

7 Things You Need to Know When Counting Down to Retirement



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- **Successful Retirement = Planning**



● 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 |
|--------------------------|-----------|

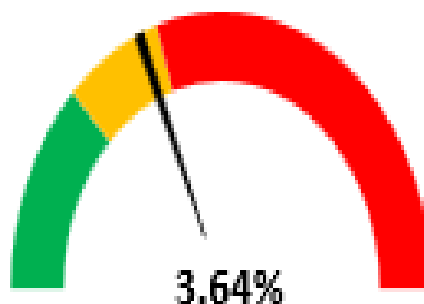
● Step #2:

Understanding Your Investment Income Need

| | |
|--------------------------|------------|
| Target Retirement Income | \$178,460 |
| Social Security | (\$52,775) |
| Pension | (\$67,511) |
| <hr/> | |
| Investment Income Needed | → \$58,174 |





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

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% |

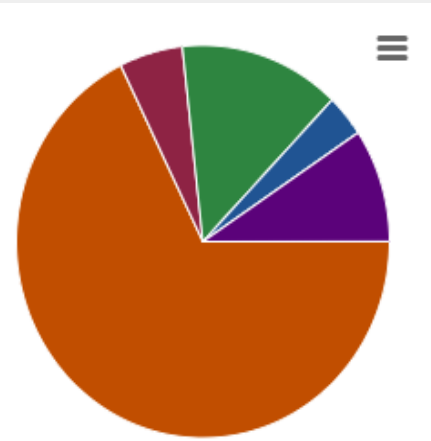
- Recent Rates of Return for the TSP Funds

As of November 30, 2024

| Year | G Fund Bonds/US Govt Short Term | F Fund Bonds/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 | 4.43% | 6.93% | 33.84% | 38.94% | 13.08% |
| 3 year | 3.78% | -1.84% | 11.40% | 5.35% | 4.73% |
| 5 year | 2.74% | 0.09% | 15.72% | 11.98% | 6.35% |
| 10 year | 2.51% | 1.58% | 13.33% | 10.44% | 5.49% |
| Since inception | 4.65% | 5.31% | 11.27% | 9.71% | 5.16% |

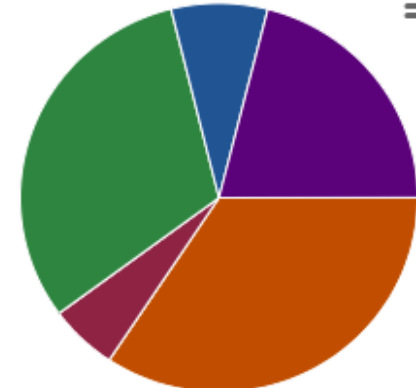
● L Funds Allocation Comparison

L Income



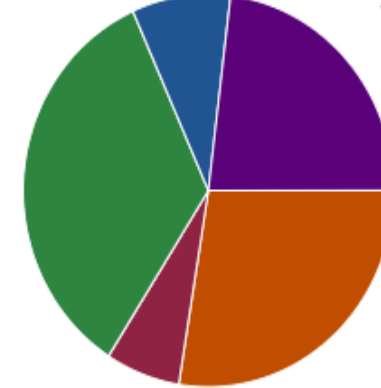
G Fund 67.76%
F Fund 5.49%
C Fund 13.92%
S Fund 3.47%
I Fund 9.36%

L 2030



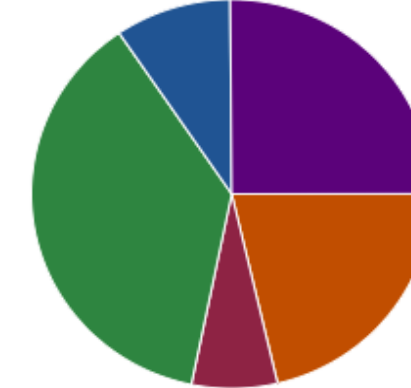
G Fund 34.32%
F Fund 5.56%
C Fund 31.25%
S Fund 7.83%
I Fund 21.04%

L 2035



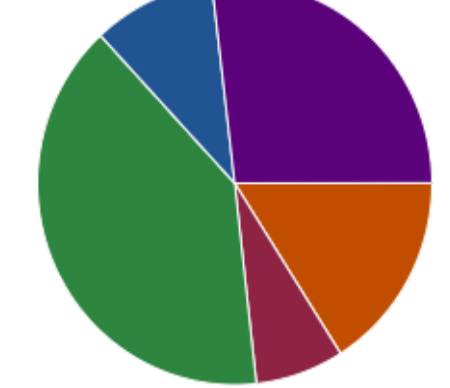
G Fund 27.56%
F Fund 6.50%
C Fund 34.26%
S Fund 8.60%
I Fund 23.08%

L 2040



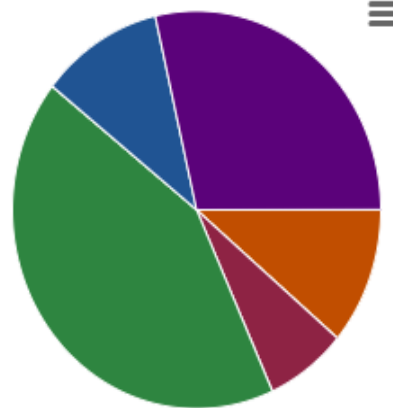
G Fund 21.32%
F Fund 6.92%
C Fund 37.27%
S Fund 9.38%
I Fund 25.11%

