life you retired to have. Tom Hegna named these paychecks and playchecks, and the playcheck belongs in the protected category rather than the optional one.

THE LIFE YOU ACTUALLY RETIRED TO HAVE	PER YEAR
Travel: write the trips down by name	$ ____________________
Restaurants, golf, the club, the boat, the hobby	$ ____________________
Grandchildren: gifts, tuition, the plane tickets	$ ____________________
Giving: church, causes, the family member you help	$ ____________________
The thing you have been putting off for six years	$ ____________________
PLAYCHECK TOTAL, PER YEAR	**$ ____________________**
÷ 12 = PLAYCHECK, PER MONTH	**$ ____________________**

Write the trips down by name. Not travel. Alaska with your sister in September. The camper. Names are harder to talk yourself out of than categories.

Sample: Bill and Carol's Gap

THE MONTH, WHETHER THEY LIKE IT OR NOT	PER MONTH
Housing, paid off, tax and insurance and upkeep	$780
Utilities	$310
Groceries	$720
Health insurance and Medicare premiums	$620
Cars	$540
Phone and internet	$190
Insurance: life and long-term care	$340
Debt payments still running	$0
Everything else that arrives every month	$1,300
ESSENTIAL MONTHLY TOTAL	**$4,800**

THE ARITHMETIC	BILL AND CAROL
Essential monthly total	$4,800
minus Guaranteed monthly total	$3,900
THE MONTHLY GAP	**$900**
× 12 = THE ANNUAL GAP	**$10,800**
Playcheck, per month	$1,150

WHAT I NOTICE FIRST

Nine hundred dollars a month is what stands between this household and one where every essential bill is covered by income that cannot stop. They had been carrying that worry for eleven years and had never priced it.

And the playcheck is bigger than the gap. That is common, and it is not a problem. It tells you which one to solve first.

Illustrative only. Not a projection or a guarantee.

Green, Yellow, and Red

There is a whiteboard in my office with three markers in the tray. I have been drawing the same picture on that board for well over three decades and nobody has ever stopped me halfway through to say they already knew it.

> *Knowing which color each dollar is tells you exactly what job that dollar can do.*

Colors are not branding. They are behavior. A statement tells you what your money is worth on the day it was printed. It says nothing at all about what that money is supposed to do for you, and that is the problem I am trying to fix.

GREEN HAS TO PASS BOTH TESTS

Plenty of things will not lose your money. Almost none of them will pay you every month for as long as you happen to live. Safe is half of green. Green is safe plus forever.

	CAN'T LOSE IT	CAN'T OUTLIVE IT	VERDICT
A CD ladder	Yes	No	Yellow
A bond ladder	Mostly	No	Yellow
Treasuries	Yes	No	Yellow
Cash in the credit union	Yes	No	Yellow
A stock fund	No	No	Red
Social Security	Yes	Yes	Green
A traditional pension	Yes	Yes	Green
Lifetime income from a contract	Yes	Yes	Green

COACH'S CORNER

Social Security and a pension are green money. Write them in. You already own green, and nobody ever told you to think of it that way.

Most couples finish this page looking at a board that is almost entirely red, a small patch of yellow in the corner, and no green at all except Social Security. That picture is the reason people in their sixties cannot sleep. They have just never seen it drawn before.

SESSION THREE · THE PICTURE

Three Colors, Three Jobs

EVERY DOLLAR YOU OWN IS ONE OF THESE THREE

GREEN MONEY	Never goes down. Cannot be outlived. Pays you every month for life.	*Social Security · a pension · lifetime income switched on*
YELLOW MONEY	Safe, and in your hand tomorrow. It can still be spent to zero.	*Savings · checking · a CD · a short Treasury · the credit union*
RED MONEY	It can grow. It can crash. So it is not the money you live on.	*Stocks · funds · a variable contract · anything market-tied*

Green has to pass both tests. Safe is half of green. Green is safe plus forever.

Exhibit 3. Every dollar you own is one of these three. One color each, no dollar gets two.

WHAT TO NOTICE

Green money has two modes and they live in the same account. Mode one, growing: the switch is off, the money shares in the gains of an index, locks them in, and never shares in a loss. Mode two, paying: you throw the switch and it sends you a check for life.

You decide when. Not the calendar, not a salesman, not a birthday somebody printed in a brochure. And the longer you leave green money alone in mode one, the bigger the check is when you finally want it.

Worksheet 3: The Savings Inventory

EVERY ACCOUNT YOU OWN, ONE COLOR EACH

WHERE IT IS	WHAT IT IS WORTH	QUALIFIED?	WHAT JOB IS IT DOING?	COLOR
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R
____________________ _	$ ________	_____	____________________ _	☐G ☐Y ☐R

NOW ADD UP THE COLORS

	TOTAL	SHARE OF EVERYTHING
GREEN · can't lose it and can't outlive it	$ ________	_______ %
YELLOW · safe, spendable, and finite	$ ________	_______ %
RED · at risk in the market	$ ________	_______ %
EVERYTHING	**$ ________**	**100 %**

TWO RULES BEFORE YOU TICK A SINGLE BOX

Green passes both tests. A CD, a bond ladder, Treasuries and cash pass the first and fail the second, because every one of them can be spent to zero. That makes them yellow.

And Social Security and a pension are green. Write them in.

Sample: Bill and Carol's Inventory

WHERE IT IS	WORTH	QUALIFIED?	JOB	COLOR
Bill's 401(k), old employer	$412,000	Qualified	Nobody has said	RED
Carol's 403(b)	$186,000	Qualified	Nobody has said	RED
Joint brokerage	$94,000	No	Growth	RED
Bill's IRA, rolled over 2019	$121,000	Qualified	Nobody has said	RED
Credit union savings	$48,000	No	Emergencies	YELLOW
Checking	$9,000	No	The month	YELLOW
CD, 18 months	$40,000	No	Waiting	YELLOW
Social Security, both	n/a	n/a	Lifetime income	GREEN
Carol's school pension	n/a	n/a	Lifetime income	GREEN

	TOTAL	SHARE OF EVERYTHING
GREEN	**$0 of savings**	**0 %**
YELLOW	**$97,000**	**11 %**
RED	$813,000	89 %
EVERYTHING	**$910,000**	**100 %**

WHAT I NOTICE FIRST

Nine hundred and ten thousand dollars, four years from the goal line, and eighty-nine cents of every dollar is somewhere it can fall. The green column has nothing in it except two flags they do not control and cannot increase.

Look at the fourth column. On four of those lines the honest answer to what job is this doing was nobody has ever said. That column is the one that changes a plan, not the balance column.

