SOFA

THE SOCIETY FOR FINANCIAL AWARENESS

DC Metropolitan Chapter www.dcsofa.org

Financial Blunders

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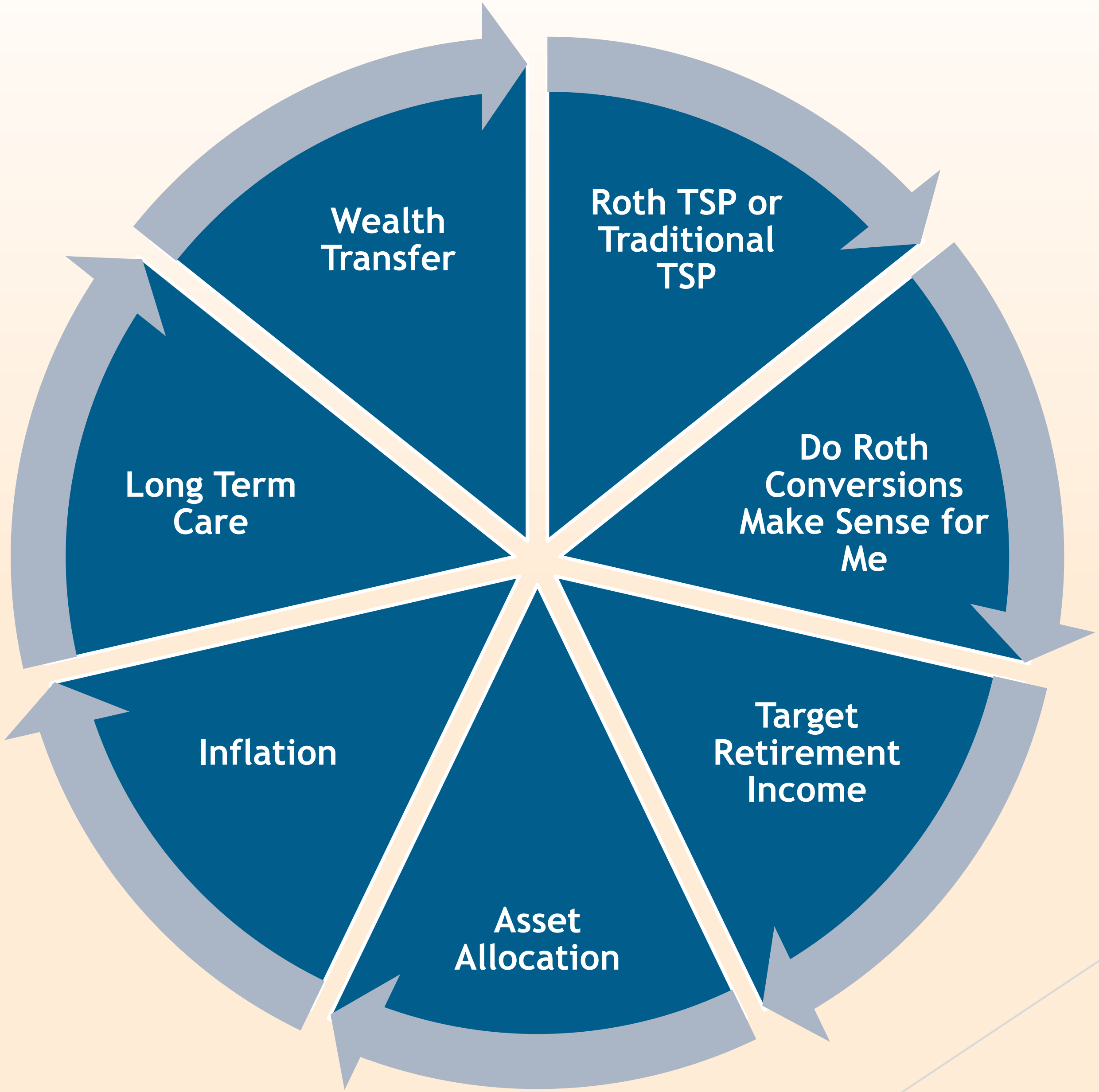
Basic Strategies to Get Started

