



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.

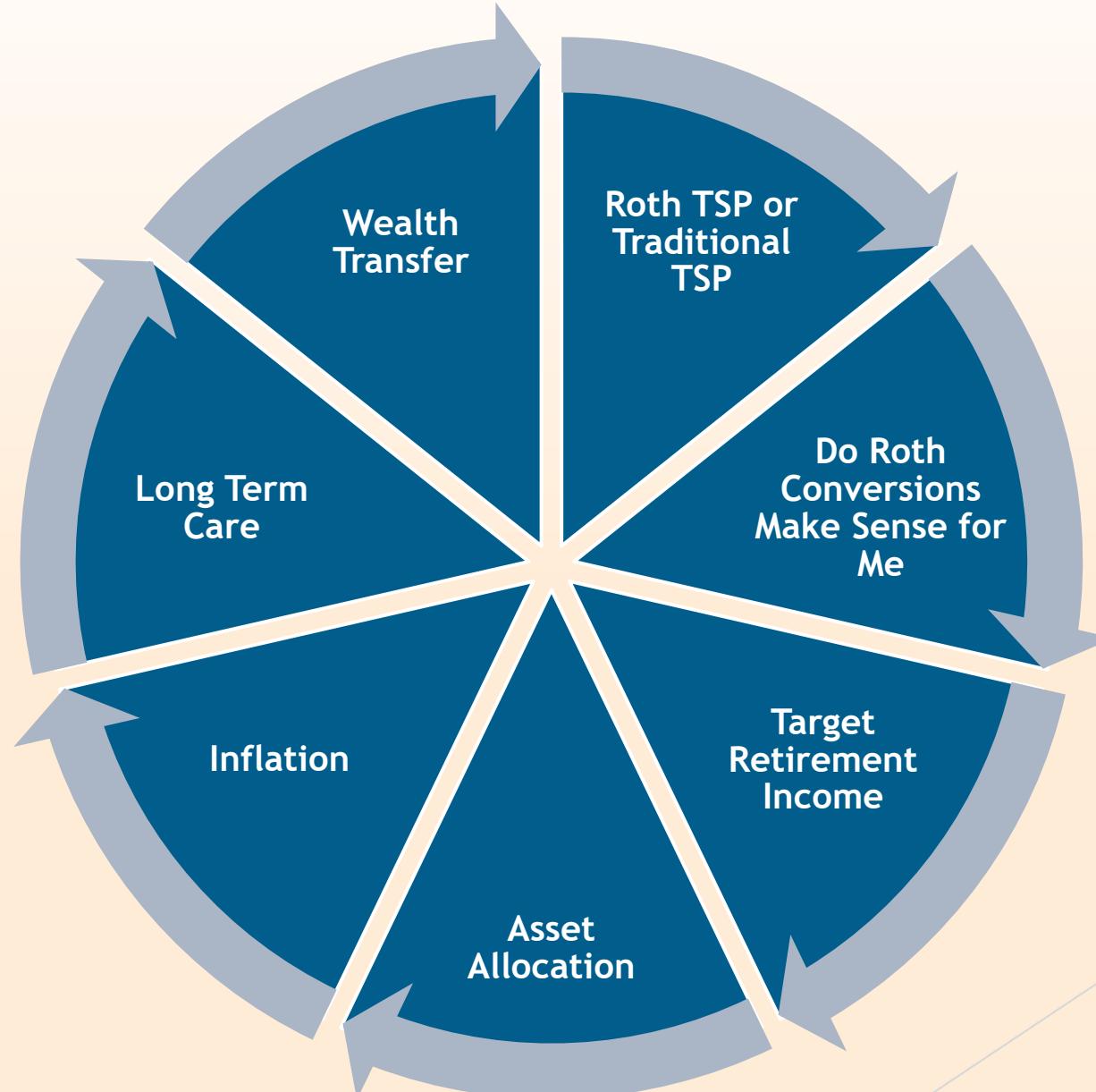


Emergencies can happen to anyone, anytime!



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

Time = Sustained Risk

Buy and Hold



G

Diversify



Review and Rebalance

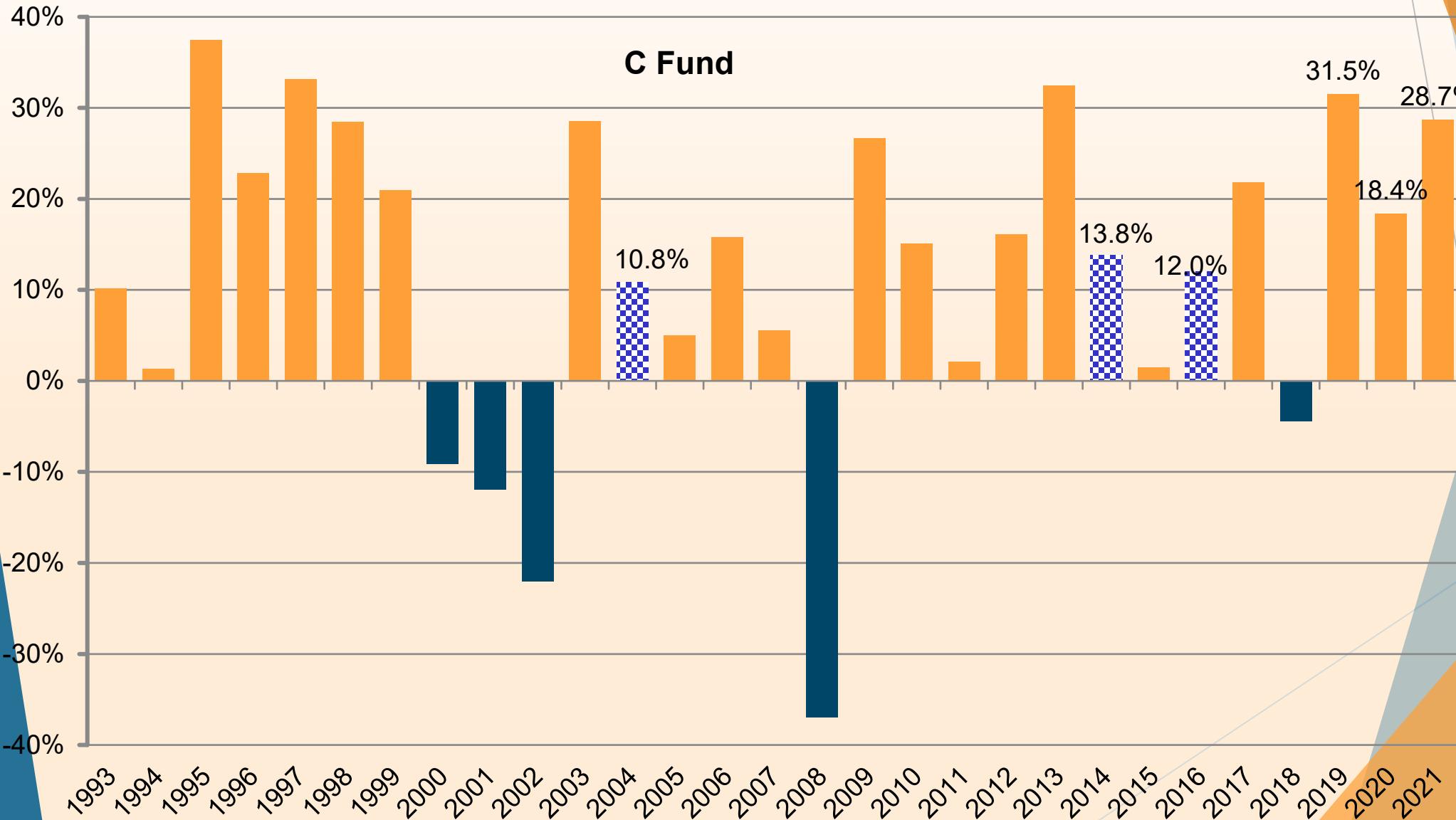
Recent Investment Returns for the TSP Funds

