Garden State Financial Group

Prepared for: David and Ellie Callahan

Prepared by: Stephanie Spies, Matt Callander, and Eric Vartanian

William Paterson University

Friday, May 16, 2016

Mr. and Mrs. David Callahan
123 Crab Cake Lane
Baltimore, Maryland 07189

Dear David and Ellie Callahan,

We greatly appreciated the time we were able to spend with you during our initial discovery meeting. The information provided was incredibly helpful when creating a plan tailored to your needs, wishes, and objectives. Moreover, it was a wonderful experience meeting with the both of you and beginning to build a better understanding of what is important to you.

Here at Garden State Financial Group, we pride ourselves on providing comprehensive goal-based financial planning for our clients. Most importantly, we hold ourselves to the highest level of professionalism and integrity. Garden State Financial Group is a fee-only firm which holds itself to a fiduciary standard. This essentially means that we do not make commission on any recommendations that we make to our clients. This eliminates any conflicts of interest, which allows us to put our client's wellbeing first and foremost.

Now that we have had our discovery meeting, the next step will be to set a date for a meeting at which we can present to you the financial plan we have created. We used all available information to create a plan which focuses on accomplishing the goals and objectives discussed during our first meeting.

Please give us a call at (999) 100-0000 to set up an appointment to meet at your earliest convenience. We look forward to speaking with you soon!

Most sincerely,

Garden State Financial Group

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Disclaimer

Garden State Financial Group has used the information provided by David and Ellie Callahan as well as historical values in preparing this financial plan. It is agreed upon that the clients, David and Ellie Callahan understand that all values and calculations are assumptions made using the resources available and are not guarantees for any future performances. Garden State Financial Group is not liable for any losses due omission of information by the clients or market activities.

David and Ellie Callahan acknowledge that any decisions to proceed with recommendations is done so willingly and knowingly with the risk involved. Additionally, it is agreed upon that any tax or legal concerns will be handled by a third party professional. The clients understand that Garden State Financial Group does not provide tax or legal advice and any recommendations given in these areas is done so with the assumption that the clients will refer to the third party professional mentioned in the plan.

Any information given to Garden State Financial Group will remain confidential and will not be shared with any third parties that are not essential to the implementation of the plan. David and Ellie Callahan reserve the right to restrict or to provide access to information to individuals of their choosing.
Finally, David and Ellie Callahan acknowledge their understanding and awareness of Garden State Financial Group's fee structure and compensation. The clients verify their understanding of a fee-only advisor and are fully aware of the fees incurred by the implementation of this plan.
By signing below, the clients confirm that they have reviewed, understand, and consent to the terms and conditions of this disclaimer.