- 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

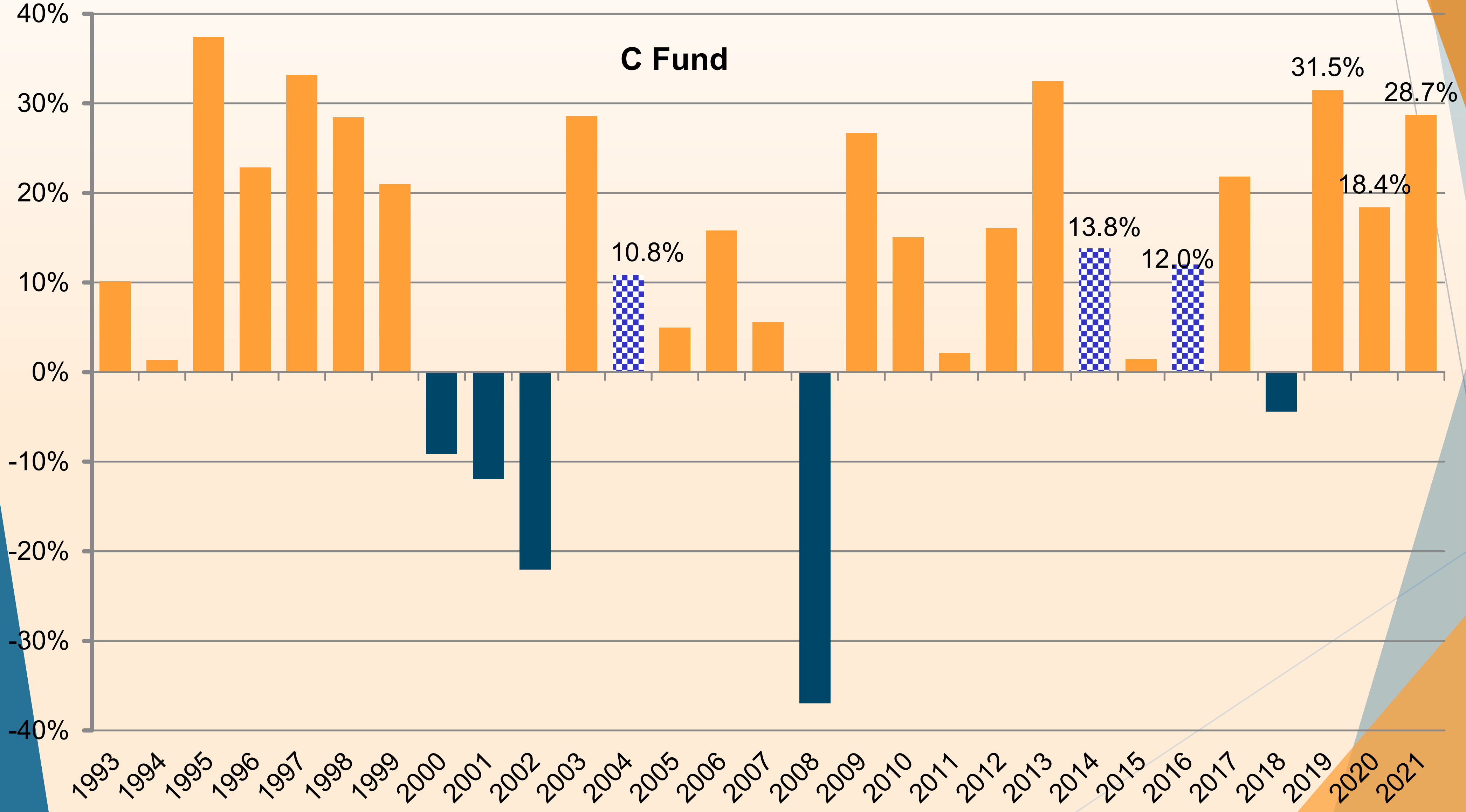
Review and Rebalance

Recent Investment Returns for the TSP Funds

Rates of Return as of September 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	4.44%	2.90%	17.55%	16.41%	15.48%
3 year	4.34%	4.92%	24.88%	19.64%	22.32%
5 year	3.30%	-0.36%	16.43%	11.48%	11.49%
10 year	2.71%	1.95%	15.28%	11.38%	8.53%
Since inception	4.65%	5.31%	11.34%	9.51%	5.83%

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

Source: Blackrock via AE Wealth Management

Asset Allocation

Percent · $ Value

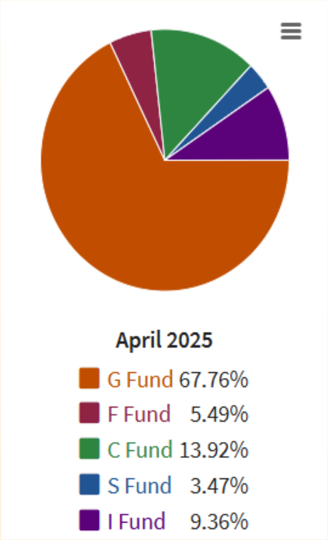
TSP: $1,208,000

CJC Annuity:

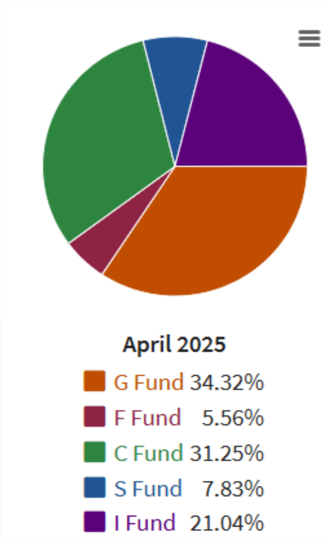
How are you Invested In TSP:		Allocation (%)	Contribution ($)
C Fund:		30	362400
S Fund:			
I Fund:			
F Fund:			
G Fund:		25	302000
L Fund:	L 2025	15	181200
L Fund:	L 2030	30	362400
L Fund:			
	Total	100.0	$1,208,000