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	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	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.	DM Equity	High Yield	Asset Alloc.	REITs	REITs	Asset Alloc.	Small Cap	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	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:

C Fund:

S Fund:

I Fund:

F Fund:

G Fund:

L Fund:

L Fund:

L Fund:

Allocation (%)

30

25

15

30

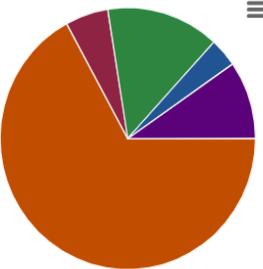
Total

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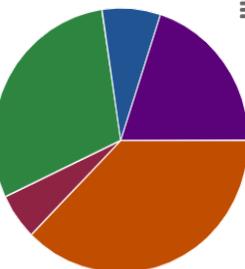
\$1,208,000

L Funds Allocation Comparison

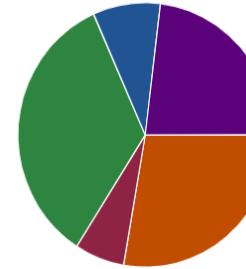
L Income



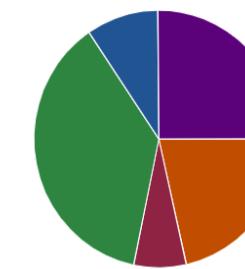
L 2030



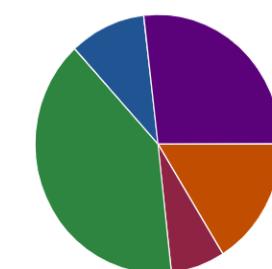
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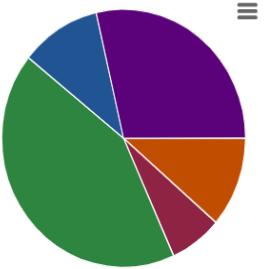
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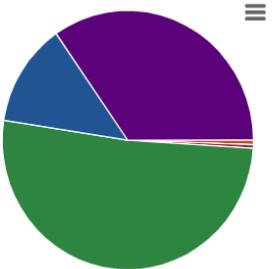
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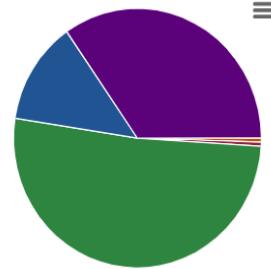
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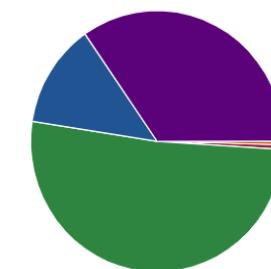
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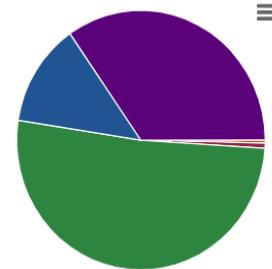
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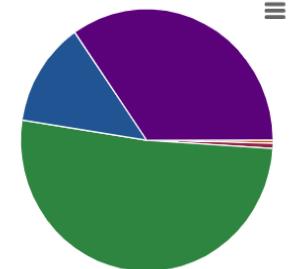
L 2065