Illustrative only. Not a projection or a guarantee.

What Is Actually on the Shelf

The word annuity covers products that have almost nothing in common with each other. That is the single biggest reason people argue about them without ever disagreeing.

One of them hands you a check for life starting next month. One of them credits a stated rate for a stated term. One of them follows an index up, locks the gain in, and credits zero in a down year. And one of them puts market money inside an insurance wrapper and charges a stack of fees for the privilege.

Somebody who loves one of them and somebody who hates another one are usually both right, because they are not talking about the same product at all, and neither one of them has ever been handed a page that lays out what is actually sitting on the shelf. So here it is. Read it before you have an opinion.

> *There is no best contract. There is a job, and there is the tool that does that job.*

THE FIVE, IN ONE TABLE

KIND	WHAT YOU HAND OVER	WHAT YOU GET BACK
Immediate	A lump sum, once	A check that starts next month and does not stop
Deferred income, including the QLAC	A lump sum, once	A larger check that starts on a date you pick
Multi-year fixed	A lump sum, for a term	A stated rate, credited every year, principal intact
Fixed indexed	A lump sum	Index-linked credits that lock in, a zero floor in a down year, and lifetime income when you switch it on
Variable	A lump sum	Market performance, minus a fee stack, with the market risk yours

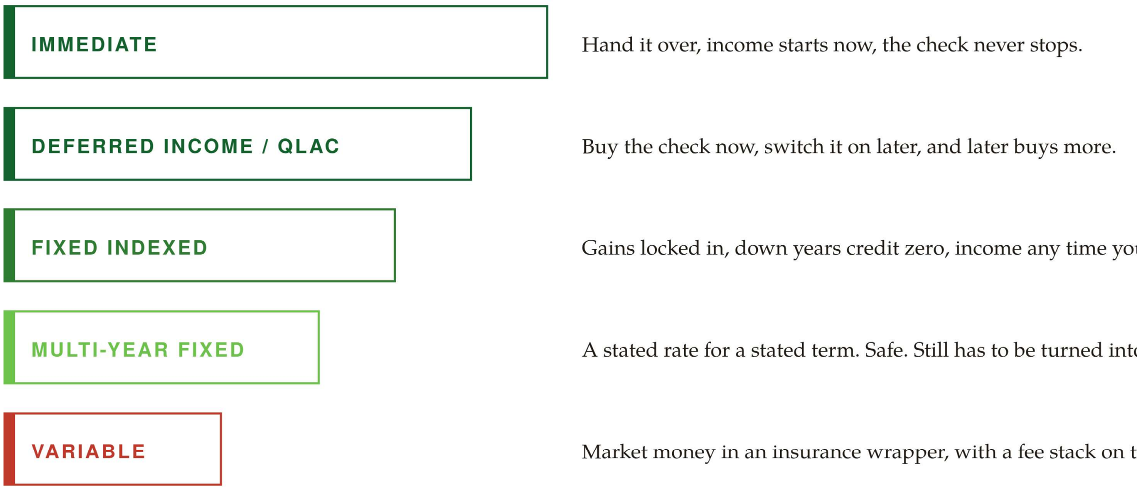
COACH'S CORNER

When somebody tells me they do not like annuities, my first question is which one. Nine times in ten the answer describes a variable contract sold to them in 2006 with a fee stack nobody explained.

That is a fair complaint about that product. It is not a fact about the shelf.

The Shelf, Top to Bottom

THE SHELF, TOP TO BOTTOM



Bar length is how much certainty the contract hands you, not how good it is.
The right one is the one that does the job you actually have. There is no best shelf.

Exhibit 4. Bar length is how much certainty the contract hands you, not how good it is.

WHAT TO NOTICE

Certainty is not free and it is not always what you want. The immediate contract is the most certain thing on the shelf, and it is also the least flexible, which is exactly why it is wrong for most of the people who ask me about it.

Read the bars as a price list rather than a ranking. The question is never which bar is longest. It is which bar covers the gap you wrote down on page 11.

Worksheet 4: Which Shelf Are You Shopping?

Answer these before anybody shows you a product. The answers narrow the shelf to one or two before a single illustration comes out of a briefcase.

THE QUESTION	YOUR ANSWER
When do you need income to start?	______________________________
Do you need it to rise over time, or is level fine?	______________________________
Is there a spouse who needs it to continue?	______________________________
How much of this money could you not touch for seven years?	$ __________
How much must stay reachable inside a week?	$ __________
What is the gap you wrote on page 11?	$ __________ a month
Do you want growth on this money, or certainty?	______________________________
Is there money here you have already decided will never be at risk?	$ __________

THE TWO ANSWERS THAT DO MOST OF THE WORK

The date and the gap. A date inside two years takes half the shelf off the table. A gap that is already covered takes all of it off. Everything else is refinement.

- ☐ My income date is inside two years
- ☐ My income date is five years out or more
- ☐ My gap came back at zero or below and I need nothing
- ☐ I have money I have already decided will never be at risk
- ☐ I have a spouse who needs the check to continue
- ☐ I do not know my date yet, and that is the first thing to fix

WHAT I STILL NEED TO FIND OUT BEFORE I DECIDE

The Floor Under the Money

The zero floor is the thing people find hardest to believe and easiest to check. In a year the index falls, the account credits zero. Not a small loss. Zero.

And the year after that, the account does not have to climb back to where it was, because it never left. That is the part that does the work over a long retirement, and it is the part nobody sees until it is drawn.

Read the crediting period in the contract before you believe any of this about a specific product. The floor is contractual, which means it is written down, which means you can find it and read it yourself.

