



THE SOCIETY FOR FINANCIAL AWARENESS
DC Metropolitan Chapter www.dcsofa.org

Financial Blunders



Presentations are intended for educational purposes only and do not replace independent professional judgment. The information discussed is basic and general in nature and is intended for educational purposes only. No specific product or companies are being solicited. It is recommended that you consult the advice of certified professionals regarding your specific situation. Please understand that laws and regulations are subject to local variations and may have different interpretations. Therefore, should legal advice be required, it is recommended that you seek the advice of a qualified attorney in your state of residence. No specific investment advice is ever intended. Financial products can vary, therefore, always examine the detail of the product structure, provisions and features. Any discussions regarding interest rates, rates of return, and tax rates are purely hypothetical and not intended to represent assurances or guarantees. The presenters of this information are not related to, endorsed by, nor connected with and not approved by any Government Agency or organization. Before investing or using any strategy, individuals should consult with their tax, legal, or financial advisor. All information contained in this presentation has been derived from sources deemed to be reliable but cannot be guaranteed.



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.

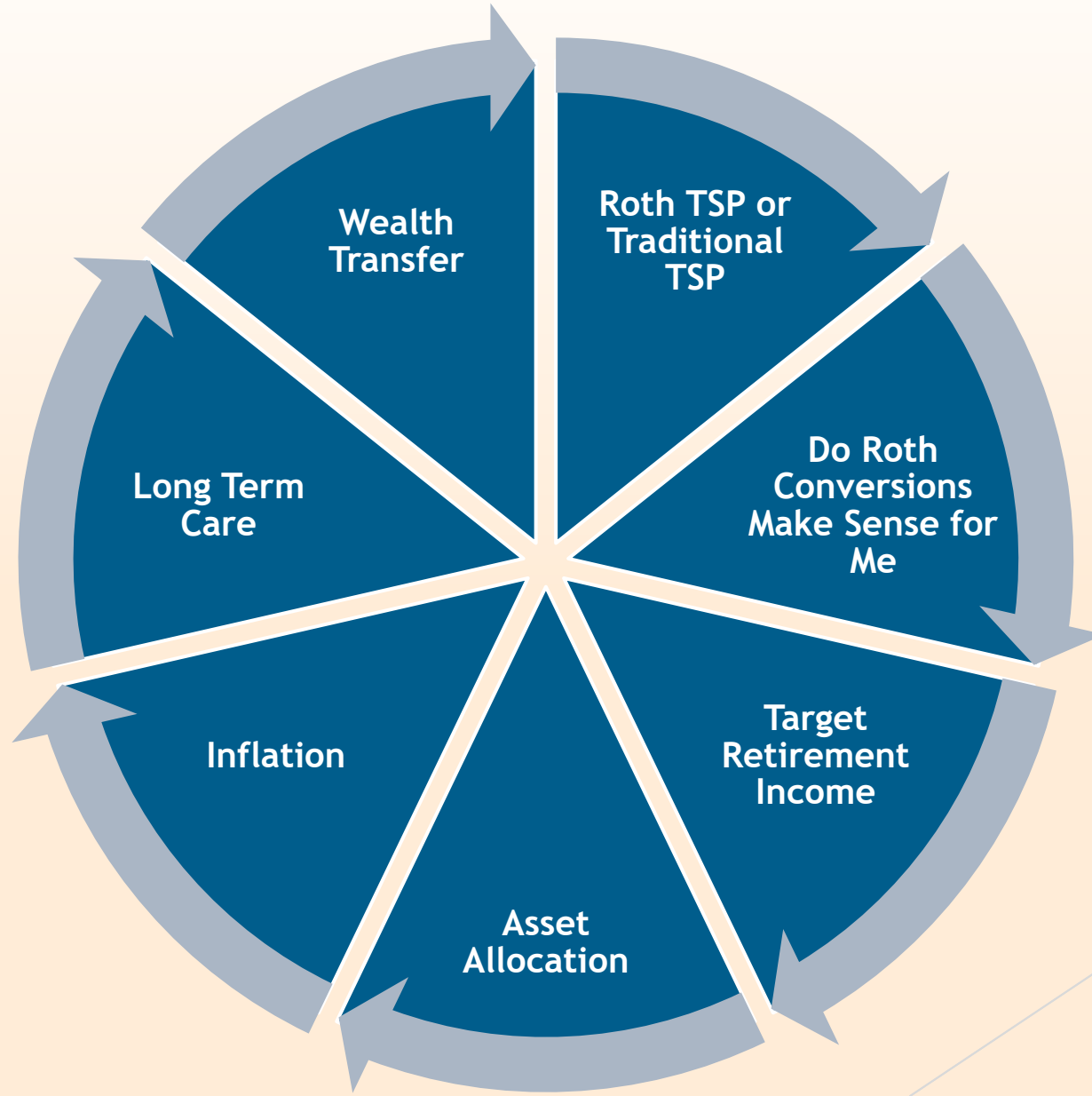


Emergencies can happen to anyone, anytime!



Seek conservative savings vehicles that keep pace with inflation.

Planning for Financial Roadblocks



ASSET ALLOCATION

Choosing Your Investment Mix

Consider...

