



THE SOCIETY FOR FINANCIAL AWARENESS

DC Metropolitan Chapter www.dcsofa.org

Financial Blunders



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Basic Strategies to Get Started

- ▶ **HELOC**
- ▶ **Reverse Dollar Cost Averaging**
- ▶ **Liquidity**

Building an Emergency Fund



Plan for life's unexpected emergencies by setting up an Emergency Savings fund.



Set aside at least 3-6 months worth of expenses to help cope with life's emergencies.

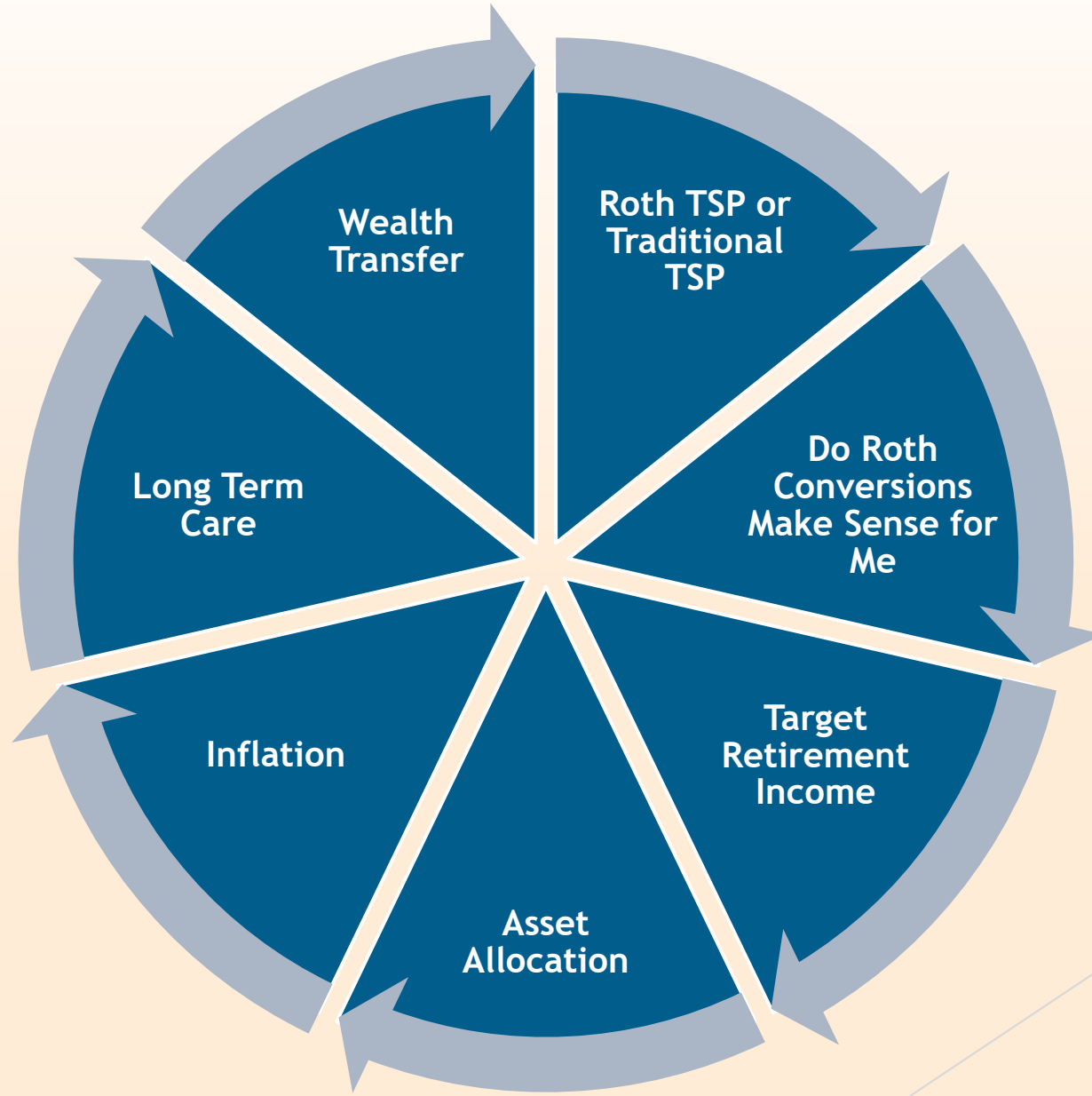


Emergencies can happen to anyone, anytime!



Seek conservative savings vehicles that keep pace with inflation.

Planning for Financial Roadblocks



ASSET ALLOCATION

Choosing Your Investment Mix

Consider...

Risk and Return



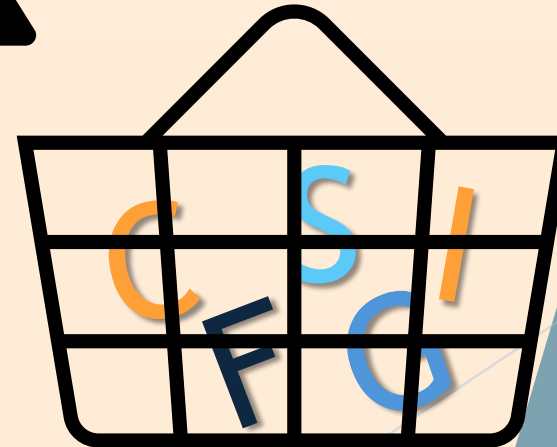
F, C, S, I

Buy and Hold



G

Diversify



Time = Sustained Risk

Review and Rebalance

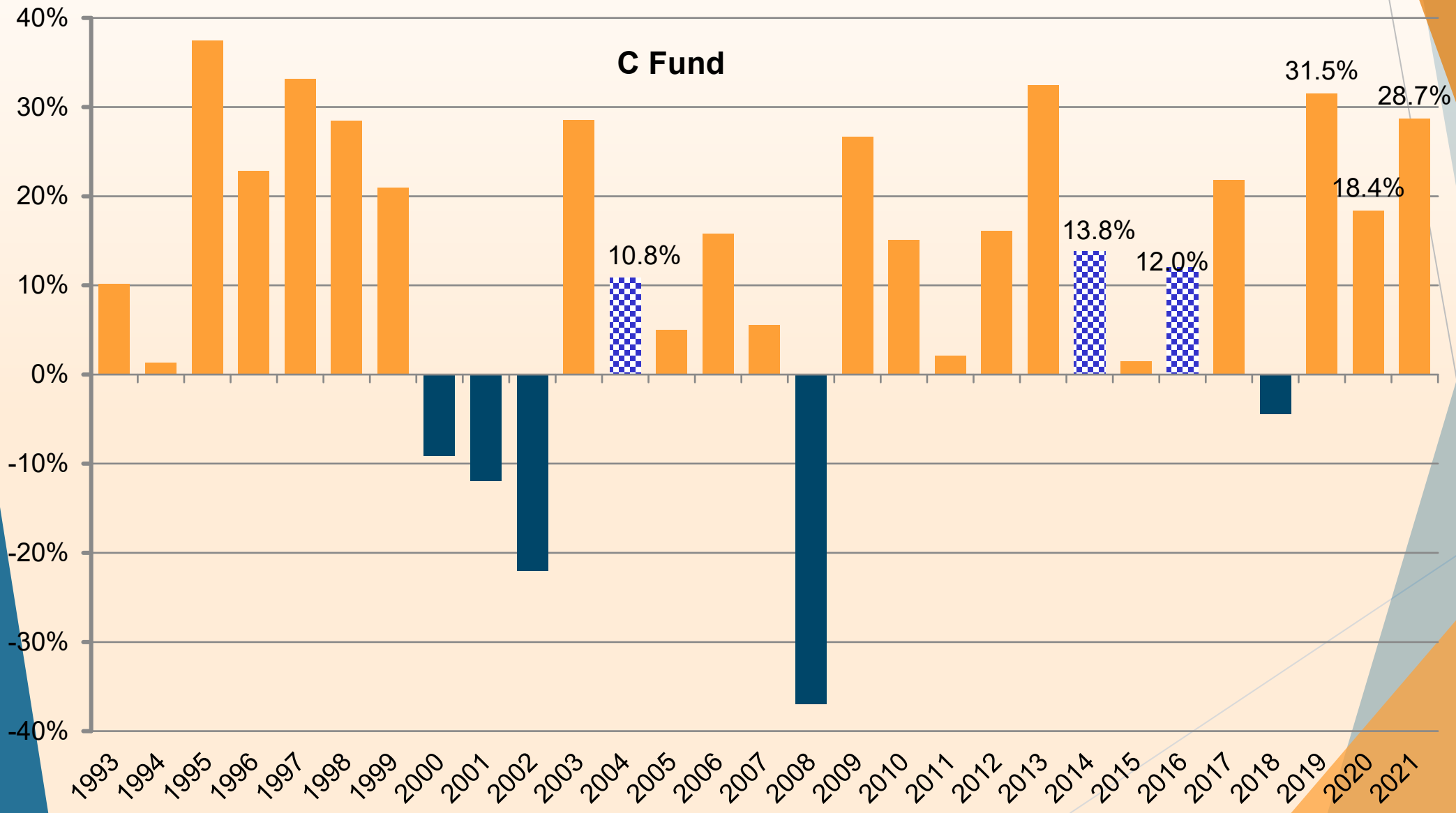
Recent Investment Returns for the TSP Funds