> *A loss and its recovery are not the same size.*

THE ARITHMETIC PEOPLE GET WRONG

A FALL OF	THE GAIN IT TAKES TO GET BACK TO EVEN
10 %	11.1 %
20 %	25 %
30 %	42.9 %
40 %	66.7 %
50 %	100 %

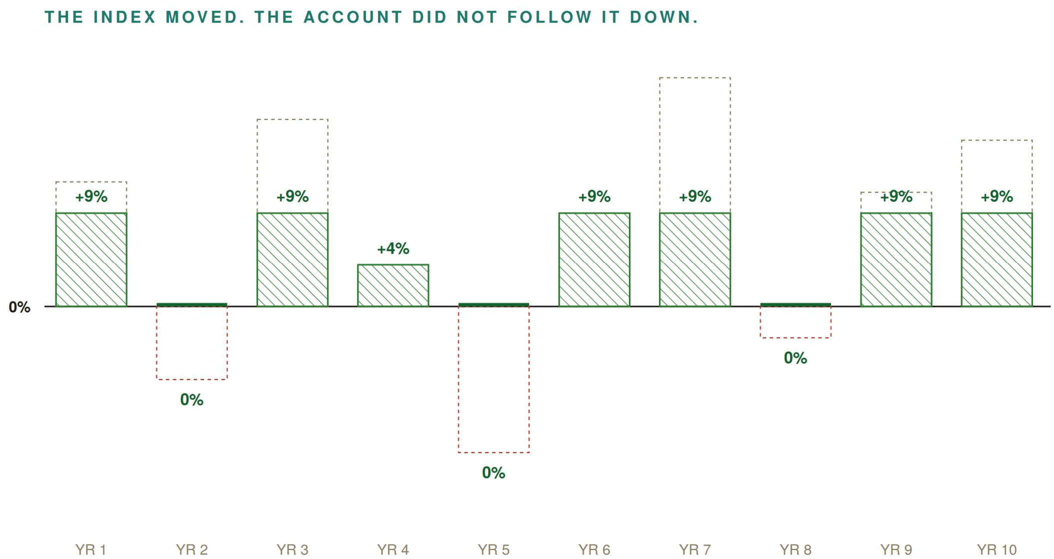
That table is not an opinion and it does not depend on the market. It is division. The reason it matters more after you stop working is that you are taking withdrawals while the climb-back is happening, so the account is being asked to do two things at once.

COACH'S CORNER

I am not asking you to move everything. I have never asked anybody to move everything and I am not going to start.

I am asking you to put a floor under the part of your money that has a job it cannot fail at. The rest can stay exactly where it is.

The Index Moved. The Account Did Not Follow It Down.



Dashed outline: what the index did that year.
Solid: what was credited and locked in. A down year credits zero and nothing is given back.
Illustrative only. A 9% cap is used for the picture. Your own contract sets its own terms.

Exhibit 5. Ten years of index moves run through a contract with a cap and a zero floor.

WHAT TO NOTICE

Look at the down years. The dashed outline drops below the line and the solid bar does not follow it. Nothing is credited, and nothing is given back either. The next year starts from where the last one ended.

Now look at the up years. The cap takes the top off the best ones, and that is the trade. You give up the tallest year to make sure you never have the worst one. Whether that is a good trade depends entirely on what job that money has.

Worksheet 5: The Floor Test

Run your own red money through the arithmetic on the page before. No forecasting, no guessing at returns. Just what a fall would cost and what it would take to come back.

	YOURS
Total red money, from Worksheet 3	$ ____________
If it fell 20 %, what is it worth?	$ ____________
What gain gets it back to even?	____________ %
If it fell 30 %, what is it worth?	$ ____________
What gain gets it back to even?	____________ %
How much are you withdrawing a year while that happens?	$ ____________
How many years can you wait for the climb back?	____________

NOW THE PART THAT MATTERS

Of the red money you just wrote down, how much of it has a job it cannot fail at? Rent. Groceries. The Medicare premium. Write that figure down and look at it.

	YOURS
Red money doing a job it cannot fail at	$ ____________
Red money that could fall by half without changing your month	$ ____________

> **THE HONEST READ**
>
> If the second number is the bigger one, you are in better shape than you thought and the rest of this workbook is optional.
>
> If the first number is the bigger one, that is the money this whole book is about, and it is the only money this book is about.

WHAT I THINK AFTER SEEING THOSE TWO NUMBERS SIDE BY SIDE

SESSION SIX · THE IDEA

Waiting Is a Strategy

The single cheapest thing you can do to a lifetime check is leave it alone for a while. Nobody charges you for waiting and nothing about it depends on the market.

Two things happen while you wait, and because they run in the same direction rather than against each other, the gap between switching on at sixty-two and switching on at seventy turns out to be a great deal wider than almost anybody sitting across from me guesses before we work it out on paper. The account has more time to be credited. And the company has fewer years left to pay you, so the percentage it will pay goes up.

Social Security works on exactly the same principle and most people already know it. Claim at sixty-two and the check is smaller for the rest of your life. Wait until seventy and the delayed retirement credits run at eight percent a year, and they stop at seventy, so there is no reason at all to wait past it.

> *Nobody charges you for patience, and almost nobody uses it.*

THE DATES THAT MATTER

THE DATE	WHAT HAPPENS
62	Earliest you can claim Social Security, at a permanently reduced amount
67	Full retirement age for anyone born 1960 or later
70	Delayed retirement credits stop. Waiting past this pays nothing more
70½	Qualified charitable distributions become available
73	Required minimum distributions begin
75	Required minimum distributions begin, for those born 1960 or later

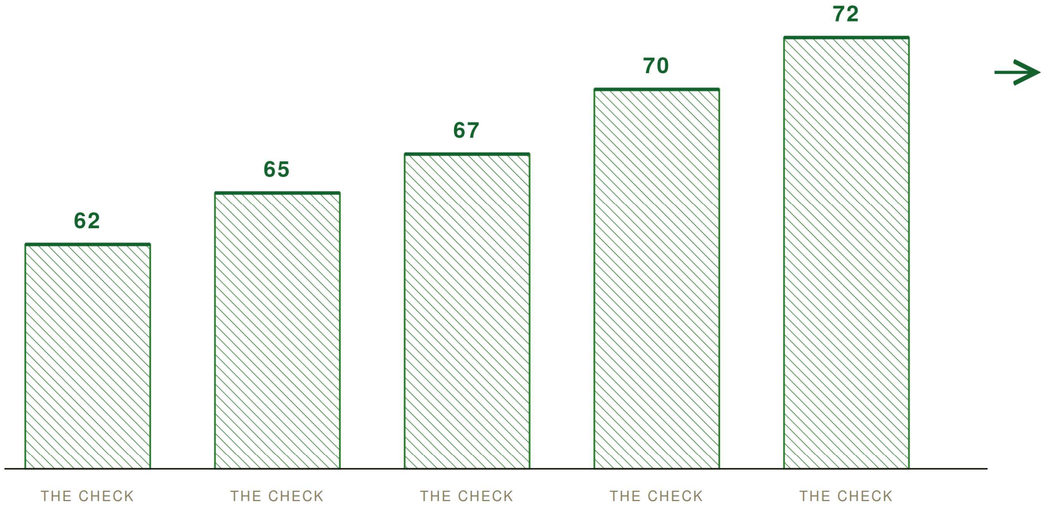
COACH'S CORNER

Waiting is not always right. If you need the money at sixty-two, take it at sixty-two, and do not let anybody make you feel foolish about it.