L 2045



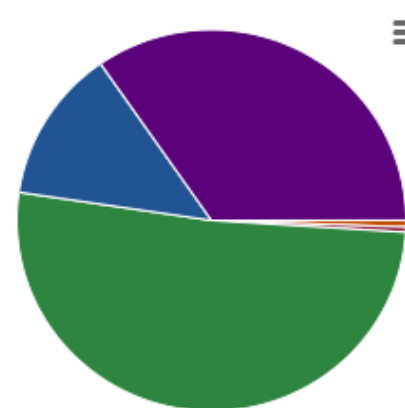
G Fund 15.99%
F Fund 7.26%
C Fund 39.84%
S Fund 10.05%
I Fund 26.86%

L 2050



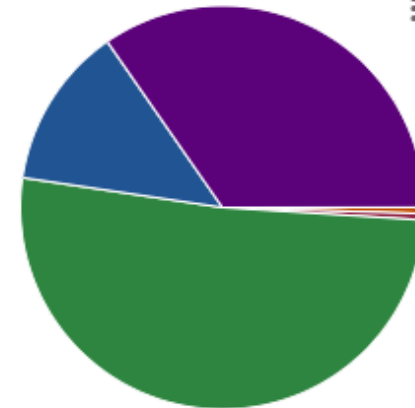
G Fund 11.16%
F Fund 7.09%
C Fund 42.42%
S Fund 10.72%
I Fund 28.61%

L 2055



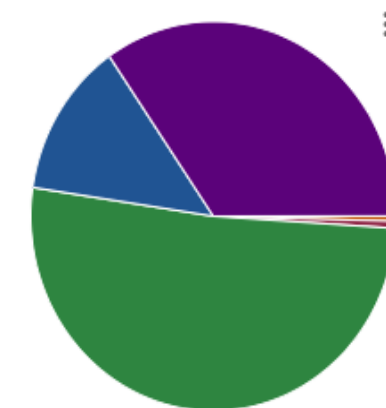
G Fund 0.55%
F Fund 0.45%
C Fund 51.36%
S Fund 12.99%
I Fund 34.65%

L 2060



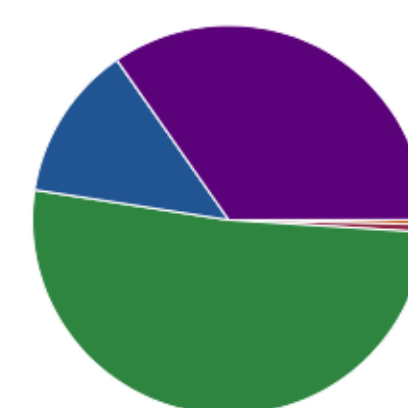
G Fund 0.49%
F Fund 0.51%
C Fund 51.36%
S Fund 12.99%
I Fund 34.65%

L 2065



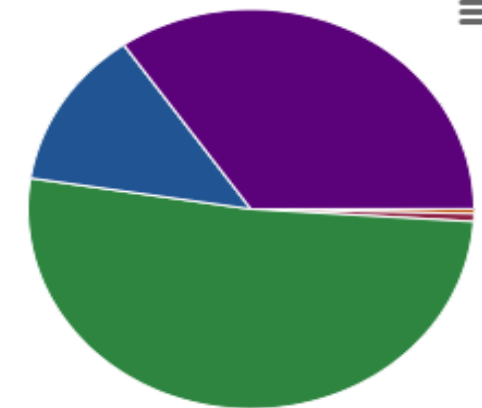
G Fund 0.42%
F Fund 0.58%
C Fund 51.36%
S Fund 12.99%
I Fund 34.65%

L 2070



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

L 2075



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

● What Happens When you Start Spending?

Loss of Purchasing Power



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%).

● Problem:

Sequence of Return Risk

| Year | BOY Balance | Return | Withdrawal | EOY Balance |
|------|-------------|---------|------------|-------------|
| 1973 | \$1,000,000 | -14.67% | \$79,713 | \$785,281 |
| 1974 | \$785,281 | -26.31% | \$79,713 | \$519,934 |
| 1975 | \$519,934 | 37.14% | \$79,713 | \$603,719 |
| 1976 | \$603,719 | 23.81% | \$79,713 | \$648,772 |
| 1977 | \$648,772 | - 7.19% | \$79,713 | \$528,144 |
| 1978 | \$528,144 | 6.52% | \$79,713 | \$477,670 |
| 1979 | \$477,670 | 18.45% | \$79,713 | \$471,380 |
| 1980 | \$471,380 | 32.45% | \$79,713 | \$518,764 |
| 1981 | \$518,764 | - 4.88% | \$79,713 | \$417,625 |
| 1982 | \$417,625 | 21.50% | \$79,713 | \$410,564 |

| Year | BOY Balance | Return | Withdrawal | EOY Balance |
|---------------------|-------------|--------|-------------|-------------|
| 1983 | \$410,564 | 22.46% | \$79,713 | \$405,161 |
| 1984 | \$405,161 | 6.22% | \$79,713 | \$345,691 |
| 1985 | \$345,691 | 31.64% | \$79,713 | \$350,134 |
| 1986 | \$350,134 | 18.62% | \$79,713 | \$320,774 |
| 1987 | \$320,774 | 5.18% | \$79,713 | \$253,548 |
| 1988 | \$253,548 | 16.61% | \$79,713 | \$202,710 |
| 1989 | \$202,710 | 31.69% | \$79,713 | \$161,975 |
| 1990 | \$161,975 | -3.10% | \$79,713 | \$79,713 |
| 1991 | \$79,713 | 30.47% | \$79,713 | \$ 0 |
| 19 Yrs. Average ROR | | 12.98% | \$1,514,547 | DEPLETED |