Rates of Return as of November 30, 2025

Year	G Fund Bond/US Govt. Short Term	F Fund Bond/US Intermediate	C Fund Stocks - Large US Companies (S&P 500)	S Fund Stocks - Small and Medium US Companies	I Fund Stocks - International
Inception date	4/1/1987	1/29/1988	1/29/1988	5/1/2001	5/1/2001
1 year	4.46%	5.65%	14.96%	4.08%	24.91%
3 year	4.35%	4.54%	20.52%	15.31%	15.91%
5 year	3.42%	-0.22%	15.24%	7.85%	9.75%
10 year	2.74%	2.10%	14.60%	10.66%	8.15%
Since inception	4.65%	5.32%	11.36%	9.47%	5.90%

Volatility Illustrated:

There are not many “Average” Years for the Stock Market



TSP C Fund Calendar Year Returns, 1993 to 2021

The Average Annual Return for the C Fund was 12.3% for the 29-year period. But there were only three years when the returns were close to the average (+1.5% to -1.5%). The returns for all the other years were much higher or lower. That is an example of “volatility,” the high variation in returns compared to the average.

Note: The data assumes no further contributions and reinvestment of all income. It does not account for taxes. Standard & Poor's 500 Index. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Past performance is no guarantee of future performance. All investments involve the risk of loss. Source: TSP.gov

Asset Class Returns

2010-2024																	
Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap	Small Cap	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Comdty.	Large Cap	Large Cap	DM Equity
13.9%	20.6%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%	19.9%
Small Cap	EM Equity	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap	EM Equity
10.3%	17.9%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%	15.6%
REITs	REITs	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Comdty.	High Yield	Small Cap	Asset Alloc.	Asset Alloc.
9.4%	16.8%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%	7.0%
Asset Alloc.	DM Equity	Comdty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Comdty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	High Yield	High Yield
7.2%	16.5%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%	6.8%
High Yield	Comdty.	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity	Large Cap
5.9%	16.1%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%	6.2%
DM Equity	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Comdty.	Comdty.
5.7%	15.1%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%	5.5%
EM Equity	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash	Fixed Income
3.4%	10.4%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%	4.0%
Fixed Income	High Yield	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Comdty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs	Cash
2.4%	9.4%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%	2.1%
Cash	Fixed Income	Fixed Income	Comdty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Comdty.	DM Equity	Comdty.	Comdty.	Fixed Income	Small Cap	Cash	DM Equity	REITs
1.2%	4.7%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%	1.8%
Comdty.	Cash	Cash	EM Equity	Comdty.	Comdty.	Comdty.	Comdty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Comdty.	Fixed Income	Small Cap
-1.0%	0.9%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%	-1.8%

Source: Blackrock via AE Wealth Management

Asset Allocation

☒ Percent

☐ \$ Value

TSP:

\$1,208,000

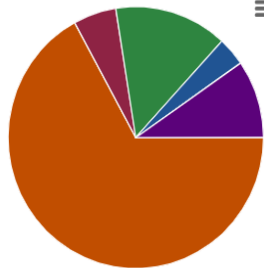
CJC Annuity:

How are you Invested In TSP:

	Allocation (%)	Contribution (\$)
C Fund:	30	362400
S Fund:		
I Fund:		
F Fund:		
G Fund:	25	302000
L Fund: L 2025	15	181200
L Fund: L 2030	30	362400
L Fund:		
Total	100.0	\$1,208,000