But decide it on purpose. The worst version of this is claiming early because nobody ever laid out what waiting was worth, and then finding out at seventy-five.

What Waiting Is Worth

EVERY ONE OF THESE CHECKS RUNS FOR LIFE. WAITING ONLY CHANGES THE SIZE.



The age under each bar is when the switch gets thrown, not when the check stops.

Illustrative only. Not a projection or a guarantee.

Exhibit 6. The same money, switched on at five different ages. Every one of these checks runs for life.

WHAT TO NOTICE

There is no age at the right-hand end of any bar. The age underneath each one is when the switch gets thrown, not when the check stops, and that distinction is the most misunderstood thing in this entire subject.

The bars get taller and the arrow keeps running. That is the whole picture. Waiting changes the size of the check and changes nothing about how long it lasts.

Worksheet 6: Your Dates

Get every date in your retirement onto one page. Most people have never seen them lined up, and a surprising number of decisions become obvious the moment they are.

THE DATE	YOU	YOUR SPOUSE
Date of birth	____________________	____________________
Age today	_______	_______
Full retirement age	_______	_______
Social Security at 62, per month	$ ________	$ ________
At full retirement age, per month	$ ________	$ ________
At 70, per month	$ ________	$ ________
The age you plan to claim	_______	_______
Pension starts at	_______	_______
Required distributions begin at 73 or 75	_______	_______
The year that lands	_______	_______

THE DIFFERENCE, IN DOLLARS

	YOURS
Your check at 70 minus your check at 62, per month	$ ____________________
× 12	$ ____________________
What eight years of waiting is worth, per year, for life	$ ____________________

Now put that last figure next to the annual gap you wrote on page 11. For a lot of households, waiting on one Social Security check covers a meaningful share of the gap before a single dollar is moved anywhere.

WHAT WAITING WOULD COST US IN THE YEARS IN BETWEEN

The Financial Fill-Up®

Pull into a filling station and you do not ask how many gallons are in the tank. You look at the gauge. Full or not full, and then you decide.

Retirement has a gauge too and almost nobody reads it, because the whole industry has trained people to stare at the pile instead. The pile is the number on the statement. The gauge is guaranteed income divided by what the month costs, and it is the only reading that tells you whether you can stop working.

A household with four hundred thousand dollars and a full gauge is in better shape than a household with a million and an empty one. I have sat with both and the first one sleeps.

> *Read the gauge, not the pile.*

THE WHOLE METHOD, IN THREE NUMBERS

	WHERE IT COMES FROM
What the month costs	Worksheet 2, step one
What already comes in on its own	Worksheet 2, step two
What is missing	Worksheet 2, step three

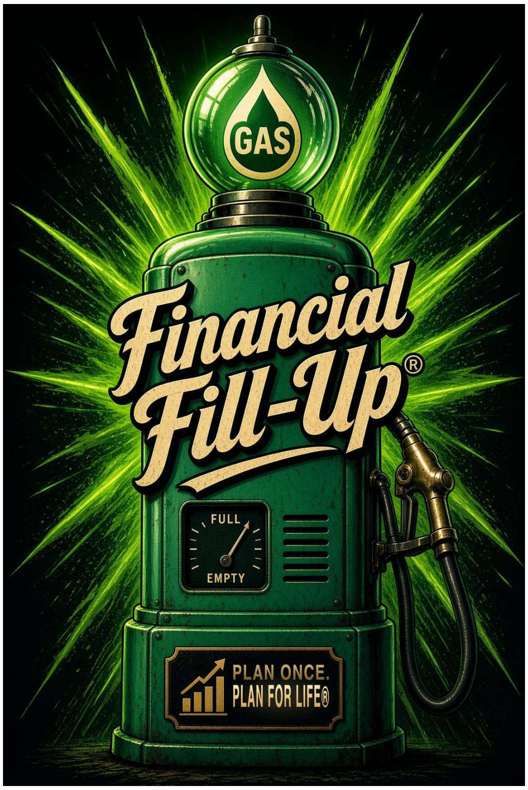
That is the Financial Fill-Up®. Three numbers, and the third one is the only one anybody has to do anything about. Fill the tank to full and the question stops being how long will the money last, which nobody can answer, and becomes is every essential bill covered by income that cannot stop, which anybody can.

COACH'S CORNER

The ding-ding at the pump is the sound of the tank filling. I say it on the radio because it makes people smile, and because a thing you can hear is a thing you remember.

Every flag on the mailbox is one more ding. That is the entire strategy and you can explain it to a grandchild.

The Financial Fill-Up®



The dial swung to full, and the plaque that reads Plan Once. Plan for Life®.

WHAT TO NOTICE

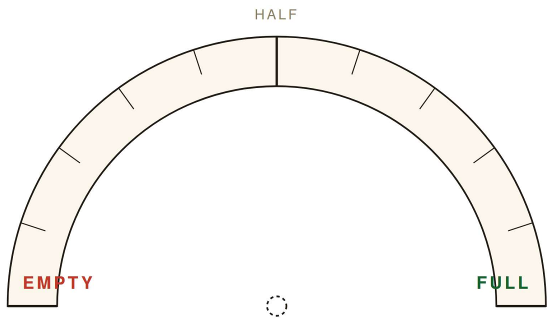
The dial on that pump reads FULL and EMPTY. It does not read a balance, and there is a reason for that. A balance cannot tell you whether you are covered. A gauge can.

Worksheet 7: Your Fill-Up Gauge

STEP ONE: THE READING

	YOURS
Guaranteed income, per month, from Worksheet 2	$ ____________
divided by Essential monthly total	$ ____________
× 100 = YOUR FILL-UP READING	____________ %

YOUR FILL-UP GAUGE



DRAW YOUR OWN NEEDLE

Guaranteed income divided by what the month costs.

STEP TWO: DRAW THE NEEDLE

Put a pen on the dial at your own percentage. Left end is empty, right end is full, straight up is half.

STEP THREE: WHAT IT WOULD TAKE TO FILL IT

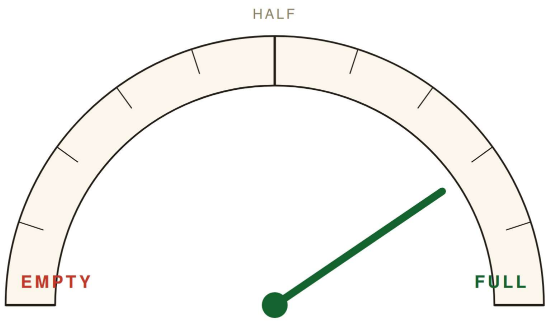
	YOURS
The monthly gap, from page 11	$ ____________
The annual gap	$ ____________
What a carrier quoted you to cover it	$ ____________
Percent of everything you own, from Worksheet 3	____________ %

Never guess the last two. Ask a carrier for a real quote on your own ages and your own dollars.