COMPARE

1973 - 1991

1991 - 1973

Courtesy of Leap Systems

Figure 2: Forward running return sequence of \$1,000,000 – S&P 500 portfolio with annual withdrawals of \$79,713
Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

● Problem:

Sequence of Return Risk

| Year | BOY Balance | Return | Withdrawal | EOY Balance |
|------|-------------|--------|------------|-------------|
| 1991 | \$1,000,000 | 30.47% | \$79,713 | \$1,200,698 |
| 1990 | \$1,200,698 | -3.10% | \$79,713 | \$1,086,235 |
| 1989 | \$1,086,235 | 31.69% | \$79,713 | \$1,325,489 |
| 1988 | \$1,325,489 | 16.61% | \$79,713 | \$1,452,699 |
| 1987 | \$1,452,699 | 5.18% | \$79,713 | \$1,444,107 |
| 1986 | \$1,444,107 | 18.62% | \$79,713 | \$1,618,444 |
| 1985 | \$1,618,444 | 31.84% | \$79,713 | \$2,028,663 |
| 1984 | \$2,028,663 | 6.22% | \$79,713 | \$2,070,174 |
| 1983 | \$2,070,174 | 22.46% | \$79,713 | \$2,437,519 |
| 1982 | \$2,437,519 | 21.50% | \$79,713 | \$2,864,734 |

| Year | BOY Balance | Return | Withdrawal | EOY Balance |
|---------|-------------|---------|-------------|-------------|
| 1981 | \$2,864,734 | -4.88% | \$79,713 | \$2,649,112 |
| 1980 | \$2,649,112 | 32.45% | \$79,713 | \$3,403,169 |
| 1979 | \$3,403,169 | 18.45% | \$79,713 | \$3,939,634 |
| 1978 | \$3,939,634 | 6.52% | \$79,713 | \$4,108,392 |
| 1977 | \$4,108,392 | -7.19% | \$79,713 | \$3,739,017 |
| 1976 | \$3,739,017 | 23.81% | \$79,713 | \$4,530,585 |
| 1975 | \$4,530,585 | 37.14% | \$79,713 | \$6,103,925 |
| 1974 | \$6,103,925 | -26.31% | \$79,713 | \$4,439,925 |
| 1973 | \$4,439,925 | -14.67% | \$79,713 | \$3,719,986 |
| 19 Yrs. | Average ROR | 12.98% | \$1,514,547 | \$3,719,986 |

COMPARE

1973 - 1991

1991 - 1973

Courtesy of Leap Systems

Figure 3: Backward running return sequence of \$1,000,000 - S&P 500 portfolio with annual withdrawals of \$79,713
Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

- Solution:

Sequence Defense

| Year | BOY Balance | Return | Withdrawal | EOY Balance |
|------|-------------|---------|------------|-------------|
| 1973 | \$1,000,000 | -14.67% | \$79,713 | \$ 785,281 |
| 1974 | \$ 785,281 | -26.31% | \$ 0 | \$ 578,673 |
| 1975 | \$ 578,673 | 37.14% | \$ 0 | \$ 793,593 |
| 1976 | \$ 793,593 | 23.81% | \$79,713 | \$ 883,855 |
| 1977 | \$ 883,855 | -7.19% | \$79,713 | \$ 746,324 |
| 1978 | \$ 746,324 | 6.52% | \$ 0 | \$ 794,984 |
| 1979 | \$ 794,984 | 18.45% | \$79,713 | \$ 847,239 |
| 1980 | \$ 847,239 | 32.45% | \$79,713 | \$1,016,588 |
| 1981 | \$1,016,588 | -4.88% | \$79,713 | \$ 891,155 |
| 1982 | \$ 891,155 | 21.50% | \$ 0 | \$1,082,754 |

| Year | BOY Balance | Return | Withdrawal | EOY Balance |
|---------|-------------|--------|-------------|-------------|
| 1983 | \$1,082,754 | 22.46% | \$79,713 | \$1,228,324 |
| 1984 | \$1,228,324 | 6.22% | \$79,713 | \$1,220,054 |
| 1985 | \$1,220,054 | 31.64% | \$79,713 | \$1,501,145 |
| 1986 | \$1,501,145 | 18.62% | \$79,713 | \$1,686,103 |
| 1987 | \$1,686,103 | 5.18% | \$79,713 | \$1,689,601 |
| 1988 | \$1,689,601 | 16.61% | \$79,713 | \$1,877,290 |
| 1989 | \$1,877,290 | 31.69% | \$79,713 | \$2,367,229 |
| 1990 | \$2,367,229 | -3.10% | \$79,713 | \$2,126,603 |
| 1991 | \$2,126,603 | 30.47% | \$ 0 | \$2,892,002 |
| 19 Yrs. | Average ROR | 12.98% | \$1,115,982 | \$2,892,002 |