L Funds Allocation Comparison

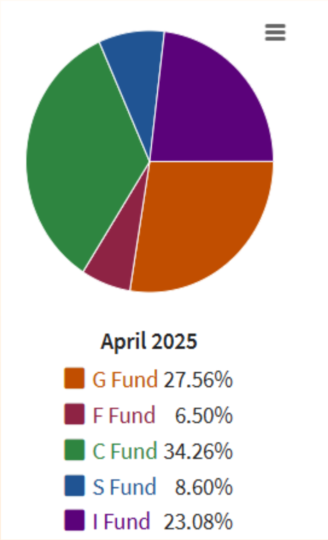
L Income



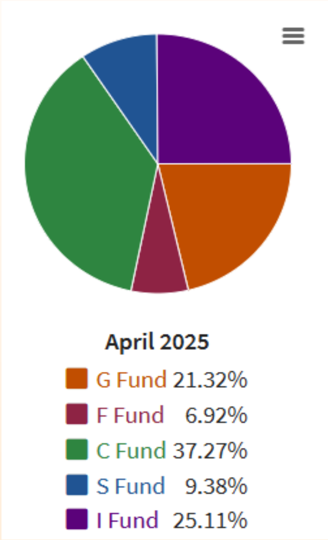
L 2030



L 2035



L 2040



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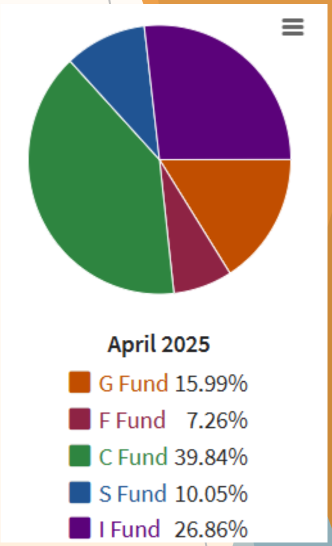

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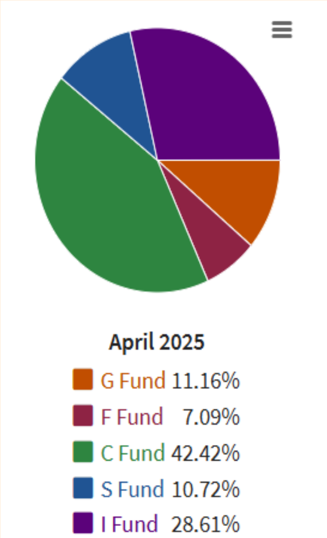
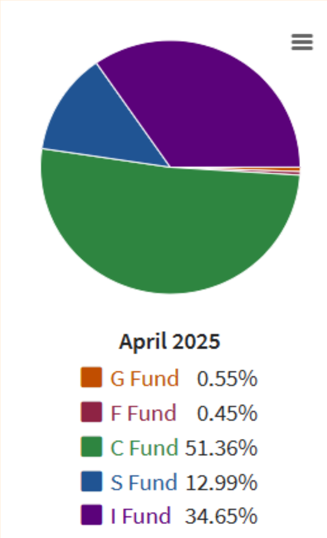


L 2055



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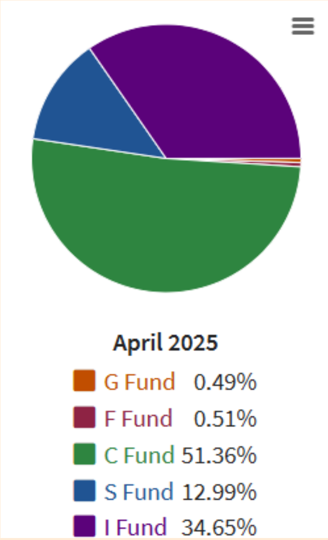
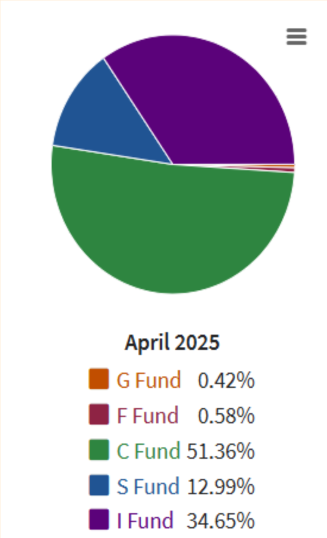
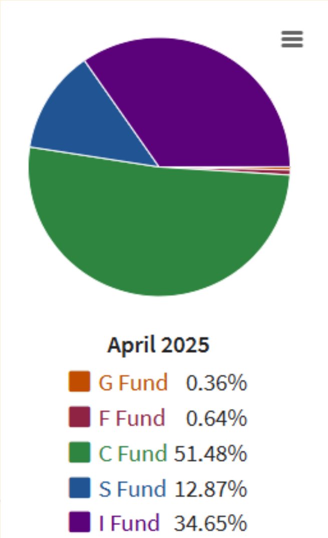