Sample: Bill and Carol's Gauge

	BILL AND CAROL
Guaranteed income, per month	$3,900
divided by Essential monthly total	$4,800
× 100 = THE FILL-UP READING	**81 %**

BILL AND CAROL'S GAUGE



81% FULL

Guaranteed income divided by what the month costs.

WHAT I NOTICE FIRST

Eighty-one percent is a good deal further along than they thought they were. They walked in expecting to be told they were in trouble, and the honest answer is that four fifths of their month is already covered by income that cannot stop.

The missing fifth is nine hundred dollars a month. That is a priceable problem with a small answer, and it is nothing like the problem they had been imagining.

Illustrative only. Not a projection or a guarantee.

The Tax Corner

Two rules decide more retirement tax than everything else put together, and almost nobody has heard of either one until it happens to them.

RULE ONE: PROVISIONAL INCOME

How much of your Social Security gets taxed turns on a figure called provisional income, and the thresholds have never been indexed. More households cross them every year without doing anything differently.

FILING	BASE	ADJUSTED BASE
Single	$25,000	$34,000
Married filing jointly	$32,000	$44,000
Married filing separately, living together	$0	$0

RULE TWO: THE TWO-YEAR LOOKBACK

Medicare premiums are set from a tax return two years old. A large distribution does not raise the premium in the year it happens. It lands two years later, on somebody who has forgotten all about it.

ITEM	CURRENT FIGURE
Part B standard premium	$202.90 a month
Part B deductible	$283 a year
Lookback	Two years
Cost-of-living adjustment payable in January	2.8 %
Taxable wage base	$184,500
QLAC maximum premium	$210,000
Qualified charitable distribution limit	$111,000

COACH’S CORNER

The lever nobody sees is which account the money comes out of. Not how much. Which one. Two households can spend the same amount in a year and owe completely different tax, and the whole difference is the order they took it in.

Figures are the latest available and adjust each year. Tax references reflect current law and are subject to change. General education, not individualized financial, tax, or legal advice.

Worksheet 8: Your Tax Corner

PROVISIONAL INCOME, THIS YEAR

	YOURS
Adjusted gross income, not counting Social Security	$ ____________________
plus Tax-exempt interest	$ ____________________
plus Half of your Social Security	$ ____________________
= PROVISIONAL INCOME	**$ ____________________**
Your base threshold, from the table on the page before	$ ____________________
Over or under?	____________________

THE LOOKBACK

	YOURS
The largest distribution you expect to take, and in which year	$ ________ in _______
The year that return sets your premium	_______
Your modified adjusted gross income on the return two years back	$ ____________________
Which premium tier does that put you in?	____________________

QUESTIONS TO TAKE TO WHOEVER DOES YOUR RETURN

- ☐ Which account should the money come out of first, and why?
- ☐ Would a partial conversion in a low year cost less than the distribution will later?
- ☐ Am I within two years of a premium tier, and can I stay under it?
- ☐ Am I over seventy and a half, and should some of my giving come straight out of the IRA?
- ☐ What does my required distribution look like the year it starts?

WHAT THEY TOLD ME

SESSION NINE · THE IDEA

What's the Catch?

Every contract on the shelf gives something up. Anybody who tells you otherwise is selling, and you should hear the trade before you hear the pitch.

THE HONEST LIST

WHAT YOU GIVE UP	WHAT YOU SHOULD ASK
Access, for a period of years	How much can I take out each year with no charge, and for how many years does the schedule run?
The tallest year, when there is a cap	What is the cap, can the company change it, and what is the guaranteed minimum it can never go below?
Simplicity	Can you explain this contract to me in four sentences, and can I explain it back to you?
Rider cost, when there is a rider	What does the income rider cost each year, is it taken from the account value, and what does it buy me that the base contract does not?
The company's promise is only as good as the company	What is the carrier rated, by which agency, and how long have they been paying claims?

AND ONE THAT IS NOT A CATCH

People ask whether the insurance company keeps the money when they die. In a contract with a death benefit, no, and that is written down. Read your own beneficiary designation while you are at it, because that one form outranks your will, and it is the most commonly wrong document in American retirement.

> **COACH'S CORNER**
>
> If somebody will not name the trade, the meeting is over. That is not me being difficult. A person who cannot tell you what you give up either does not know or does not want to say, and neither one is somebody to sign with.
>
> The right answer to what's the catch is always a specific sentence, never a reassurance.

Worksheet 9: Take These to the Meeting

Twelve questions. Write the answers down in the room, in your own handwriting, while the person is sitting in front of you.

THE QUESTION	THE ANSWER THEY GAVE
1. What exactly am I buying, in four sentences?	
2. What do I give up, and for how long?	
3. How much can I take out each year with no charge?	
4. What is the surrender schedule, year by year?	
5. What does this cost me every year, all in?	
6. Is there a rider, what does it cost, and what does it buy?	
7. What is guaranteed, and what is only illustrated?	
8. What is the worst this can do?	
9. What is the company rated, and by whom?	
10. What happens to this money when I die?	
11. How are you paid on this?	
12. What would you do if this were your mother's money?	

ONE RULE ABOUT THE ANSWERS

Anything that is guaranteed is written in the contract. Anything that is not written in the contract is not guaranteed, however confidently it was said out loud.

So the follow-up question to every answer above is the same five words: where is that in writing?

SESSION TEN · THE IDEA

Reading an Illustration

An illustration is two documents printed on the same paper. One of them is a promise and one of them is a picture of a good decade, and telling them apart is a skill you can learn in about ten minutes.

THE TWO COLUMNS

THE GUARANTEED COLUMN	THE NON-GUARANTEED COLUMN
Usually narrower and set in smaller type	Usually wider, and the one the eye goes to
Assumes the worst the contract allows	Assumes a rate or an index path that somebody chose
This is the promise	This is an illustration of one possible decade
Read this one first, every time	Read this one second, and read it as a maybe

THE FOUR THINGS TO FIND BEFORE ANYTHING ELSE

- ☐ The guaranteed column, and the lowest number anywhere in it
- ☐ The surrender schedule, year by year, in percent
- ☐ The free withdrawal amount, usually a percentage each year
- ☐ The rider charge, if there is a rider, stated as an annual percentage and of what

If those four are hard to find, that is information about the illustration. Ask for them to be pointed at, and if they cannot be pointed at in under a minute, take the paperwork home.