COMPARE

NO DEFENSE

WITH DEFENSE



Courtesy of Leap Systems

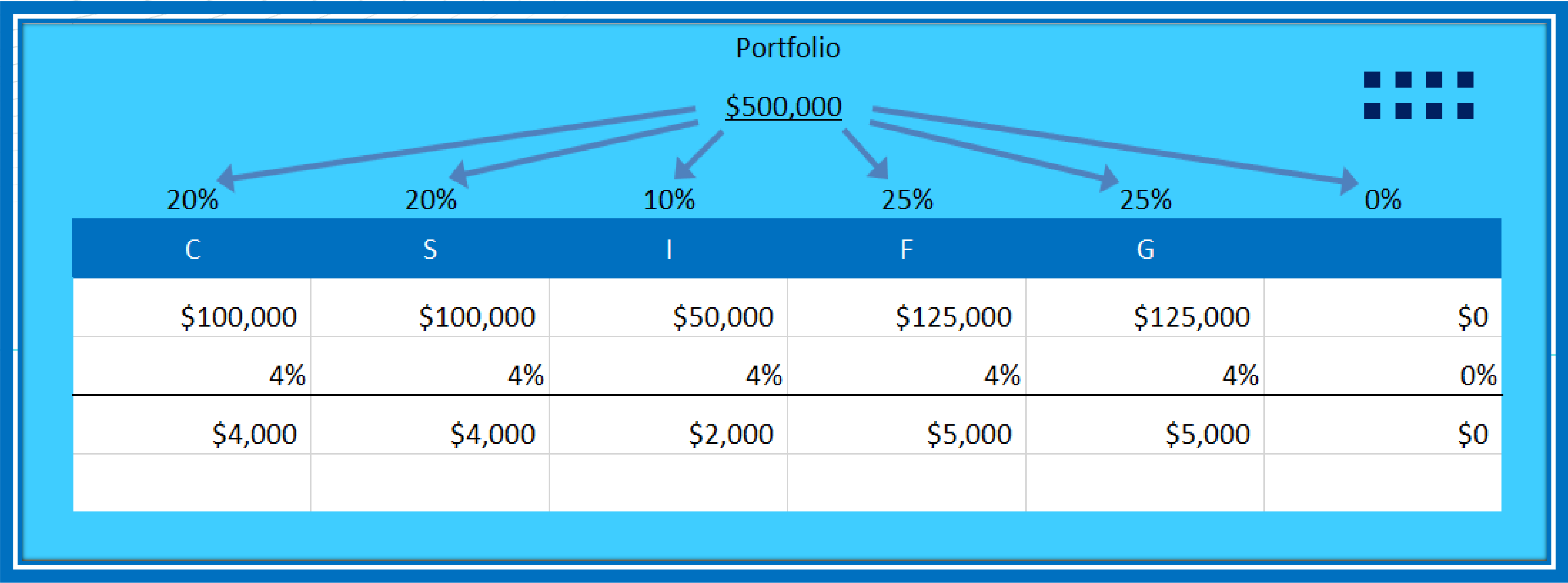
\$398,565 funded from Sequence Defense Resources. Total withdrawal of \$1,514,547.

Figure 6: Same sequence with withdrawals from portfolio in green. Sequence Defense employed following down year. Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

● Example:

What if You Had to Take Distributions in 2022?

| G Fund | F Fund | C Fund | S Fund | I Fund |
|--------|---------|---------|---------|---------|
| 2.98% | -12.83% | -18.13% | -26.26% | -13.94% |



TSP Fund - 2

| Year | G Fund | F Fund | C Fund | S Fund | I Fund |
|------|--------|---------|---------|---------|---------|
| 2022 | 2.98% | -12.83% | -18.13% | -26.26% | -13.94% |
| 2018 | 2.91% | 0.15% | -4.41% | -9.26% | -13.43% |
| 2008 | 3.75% | 5.45% | -36.99% | -38.32% | -42.43% |
| 2002 | 5.00% | 10.27% | -22.05% | -18.14% | -15.98% |
| 2001 | 5.39% | 8.61% | -11.94% | | |
| 2000 | 6.42% | 11.67% | -9.14% | | |

● Asset Class Returns



| 2010-2024 | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | YTD |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Ann. | Vol. | | | | | | | | | | | | | | | | |
| Large Cap | Small Cap | RBTs | RBTs | RBTs | Small Cap | RBTs | RBTs | Small Cap | EM Equity | Cash | Large Cap | Small Cap | RBTs | Com dty. | 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 | RBTs | 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% |
| RBTs | RBTs | EM Equity | High Yield | EM Equity | DM Equity | Fixed Income | Fixed Income | Large Cap | Large Cap | RBTs | Small Cap | Large Cap | Com dty. | 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 | Com dty. | Large Cap | DM Equity | Asset Alloc. | Asset Alloc. | Cash | Com dty. | 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 | Com dty. | 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 | RBTs | Cash | Asset Alloc. | RBTs | High Yield | Asset Alloc. | EM Equity | Fixed Income | DM Equity | DM Equity | RBTs | Com dty. | Com dty. |
| 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. | RBTs | 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 | Com dty. | Fixed Income | Cash | Cash | EM Equity | Fixed Income | RBTs | 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 | Com dty. | Cash | EM Equity | DM Equity | EM Equity | DM Equity | Com dty. | DM Equity | Com dty. | Com dty. | Fixed Income | Small Cap | Cash | DM Equity | RBTs |
| 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% |
| Com dty. | Cash | Cash | EM Equity | Com dty. | Com dty. | Com dty. | Com dty. | Cash | Cash | EM Equity | Cash | RBTs | EM Equity | RBTs | Com dty. | 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

Diversification in International Markets

Is U.S. Exceptionalism just Nvidia?

Nvidia's run -up has distorted the perception of U.S. outperformance. Without it, U.S. equities have lagged Japan and Europe since the 2022 bottom.