Risk and Return



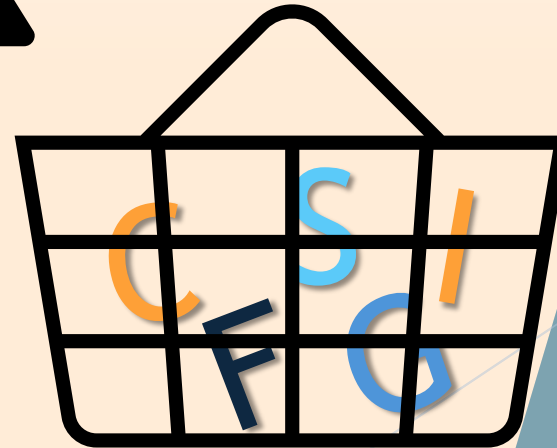
F, C, S, I

Buy and Hold



G

Diversify



Time = Sustained Risk

Review and Rebalance

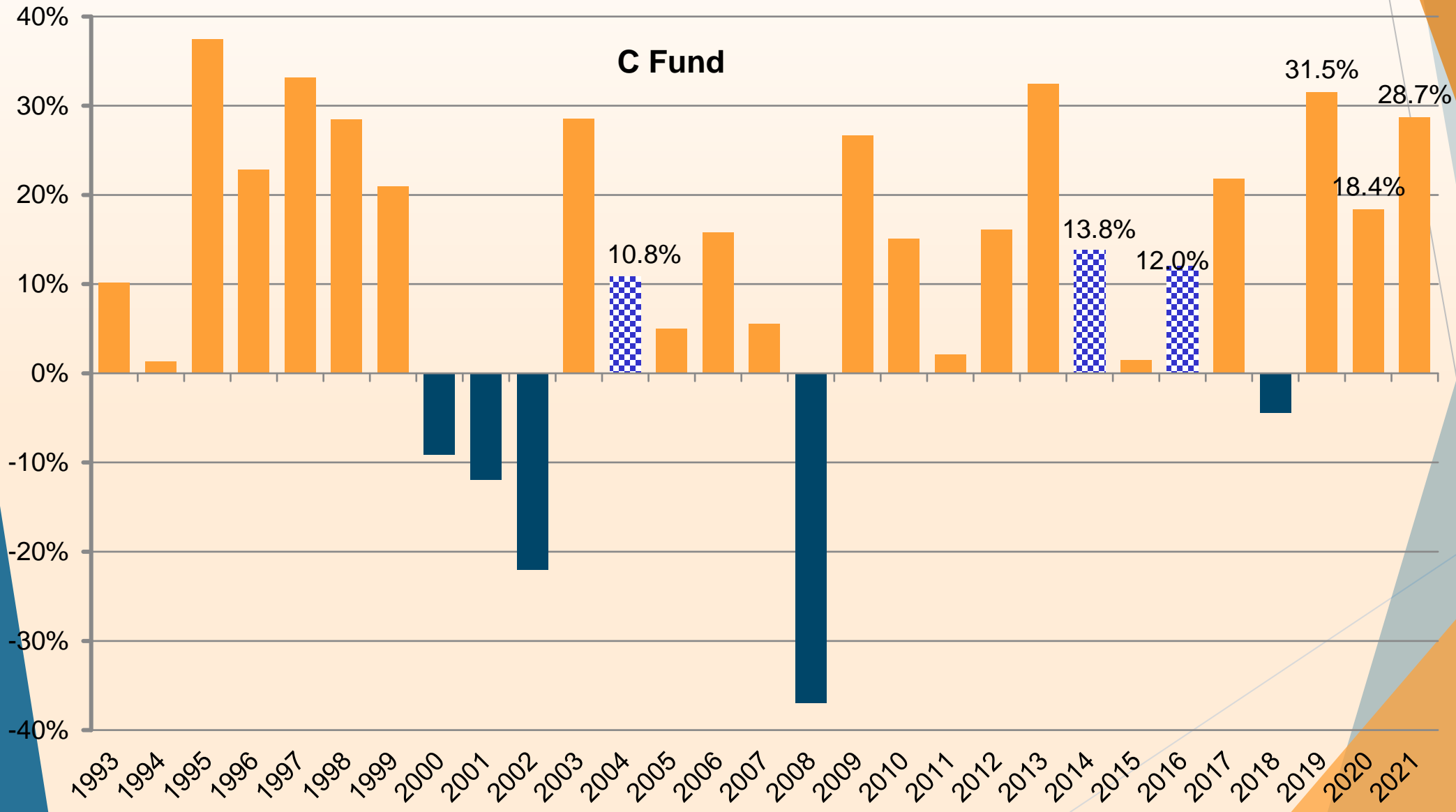
Recent Investment Returns for the TSP Funds

Rates of Return as of December 31, 2023

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	4.22%	5.58%	26.25%	25.30%	18.38%
3 year	2.86%	-3.21%	9.97%	1.28%	4.32%
5 year	2.35%	1.16%	15.65%	11.88%	8.51%
10 year	2.32%	2.02%	12.03%	8.64%	4.63%
Since Inception	4.66%	5.36%	10.81%	9.01%	5.05%