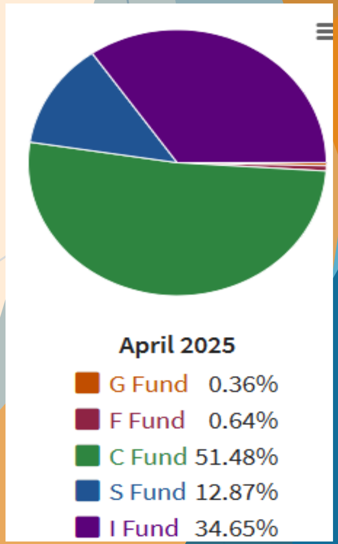
L 2065



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

1,208,000

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

The Trinity University Study

Step #1:

Understanding Your Target Retirement Income (TRI)

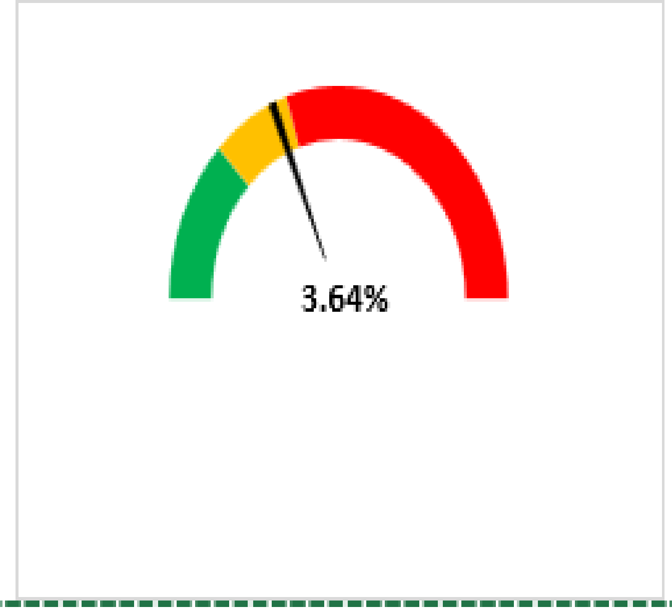
Gross Income – Spouse A	**$150,000**
Gross Income - Spouse B	**$100,000**
Total Gross Income	**$250,000**
Less	
TSP/401(k)	**$27,000**
TSP/401(k)	**$27,000**
Social Security	**$17,540**
Savings	**$0**
Mortgage	**$0**
Roth TSP	**$0**
Roth	**$0**
Non/Qualified IRA	**$0**
College	**$0**
Credit Cards	**$0**
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
0.0%	$52,775		GUARANTEED	Social Security	
0.0%	$67,511			Pensions	
	$120,286			Total Guaranteed Income	
☑ 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	