L Funds Allocation Comparison

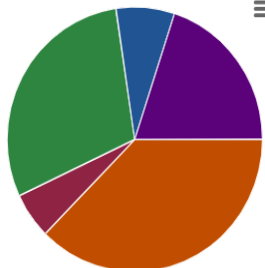
L Income



January 2026

G Fund	67.06%
F Fund	5.44%
C Fund	14.30%
S Fund	3.57%
I Fund	9.63%

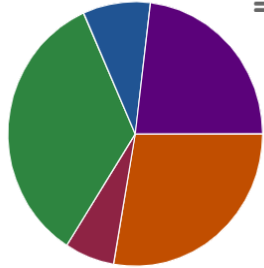
L 2030



January 2026

G Fund	37.38%
F Fund	5.62%
C Fund	29.64%
S Fund	7.41%
I Fund	19.95%

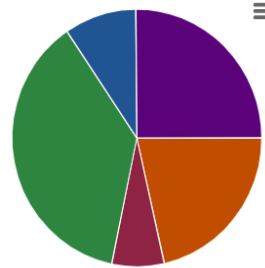
L 2035



January 2026

G Fund	27.74%
F Fund	6.32%
C Fund	34.29%
S Fund	8.57%
I Fund	23.08%

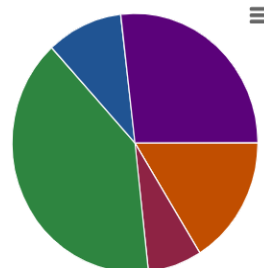
L 2040



January 2026

G Fund	21.47%
F Fund	6.78%
C Fund	37.31%
S Fund	9.33%
I Fund	25.11%

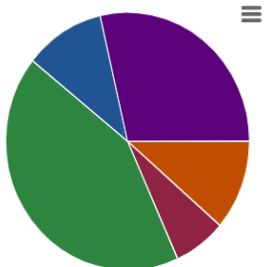
L 2045



January 2026

G Fund	16.16%
F Fund	7.09%
C Fund	39.91%
S Fund	9.98%
I Fund	26.86%

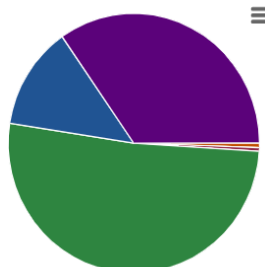
L 2050



January 2026

G Fund	11.33%
F Fund	6.92%
C Fund	42.51%
S Fund	10.63%
I Fund	28.61%

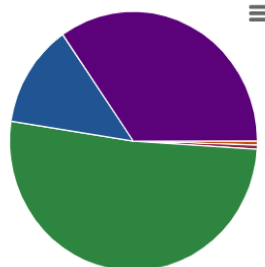
L 2055



January 2026

G Fund	0.56%
F Fund	0.44%
C Fund	51.48%
S Fund	12.87%
I Fund	34.65%

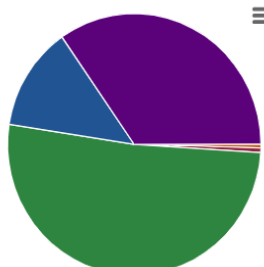
L 2060



January 2026

G Fund	0.50%
F Fund	0.50%
C Fund	51.48%
S Fund	12.87%
I Fund	34.65%

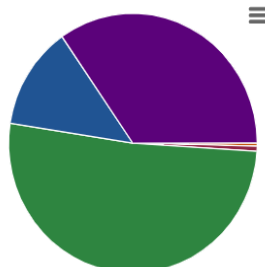
L 2065



January 2026

G Fund	0.44%
F Fund	0.56%
C Fund	51.48%
S Fund	12.87%
I Fund	34.65%

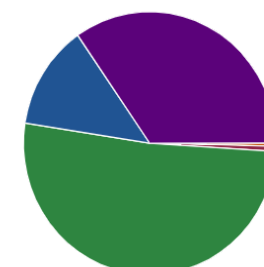
L 2070



January 2026

G Fund	0.36%
F Fund	0.64%
C Fund	51.48%
S Fund	12.87%
I Fund	34.65%

L 2075



January 2026

G Fund	0.36%
F Fund	0.64%
C Fund	51.48%
S Fund	12.87%
I Fund	34.65%

Asset Allocation

1 – Current TSP 55% / 45%

\$1,208,000



42.9%

3.5%

8.8%

3.0%

41.8%

C

S

I

F

G

\$518,468

\$41,730

\$106,491

\$35,805

\$505,506

0%

0%

0%

0%

0%

\$0


\$0

\$0

\$0

\$0

Total Portfolio

							
		42.9%	3.5%	8.8%	3.0%	41.8%	100%
		\$518,468	\$41,730	\$106,491	\$35,805	\$505,506	1,208,000
		C Fund	S Fund	I Fund	F Fund	G Fund	
L 2025	\$44,557	\$11,615	\$30,242	\$11,198	\$83,588	181,200	
L 2030	\$111,510	\$30,115	\$76,249	\$24,607	\$119,918	362,400	
Individual	\$362,400	\$0	\$0	\$0	\$302,000	664,400	

MUST HAVE A PLAN!

**Especially when you are within 10 yrs. of
RETIREMENT!!!!**

1. What is your

Withdrawal Rate Need?

2. What is your

Target Asset Allocation?

Understanding the 4% Withdrawal Rule

If an investor withdraws a fixed percentage of their assets annually for retirement expenses, what is the likelihood that they will outlive their savings?

Withdrawal Rate	100/0	75/25	50/50	25/75	0/100
3%	100%	100%	100%	100%	84%
4%	98%	100%	96%	80%	35%
5%	80%	82%	67%	31%	22%
6%	62%	60%	51%	22%	11%
7%	55%	45%	22%	7%	2%
8%	44%	35%	9%	0%	0%

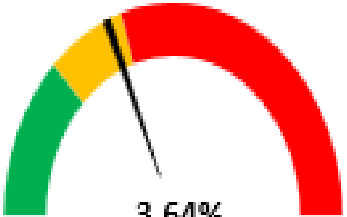
Step #1:

Understanding Your Target Retirement Income (TRI)

Gross Income – Spouse A	\$150,000
Gross Income - Spouse B	\$100,000
 Total Gross Income	 \$250,000
 Less	
TSP/401(k)	\$27,000
TSP/401(k)	\$27,000
Social Security	\$17,540
Savings	\$0
Mortgage	\$0
Roth TSP	\$0
Roth	\$0
Non/Qualified IRA	\$0
College	\$0
Credit Cards	\$0
Tax Equivalent	\$0
 Total Payments	 \$71,540
 Target Retirement Income	 \$178,460

Step #2: Understanding Your Investment Income Need

Target Retirement Income	\$178,460
Social Security	(\$52,775)
Pension	(\$67,511)
Investment Income Needed	→ \$58,174

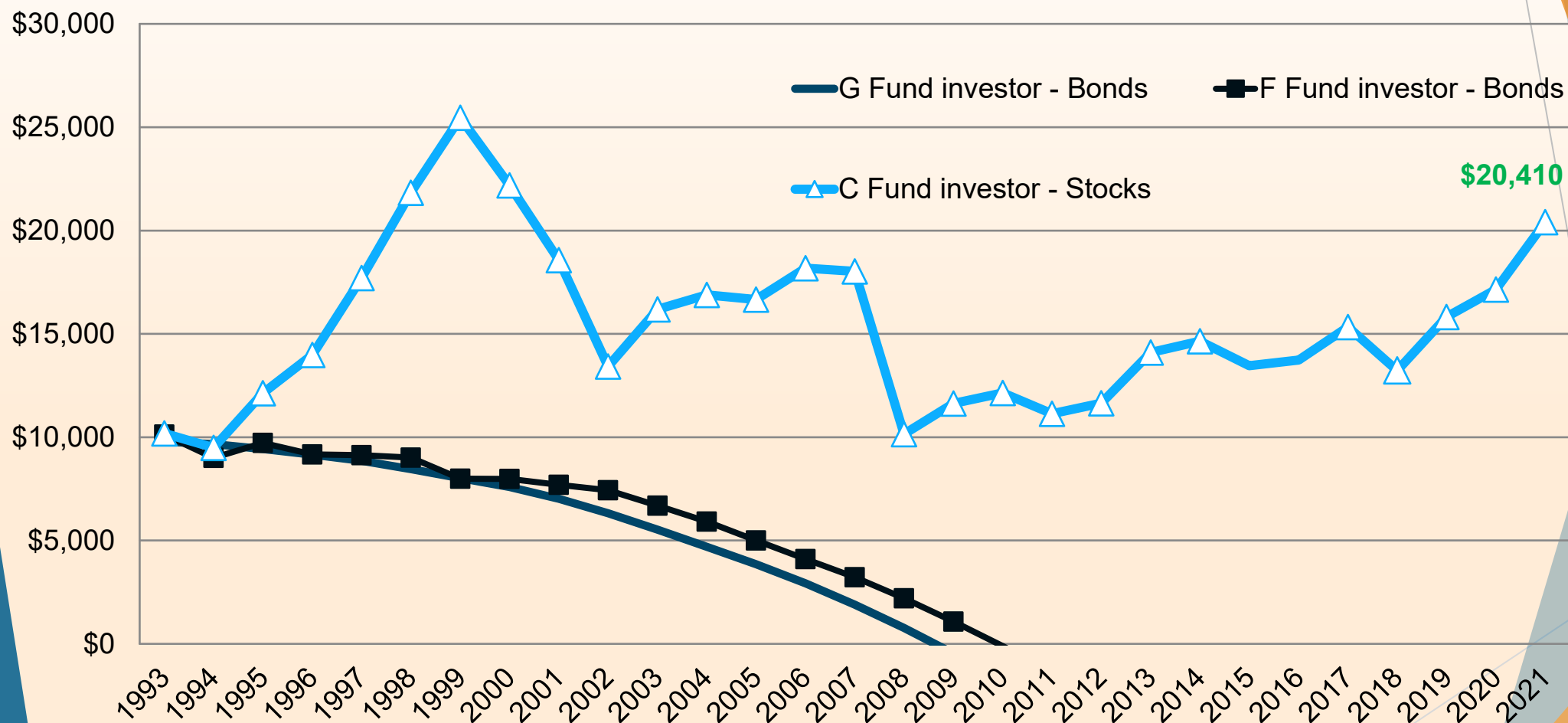
Inflation	Income	W/D		ASSETS & INCOME	ROR	Withdrawal Rate Pressure
0.0%	\$52,775			Social Security		 <p>3.64%</p>
0.0%	\$67,511			Pensions		
	\$120,286			Total Guaranteed Income		
<input checked="" type="checkbox"/> Auto Adjust	\$58,240		3.64%	Investment Income \$1,600,000	4.0%	
	\$178,526			Total Guaranteed & Non guaranteed Income		
0.0%	\$178,460			Target Retirement Income		