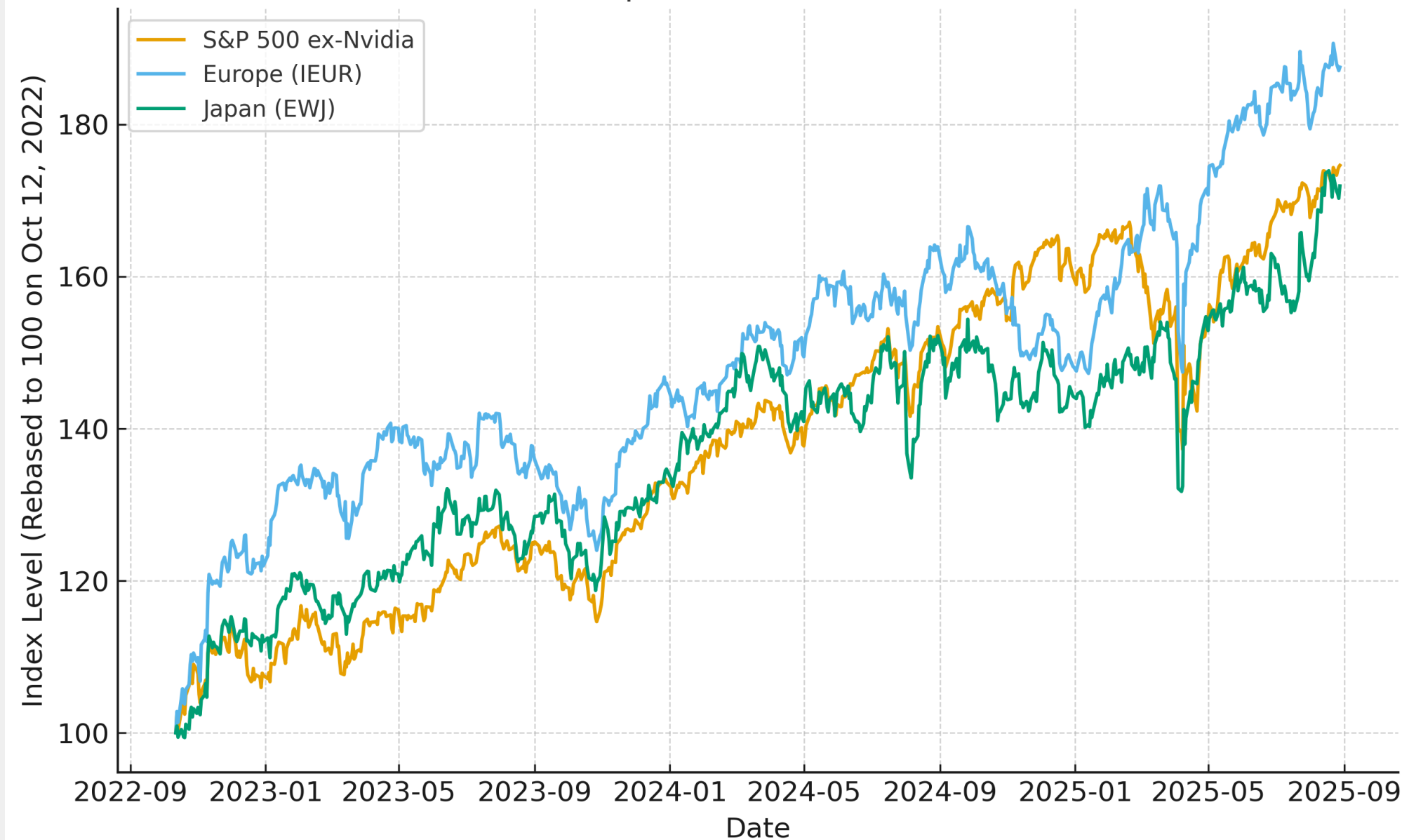
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Taking out NVDA's 900%+ cumulative performance over that time, the U.S. trails Europe and Japan by a significant margin.

02

Additionally, only 4 U.S. companies are in the top 50 performing companies globally so far in 2025, the lowest number of the century to this point!!.

U.S. Outperformance...or Nvidia?