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 QUILT

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Return (2008 - 2022)	Risk (2008 - 2022)
U.S. Core Bond 5.24%	Intl Emerging 79.02%	Real Estate 28.07%	Real Estate 9.37%	Intl Emerging 18.63%	U.S. Small Cap -41.31%	Real Estate 32.00%	Real Estate 4.48%	U.S. Small Cap 26.56%	Intl Emerging 37.75%	Cash Alt. 1.82%	U.S. Large Cap Blend 31.49%	Intl Emerging 18.69%	Real Estate 45.91%	Comdty. 16.09%	U.S. Small Cap 8.89%	Real Estate 26.23%
Cash Alt. 1.77%	U.S. Mid Cap 37.38%	U.S. Mid Cap 26.64%	U.S. Core Bond 7.84%	Intl Devlpd. 17.90%	U.S. Mid Cap 33.50%	U.S. Large Cap Blend 13.69%	U.S. Large Cap Blend 1.38%	U.S. Mid Cap 20.74%	Intl Devlpd. 25.62%	U.S. Core Bond 0.01%	U.S. Mid Cap 26.20%	U.S. Large Cap Blend 18.40%	U.S. Large Cap Blend 28.71%	Cash Alt. 1.52%	U.S. Mid Cap 8.87%	U.S. Small Cap 23.00%
Diversified Portfolio -25.00%	Intl Devlpd. 32.46%	U.S. Small Cap 26.31%	U.S. Large Cap Blend 2.11%	U.S. Mid Cap 17.88%	U.S. Large Cap Blend 32.39%	U.S. Mid Cap 9.77%	U.S. Core Bond 0.55%	U.S. Large Cap Blend 11.96%	U.S. Large Cap Blend 21.83%	Real Estate -4.22%	Real Estate 23.10%	Diversified Portfolio 13.83%	Comdty. 27.11%	U.S. Core Bond -13.01%	U.S. Large Cap Blend 8.81%	Intl Emerging 22.69%
U.S. Small Cap -31.07%	Real Estate 28.46%	Intl Emerging 19.20%	U.S. Small Cap 1.02%	Real Estate 17.12%	Intl Devlpd. 23.29%	U.S. Core Bond 5.97%	Cash Alt. 0.03%	Comdty. 11.77%	U.S. Mid Cap 16.24%	U.S. Large Cap Blend -4.38%	U.S. Small Cap 22.78%	U.S. Mid Cap 13.66%	U.S. Small Cap 26.82%	U.S. Mid Cap -13.06%	Real Estate 5.52%	U.S. Mid Cap 21.39%
Comdty. -35.65%	U.S. Large Cap Blend 26.46%	Comdty. 16.83%	Cash Alt. 0.07%	U.S. Small Cap 16.33%	Diversified Portfolio 12.68%	U.S. Small Cap 5.76%	Intl Devlpd. -0.39%	Intl Emerging 11.60%	Diversified Portfolio 13.77%	Diversified Portfolio -5.22%	Intl Devlpd. 22.66%	U.S. Small Cap 11.29%	U.S. Mid Cap 24.76%	Intl Devlpd. -14.01%	Diversified Portfolio 4.65%	Intl Devlpd. 19.50%
U.S. Mid Cap -36.23%	U.S. Small Cap 25.57%	U.S. Large Cap Blend 15.06%	Diversified Portfolio -0.83%	U.S. Large Cap Blend 16.00%	Real Estate 1.22%	Diversified Portfolio 5.29%	Diversified Portfolio -0.66%	Real Estate 6.68%	U.S. Small Cap 13.23%	U.S. Small Cap -8.48%	Diversified Portfolio 19.81%	Intl Devlpd. 8.28%	Intl Devlpd. 11.78%	Diversified Portfolio -15.78%	U.S. Core Bond 2.66%	U.S. Large Cap Blend 17.58%
U.S. Large Cap Blend -37.00%	Diversified Portfolio 23.47%	Diversified Portfolio 11.09%	U.S. Mid Cap -1.73%	Diversified Portfolio 11.87%	Cash Alt. 0.05%	Cash Alt. 0.02%	U.S. Small Cap -1.97%	Diversified Portfolio 6.28%	Real Estate 3.76%	U.S. Mid Cap -11.08%	Intl Emerging 18.88%	U.S. Core Bond 7.51%	Diversified Portfolio 10.48%	U.S. Small Cap -16.10%	Intl Devlpd. 2.29%	Comdty. 17.37%
Real Estate -39.20%	Comdty. 18.91%	Intl Devlpd. 8.21%	Intl Devlpd. -11.73%	U.S. Core Bond 4.21%	U.S. Core Bond -2.02%	Intl Emerging -1.82%	U.S. Mid Cap -2.18%	U.S. Core Bond 2.65%	U.S. Core Bond 3.54%	Comdty. -11.25%	U.S. Core Bond 8.72%	Cash Alt. 0.54%	Cash Alt. 0.04%	U.S. Large Cap Blend -18.11%	Intl Emerging 1.00%	Diversified Portfolio 11.40%
Intl Devlpd. -43.06%	U.S. Core Bond 5.93%	U.S. Core Bond 6.54%	Comdty. -13.32%	Cash Alt. 0.08%	Intl Emerging -2.27%	Intl Devlpd. -4.48%	Intl Emerging -14.60%	Intl Devlpd. 1.51%	Comdty. 1.71%	Intl Devlpd. -13.36%	Comdty. 7.69%	Comdty. -3.12%	U.S. Core Bond -1.54%	Intl Emerging -19.74%	Cash Alt. 0.63%	U.S. Core Bond 4.16%
Intl Emerging -53.18%	Cash Alt. 0.15%	Cash Alt. 0.13%	Intl Emerging -18.17%	Comdty. -1.06%	Comdty. -9.52%	Comdty. -17.01%	Comdty. -24.66%	Cash Alt. 0.26%	Cash Alt. 0.82%	Intl Emerging -14.24%	Cash Alt. 2.21%	Real Estate -11.20%	Intl Emerging -2.22%	Real Estate -25.96%	Comdty. -2.60%	Cash Alt. 0.25%

Data Source: YCharts. Total Returns are used for each index/model

* Return represents the average annual return during the period shown.

** Risk is represented by Standard Deviation, which is the measure of the total volatility in a portfolio. It shows how widely a portfolio's returns have varied around the average over a period of time.

Asset Allocation

☒ Percent

☐ \$ Value

TSP:

\$1,208,000

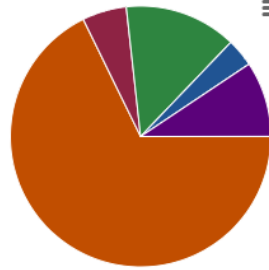
CJC Annuity:

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

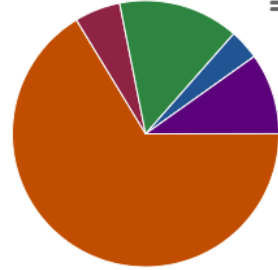
L Income



April 2025

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

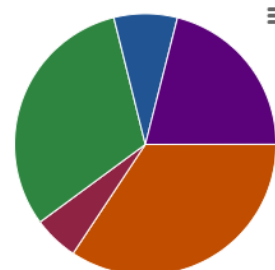
L 2025



April 2025

G Fund 66.32%
F Fund 5.56%
C Fund 14.61%
S Fund 3.66%
I Fund 9.85%

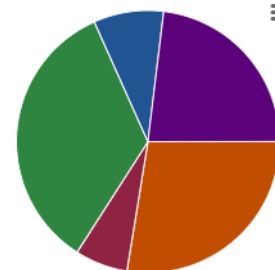
L 2030



April 2025

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

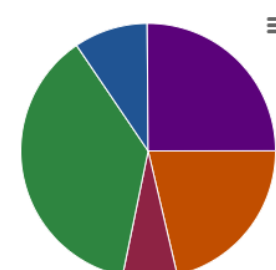
L 2035



April 2025

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

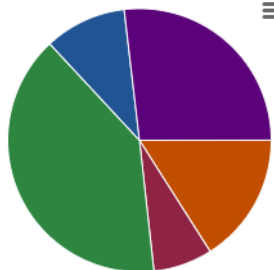
L 2040



April 2025

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

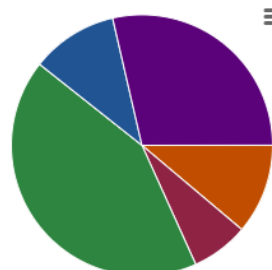
L 2045



April 2025

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

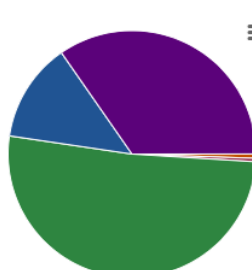
L 2050



April 2025

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

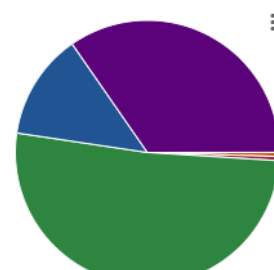
L 2055



April 2025

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

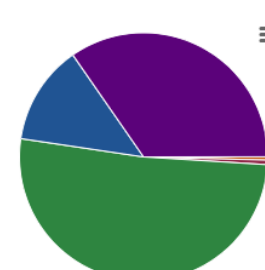
L 2060



April 2025

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

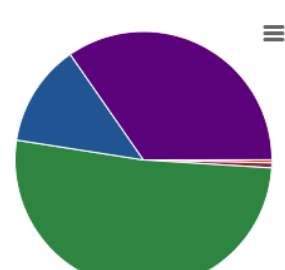
L 2065



April 2025

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

L 2070



April 2025

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

<div> <div>1,208,000</div> <div> <div>42.9%</div> <div>3.5%</div> <div>8.8%</div> <div>3.0%</div> <div>41.8%</div> <div>100%</div> </div> <div> <div>\$518,468</div> <div>\$41,730</div> <div>\$106,491</div> <div>\$35,805</div> <div>\$505,506</div> <div>1,208,000</div> </div> <div> <div>C Fund</div> <div>S Fund</div> <div>I Fund</div> <div>F Fund</div> <div>G Fund</div> </div> </div>						
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

\$0

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

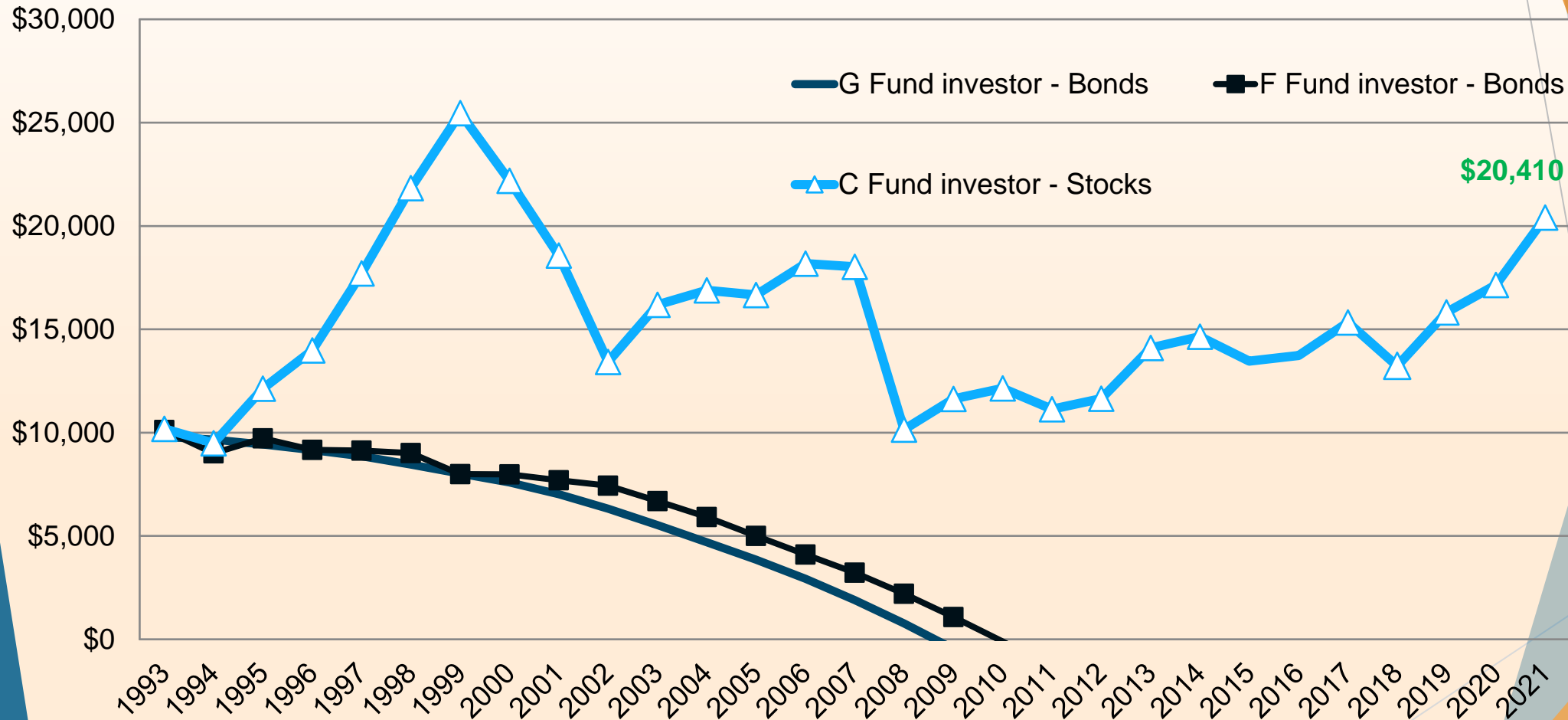
Inflation	Income	W/D		ASSETS & INCOME	ROR	Withdrawal Rate Pressure
0.0%	\$52,775	←	GUARANTEED	Social Security		 3.64%
0.0%	\$67,511			Pensions		
	\$120,286			Total Guaranteed Income		
<input checked="" type="checkbox"/> Auto Adjust	\$58,240	←	NON-GUARANTEED	Investment Income \$1,600,000	4.0%	
	\$178,526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