Recent Investment Returns for the TSP Funds

Rates of Return as of November 30, 2025

Year	G Fund Bond/US Govt. Short Term	F Fund Bond/US Intermediate	C Fund Stocks - Large US Companies (S&P 500)	S Fund Stocks - Small and Medium US Companies	I Fund Stocks - International
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1 year	4.46%	5.65%	14.96%	4.08%	24.91%
3 year	4.35%	4.54%	20.52%	15.31%	15.91%
5 year	3.42%	-0.22%	15.24%	7.85%	9.75%
10 year	2.74%	2.10%	14.60%	10.66%	8.15%
Since inception	4.65%	5.32%	11.36%	9.47%	5.90%

Loss of Purchasing Power: What Happens When You Start Spending?



Example:

At the beginning of 1993, retirees Bill, Jack, and Mary each have \$10,000 in the TSP. They each invest in one fund: Bill in G, Jack in F and Mary in C.

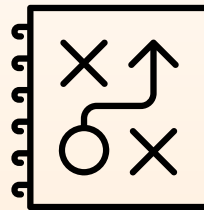
They annually withdraw enough to buy 2000 first class stamps (after paying taxes of 30%).

Note: This is for illustration purposes only. Past performance is no guarantee of future performance.

All investments involve the risk of loss. The data assumes reinvestment of all income.

CRT

5



1

Marginal Tax
Brackets

Life Insurance

4

Tax Strategies

2

Taxable / Tax-Free /
Tax Deferred

3

Roth Strategies



Roth vs Traditional TSP

Which is Right for YOU?



IRS Form 1040

Taxable Income

Form 1040 (2025) Page 2

Tax and Credits	11b Amount from line 11a (adjusted gross income)	11b
12a Someone can claim <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent		
b <input type="checkbox"/> Spouse itemizes on a separate return c <input type="checkbox"/> You were a dual-status alien		
d You: <input type="checkbox"/> Were born before January 2, 1961 <input type="checkbox"/> Are blind		
Spouse: <input type="checkbox"/> Was born before January 2, 1961 <input type="checkbox"/> Is blind		
e Standard deduction or itemized deductions (from Schedule A)		
13a Qualified business income deduction from Form 8995 or Form 8995-A		13a
b Additional deductions from Schedule 1-A, line 38		13b
14 Add lines 12e, 13a, and 13b		14
15 Subtract line 14 from line 11b. If zero or less, enter -0-. This is your taxable income		15
16 Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>		16
17 Amount from Schedule 2, line 3		17
18 Add lines 16 and 17		18
19 Child tax credit or credit for other dependents from Schedule 8812		19
20 Amount from Schedule 3, line 8		20
21 Add lines 19 and 20		21
22 Subtract line 21 from line 18. If zero or less, enter -0-		22
23 Other taxes, including self-employment tax, from Schedule 2, line 21		23
24 Add lines 22 and 23. This is your total tax		24

Standard deduction for—

- Single or Married filing separately, \$15,750
- Married filing jointly or Qualifying surviving spouse, \$31,500
- Head of household, \$23,625
- If you checked a box on line 12a, 12b, 12c, or 12d, see inst.

Form **1040** Department of the Treasury—Internal Revenue Service **2025** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 2025, ending . See separate instructions.

☐ Filed pursuant to section 301.9100-2 ☐ Combat zone ☐ Deceased MM / DD / YYYY Spouse MM / DD / YYYY

☐ Other

Your first name and middle initial Last name Your social security number

If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. ☐

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/county Foreign postal code

Filing Status ☐ Single ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)

☐ Married filing jointly (even if only one had income) ☐ Married filing separately (MFS). Enter spouse's SSN above and full name here: If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets At any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☐ No

Dependents (see instructions)

	Dependent 1	Dependent 2	Dependent 3	Dependent 4
(1) First name				
(2) Last name				
(3) SSN				
(4) Relationship				
(5) Check if lived with you more than half of 2025	(a) <input type="checkbox"/> Yes (b) <input type="checkbox"/> And in the U.S.	(a) <input type="checkbox"/> Yes (b) <input type="checkbox"/> And in the U.S.	(a) <input type="checkbox"/> Yes (b) <input type="checkbox"/> And in the U.S.	(a) <input type="checkbox"/> Yes (b) <input type="checkbox"/> And in the U.S.
(6) Check if	<input type="checkbox"/> Full-time student <input type="checkbox"/> Permanently and totally disabled	<input type="checkbox"/> Full-time student <input type="checkbox"/> Permanently and totally disabled	<input type="checkbox"/> Full-time student <input type="checkbox"/> Permanently and totally disabled	<input type="checkbox"/> Full-time student <input type="checkbox"/> Permanently and totally disabled
(7) Credits	<input type="checkbox"/> Child tax credit <input type="checkbox"/> Credit for other dependents	<input type="checkbox"/> Child tax credit <input type="checkbox"/> Credit for other dependents	<input type="checkbox"/> Child tax credit <input type="checkbox"/> Credit for other dependents	<input type="checkbox"/> Child tax credit <input type="checkbox"/> Credit for other dependents

☐ Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income

Attach Form(s) W-2 here. Also attach Forms W-20 and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

1a Total amount from Form(s) W-2, box 1 (see instructions)	1a
b Household employee wages not reported on Form(s) W-2	1b
c Tip income not reported on line 1a (see instructions)	1c
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d
e Taxable dependent care benefits from Form 2441, line 26	1e
f Employer-provided adoption benefits from Form 8839, line 31	1f
g Wages from Form 8919, line 6	1g
h Other earned income (see instructions). Enter type and amount:	1h
i Nontaxable combat pay election (see instructions)	1i
z Add lines 1a through 1h	1z
2a Tax-exempt interest	2a
3a Qualified dividends	3a
c Check if your child's dividends are included in 1 <input type="checkbox"/> Line 3a b Taxable interest	2b
4a IRA distributions	4a
c Check if (see instructions) 1 <input type="checkbox"/> Rollover 2 <input type="checkbox"/> Line 3b b Ordinary dividends	3b
5a Pensions and annuities	5a
c Check if (see instructions) 1 <input type="checkbox"/> Rollover 2 <input type="checkbox"/> Line 3b b Taxable amount	4b
6a Social security benefits	6a
c If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/> b Taxable amount	5b
d If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here <input type="checkbox"/> 2 <input type="checkbox"/> QCD 3 <input type="checkbox"/> b Taxable amount	6b
7a Capital gain or (loss). Attach Schedule D if required b Check if: <input type="checkbox"/> Schedule D not required <input type="checkbox"/> Includes child's capital gain or (loss)	7a
8 Additional income from Schedule 1, line 10	8
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income	9
10 Adjustments to income from Schedule 1, line 26	10
11a Subtract line 10 from line 9. This is your adjusted gross income	11a