______________________________ ______________________________

David Callahan Date Ellie Callahan Date

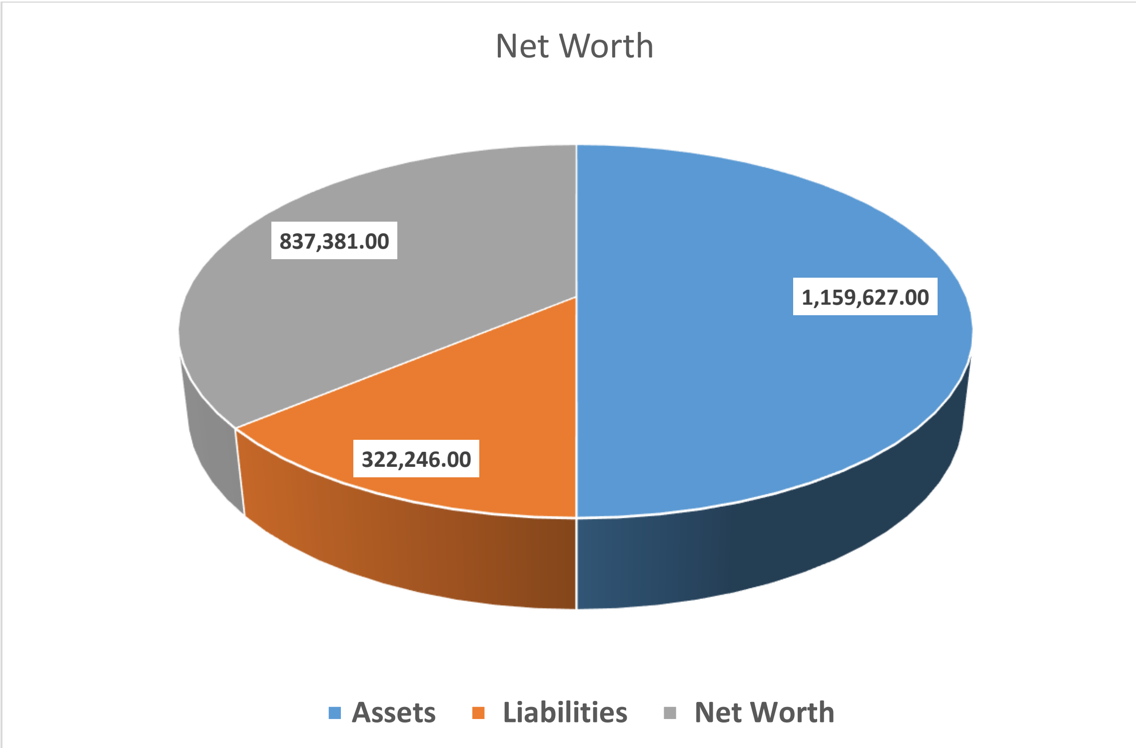
Client Overview

Client Information			
2016			
Personal			
Client		Co-Client	
Name:	David Callahan	Name:	Ellie Callahan
DOB:	1960	**DOB:**	1961
Age:	56	**Age:**	55
SS Full Retirement Age:	67	**SS Full Retirement Age:**	67
Life Expectancy:	92	**Life Expectancy :**	95
Children			
Name:	Michael	**Name:**	Alison
Age:	27	**Age:**	24
Spouse:	Kelly		
Age:	27		
Grandson:	Brandon		
Age:	1		
Occupation			
Client		**Co-Client**	
Employer	John Hopkins Hospital	**Employer**	John Hopkins Hospital
Job Title:	Administrator	**Job Title:**	Office Assistant
Years of Service:	25	**Years of service:**	6
Salary:	$147,000	**Salary:**	60,000
Bonus:	$38,000	**Bonus:**	$10,000