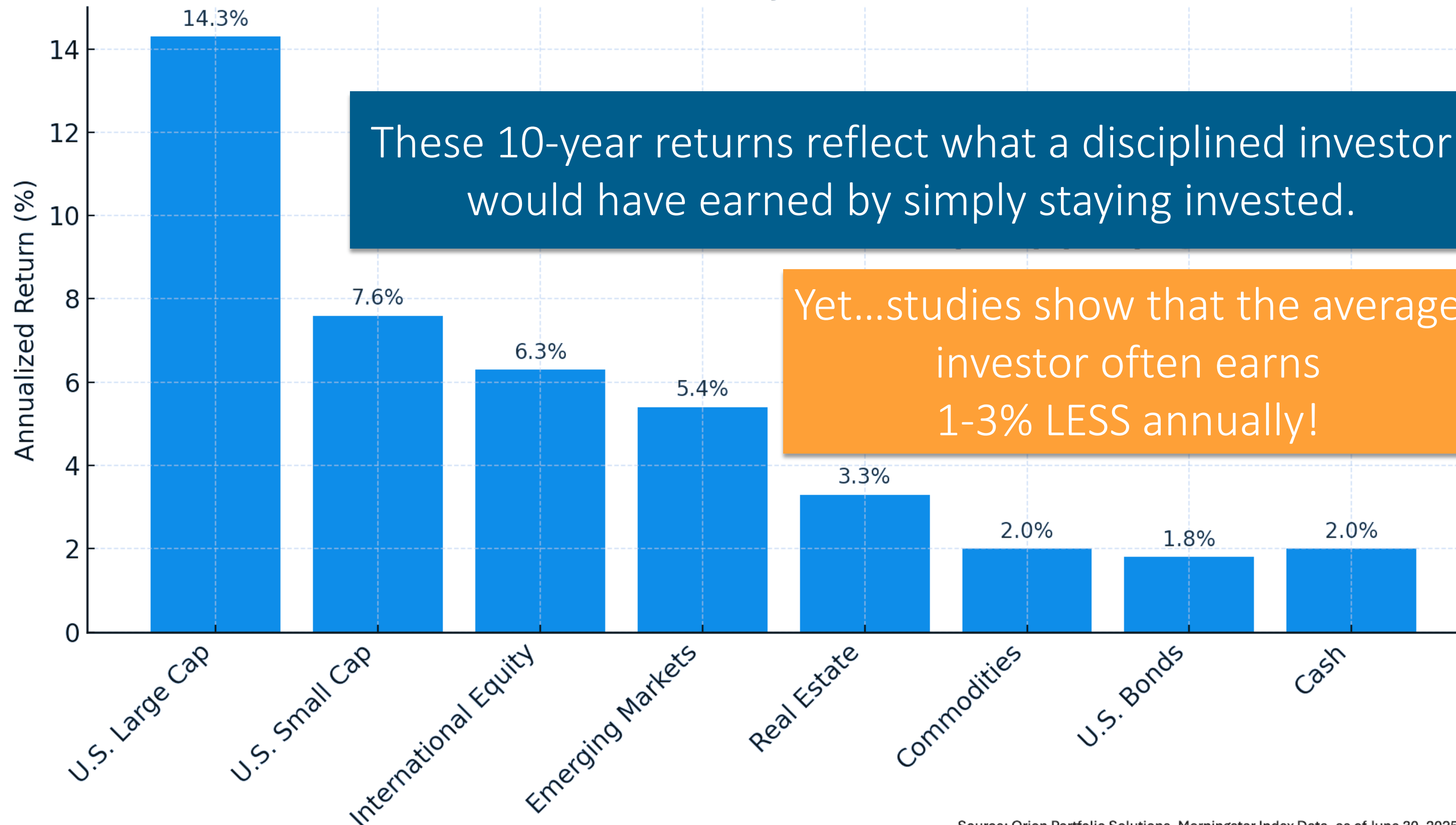
Sources & Methodology

Data reflects daily Adjusted Close prices for SPY (S&P 500 ETF), NVDA (Nvidia), IEUR (iShares Europe ETF), and EWJ (iShares Japan ETF), sourced from Yahoo Finance. All series are expressed in USD and include dividends through Adjusted Close. The "S&P 500 ex-Nvidia" line is a synthetic index constructed by decomposing SPY into NVDA and all other constituents, starting from an estimated ~1% NVDA weight on October 12, 2022, with weights allowed to drift based on relative returns. Europe and Japan are represented by IEUR and EWJ ETF proxies, which closely track MSCI regional indexes but may differ slightly due to fund expenses and tracking error. Chart is provided for illustrative purposes only and does not represent official index returns.

Behavior Drives Results



10-Year Annualized Returns by Asset Class (as of 6/30/2025)



These 10-year returns reflect what a disciplined investor would have earned by simply staying invested.

Yet...studies show that the average investor often earns 1-3% LESS annually!

Not because
of poor
investments

...

But
because of
poor
timing!

Will You be in a Lower Tax Bracket When You Retire?

See What bracket you fall into

Your Line 15: \$183,000

So, what marginal rate are you in now?

| 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 |
| | | | |

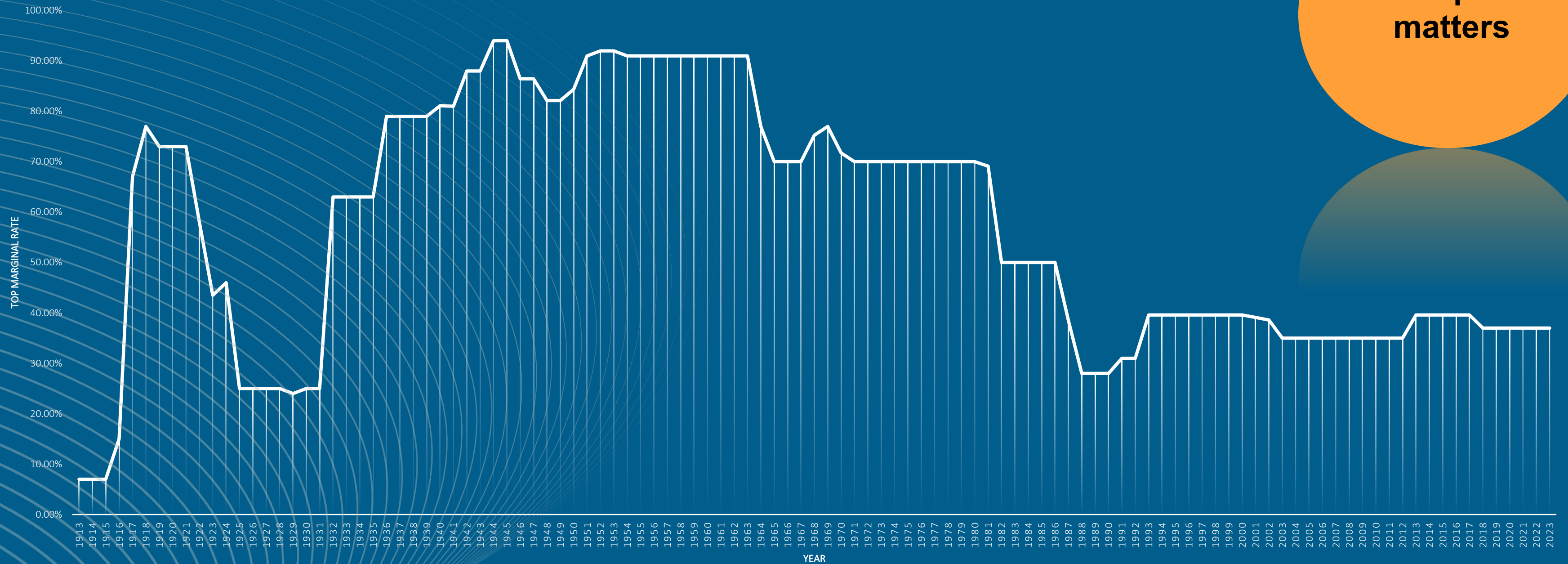


Where do you think Taxes will be in the Future?