L 2070



L 2075



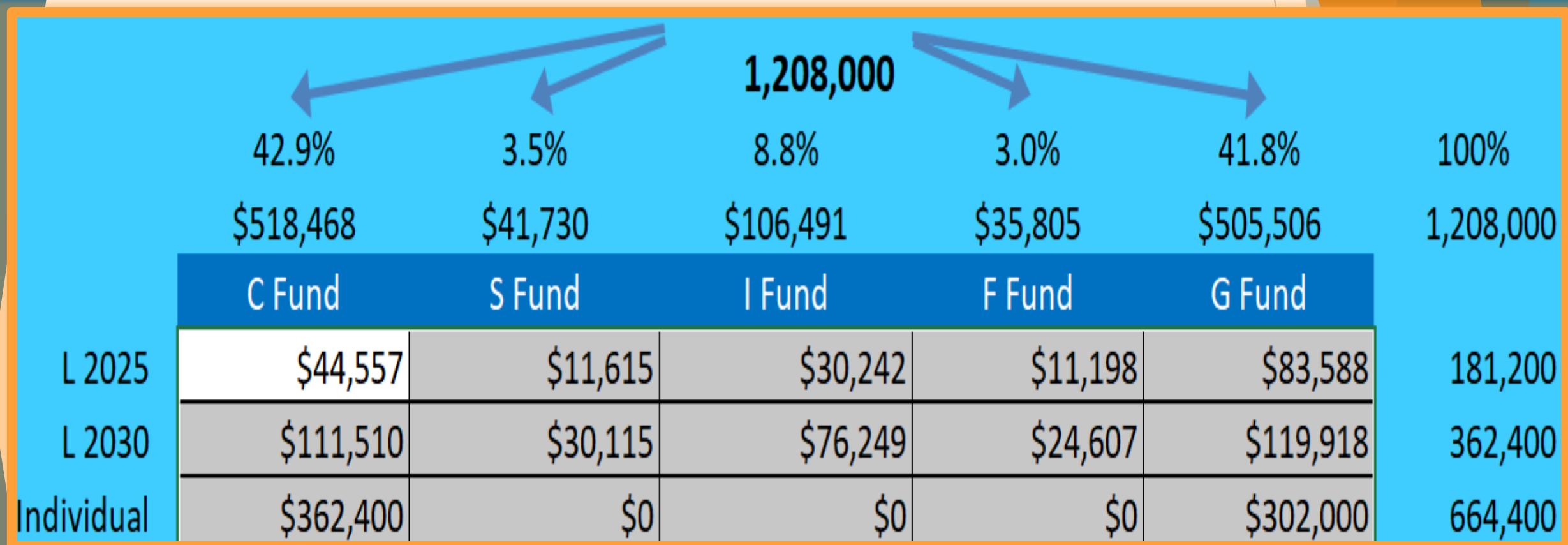
Asset Allocation

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



	C Fund	S Fund	I Fund	F Fund	G Fund	
42.9%	\$518,468	\$41,730	\$106,491	\$35,805	\$505,506	1,208,000
3.5%						
8.8%						
3.0%						
41.8%						
100%						
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
2. What is your

Withdrawal Rate Need?

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%

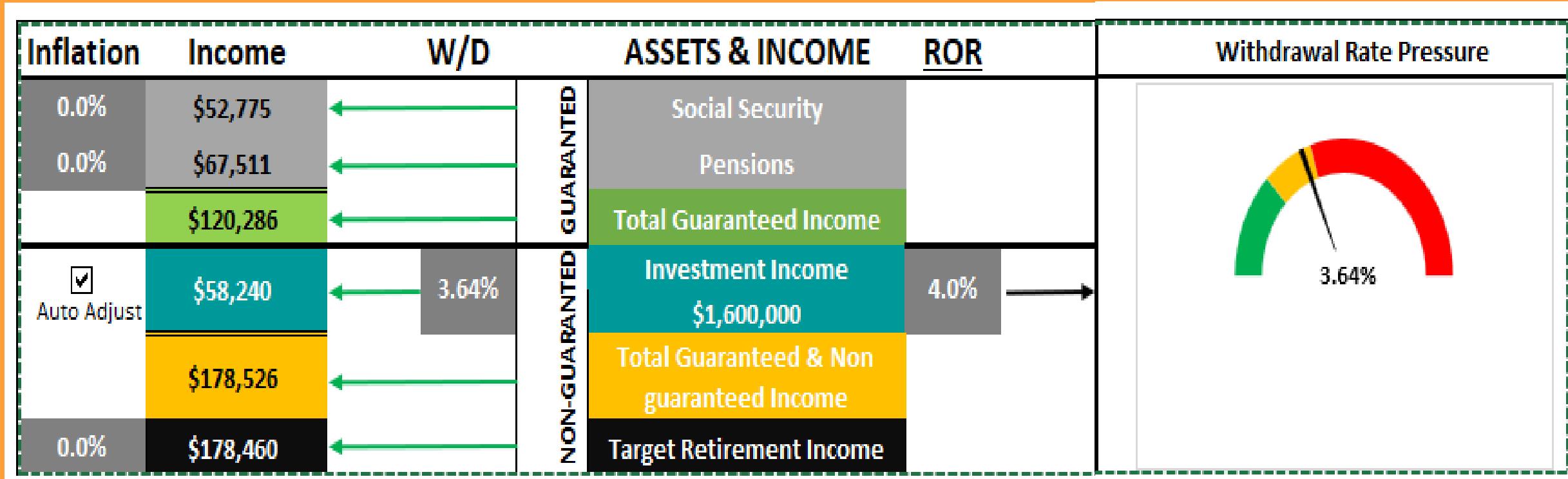
Step #1:

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

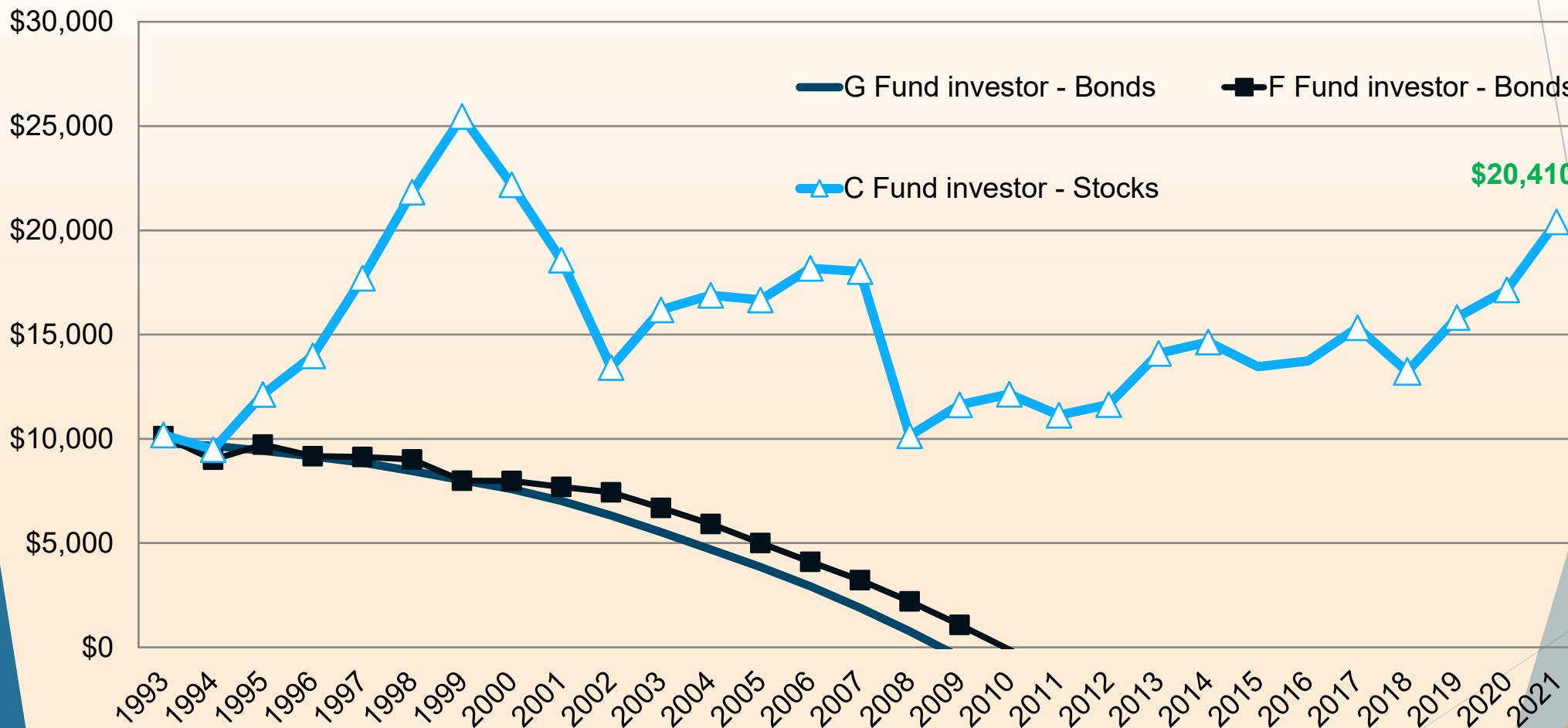


Recent Investment Returns for the TSP Funds

Rates of Return as of November 30, 2025

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1 year	4.46%	5.65%	14.96%	4.08%	24.91%
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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.

Tax Strategies

Life Insurance

3

Roth Strategies

4

CRT

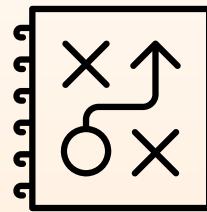
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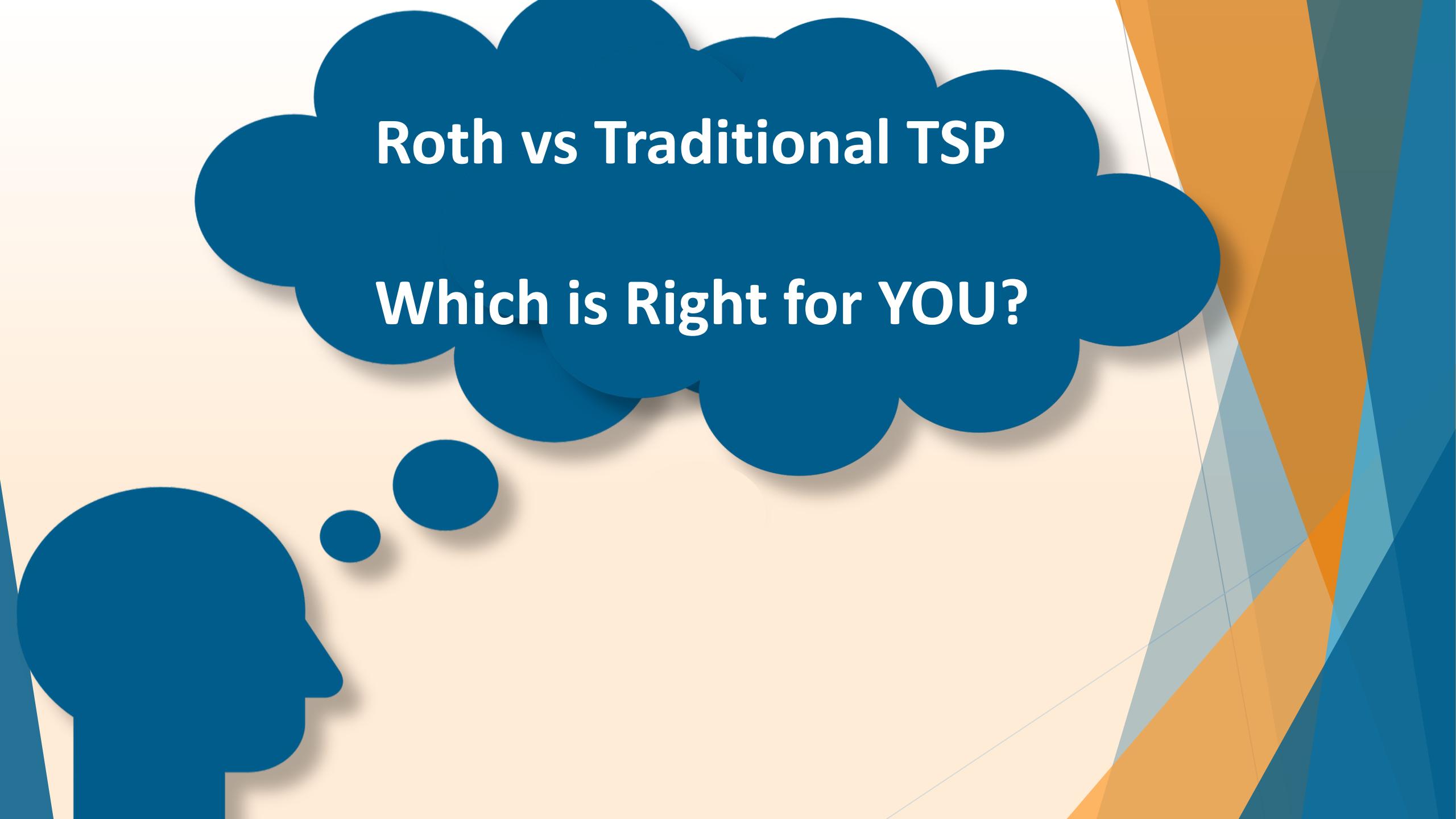
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Taxable / Tax-Free /
Tax Deferred

1

Marginal Tax
Brackets





Roth vs Traditional TSP

Which is Right for YOU?