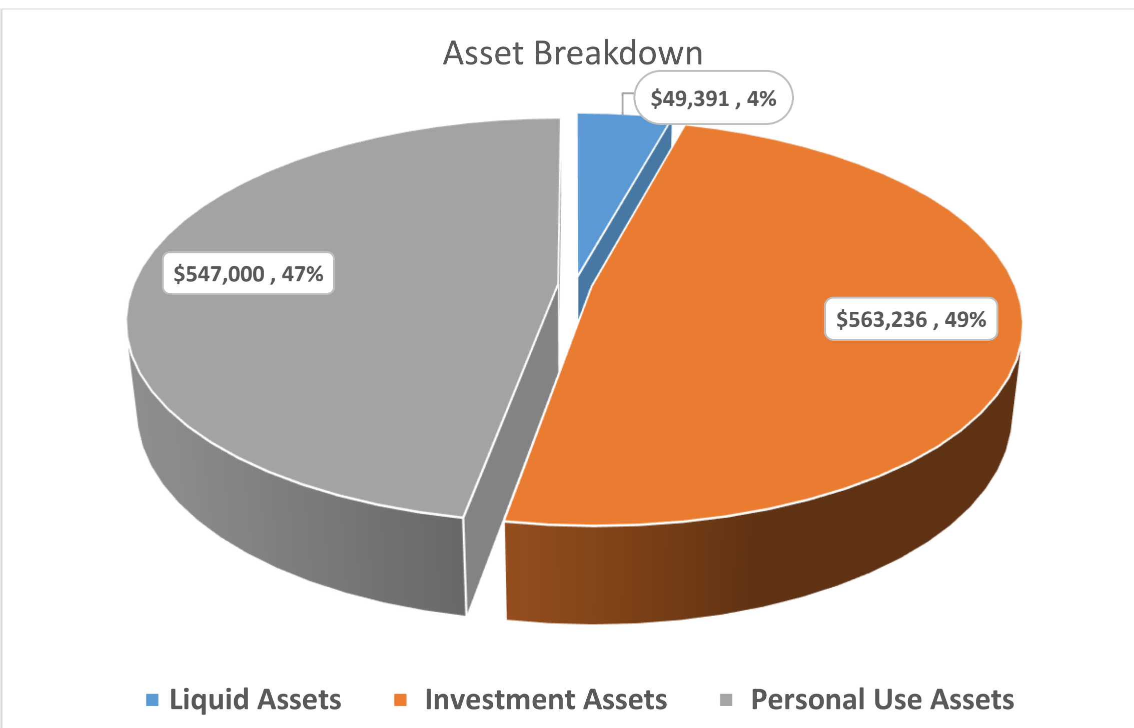
Statement of Net Worth

Client Statement of Net Worth			
Assets			
Liquid Assets			
Checking Account	JTWROS	$31,526	
Saving Account	JTWROS	$17,865	
	Liquid Asset Total		$49,391
Investment Asset			
Rollover IRA: David1		$142,304	
JHH 403(b): David2		$305,764	
JHH Matching Account		$23,247	
JHH 403(b): Ellie3		$49,121	
Brokerage Account	JTWROS4	$27,797	
529: David5		$15,003	
	Total Invested Assets		$563,236
Personal Use Assets			
Personal Residence	JTWROS	$475,000	
Vehicle: David		$22,000	
Furniture & Household Items	JTWROS	$50,000	
	Total Personal Use Assets		$547,000
	Total Assets		**$1,159,627**
Liabilities			
Mortgage: Joint			
Original Loan	$305,000 @ 5.2%		
Monthly PI	$ 1,674		
Monthly PITI	$ 2,416		-
Remaining Balance		$ 226,964	
Auto Loan	$17,282 @ 4.2%	$17,282	
Student Loan Co-sign	$78,000 @ 4.8%	$78,000	
Total Liabilities			**$ 322,246**
-			
Net Worth			**$837,381**

Net Worth Overview



Asset Breakdown



Current Statement of Cash Flows

Statement of Cash Flows				
Cash Inflows				
David Salary	$	147,000		
David Bonus	$	38,000		
Ellie Salary	$	60,000		
Ellie Bonus	$	10,000		
Total Cash Inflows				255,000
Cash Outflows & Savings				
Taxes- Federal			$39,528	
Taxes- Fica			$11,687	
Taxes- Medicare			$3,698	
Taxes- State			$9,531	
Total Taxes				**$64,444**
Mortgage (PITI)			$28,992	
Auto Payments			$8,928	
Insurance- Auto			$1,800	
Insurance- Term Life			$1,128	
Insurance- LTD			$1,076	
Benefits			$6,600	
Utilities			$17,250	
Medical			$2,750	
Food- Groceries			$11,394	
Food- Restaurants			$11,928	
Auto- Fuel/ Repairs			$2,964	
Clothing			$6,200	
Entertainment			$5,500	
Hobbies			$5,100	
Travel			$14,164	
Gifts			$8,350	
Misc- Lifestyle			$6,700	
Total Expenses				**$140,824**
Savings				
David- 403(b)			$12,250	
Ellie-403(b)			$8,750	
JT- Brokerage			$28,732	
Total Savings				**$49,732**
Total- Taxes,Expenses,Savings				**$255,000**