Your opinion matters

HISTORICAL HIGHEST MARGINAL INCOME TAX RATES



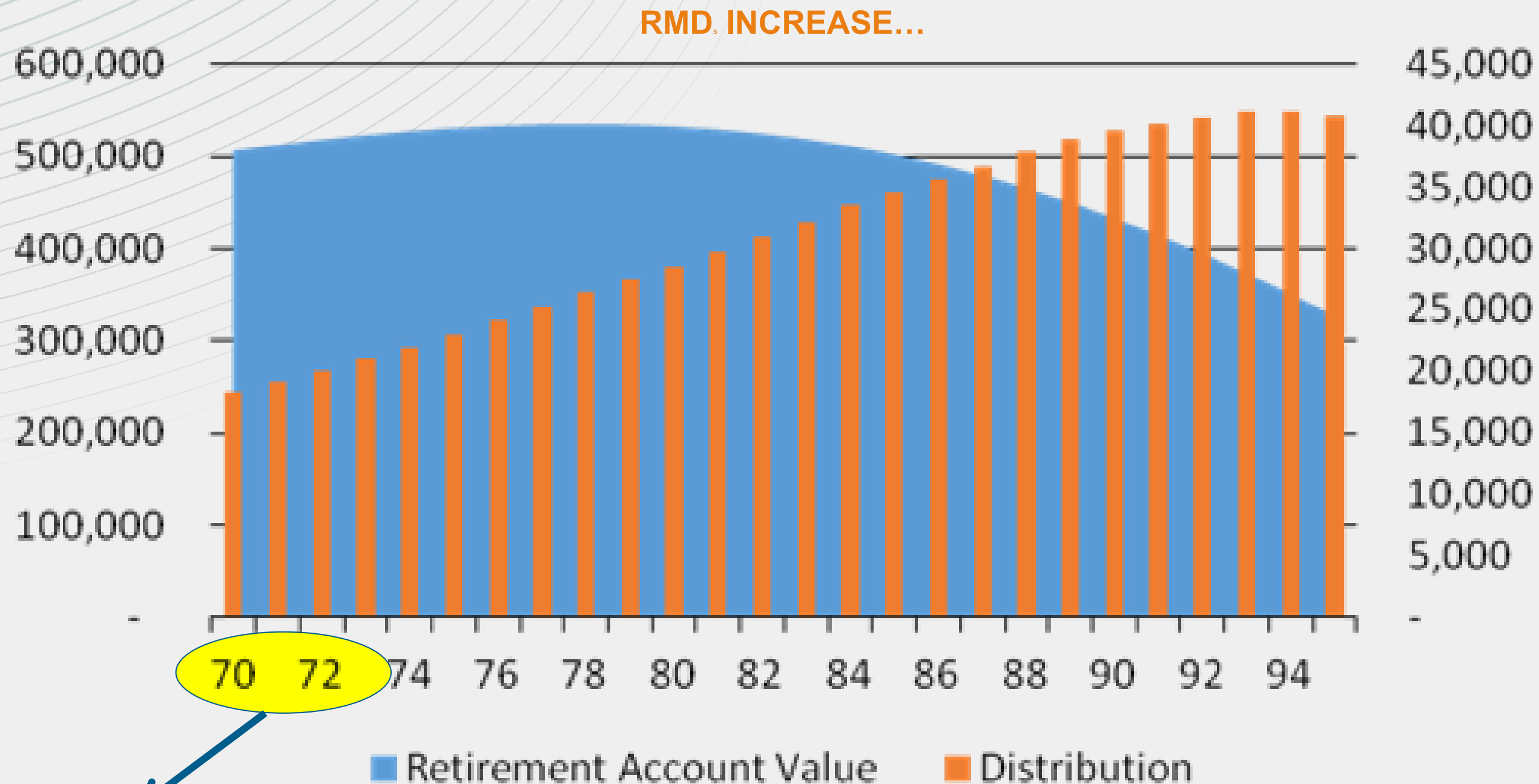
- ▶ The data referenced in this chart we created is from the Tax Policy Center: <https://taxpolicycenter.org/statistics/historical-highest-marginal-income-tax-rates>
- ▶ This table contains a number of simplifications and ignores a number of factors, such as the amount of income or types of income subject 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.

- Which RMD to Use?

NO RMD's for ROTH TSP/401(k)

| Age | Individuals impacted | Effective Year |
|--------------------|----------------------|----------------|
| Age 72 (or 70 1/2) | Born 1950 or earlier | - |
| Age 73 | Born 1951 – 1959 | 2023 |
| Age 75 | Born 1960 or later | 2033 |