Withdrawal Rate Pressure

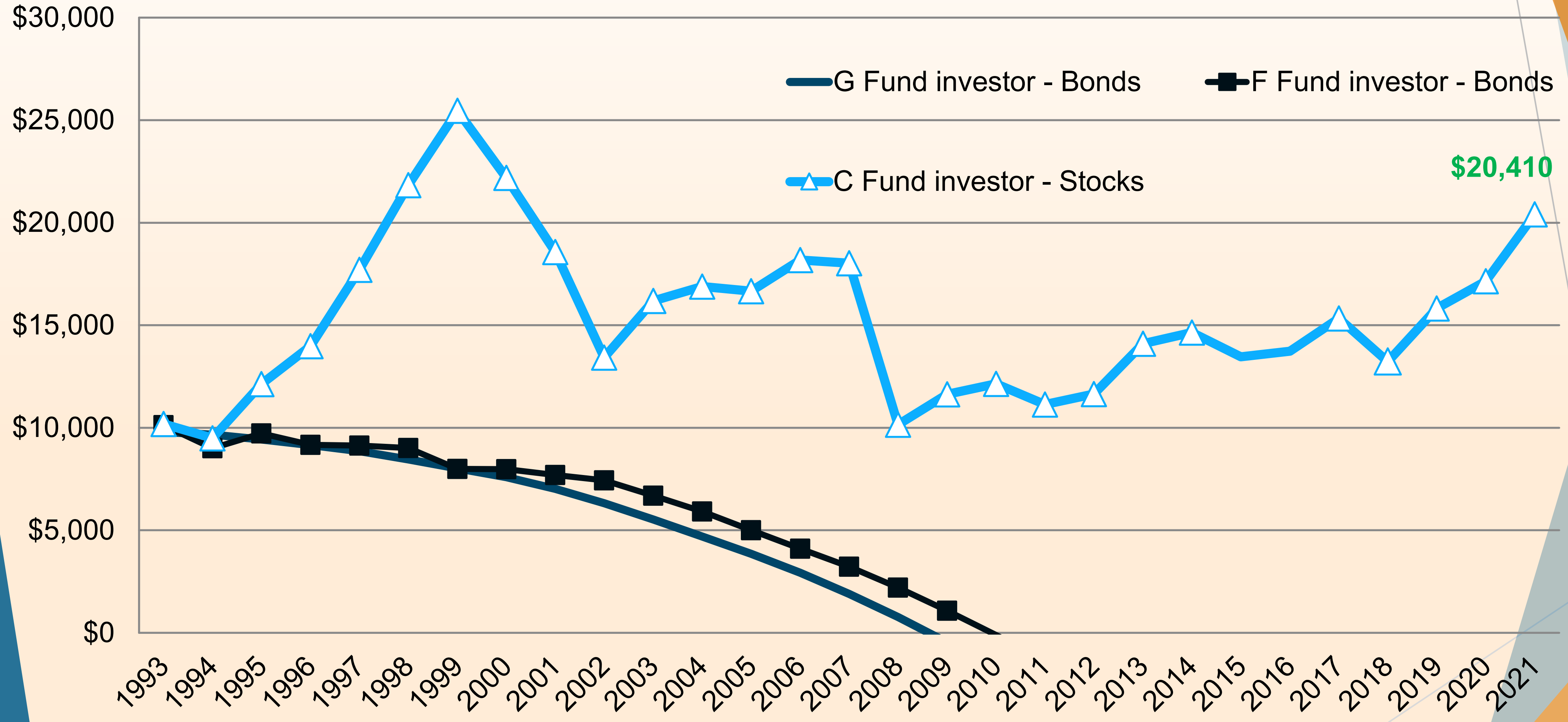


Recent Investment Returns for the TSP Funds

Rates of Return as of September 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	4.44%	2.90%	17.55%	16.41%	15.48%
3 year	4.34%	4.92%	24.88%	19.64%	22.32%
5 year	3.30%	-0.36%	16.43%	11.48%	11.49%
10 year	2.71%	1.95%	15.28%	11.38%	8.53%
Since inception	4.65%	5.31%	11.34%	9.51%	5.83%

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.