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2025) Created 9/5/25

Target Retirement Income



Gross Income - Sue	\$107,000
Gross Income - Bill	\$0
Total Gross Income	\$107,000
Less	
TSP/401(k)	\$24,500
IRA	\$6,500
Social Security	\$6,634
IRA	\$6,500
Mortgage	\$0
College	\$0
Credit Cards	\$0
Debts	\$0
Tax Equivalent	\$0
Non/Qualified IRA	\$0
Roth	\$0
Total Payments	\$44,134
Target Retirement Income	\$62,866

Income			\$0	
Total Income			\$107,000	
Additional Information				
Sue 61-62;				
Bill 61-62				
Retirement Income Projections				
Sue	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	0%	0%	401k & IRA	\$0
	TOTAL			\$0
Bill	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	0%	0%	IRA	\$0
	TOTAL			\$0
W/D Rate from Cash Assets			\$0	
			\$0	
Total Income at year # 1 =			\$0	
0.0%	Target Retirement Income		\$62,866	

0	2,360	0				0	
Employee	Match	Add.	Regular Savings	CD's	College Savings	Rate	Future Value
			Savings 100,000			1%	101,000
						1%	0
						1%	0
			Tax Deferred	Roth	401k & IRA		
6,500					IRA 550,000	4%	0
				roth 66,000		4%	68,640
						4%	926,640
24,500					TSP 310,000		
			Tax Deferred	Roth	IRA		
						4%	0
				roth 22,000		4%	22,880
						4%	318,760
6,500					IRA 300,000		
0	0	37,500				1,437,920	
			Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
						5%	0
					25,000	5%	0
						5%	26,250

PRESENT

SUE RETIRE

Total Income **\$107,000**

0 0 0

0

Additional Information

Sue 62-70

Bill 62-70

Retirement Income Projections

Sue	COLA	0%	Pension	\$18,836
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	3%	0%	401k & IRA	\$31,506
			TOTAL	\$50,342

Bill	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	4%	0%	IRA	\$12,750
			TOTAL	\$12,750

0%	W/D Rate from Cash Assets	\$0
		\$0

Total Income at year # 8 = \$63,092

0.0% Target Retirement Income \$62,866

Employee Match Add.

Regular Savings	CD's	College Savings
Savings 101,000		

Rate Future Value

1% 109,369
1% 0
1% 0

Tax Deferred	Roth	401k & IRA
		IRA 578,760
	roth 68,640	
		TSP 347,880

4% 0
4% 93,939
4% 966,258

Tax Deferred	Roth	IRA
	roth 22,880	
		IRA 318,760

4% 0
4% 31,313
4% 314,061

0 0 0

Savings Type Assets Total 1,514,938

Government Bonds	Corporate Bonds	BoA Trust
		26,250

Rate Future Value
5% 0
5% 0
5% 28,782

RMD & SS

Total Income				\$107,000
Additional Information				
Sue 70-100				
Bill 70-100				
Retirement Income Projections				
Sue	COLA	0%	Pension	\$18,836
	WD	0%	Social Security	\$32,000
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	4%	0%	401k & IRA	\$38,650
			TOTAL	\$89,486
Bill	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$32,000
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	4%	0%	IRA	\$12,562
			TOTAL	\$44,562
0% W/D Rate from Cash Assets				\$0
				\$0
Total Income at year # 30 =				\$134,049
0.0%	Target Retirement Income			\$62,866

0	0	0
Employee	Match	Add.
0	0	0

Regular Savings	CD's	College Savings	Rate	Future Value
Savings 109,369			1%	147,412
			1%	0
			1%	0
Tax Deferred	Roth	401k & IRA		
		IRA 603,504	4%	0
			4%	304,680
	roth 93,939		4%	879,550
		TSP 362,753		
Tax Deferred	Roth	IRA		
			4%	0
			4%	101,560
	roth 31,313		4%	285,878
		IRA 314,061		
Savings Type Assets Total				1,719,080
Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
			5%	0
		38,783	5%	0
			5%	0

What is Your Tax Bracket?

Your Line 15: \$183,000 ~ So,
what marginal rate are you in
now?

How many
of you
think you
will be in
a lower
tax
bracket
when you
retire?

Tax Bracket 2025

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$11,925	\$0 to \$23,850	\$0 to \$17,000
12%	\$11,925 to \$48,475	\$23,850 to \$96,950	\$17,000 to \$64,850
22%	\$48,475 to \$103,350	\$96,950 to \$206,700	\$64,850 to \$103,350
24%	\$103,350 to \$197,300	\$206,700 to \$394,600	\$103,350 to \$197,300
32%	\$197,300 to \$250,525	\$394,600 to \$501,050	\$197,300 to \$250,500
35%	\$250,525 to \$626,350	\$501,050 to \$751,600	\$250,500 to \$626,350
37%	\$626,350 or more	\$751,600 or more	\$626,350 or more

SUE RETIRE

Total Income	\$107,000
--------------	-----------

0	0	0
---	---	---

0

Employee	Match	Add.
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Additional Information

Sue 62-70

Bill 62-70

Retirement Income Projections

Sue	COLA	0%	Pension	\$18,836
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	3%	0%	401k & IRA	\$31,506
			TOTAL	\$50,342

Bill	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	4%	0%	IRA	\$12,750
			TOTAL	\$12,750

0%	W/D Rate from Cash Assets	\$0
		\$0

Total Income at year # 8 = \$63,092

0.0% Target Retirement Income \$62,866

0	0	0
---	---	---

Regular Savings	CD's	College Savings	Rate	Future Value
Savings 101,000			1%	109,369
			1%	0
			1%	0
Tax Deferred	Roth	401k & IRA		
		IRA 578,760	4%	0
			4%	93,939
	roth 68,640		4%	966,258
		TSP 347,880		
Tax Deferred	Roth	IRA		
			4%	0
			4%	31,313
	roth 22,880		4%	314,061
		IRA 318,760		

Savings Type Assets Total 1,514,938

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
			5%	0
		26,250	5%	0
			5%	28,792

What is Your Tax Bracket?

Your Line 15: \$183,000 ~ So,
what marginal rate are you in
now?

How many
of you
think you
will be in
a lower
tax
bracket
when you
retire?

Tax Bracket 2025

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$11,925	\$0 to \$23,850	\$0 to \$17,000
12%	\$11,925 to \$48,475	\$23,850 to \$96,950	\$17,000 to \$64,850
22%	\$48,475 to \$103,350	\$96,950 to \$206,700	\$64,850 to \$103,350
24%	\$103,350 to \$197,300	\$206,700 to \$394,600	\$103,350 to \$197,300
32%	\$197,300 to \$250,525	\$394,600 to \$501,050	\$197,300 to \$250,500
35%	\$250,525 to \$626,350	\$501,050 to \$751,600	\$250,500 to \$626,350
37%	\$626,350 or more	\$751,600 or more	\$626,350 or more

A Traditional TSP

Years ---> 1 -- 20

\$18,000 @ 5% ROR → 401(k)



Accumulated: **\$624,947**

X 4% W/D

\$24,997

(taxes, Fed 25% + State 6%) - **\$7,749**

\$17,248.00

B Roth/Roth TSP

Years ---> 1 -- 20

\$18,000 x 25% Fed + 6% State =
\$12,420 @ 5% ROR → Roth



Accumulated:

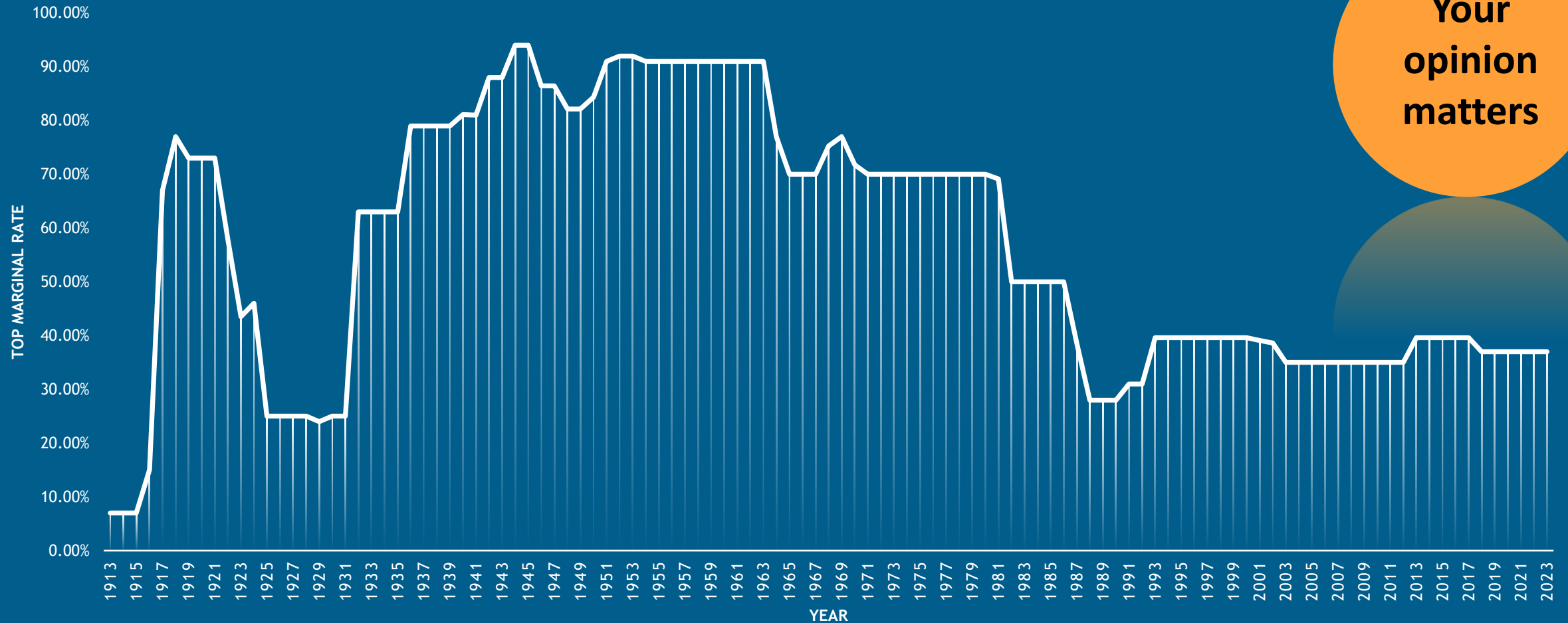
\$431,213

X 4% W/D

\$17,248.00

Where Do You Think Taxes Will Be in Your Future?

HISTORICAL HIGHEST MARGINAL INCOME TAX RATES



**Your
opinion
matters**

- ▶ The data referenced in this chart we created is from the Tax Policy Center: <https://taxpolicycenter.org/statistics/historical-highest-marginal-income-tax-rates>
- ▶ This table contains a number of simplifications and ignores a number of factors, such as the amount of income or types of income subject to the top rates, or the value of standard and itemized deductions. Sources: IRS Revenue Procedures, various years. Also, Eugene Steuerle, The Urban Institute; Joseph Pechman, *Federal Tax Policy*; Joint Committee on Taxation, Summary of Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003, JCX-54-03, May 22, 2003.

How Will You Pay for LTC?

- Pay out-of-pocket - Self Insure
- Rely on government programs such as Medicare or Medicaid
- Buy long-term care insurance
- Life Insurance with LTC Rider/or Hybrid Policy
- Elder Care Planning

Existing Policies Premium Rate Increases

State	Filer	Calculated premium change (\$M)	Written premium (\$M)	Approved rate change (%)*	Number of policyholders affected	Renewal business effective date
VA	Genworth Long-Term Insurance Co.	9.7	26.9	36.1	10,228	04/21/22
OH	Genworth Long-Term Insurance Co.	9.7	14.8	65.4	6,713	03/31/22
PA	John Hancock	7.5	12.7	59.1	4,760	05/09/22
TN	Genworth	5.5	9.2	59.5	4,431	04/27/22
KY	Genworth	5.1	12.7	39.9	4,617	03/31/22
IA	Genworth	5.0	10.6	47.4	2,612	02/18/22
NE	Medico Insurance Co. ²	4.9	4.6	107.1	2,383	01/01/22
AL	Genworth	4.7	31.0	15.0	8,321	03/14/22
TX	Atlantic American	4.6	7.5	62.2	2,821	01/29/22
NE	Ability Insurance Co. ²	4.6	8.1	56.7	2,024	01/13/22

**11%
Annual
Increase !**

Date compiled Aug 4, 2022

LTC = long-term care

Information collected on a best-effort basis. Rate filing information is sourced from the System for Electronic Rate and Form Filing documents.

Reflects individual long-term care rate filings for Type of Insurance LTC02I, LTC031, LTC041 and LTC051 with renewal business effective dates between Jan. 1 and June 30, 2022. Excludes pending, disapproved and withdrawn filings; filings where rate change was zero; filings where data on the premium impacted was unavailable; filings where the disposition table was unavailable, notably in the state of Florida.

Written premium, calculated premium change, approved rate change and number of policyholders affected are based on disposition section of rate filings. Approved rate change reflects the calculated premium change divided by written premium.

Top 10 filings shown are based on calculated premium change.

*Approved rate change shown may be the ultimate increase as some states cap the amount an insurer can raise rates in a given year.

¹ Adjustments made to values shown due to discrepancies between disposition table and correspondence from the state insurance regulators within the filing.

² Include LTC premium changes for policies of medico Insurance Co. that have been novated over to Ability Insurance Co.

Source: S&P Global Market Intelligence

Stress Test Your LTC Premiums

<u>Beginning Balance</u>	<u>Gross Level ROR</u>
\$3,930	11.00
<u>Annual Additions or Withdrawals</u>	<u># of Years</u>
\$0	20
	<u>Ord. Inc. Tax Rate%</u>
	0.00
	Federal + State

Can you afford this?