> **COACH'S CORNER**
>
> Never sign in the room. Not because anybody is crooked, but because a decision this size deserves a night's sleep and a phone call to somebody who loves you.
>
> Anybody worth signing with will say the same thing without being asked.

Worksheet 10: Mark Up the Illustration

Put the illustration next to this page and fill in the boxes from it. If a box cannot be filled from the paperwork, that blank is the most useful thing on this page.

WHAT TO FIND	WHAT IT SAYS
Carrier name	______________________________
Product name	______________________________
Premium illustrated	$ ________________
Lowest number in the guaranteed column	$ ________________
Surrender charge, year one	________ %
Surrender charge, year five	________ %
Year the schedule reaches zero	________
Free withdrawal each year	________ %
Cap, or participation rate, or spread	________
Guaranteed minimum cap the company can never go below	________
Rider charge, per year	________ %
Taken from which value?	______________________________
Income at the age I would switch it on	$ ________ a month
Is that figure in the guaranteed column?	______________________________
Death benefit	______________________________
Carrier rating, and which agency	______________________________

WHAT I COULD NOT FIND IN THE PAPERWORK

SESSION ELEVEN · THE IDEA

Building the Blueprint

Everything so far has been measurement. This is where it turns into a plan, and the plan is shorter than people expect. Cover the gap. Leave the rest alone.

Nothing gets sold at a loss. Nothing gets gambled. Red money does not disappear, it simply gets a smaller job, and the job it keeps is the one it was always good at in the first place, which is growing quietly over twenty or thirty years without anybody standing over it every March asking it to cover the electric bill, the property tax and the trip to see the grandchildren.

> *Plan once. Plan for life®.*

THE ORDER

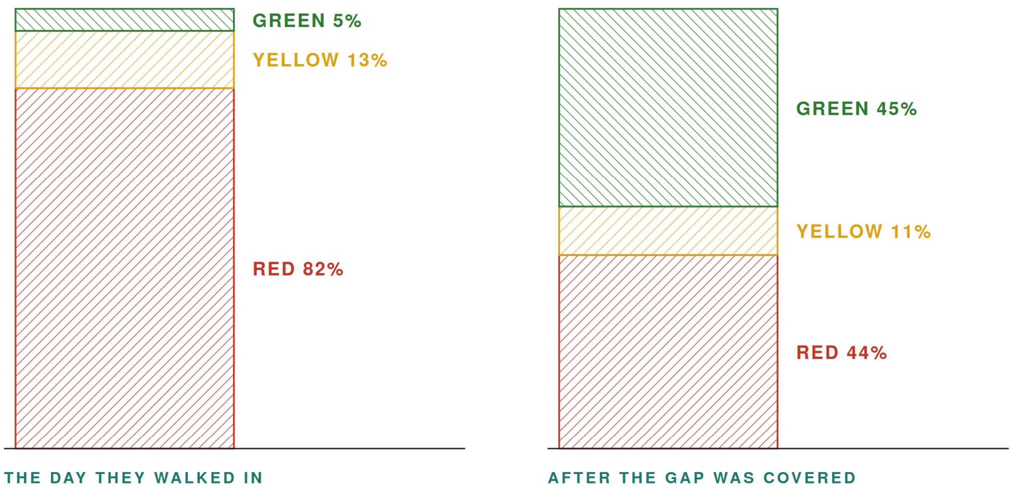
STEP	WHAT HAPPENS
One	Cover the gap with income that cannot stop
Two	Keep yellow money at whatever helps you sleep, and not a dollar more
Three	Let the rest stay red, with a long horizon and no job it cannot fail at
Four	Set the dates on purpose rather than by default
Five	Fix the beneficiary forms, all of them, this month

That is the whole blueprint. It fits on a napkin, and the reason it takes a book to get here is that step one needs a number, and the number is different for everybody.

> **COACH'S CORNER**
>
> Every bucket you buy makes you freer with the money that is left. That is the part people do not expect.
>
> Once the month is covered, the red money stops being frightening, because it is no longer standing between you and the grocery bill. People who cover the gap usually end up taking more risk with what is left, not less, and sleeping better while they do it.

Same Money. Different Jobs.

SAME MONEY. DIFFERENT JOBS.



Nothing was sold at a loss and nothing was gambled. Red money was given a smaller job.

Illustrative only. Not a projection or a guarantee. Your own numbers decide your own mix.

Exhibit 7. One household, before and after. The total did not change. What each part was asked to do did.

WHAT TO NOTICE

The left-hand bar is what walks in the door. Eighty-something percent red, a patch of yellow, no green at all. The right-hand bar is the same total after the gap was covered.

Red did not go away. It went from being the thing that pays for groceries to being the thing that pays for the future, and those are two completely different amounts of pressure to put on one account.

Worksheet 11: Your Allocation

WHERE YOU ARE TODAY

	DOLLARS	SHARE
Green	$ ____________________	______ %
Yellow	$ ____________________	______ %
Red	$ ____________________	______ %
Everything	$ ____________________	100 %

WHAT COVERING THE GAP WOULD TAKE

	YOURS
The annual gap, from page 11	$ ____________________
What a carrier quoted to cover it, on your ages	$ ____________________
As a share of everything you own	______ %
Which account would it come from?	___________________________
Does that account have a surrender charge on it now?	____________________
What is left in red after that?	$ ____________________

WHERE YOU WOULD BE

	DOLLARS	SHARE
Green	$ ____________________	______ %
Yellow	$ ____________________	______ %
Red	$ ____________________	______ %
Everything	$ ____________________	100 %

READ THE TWO TABLES SIDE BY SIDE

If the bottom one makes you uneasy, say why out loud before you do anything. Usually the yellow row got too small, and that is fixable rather than a reason to stop. If it makes you feel lighter, that is your answer, and you should still sleep on it.

Sample: Bill and Carol's Blueprint

	BEFORE	AFTER
Green	$0	$185,000
Yellow	$97,000	$97,000
Red	$813,000	$628,000
Everything	$910,000	$910,000
Guaranteed income, per month	$3,900	$4,830
Essential monthly total	$4,800	$4,800
THE GAP	**$900**	**covered**
Fill-up reading	81 %	100 %

WHAT I NOTICE FIRST

Twenty cents of the dollar went green and the gap closed. That is the whole move. Nothing was sold at a loss, the emergency cash never got touched, and six hundred and twenty-eight thousand dollars is still in the market with a twenty-year horizon and nothing riding on next quarter.