IRS Form 1040

Taxable Income

Tax and Credits		Page 2
Standard deduction for—		
• Single or Married filing separately, \$15,750		
• Married filing jointly or Qualifying surviving spouse, \$31,500		
• Head of household, \$23,825		
• If you checked a box on line 12a, 12b, 12c, or 12d, see inst.		
11b	Amount from line 11a (adjusted gross income)	11b
12a	Someone can claim a You as a dependent b Spouse itemizes on a separate return c You: Were born before January 2, 1961 Spouse: Was born before January 2, 1961	12e
12b	Your spouse as a dependent c You were a dual-status alien d Are blind e Is blind	
13a	Qualified business income deduction from Form 8995 or Form 8995-A	13a
13b	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

Form 1040 Department of the Treasury—Internal Revenue Service		2025	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 , 20 See separate instructions.				
<input type="checkbox"/> Filed pursuant to section 301.9100-2 <input type="checkbox"/> Combat zone		<input type="checkbox"/> Deceased MM / DD / YYYY Spouse MM / DD / YYYY		
<input type="checkbox"/> Other		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 Presidential Election Campaign	
Foreign country name		Foreign province/state/county	Foreign postal code Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.	
				<input type="checkbox"/> You <input type="checkbox"/> Spouse
Filing Status		<input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly (even if only one had income) <input type="checkbox"/> Married filing separately (MFS). Enter spouse's SSN above and full name here: <input type="checkbox"/> 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)		
		<input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Qualifying surviving spouse (QSS) If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:		
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.) <input type="checkbox"/> Yes <input type="checkbox"/> No		
Dependents (see instructions)		Dependent 1	Dependent 2	
(1) First name (2) Last name (3) SSN (4) Relationship If more than four dependents, see instructions and check here . <input type="checkbox"/>				Dependent 3 Dependent 4
(5) Check if lived with you more than half of 2025 (a) <input type="checkbox"/> Yes <input type="checkbox"/> And in the U.S. (b) <input type="checkbox"/> And in the U.S.		(a) <input type="checkbox"/> Yes <input type="checkbox"/> And in the U.S. (b) <input type="checkbox"/> Yes <input type="checkbox"/> And in the U.S.		(a) <input type="checkbox"/> Yes <input type="checkbox"/> And in the U.S. (b) <input type="checkbox"/> Yes <input type="checkbox"/> And in the U.S.
(6) Check if Full-time student Particularly disabled		Full-time student Particularly disabled		Full-time student Particularly disabled
(7) Credit Child tax credit Credit for other dependents		Child tax credit Credit for other dependents		Child tax credit Credit for other dependents
<input type="checkbox"/> 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		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: i Nontaxable combat pay election (see instructions) 1i j Add lines 1a through 1h 1z k Tax-exempt interest 2a 2b l Qualified dividends 3a 3b m Check if your child's dividends are included in 1 <input type="checkbox"/> Line 3a 2 <input type="checkbox"/> Line 3b n IRA distributions 4a 4b o Check if (see instructions) 1 <input type="checkbox"/> Rollover 2 <input type="checkbox"/> QCD 3 <input type="checkbox"/> p Pensions and annuities 5a 5b q Check if (see instructions) 1 <input type="checkbox"/> Rollover 2 <input type="checkbox"/> PSO 3 <input type="checkbox"/> r Social security benefits 6a 6b s Check if (see instructions) 1 <input type="checkbox"/> t Capital gain or (loss). Attach Schedule D if required 7a u Check if: <input type="checkbox"/> Schedule D not required <input type="checkbox"/> Includes child's capital gain or (loss) 8 v Additional income from Schedule 1, line 10 9 w Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income 10 x Adjustments to income from Schedule 1, line 26 y 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				

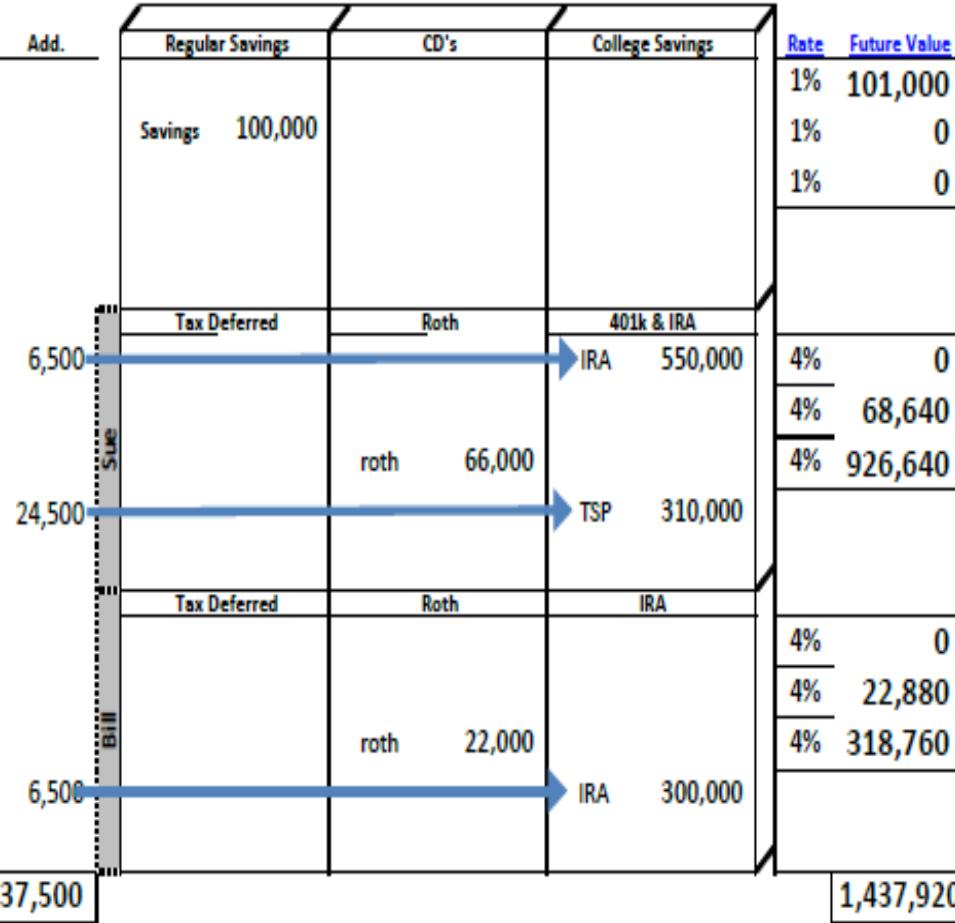
Target Retirement Income



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		

Employee	Match	Add.
		6,500
		24,500
		6,500
0	0	37,500



PRESENT

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
		25,000	5%	0
		25,000	5%	0
		25,000	5%	26.250