Year	Beginning Balance
1	3,930
2	4,272
3	4,643
4	5,046
5	5,485
6	5,961
7	6,479
8	7,042
9	7,654
10	8,320
11	9,042
12	9,828
13	10,682
14	11,611
15	12,620
16	13,716
17	14,908
18	16,204
19	17,612
20	19,142

Hybrid Product

All Values and Benefits Guaranteed

Guaranteed 1.00% Interest Rate

End of Year	Age	Scheduled Premium	Cash Value	Total Received on Surrender	Net Death Benefit	Total LTC Benefit (Excludes Inflation)	Max Monthly LTC Benefit* (Excludes Inflation)	Max Monthly Inflation Rider Benefit*	Total Monthly Benefit	Total Benefit** (Total LTC Benefit Plus Inflation)
1	58	10,000	6,044	6,044	97,595	292,786	4,066	0	4,066	315,644
2	59	10,000	10,479	10,479	97,595	292,786	4,066	122	4,188	325,113
3	60	10,000	15,072	15,072	97,595	292,786	4,066	248	4,314	334,867
4	61	10,000	19,825	19,825	97,595	292,786	4,066	377	4,444	344,913
5	62	10,000	24,738	24,738	97,595	292,786	4,066	510	4,577	355,260
Total		50,000								
6	63	10,000	29,818	29,818	97,595	292,786	4,066	648	4,714	365,918
7	64	10,000	35,073	35,073	97,595	292,786	4,066	789	4,856	376,895
8	65	10,000	40,513	40,513	97,595	292,786	4,066	935	5,001	388,202
9	66	10,000	46,153	46,153	97,595	292,786	4,066	1,085	5,151	399,848
10	67	10,000	52,008	52,008	100,000	292,786	4,066	1,239	5,306	411,844
Total		100,000								
11	68	0	53,489	53,489	100,000	292,786	4,066	1,399	5,465	424,199
12	69	0	54,993	54,993	100,000	292,786	4,066	1,562	5,629	436,925
13	70	0	56,518	56,518	100,000	292,786	4,066	1,731	5,798	450,033
14	71	0	58,058	58,058	100,000	292,786	4,066	1,905	5,972	463,534
15	72	0	59,609	59,609	100,000	292,786	4,066	2,084	6,151	477,440
Total		100,000								
16	73	0	61,163	61,163	100,000	292,786	4,066	2,269	6,335	491,763
17	74	0	62,718	62,718	100,000	292,786	4,066	2,459	6,526	506,516
18	75	0	64,267	64,267	100,000	292,786	4,066	2,655	6,721	521,711
19	76	0	65,811	65,811	100,000	292,786	4,066	2,856	6,923	537,363
20	77	0	67,350	67,350	100,000	292,786	4,066	3,064	7,131	553,484
Total		100,000								

Life Insurance Policy w/ LTC Rider

End of Year	Age	Planned Premium	Death Benefit	Total Benefits
1	40	10,000	131,352	424,819
11	50	0	172,900	570,921
20	59	0	139,300	744,923

End of Year	Age	Planned Premium	Death Benefit	Total Benefits
1	50	10,000	130,764	422,917
11	60	0	135,800	568,365
20	69	0	130,764	741,588

End of Year	Age	Planned Premium	Death Benefit	Total Benefits
1	60	10,000	115,808	374,547
11	70	0	115,808	503,360
20	79	0	115,808	656,537

End of Year	Age	Planned Premium	Death Benefit	Total Benefits
1	65	10,000	92,786	300,089
11	75	0	100,000	403,295
20	84	0	100,000	526,208