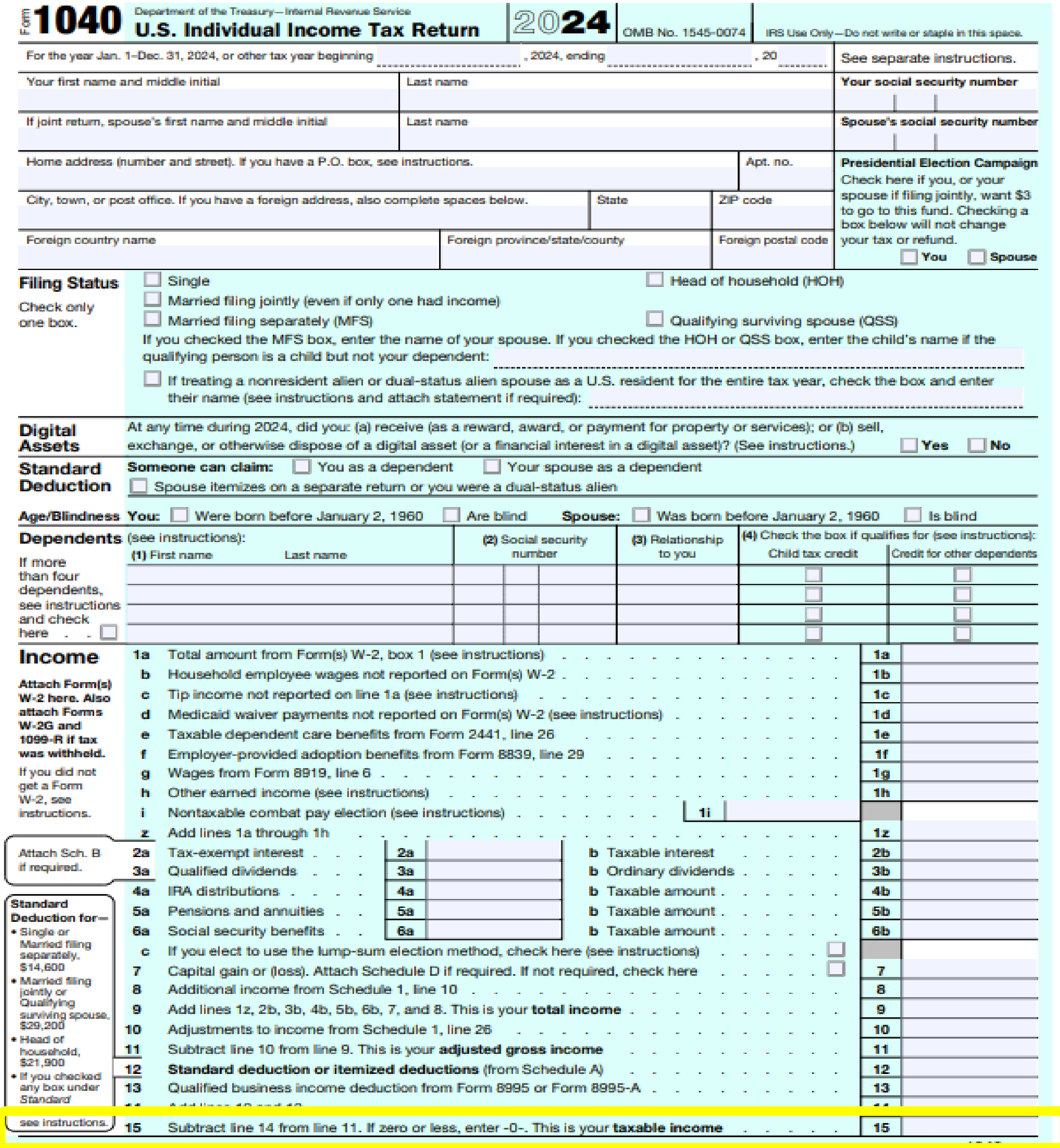
Tax Strategies

1. Marginal Tax Brackets
2. Taxable / Tax-Free / Tax Deferred
3. Roth Strategies
4. Life Insurance
5. CRT

Roth vs Traditional TSP

Which is Right for YOU?

IRS Form 1040



Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return **2024** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning ______, 2024, ending ______, 20 ___ See separate instructions.

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. ☐ You ☐ 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	

Filing Status
Check only one box.
☐ Single ☐ Head of household (HOH)
☐ Married filing jointly (even if only one had income)
☐ Married filing separately (MFS) ☐ Qualifying surviving spouse (QSS)
If you checked the MFS box, enter the name of your spouse. 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 2024, 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**

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, 1960 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1960 ☐ Is blind

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

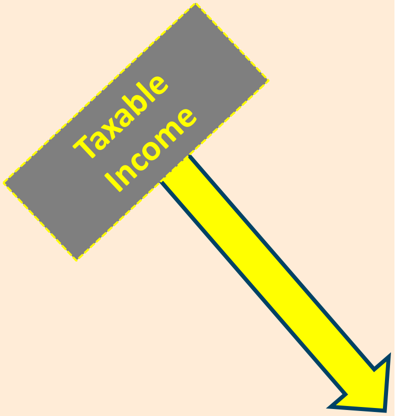
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
				☐	☐
				☐	☐
				☐	☐
				☐	☐

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

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 29	1f	
g	Wages from Form 8919, line 6	1g	
h	Other earned income (see instructions)	1h	
i	Nontaxable combat pay election (see instructions) 1i		
z	Add lines 1a through 1h	1z	
2a	Tax-exempt interest 2a / b Taxable interest	2b	
3a	Qualified dividends 3a / b Ordinary dividends	3b	
4a	IRA distributions 4a / b Taxable amount	4b	
5a	Pensions and annuities 5a / b Taxable amount	5b	
6a	Social security benefits 6a / b Taxable amount	6b	
c	If you elect to use the lump-sum election method, check here (see instructions) ☐		
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐	7	
8	Additional income from Schedule 1, line 10	8	
9	Add lines 1z, 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	
12	**Standard deduction or itemized deductions** (from Schedule A)	12	
13	Qualified business income deduction from Form 8995 or Form 8995-A	13	
14	Add lines 12 and 13	14	
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**	15	

Attach Sch. B if required.

Standard Deduction for—
• Single or Married filing separately, $14,600
• Married filing jointly or Qualifying surviving spouse, $29,200
• Head of household, $21,900
• If you checked any box under Standard Deduction, see instructions.



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.
0	2,360	0
0	0	37,500

	Regular Savings	CD's	College Savings	Rate	Future Value
	Savings 100,000			1%	101,000
				1%	0
				1%	0
Sue	Tax Deferred	Roth	401k & IRA		
6,500			IRA 550,000	4%	0
		roth 66,000		4%	68,640
24,500			TSP 310,000	4%	926,640
Bill	Tax Deferred	Roth	IRA		
				4%	0
		roth 22,000		4%	22,880
6,500			IRA 300,000	4%	318,760
					0
					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

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.
0	0	0
0	0	0

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

0

Savings Type Assets Total 1,514,938

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
			5%	0
		26,250	5%	0
			5%	38,783

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

Employee	Match	Add.
0	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		
Sue			IRA 603,504	4%	0
		roth 93,939		4%	304,680
			TSP 362,753	4%	879,550
	Tax Deferred	Roth	IRA		
Bill				4%	0
		roth 31,313		4%	101,560
			IRA 314,061	4%	285,878
			Savings Type Assets Total		1,719,080
	Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
				5%	0
			38,783	5%	0

0

What is Your Tax Bracket?

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

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

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

SUE RETIRE

0	0	0
Employee	Match	Add.

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

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

0	0	0	0

Savings Type Assets Total 1,514,938

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
			5%	0
		26,250	5%	0
			5%	38,783

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?

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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	B Roth/Roth TSP
Years ---> 1 -- 20	Years ---> 1 -- 20
$18,000 @ 5% ROR → 401(k)	$18,000 x 25% Fed + 6% State = $12,420 @ 5% ROR → Roth
Accumulated: $624,947 X 4% W/D $24,997 (taxes, *Fed 25% + State6%*) **-$7,749**	**Accumulated: $431,213** X 4% W/D
$17,248.00	$17,248.00

Where Do You Think Taxes Will Be in Your Future?