SUE RETIRE

0 | 0 | 0

Total Income \$107,000

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	Rate	Future Value
Savings 101,000			1%	109,369
			1%	0
			1%	0
Tax Deferred	Roth	401k & IRA		
		IRA 578,760	4%	0
	roth 68,640		4%	93,939
		TSP 347,880	4%	966,258
Tax Deferred	Roth	IRA		
			4%	0
	roth 22,880		4%	31,313
		IRA 318,760	4%	314,061
Savings Type Assets Total				1,514,938

Savings Type Assets Total 1,514,938

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
		26,250	5%	0
		26,250	5%	0
		26,250	5%	29,792

RMD & SS

Total Income	\$107,000	0	0	0	0
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	0	0	0
	\$0				
Total Income at year # 30 = \$134,049					
0.0% Target Retirement Income	\$62,866				
Savings Type Assets Total 1,719,080					
Employee Match Add.					
	Regular Savings	CD's	College Savings	Rate	Future Value
	Savings 109,369			1%	147,412
				1%	0
				1%	0
	Tax Deferred	Roth	401k & IRA	4%	0
			IRA 603,504	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		
	Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
				5%	0
				5%	0
			38,783	5%	167,612

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

Employee Match Add.

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**

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
	roth 68,640		4%	93,939
		TSP 347,880	4%	966,258
Tax Deferred	Roth	IRA		
			4%	0
	roth 22,880		4%	31,313
		IRA 318,760	4%	314,061
Savings	Type	Assets	Total	1,514,938

Savings Type Assets Total 1,514,938

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
		26,250	5%	0
		26,250	5%	0
		26,250	5%	39,793

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)

$$\begin{array}{r} \text{Accumulated: } \$624,947 \\ \times 4\% \text{ W/D} \\ \hline \$24,997 \\ (\text{taxes, Fed 25\% + State 6\%}) - \$7,749 \\ \hline \end{array}$$

\$17,248.00

B

Roth/Roth TSP

Years ---> 1 -- 20

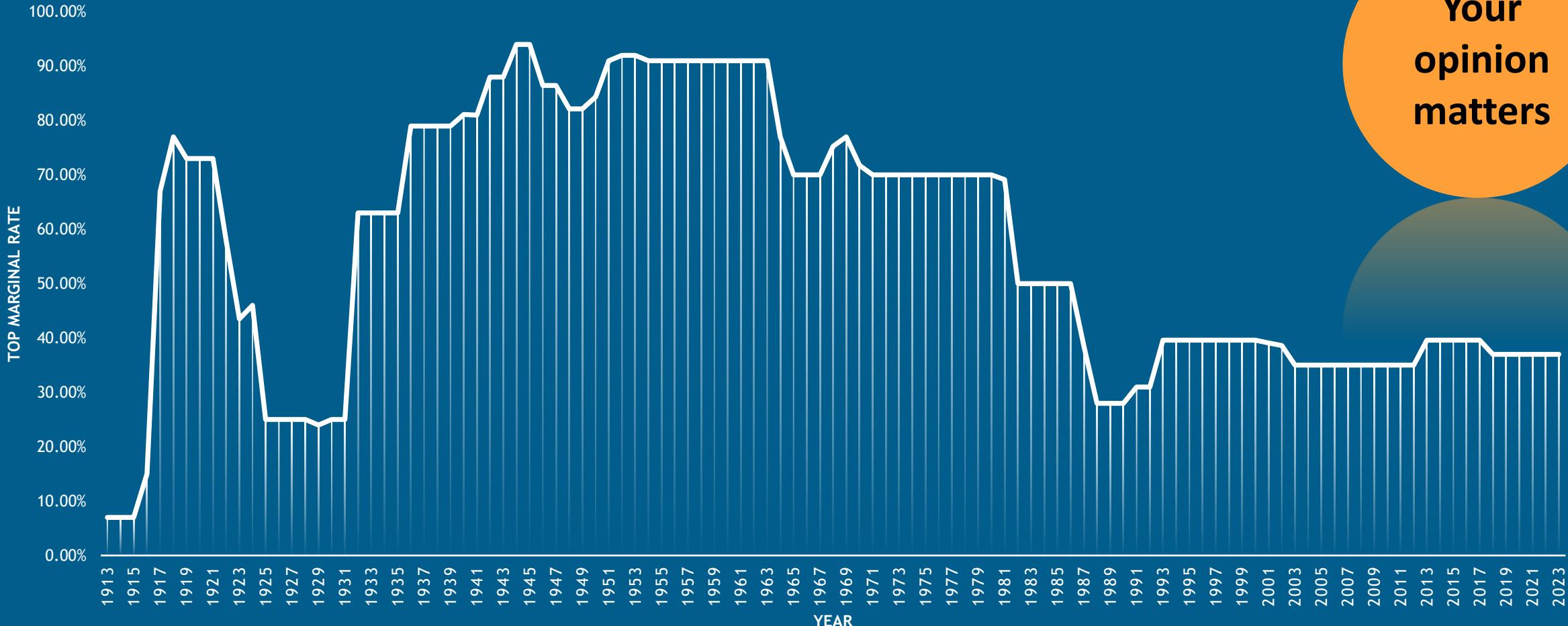
\$18,000 x 25% Fed + 6% State =
\$12,420 @ 5% ROR → Roth

$$\begin{array}{r} \text{Accumulated: } \$431,213 \\ \times 4\% \text{ W/D} \\ \hline \end{array}$$

\$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 ~~Med~~icaid
- 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 Life Insurance Co.	9.7	26.9	36.1	10,228	04/21/22
OH	Genworth Life 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 Life Insurance Co.	5.5	9.2	59.5	4,431	04/27/22
KY	Genworth Life Insurance Co.	5.1	12.7	39.9	4,617	03/31/22
IA	MetLife	5.0	10.6	47.4	2,612	02/18/22
NE	MetLife	4.9	4.6	107.1	2,383	01/01/22
AL	Genworth Life Insurance Co.	4.7	31.0	15.0	8,321	03/14/22
TX	America	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 filling information is sourced from the System for Electronic Rate and Form Filing documents.