Recent Investment Returns for the TSP Funds

Rates of Return as of December 31, 2023

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	4.22%	5.58%	26.25%	25.30%	18.38%
3 year	2.86%	-3.21%	9.97%	1.28%	4.32%
5 year	2.35%	1.16%	15.65%	11.88%	8.51%
10 year	2.32%	2.02%	12.03%	8.64%	4.63%
Since Inception	4.66%	5.36%	10.81%	9.01%	5.05%

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



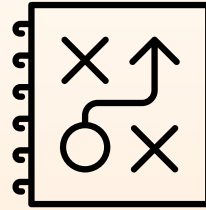
Example:

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

1

Marginal Tax
Brackets

2

Taxable / Tax-Free /
Tax Deferred

3

Roth Strategies

4

Life Insurance

5

CRT

6



Roth vs Traditional TSP

Which is Right for YOU?



IRS Form 1040

Form 1040 Department of the Treasury—Internal Revenue Service (99) **2021** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status ☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

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.	Presidential Election Campaign 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
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	

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? ☐ Yes ☐ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1957 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1957 ☐ Is blind

Dependents (see instructions):
If more than four dependents, see instructions and check here ▶ ☐

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1 Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a Tax-exempt interest	2a
3a Qualified dividends	3a
4a IRA distributions	4a
5a Pensions and annuities	5a
6a Social security benefits	6a
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7
8 Other income from Schedule 1, line 10	8
9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10 Adjustments to income from Schedule 1, line 26	10
11 Subtract line 10 from line 9. This is your adjusted gross income	11
12a Standard deduction or itemized deductions (from Schedule A)	12a
b Charitable contributions if you take the standard deduction (see instructions)	12b
c Add lines 12a and 12b	12c
13 Qualified business income deduction from Form 8995 or Form 8995-A	13
14 Add lines 12c and 13	14
15 Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15

Standard Deduction for—
• Single or Married filing separately, \$12,550
• Married filing jointly or Qualifying widow(er), \$19,900
• Head of household, \$18,800
• If you checked any box, Standard Deduction see instructions.

Taxable Income

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2021)

Target Retirement Income



Gross Income - Sue	\$107,000
Gross Income - Bill	\$0
	\$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	<u>\$62,866</u>
---------------------------------	------------------------

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

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

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

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

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
			5% 0
		38,783	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 brackets 2023

Tax Rate	Single	Married filing jointly	Married filing separately	Head of household
10%	\$0 to \$11,000.	\$0 to \$22,000.	\$0 to \$11,000.	\$0 to \$15,700.
12%	\$11,001 to \$44,725.	\$22,001 to \$89,450.	\$11,001 to \$44,725.	\$15,701 to \$59,850.
22%	\$44,726 to \$95,375.	\$89,451 to \$190,750.	\$44,726 to \$95,375.	\$59,851 to \$95,350.
24%	\$95,376 to \$182,100.	\$190,751 to \$364,200.	\$95,376 to \$182,100.	\$95,351 to \$182,100.
32%	\$182,101 to \$231,250.	\$364,201 to \$462,500.	\$182,101 to \$231,250.	\$182,101 to \$231,250.
35%	\$231,251 to \$578,125.	\$462,501 to \$693,750.	\$231,251 to \$346,875.	\$231,251 to \$578,100.
37%	\$578,126 or more.	\$693,751 or more.	\$346,876 or more.	\$578,101 or more.

SUE RETIRE

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

0	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

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 brackets 2023

Tax Rate	Single	Married filing jointly	Married filing separately	Head of household
10%	\$0 to \$11,000.	\$0 to \$22,000.	\$0 to \$11,000.	\$0 to \$15,700.
12%	\$11,001 to \$44,725.	\$22,001 to \$89,450.	\$11,001 to \$44,725.	\$15,701 to \$59,850.
22%	\$44,726 to \$95,375.	\$89,451 to \$190,750.	\$44,726 to \$95,375.	\$59,851 to \$95,350.
24%	\$95,376 to \$182,100.	\$190,751 to \$364,200.	\$95,376 to \$182,100.	\$95,351 to \$182,100.
32%	\$182,101 to \$231,250.	\$364,201 to \$462,500.	\$182,101 to \$231,250.	\$182,101 to \$231,250.
35%	\$231,251 to \$578,125.	\$462,501 to \$693,750.	\$231,251 to \$346,875.	\$231,251 to \$578,100.
37%	\$578,126 or more.	\$693,751 or more.	\$346,876 or more.	\$578,101 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:

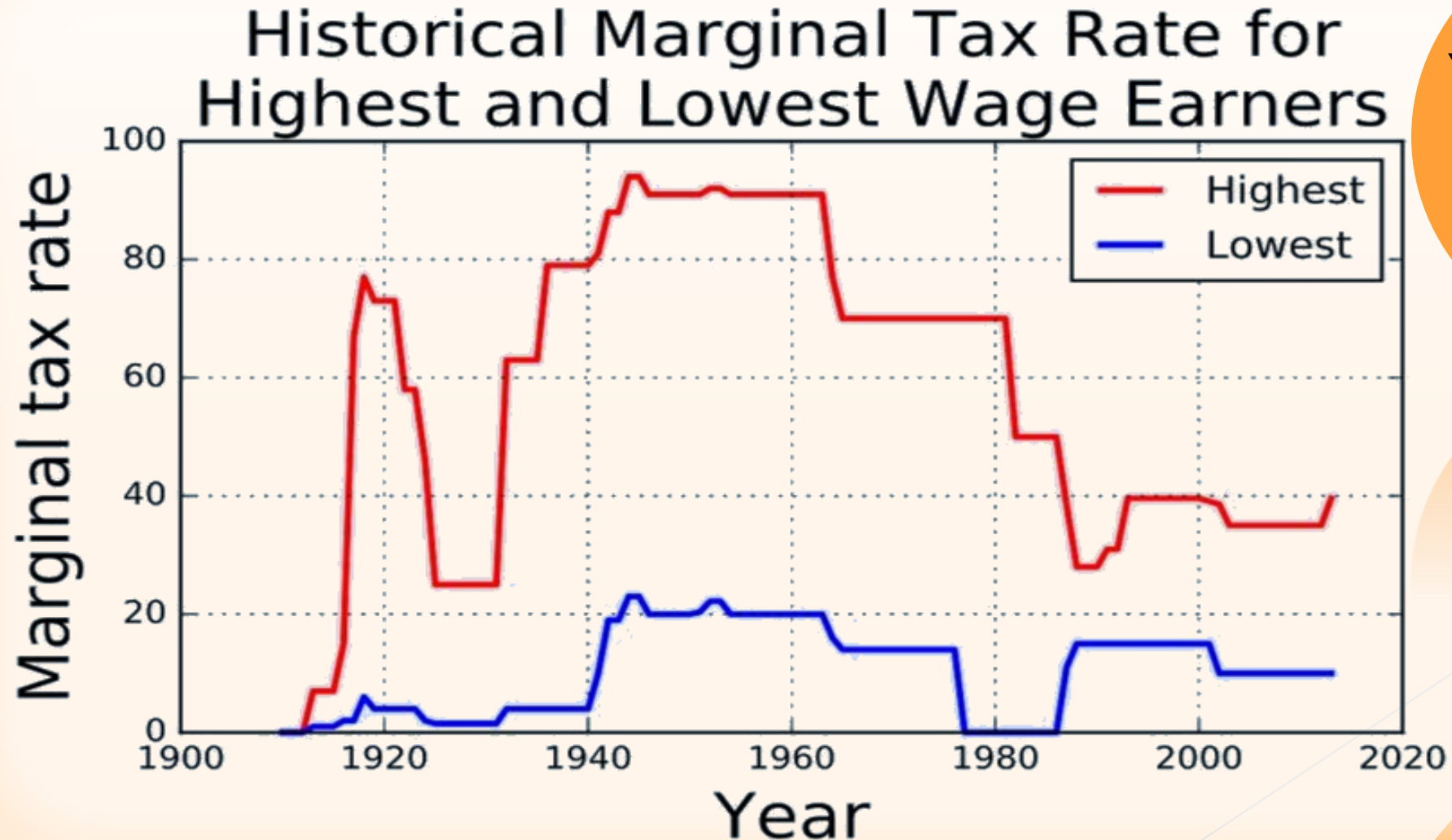
\$431,213

X 4% W/D

\$17,248.00

Where do you think taxes will be in your future?

Income tax rates



Your opinion matters

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 Life Insurance Co. ¹				10,228	04/21/22
OH	Genworth Life Insurance Co.			4.1	6,713	03/31/22
PA	John Hancock Life Insurance Co. USA				4,760	05/09/22
TN	Genworth Life Insurance Co.				4,431	04/27/22
KY	Genworth Life Insurance Co.				4,617	03/31/22
IA	Ability Insurance Co. ^{1,2}				2,612	02/18/22
NE	Mutual of Omaha Life Insurance Co.			1.1	2,383	01/01/22
AL	Genworth Life Insurance Co.				8,321	03/14/22
TX	Allianz Life Insurance Co. of America			62.2	2,821	01/29/22
NE	Ability Insurance Co. ²			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 public filings. Reflects individual long-term care rate filings for Type of Insurance LTC02L, LTC03L, LTC04L, and LTC05L 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. 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 medicore 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