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

11% Annual Increase !

State	Filer	Calculated premium change ($M)	Written premium ($M)	Approved rate change (%)*	Number of policyholders affected	Renewal business effective date
VA	Genworth L... Insurance C...	9.7	26.9	36.1	10,228	04/21/22
OH	Genworth L... ce	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	Ge...	5.5	9.2	59.5	4,431	04/27/22
KY	Genwo...	5.1	12.7	39.9	4,617	03/31/22
IA		5.0	10.6	47.4	2,612	02/18/22
NE	Mu...	4.9	4.6	107.1	2,383	01/01/22
AL	Gen...	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 Insur... Co. [2]	4.6	8.1	56.7	2,024	01/13/22

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 Filling 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 fillings; fillings where rate change was zero; fillings where data on the premium impacted was unavailable; fillings 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 fillings. Approved rate change reflects the calculated premium change divided by written premium.
Top 10 fillings 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 filling.
[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

Beginning Balance	Gross Level ROR
$3,930	11.00
Annual Additions or Withdrawals	**# of Years**
$0	20
	Ord. Inc. Tax Rate%
	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

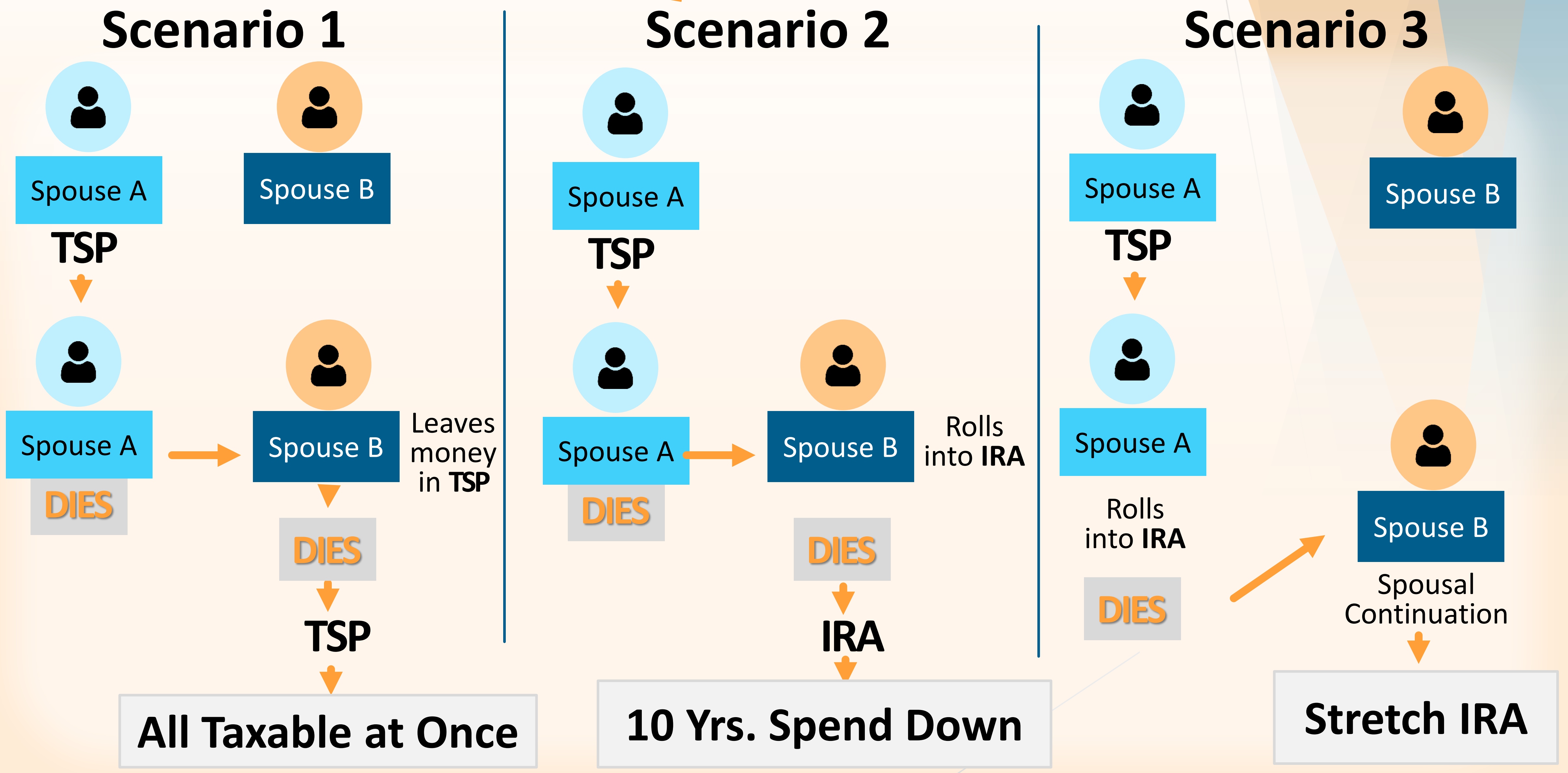
End of Year	Age	Planned Premium	Death Benefit	Total Benefits
1	65	10,000	92,786	300,089
11	75	0	100,000	403,295
20	84	0	100,000	526,208