• Effect of RMDs



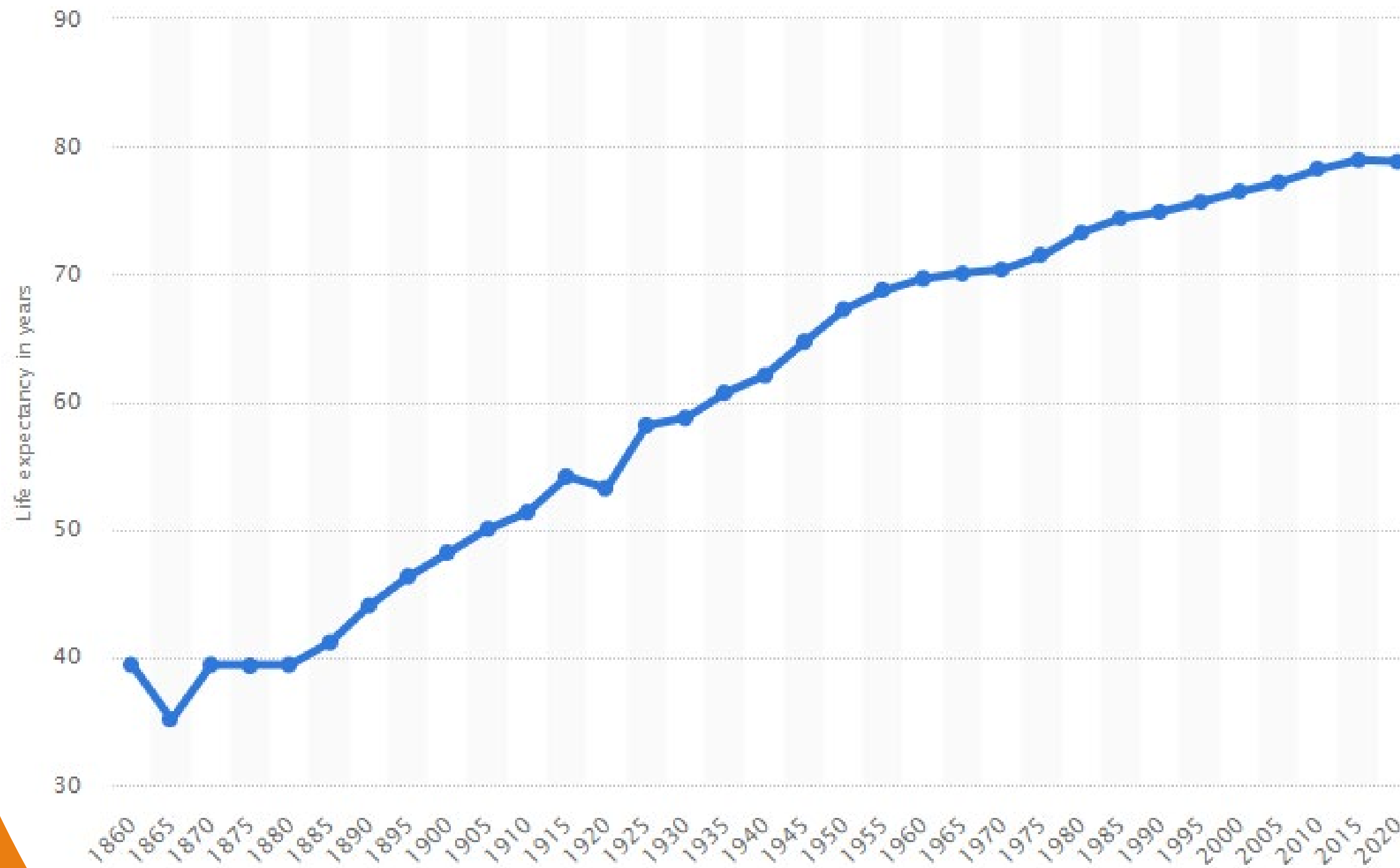
AGE 70 ½...72...73

Assumes 5% annual return and starting value of \$500,000

NOTE:

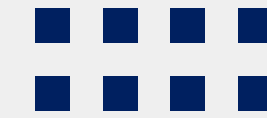
The age for withdrawing from retirement accounts was increased in 2020 to 72 from 70.5. (Note that the SECURE 2.0 Act will ~~increase~~ the age for RMDs to 73 for those who turn 72 in 2023.) Therefore, your first RMD must be taken by April 1 of the year after which you turn 72 (73 in 2023). After that your RMDs must be taken by December 31 of each year.

• Longevity



- Since 1900 the global average life expectancy has more than doubled.
- In every country, the life expectancy of women is higher than men.

• How Will You Pay for LTC?



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

Existing Policy 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. ¹ | 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 Life Insurance Co. | 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 | Ability Insurance Co. | 5.0 | 10.6 | 47.4 | 2,612 | 02/18/22 |
| NE | Mutual Insurance Co. | 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 | Allianz Life Insurance Co. of America | 4.6 | 7.5 | 62.2 | 2,821 | 01/29/22 |
| NE | Ability Insurance Co. | 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.

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

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

Source: S&P Global Market Intelligence

- Dealing with Finances after the Death of a Spouse

The Perfect Storm



| SPOUSE A | |
|------------------------|------------------------------|
| Pension | \$45,000 |
| Social Security | \$35,000 |
| TSP Withdrawal | \$25,000 (\$625,000 x 4%) |
| TOTAL INCOME \$100,000 | |



| SPOUSE A DIES | |
|---------------------------------|---|
| Pension | \$22,500 |
| Social Security | TBD* (*lesser of the two spouses ss) |
| TSP Withdrawal | \$25,000 (\$625,000 x 4%) |
| TOTAL INCOME \$47,500 (plus SS) | |

| SPOUSE A DIES PLUS LONG TERM CARE EVENT | |
|---|---|
| Pension | \$22,500 |
| Social Security | TBD* (*lesser of the two spouses ss) |
| TSP Withdrawal | \$0 |
| TOTAL INCOME \$22,500 | |

Thank you for your time today.
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<https://www.surveymonkey.com/r/DCSOFASURVEY>



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