The line that stayed the same is the one worth looking at. Their total did not change by a dollar. What changed is that the electric bill is no longer the market's problem.

Illustrative only. Not a projection or a guarantee. A real quote on real ages will look different from this.

SESSION TWELVE · THE IDEA

The Rules That Decide the Rest

A dozen rules, most of them nobody told you about, and between them they decide more of your retirement than any product on the shelf.

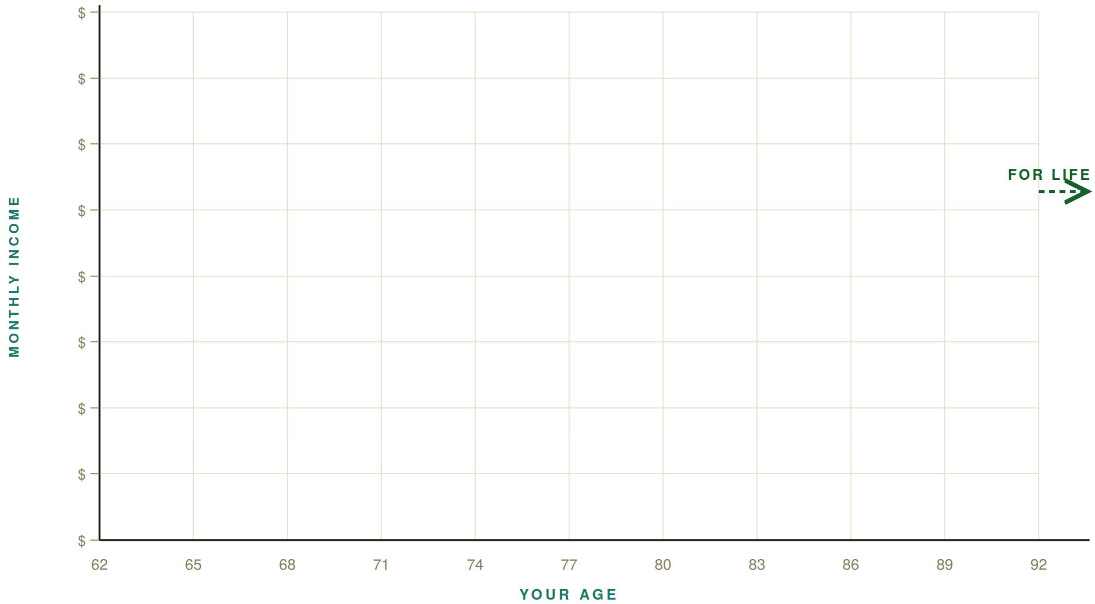
THE RULE	WHAT IT DOES TO YOU
The beneficiary form outranks your will	Whoever is on that form gets the money, whatever the will says
Provisional income was never indexed	More of your Social Security gets taxed every year by default
Medicare looks back two years	A big year lands on your premium two years later
Delayed credits stop at 70	Waiting past seventy pays nothing at all
Required distributions start at 73, or 75	The account starts emptying whether you need it or not
Most inherited IRAs must empty in ten years	Your children get the tax bill compressed into a decade
A loss and its recovery are not the same size	Down thirty needs up forty-three, not up thirty
Order of returns matters once you withdraw	The same average return can end in two different places
Surrender schedules run on years, not on need	The contract does not care what happened to you in year three
Guarantees sit on the carrier’s claims-paying ability	The rating is not paperwork, it is the promise
Lifetime income has no end date	Any figure with a number of years attached is not lifetime income
Nobody charges you for waiting	The cheapest improvement available is usually patience

COACH’S CORNER

Of the twelve, the beneficiary form is the one to fix tonight. It takes ten minutes, it costs nothing, and it is wrong in more houses than any other document in this book.

Ex-spouses. Dead parents. A child who was born after the form was signed. Go look at yours.

Plot Your Own Income Floor



Draw your essential expenses as one flat line. Draw your guaranteed income underneath it.
The space between the two lines is the gap, and it is the only thing on this page you have to fix.

Exhibit 8. Your graph, not mine. Two lines and the space between them.

HOW TO DRAW IT

Mark your essential monthly total on the left-hand scale and draw one flat line straight across at that height. That is what the month costs and it does not fall as you age.

Now draw your guaranteed income underneath it, stepping up on each date from Worksheet 6 as a flag switches on. The space between the two lines is the gap, and it is the only thing on this page you have to do anything about.

Worksheet 12: The Twelve Rules, Checked

One line each. Tick it when you have actually looked, not when you are fairly sure.

- ☐ I have read the beneficiary form on every retirement account I own, this month
- ☐ I know my provisional income and whether I am over the threshold
- ☐ I know which tax year sets my next Medicare premium
- ☐ I know what my Social Security is at 62, at full retirement age, and at 70
- ☐ I know the year my required distributions begin
- ☐ I know what my children would face on an inherited account
- ☐ I have run my own red money through the recovery arithmetic
- ☐ I know which account a withdrawal should come out of first
- ☐ I know the surrender schedule on every contract I already own
- ☐ I know the rating of every carrier I already do business with
- ☐ Every income figure I have been shown says for life, with no number of years on it
- ☐ I have decided my dates on purpose rather than by default

THE ONES I COULD NOT TICK

AND WHO I AM GOING TO ASK

The Carrier Grid

Three contracts, side by side, in your own handwriting. This page is the reason people stop being talked into things.

	CONTRACT A	CONTRACT B	CONTRACT C
Carrier	____________________	____________________	____________________
Product	____________________	____________________	____________________
Kind, off the shelf on page 18	____________________	____________________	____________________
Premium	$ ________	$ ________	$ ________
Term, in years	______	______	______
Surrender, year one	______ %	______ %	______ %
Surrender, year five	______ %	______ %	______ %
Free withdrawal each year	______ %	______ %	______ %
Cap, participation, or spread	____________________	____________________	____________________
Guaranteed minimum	____________________	____________________	____________________
Rider, yes or no	______	______	______
Rider cost per year	______ %	______ %	______ %
Income at my switch-on age	$ ________	$ ________	$ ________
Guaranteed, or illustrated?	____________________	____________________	____________________
Does it continue for my spouse?	______	______	______
Death benefit	____________________	____________________	____________________
Carrier rating and agency	____________________	____________________	____________________
Years the carrier has been paying claims	______	______	______

The Carrier Grid, Continued

WHAT EACH ONE ACTUALLY DOES FOR MY GAP

	CONTRACT A	CONTRACT B	CONTRACT C
My monthly gap, from page 11	$ ________	$ ________	$ ________
Monthly income this contract provides	$ ________	$ ________	$ ________
Gap left over	$ ________	$ ________	$ ________
Premium per dollar of monthly income	$ ________	$ ________	$ ________
Percent of everything I own	_______ %	_______ %	_______ %

THE FOUR SENTENCES TEST

Write each one out in your own words, in three sentences. If you cannot, you do not understand it yet, and that is not your fault. Go back and ask.