Projected Statement of Cash Flows

Projected Cash Flow				
Cash Inflow				
David Salary	$	147,000.00		
David Bonus	$	38,000.00		
Ellie Salary	$	60,000.00		
Ellie Bonus	$	10,000.00		
Total				**$ 255,000.00**
Cash Outflow				
Taxes- Federal	$	39,528.00		
Taxes- FICA	$	11,687.00		
Taxes- Medicaire	$	3,698.00		
Taxes- State	$	9,531.00		
Total				**$ 64,444.00**
Mortgage (PI)	$	25,980.00		
Property Taxes	$	6,750.00		
Homeowners	$	2,154.00		
Auto Payments	$	8,928.00		
Auto- Insurance	$	1,800.00		
Umbrella Policy	$	300.00		
Long Term Care	$	3,500.00		
Insurance Life Term	$	1,128.00		
Insurance LTD	$	1,076.00		
529 Plan Contributions	$	4,500.00		
Benefits	$	6,600.00		
Utilities	$	17,250.00		
Medical	$	2,750.00		
Food- Groceries	$	11,394.00		
Food- Restaurants	$	11,928.00		
Auto- Fuel/ Repairs	$	2,964.00		
Clothing	$	6,200.00		
Entertainment	$	5,500.00		
Hobbies	$	5,100.00		
Travel	$	14,164.00		
Gifts	$	8,350.00		
Misc- Lifestyle	$	6,700.00		
Total				**$ 155,016.00**
Savings				
David- 403(b)			$12,250	
Ellie- 403(b)			$8,750	
Brokerage- JTWROS			$14,790	**$ 35,540.00**
Total Taxes, Expenses, Savings				**$ 255,000.00**

Summary Outline

Need for the Plan:

- Determine the possibility of retiring earlier
- Maintain a healthy cash flow to support a comfortable standard of living
- Fund grandchildren and future grandchildren's 529 plans
- Retire at a desired age with sufficient assets and retirement income to last a lifetime

Outline:

All recommendations are broken down into the various categories. Further detail can be found in the designated sections.

- Cash Management
  - Maximize value with available money left over
  - In order to fund increased expenses lower the yearly contributions to the Brokerage Account.
- Education Funding
  - Contribute $1,500 annually to Brandon's, Grandchild 1, and Grandchild 2s 529 plan accounts to fund their future education costs.
  - Invest the contributions in the 529 plans to Index Age Based portfolios.
- Risk Management
  - Review all aspects of risk management (Disability, Liability, Life, etc.) and make sure there is adequate coverage.
- Investment Management
  - Adjust holdings within 403(b) accounts, Rollover IRA, and the Brokerage Account for David and Ellie to match appropriate asset allocation given their predetermined risk tolerance.
- Retirement Planning
  - Review Social Security Benefits and analyze optimal retirement age for each respective client.
- Tax Planning
  - Work with your CPA on tax filing and pay attention to your limits on distributions on non-qualified expenses on your IRA and respective 403(b) accounts
- Estate Planning
  - Work with your lawyer on drafting your will, including supporting documents, assigning beneficiaries, etc.

Executive Summary

Purpose of the Plan:
This plan has been created at your request to look at your holistic financial picture. Our recommendations intend to help you regarding the following aspects:

- Determine the possibility of retiring earlier
- Maintain a healthy cash flow to support a comfortable standard of living
- Acquire proper insurance coverage to mitigate detrimental losses
- Retire at a desired age with sufficient assets and retirement income to last a lifetime
- Achieve a tax efficient and cost efficient retirement strategy
- Fund grandchildren and future grandchildren's 529 plans
- Minimize liabilities entering retirement
- Carry out an estate plan that matches your desired wishes

Summary of Recommendations

All recommendations are broken down into the various categories. Further detail can be found in the designated sections.

- Cash Management
    - Maintain adequate liquid assets in order to cover emergency fund (if required).
    - Refinance your home mortgage to a 10 year fixed rate loan at 2.75%. Your annual increase in mortgage expense will be $5,892.
    - In order to fund increased expenses lower the yearly contributions to the Brokerage Account.
- Education Funding
    - Contribute $1,500 annually to Brandon's, Grandchild 1, and Grandchild 2s 529 plan accounts to fund their future education costs.
    - Invest the contributions in the 529 plans to Index Age Based portfolios.
    - Risk Management
    - Review current homeowner's policy in order to determine whether adjustments will be required.
    - If required increase liability coverage through an umbrella policy.
    - David purchase additional Term Life Insurance.