Reflects individual long-term care rate filings for Type of Insurance LTC021, 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 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

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)
						292,786	4,066	0		
1	58	10,000	6,044	6,044	97,595	292,786	4,066	0	4,066	315,644
	59	10,000	10,479	10,479	97,595	292,786	4,066	122	4,188	325,113
	60	10,000	15,072	15,072	97,595	292,786	4,066	248	4,314	334,867
	61	10,000	19,825	19,825	97,595	292,786	4,066	377	4,444	344,913
	62	10,000	24,738	24,738	97,595	292,786	4,066	510	4,577	355,260
	Total		50,000							
	63	10,000	29,818	29,818	97,595	292,786	4,066	648	4,714	365,918
	64	10,000	35,073	35,073	97,595	292,786	4,066	789	4,856	376,895
	65	10,000	40,513	40,513	97,595	292,786	4,066	935	5,001	388,202
	66	10,000	46,153	46,153	97,595	292,786	4,066	1,085	5,151	399,848
2	67	10,000	52,008	52,008	100,000	292,786	4,066	1,239	5,306	411,844
	Total		100,000							
	68	0	53,489	53,489	100,000	292,786	4,066	1,399	5,465	424,199
	69	0	54,993	54,993	100,000	292,786	4,066	1,562	5,629	436,925
	70	0	56,518	56,518	100,000	292,786	4,066	1,731	5,798	450,033
	71	0	58,058	58,058	100,000	292,786	4,066	1,905	5,972	463,534
	72	0	59,609	59,609	100,000	292,786	4,066	2,084	6,151	477,440
	Total		100,000							
	73	0	61,163	61,163	100,000	292,786	4,066	2,269	6,335	491,763
	74	0	62,718	62,718	100,000	292,786	4,066	2,459	6,526	506,516
3	75	0	64,267	64,267	100,000	292,786	4,066	2,655	6,721	521,711
	76	0	65,811	65,811	100,000	292,786	4,066	2,856	6,923	537,363
	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

Life
Estates,
POD's,
TOD's

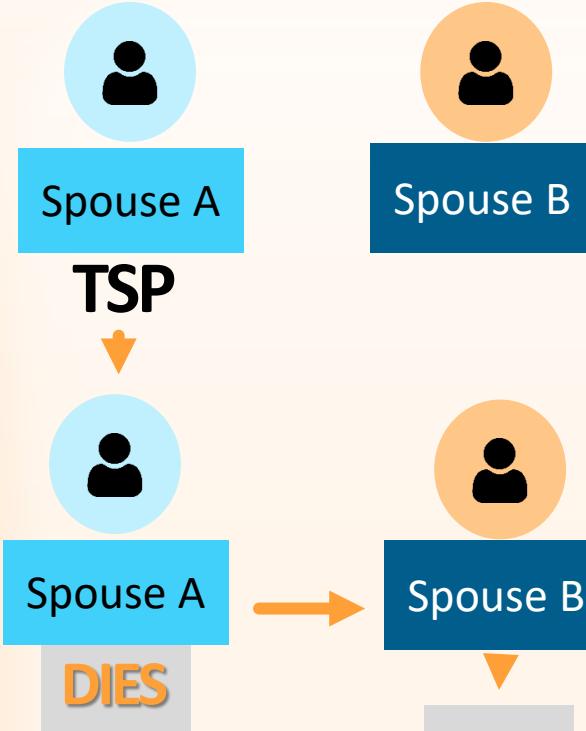
Survivor
Benefit
Pension

Stretch IRA is Back

!