CONTRACT A, IN MY OWN WORDS

CONTRACT B, IN MY OWN WORDS

CONTRACT C, IN MY OWN WORDS

ONE LAST QUESTION BEFORE YOU SIGN ANYTHING

Which of these three covers my gap for the smallest share of everything I own, and leaves the most money alone? That is usually the answer. Not the biggest number on the illustration.

BEFORE YOU DECIDE ANYTHING

The Checklist, Steps One to Eleven

Twenty-two steps. Nothing on this list costs money and most of it can be done in an evening.

- ☐ Count the flags on your mailbox and write the number down
- ☐ Work out how many years you have to your goal line
- ☐ Add up what the month costs, essentials only
- ☐ Add up the guaranteed income you already own
- ☐ Subtract, and write down the gap
- ☐ Work out the playcheck number as well as the paycheck number
- ☐ List every account you own on one page
- ☐ Put a color beside every one of them
- ☐ Add the colors up and look at the shares
- ☐ Read your Social Security statement, and your spouse’s
- ☐ Find out what your check is at 62, at full retirement age, and at 70

WHERE I AM

	DONE ON
Steps one to eleven finished	______________________
The one that took longest	______________________
The one I could not finish, and why	______________________

BEFORE YOU DECIDE ANYTHING

The Checklist, Steps Twelve to Twenty-Two

- ☐ Read the beneficiary form on every retirement account
- ☐ Fix the ones that are wrong
- ☐ Find the surrender schedule on every contract you already own
- ☐ Look up the rating of every carrier you already use
- ☐ Work out your provisional income
- ☐ Find out which tax year sets your next Medicare premium
- ☐ Ask which account a withdrawal should come out of first
- ☐ Get a real quote, on your own ages, to cover your own gap
- ☐ Fill in the carrier grid for three contracts, not one
- ☐ Write each contract out in four sentences of your own
- ☐ Sleep on it, and tell somebody who loves you what you are thinking

WHERE I AM

	DONE ON
Steps twelve to twenty-two finished	____________________
The thing that surprised me most	____________________
What I am doing first	____________________

> **STEP TWENTY-TWO IS NOT A FORMALITY**
>
> Telling somebody out loud is how you find out whether you believe it. If you cannot say it in a sentence to a person who loves you, go back to the page where it stopped making sense.
>
> That page is where the real question is, and it is almost never where people think it is.

THE WORDS, IN PLAIN ENGLISH

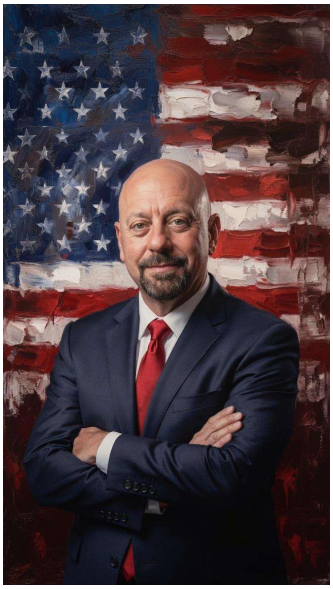
Quick Reference

WORD	WHAT IT MEANS
Accumulation value	What the account is actually worth if you walked away today
Cap	The most an index-linked contract will credit in a period
Crediting period	How often the index is measured and gains are locked in
Deferred	Income that starts later, on a date you choose
Free withdrawal	The amount you can take each year with no surrender charge
General account	Where a fixed contract's money sits, backed by the insurer
Immediate	Income that starts within about a year of the premium
Income rider	An optional add-on that buys a defined lifetime income, for a yearly cost
Index-linked	Credits tied to an index's movement. The money is not in the market
Participation rate	The share of an index's move that gets credited
Provisional income	The figure that decides how much of your Social Security is taxed
QLAC	**A deferred income contract inside a qualified account, capped at $210,000**
Separate account	Where a variable contract's money sits. Market risk is yours
Spread	An amount subtracted from the index move before crediting
Surrender schedule	The declining charge for taking more than the free amount, year by year
Zero floor	The contractual worst case in a down index year, before any product fees

The full glossary runs twelve pages in the Almanac itself. This is the short list, for the meeting.

ABOUT THE AUTHOR

Coach Pete D'Arruda



I have been in the financial arena since 1992, and I have spent well over three decades doing one thing: sitting at kitchen tables with people who are about to stop working, and helping them find out whether the month is covered.

I host The Financial Safari® on radio and television, and I have been talking about this subject on the air since 2003, on more than fifty stations. I have written over 30 books. Along the way the work has collected 4 Emmy Awards, 14 Telly Awards, 7 Quilly® Awards and 9 EXPY Awards, and I served two terms as president of the IARFC.

None of that is why you should listen to me. The reason is simpler. I have watched what happens to a household when the electric bill stops being the market's problem, and I would like that to happen to yours.

THE READER OFFER

If you filled these pages in and you want somebody to look at them with you, that conversation is free and there is nothing to buy at the end of it. Bring the workbook. Bring the blanks you could not fill. An hour at a table is worth more than another book.

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Important Disclosure

This workbook is general education, not individualized financial, tax, or legal advice. It does not account for your individual circumstances. Coach Pete D'Arruda is not a lawyer or an accountant. Consult your own qualified professionals about your own situation before acting on anything you read here.

Guarantees are backed by the claims-paying ability of the issuing insurance company. Fixed and fixed indexed annuities are insurance products, are not FDIC insured, are not bank guaranteed, and may lose value if surrendered early or if the insurer cannot meet its obligations. Riders may carry additional cost. Indexed products do not directly participate in any stock or equity investment; a zero floor refers to the contractual floor in a negative index year and does not include any product fees.

Every household, figure, and worked example in this workbook is illustrative and built from round numbers chosen on purpose. None of it is a projection, a quote, or a promise of future results. Any quote you act on should come from a carrier, on your own ages and your own dollars.

Tax references reflect current law, including the One Big Beautiful Bill Act of 2025, and are subject to change. Figures are the latest available and adjust each year.

This workbook was produced with the assistance of generative artificial intelligence, working from Coach Pete D'Arruda's own material, and was reviewed and approved by him before publication.