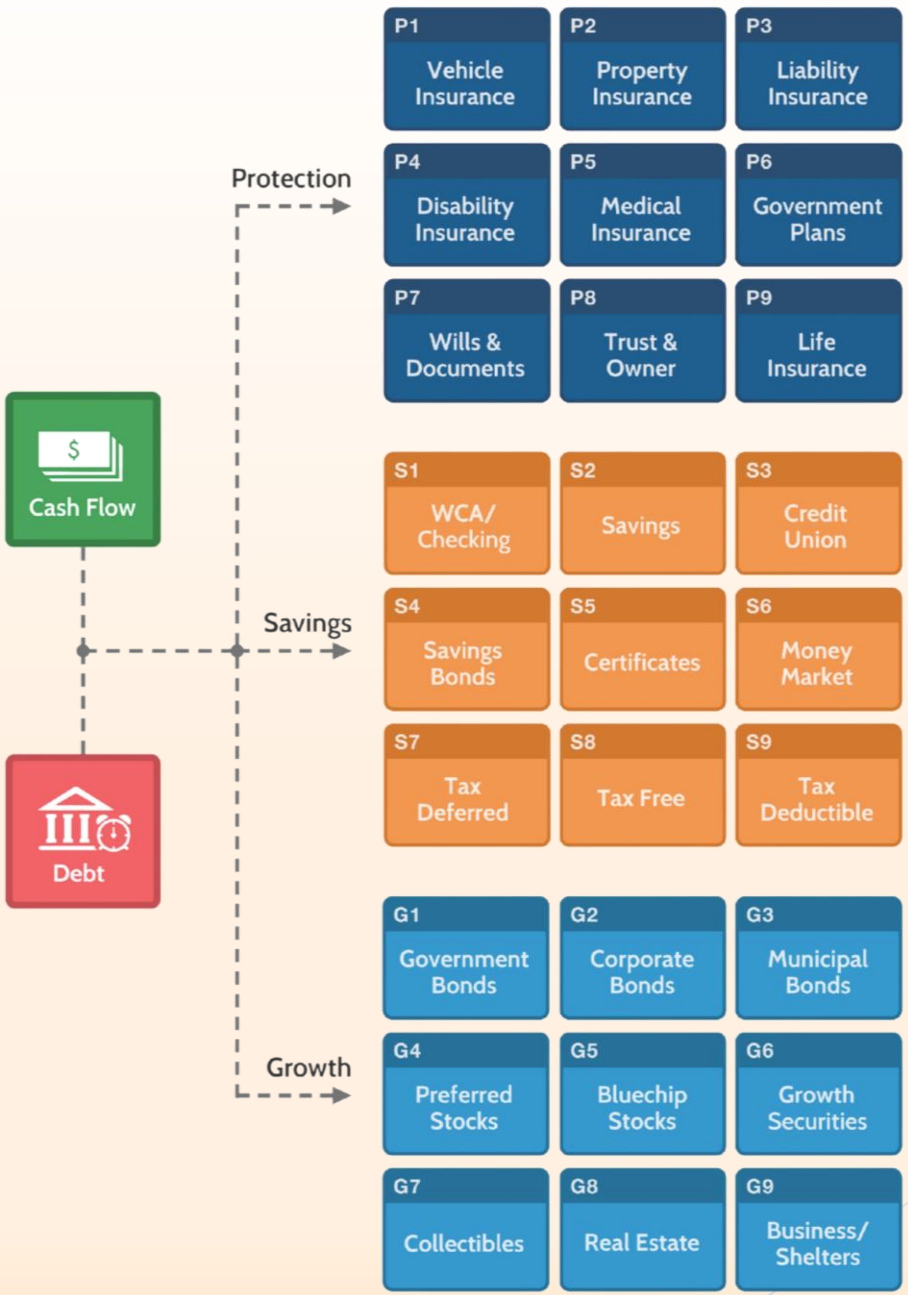
Estate Planning Tips

- 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





Cash Flow
$
Debt
Protection
Savings
Growth
P1
Vehicle Insurance
P2
Property Insurance
P3
Liability Insurance
P4
Disability Insurance
P5
Medical Insurance
P6
Government Plans
P7
Wills & Documents
P8
Trust & Owner
P9
Life Insurance
S1
WCA/ Checking
S2
Savings
S3
Credit Union
S4
Savings Bonds
S5
Certificates
S6
Money Market
S7
Tax Deferred
S8
Tax Free
S9
Tax Deductible
G1
Government Bonds
G2
Corporate Bonds
G3
Municipal Bonds
G4
Preferred Stocks
G5
Bluechip Stocks
G6
Growth Securities
G7
Collectibles
G8
Real Estate
G9
Business/ Shelters

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