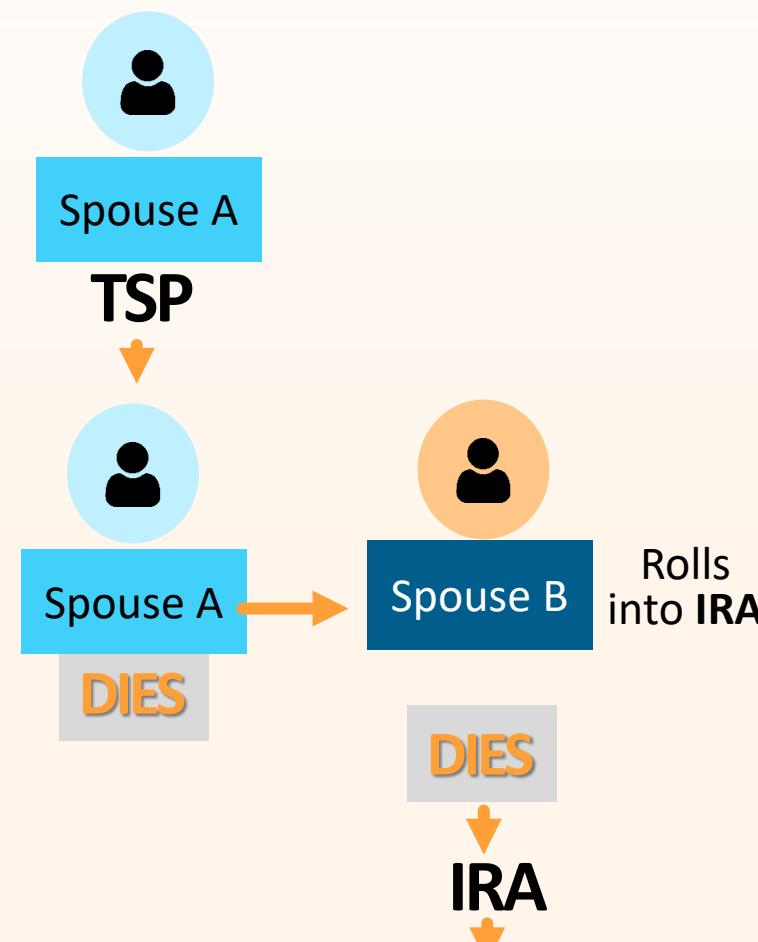
Secure Act 2.0

Scenario 1



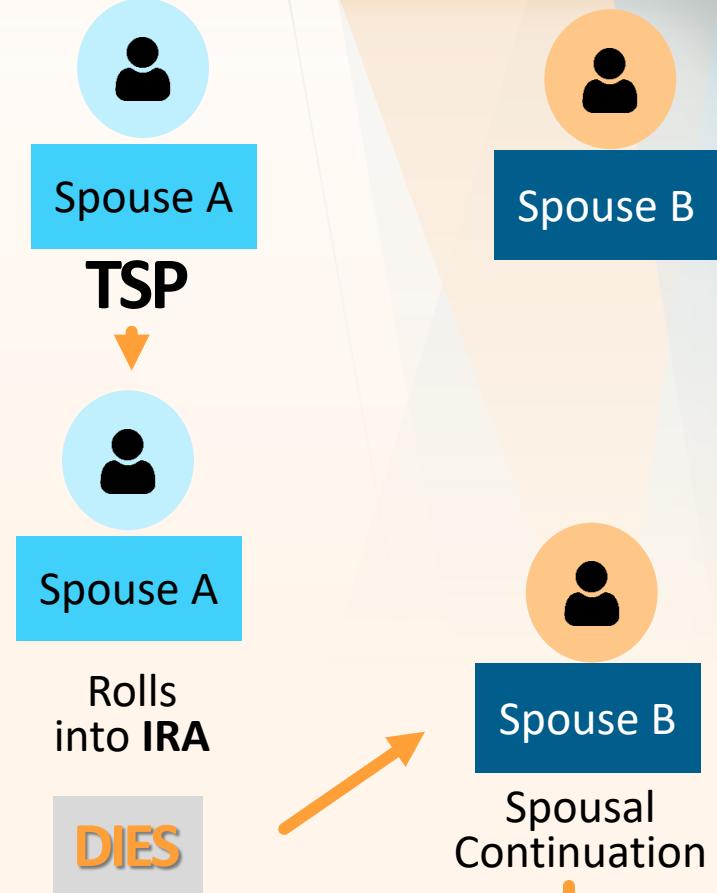
All Taxable at Once

Scenario 2

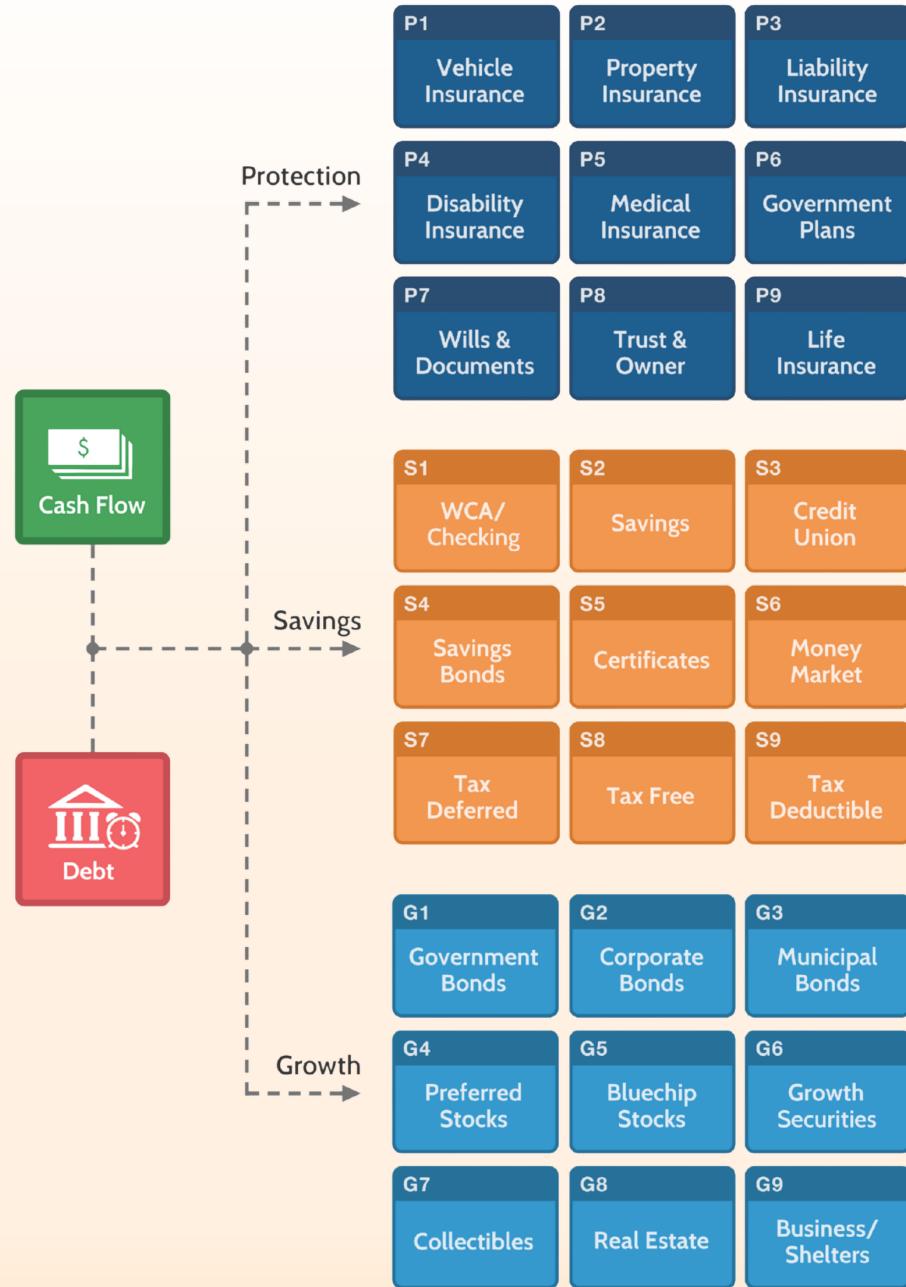


10 Yrs. Spend Down

Scenario 3



Stretch IRA





Thank you for your time today.
Kindly fill out our feedback survey:

<https://www.surveymonkey.com/r/DCSOFASURVEY>



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