Estate Planning Tips

Wills vs.
Trusts

Revocable
Living
Trusts

Avoiding
Probate

Death
Taxes

Gifting

Survivor
Benefit
Pension

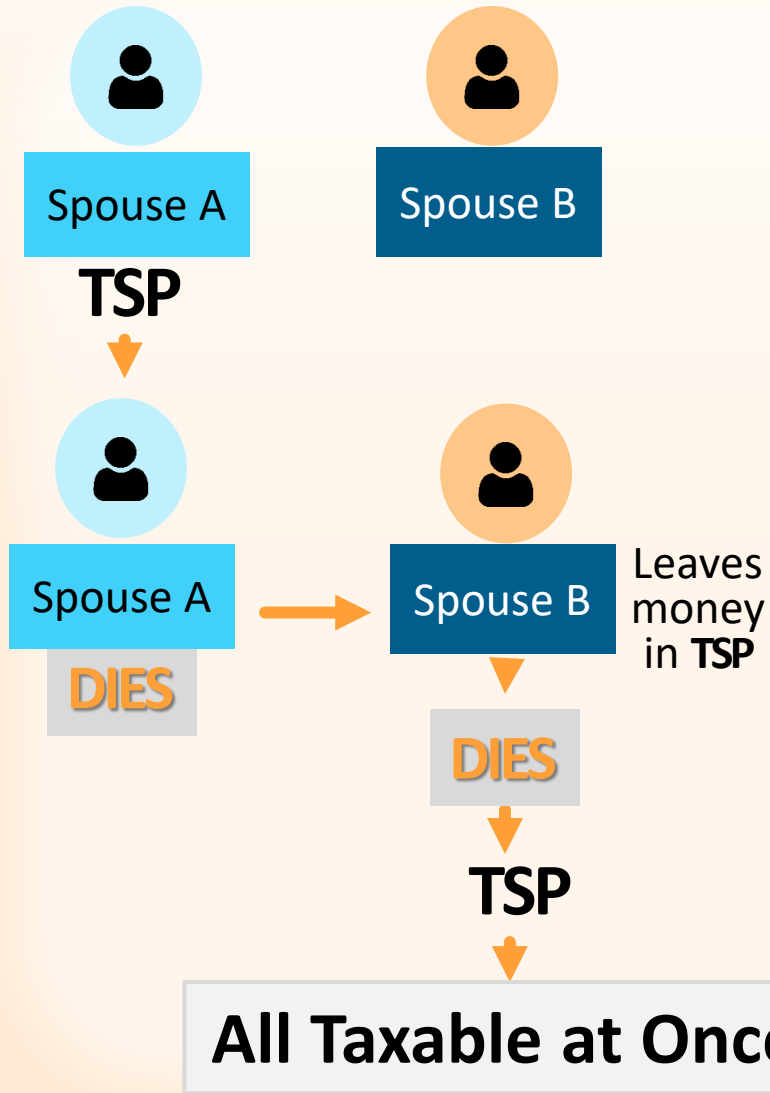
Life
Estates,
POD's,
TOD's

Stretch IRA is Back

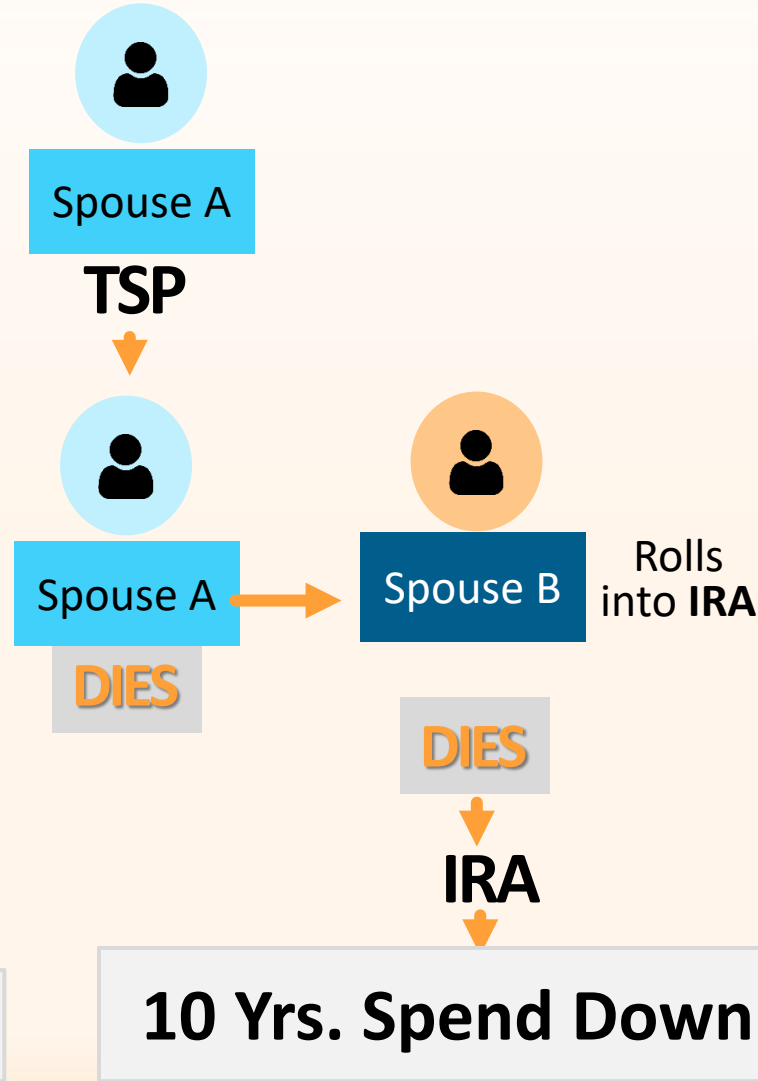


Secure Act 2.0

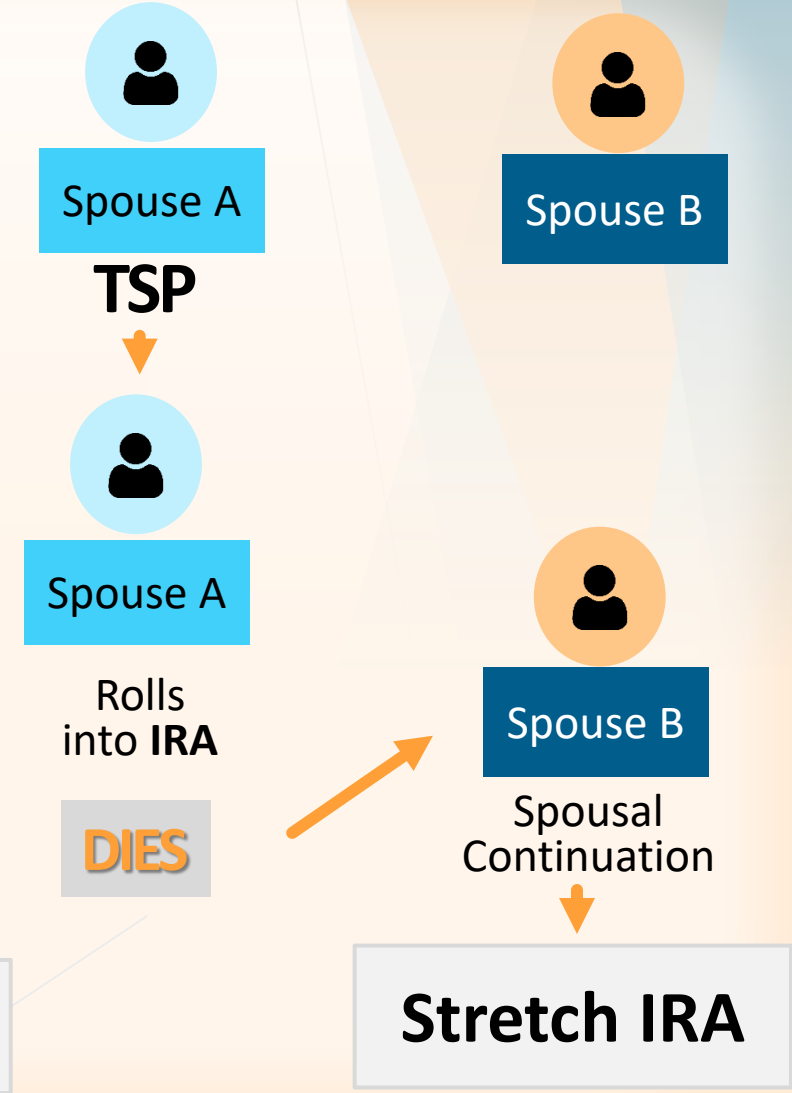
Scenario 1

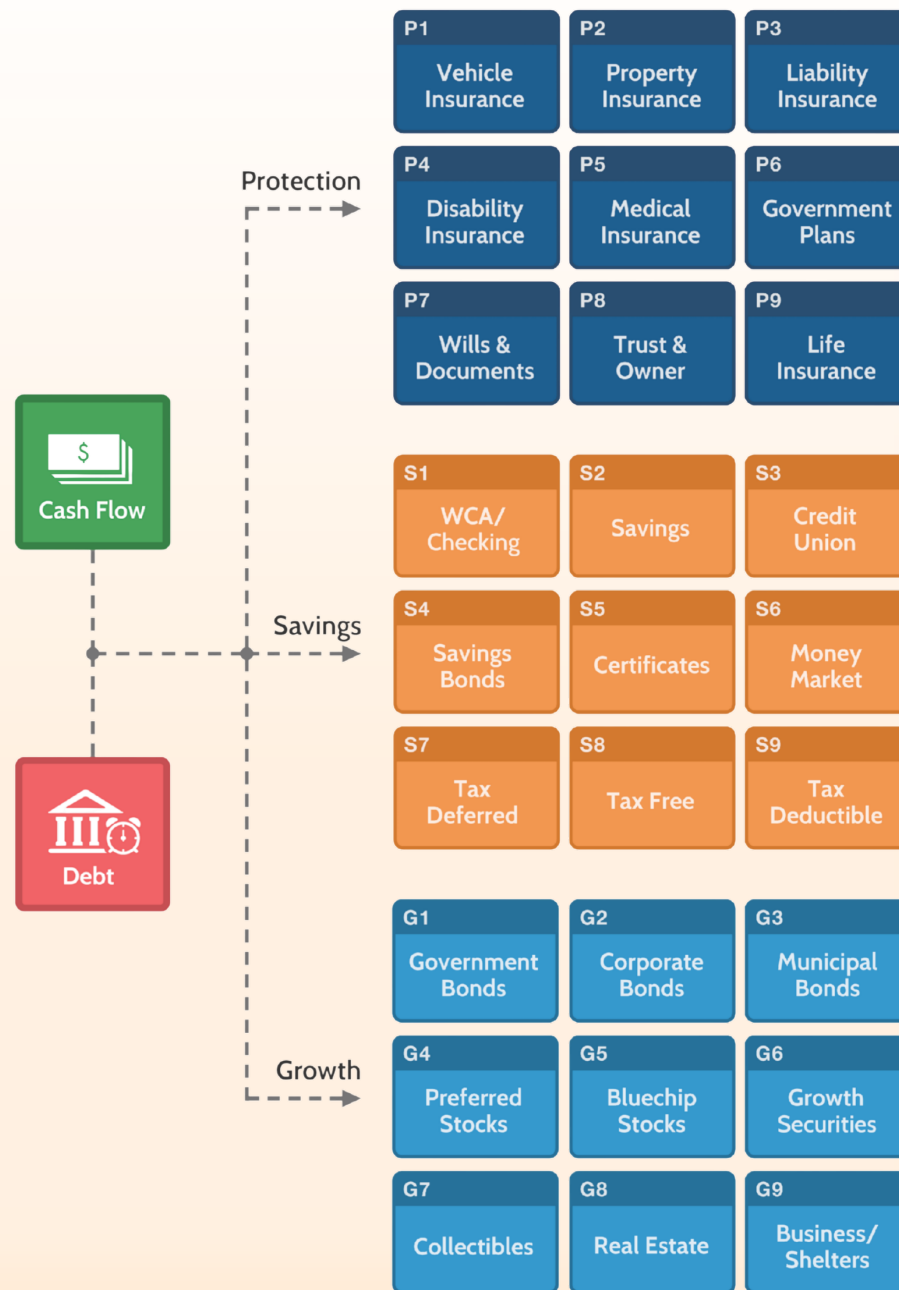


Scenario 2



Scenario 3







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Kindly fill out our feedback survey:
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