				Total Received 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

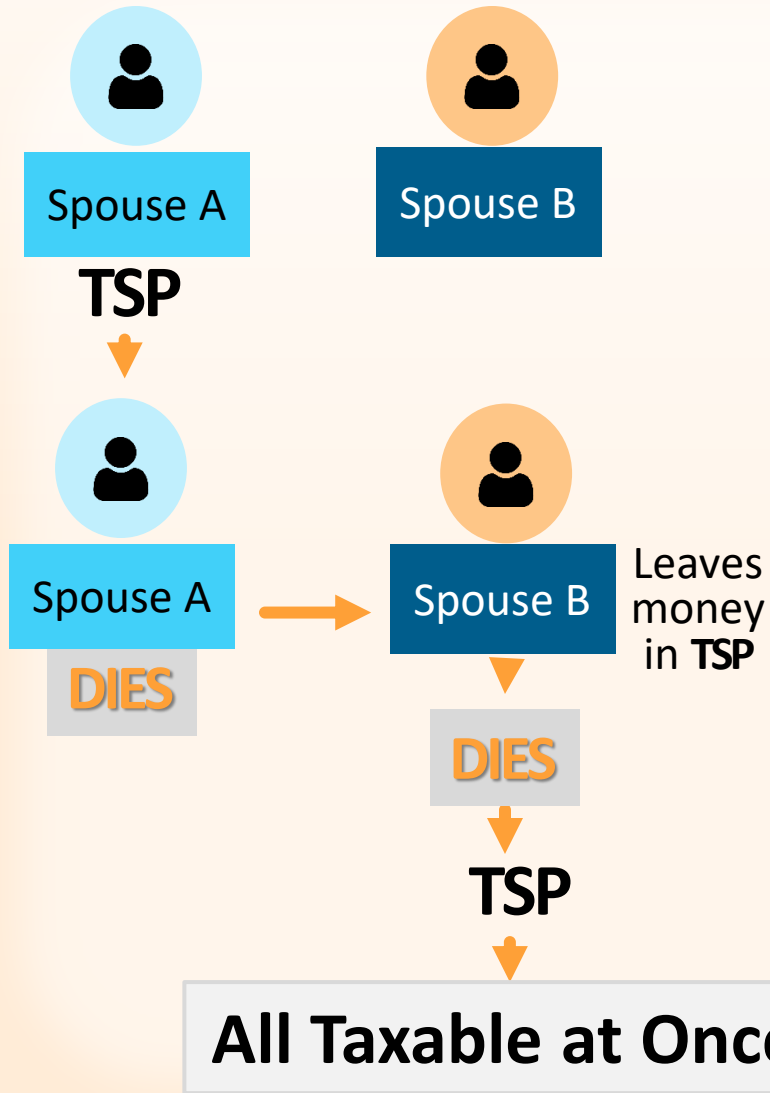
Life
Estates,
POD's,
TOD's

Stretch IRA is Back

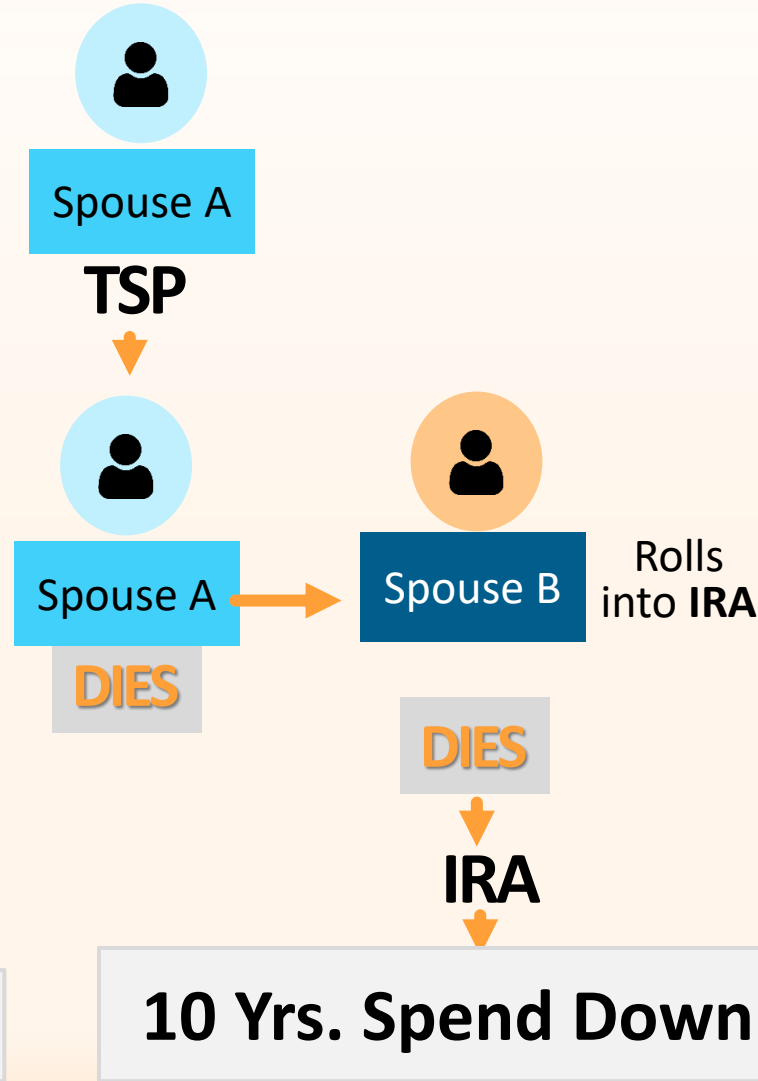


Secure Act 2.0

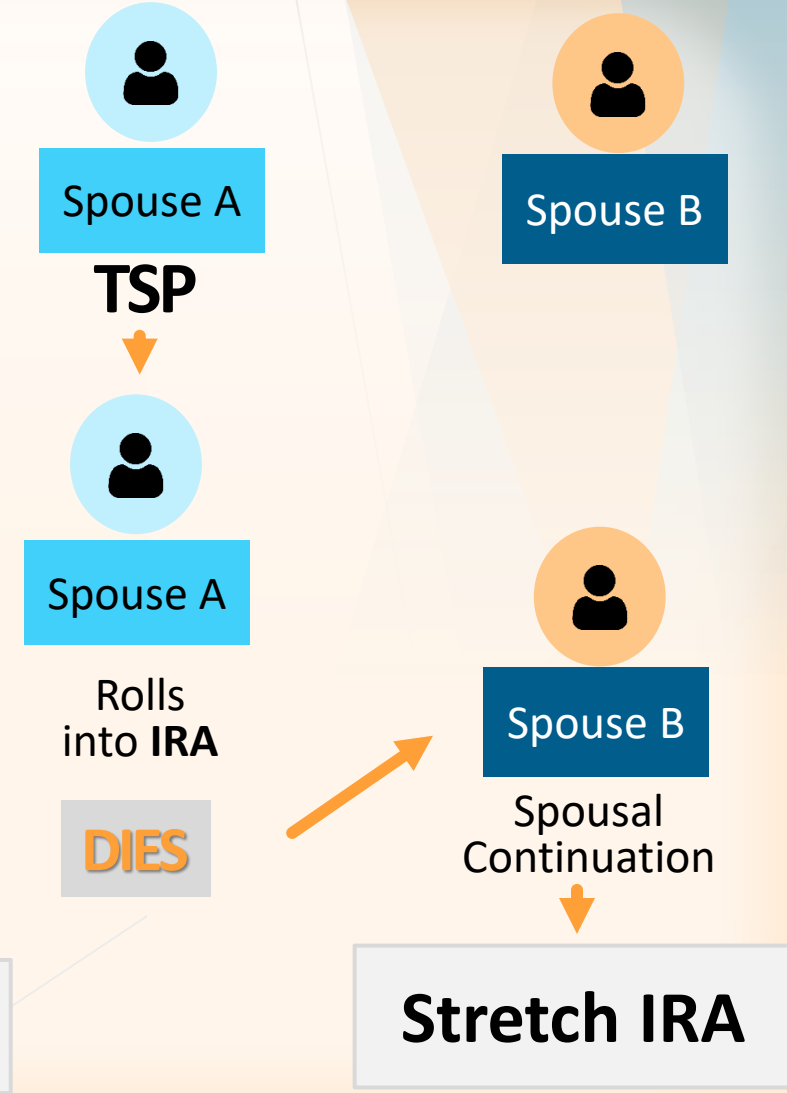
Scenario 1

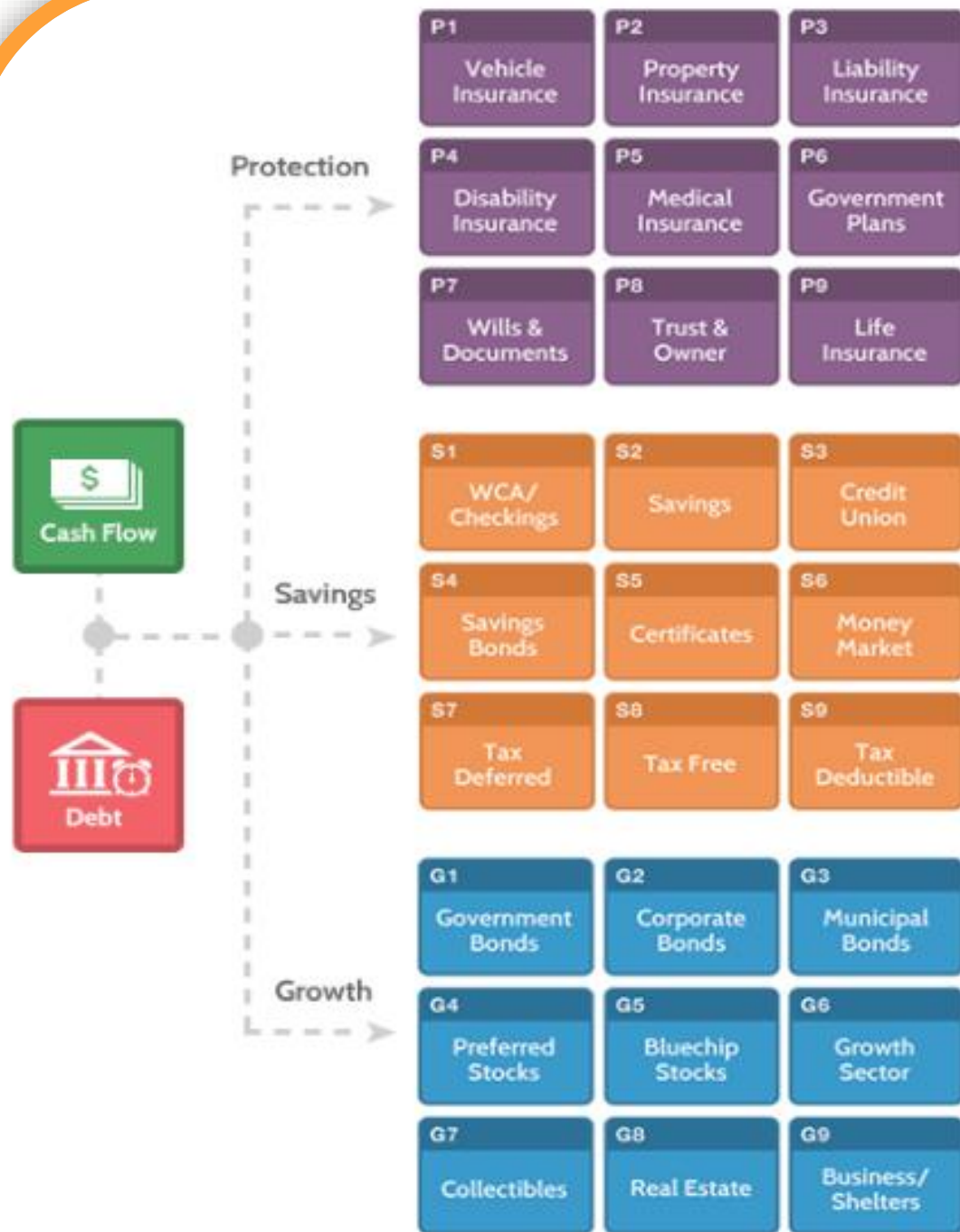


Scenario 2



Scenario 3







Thank you for your time today. Kindly fill out our
feedback survey:
<https://www.surveymonkey.com/r/DCSOFASURVEY>



Presentations are intended for educational purposes only and do not replace independent professional judgment. The information discussed is basic and general in nature and is intended for educational purposes only. No specific product or companies are being solicited. It is recommended that you consult the advice of certified professionals regarding your specific situation. Please understand that laws and regulations are subject to local variations and may have different interpretations. Therefore, should legal advice be required, it is recommended that you seek the advice of a qualified attorney in your state of residence. No specific investment advice is ever intended. Financial products can vary, therefore, always examine the detail of the product structure, provisions and features. Any discussions regarding interest rates, rates of return, and tax rates are purely hypothetical and not intended to represent assurances or guarantees. The presenters of this information are not related to, endorsed by, nor connected with and not approved by any Government Agency or organization. Before investing or using any strategy, individuals should consult with their tax, legal, or financial advisor. All information contained in this presentation has been derived from sources deemed to be reliable but cannot be guaranteed.