- Investment Management
  - Adjust holdings within 403(b) accounts, Rollover IRA, and the Brokerage Account for David and Ellie to match appropriate asset allocation given their predetermined risk tolerance.
  - David's risk tolerance is 60% stocks and 40% bonds/cash
  - Ellie's risk tolerance is 50% stocks and 50% bonds/cash
  - Adjust money allocated towards Brokerage Account every year
  - Future annual additions are invested in recommended asset allocation
  - Rebalance portfolio once asset allocation deviates too far from the predetermine risk tolerance values
- Retirement Planning
  - Delaying the Social Security Benefits till age 70
  - Recommended retirement age is 65 for David and 64 for Ellie
  - Save $1,500 per grandchild's 529 plan for the next 6 years
  - Retiring early would result in a decrease in your pension
  - Continue contributions to respective 403(b) accounts and Brokerage Account
- Tax Planning
  - Work with your CPA on tax filing and pay attention to your limits on distributions on non-qualified expenses on your IRA and resp SWOT Analysis
  - Use recommended strategies to avoid unnecessary tax consequences
- Estate Planning
  - Work with your lawyer on drafting your will, including supporting documents that will complement your wills.
  - Consult your estate lawyer regarding asset ownership and the beneficiaries assigned to the assets.

SWOT Analysis

STRENGTHS:

- Employer sponsored pension with defined benefit
- Social security future income
- Adequate Investment Accounts
- Sufficient income for lifestyle and financial goals
- Adequate retirement pension income

OPPORTUNITIES:

- Opportunity to delay collecting social security until age 70
- Ability to take advantage of long-term capital gains rates
- Fund grandchildren's education with leftover savings
- Pay off debts before retirement
- Room for growth in investment accounts

THREATS:

- Longevity risk and need for long-term care planning (long-term care insurance)
- Lack of adequate estate planning
- Undiversified financial portfolio
- Cash Issues
- Underinsured (Life, Liability, etc.)
- Significant Liability amounts (Home, Auto, etc.)
- Large Tax on Retirement Income
- High Income

WEAKNESS:

- Inadequate liability insurance coverage
- Lack of Growth in investment accounts due to cash holdings
- Risk Tolerance does not match asset allocation
- Smaller Investment Horizon
- Need for additional Life Insurance

Goals Analysis

Here at Garden State Financial Group, we do our best to evaluate your goals to assist with our recommendations in order to plan for your future. The first step for our planning process is to make a list of your objectives which we have done below:

1) Retire On Time

- You have both expressed a desire to retire at the time David attains the age of 65 and would like to know if it could happen earlier. We will be looking into the different possibilities regarding this decision. A few of the items we will analyze in determining this are both of your pensions, Social Security income, investment options, and cash flows during retirement.

2) Adjust investments in 403(b) accounts to match risk tolerances.

- You have told us in our initial meeting that you would like us to look into creating more suitable portfolios based on your respective risk tolerances. David you have provided with us that you are moderately aggressive and Ellie you have expressed that you are moderately conservative. We will create portfolios that will suit both of your risk tolerances and allow for successful growth.

3) Parent Long Term Care

- You both have expressed wishes to plan for taking care of Long Term Care costs as both of your parents have required Long Term Care. We will consider strategies for both of you to cover costs in the event assisted living is required. It is critical to value the cost of assisted living when planning for this objective in order to create options for this goal.

4) Education Funding

- You have both shared with us that you would like to provide for your grandchildren's education. We will look into setting up 529 plans for your grandchild Brandon and future grandchildren in order to attain these goals.

Retirement Planning

When completing a retirement plan, it is important to focus on what goals David and Ellie want to accomplish. These goals allow us to outline the path of your retirement plan. The goals that we discussed in our initial meeting are listed below.

Goals:

- Retire when David reaches age of 65 years old
- Having a plan for Long Term Care concerns
- Providing for grandchildren education
- Fully funding retirement

To run a retirement analysis, we had to make a few assumptions which are listed below.

Assumptions:

- Life expectancy is set to 91 years old for David and 93 for Ellie
- Income for David is assumed to increase at the current rate it has been year over year of 3.5%. Income for Ellie is assumed to increase at 3.63% which it currently has been.
- We assumed that the inflation rate is 2.5%
- The 403(b) for David is assumed to have an average rate of return of 5.68%.
- The 403(b) for Ellis is assumed to have an average rate of return 5.4%
- The brokerage account is assumed to have an average rate of return of 5.42%
- The Rollover IRA is assumed to have an average rate of return of 5.95%
- After both David and Ellie retire we will be rebalancing their portfolios to be more conservative and the assumed average rate of return will be 3% for David and 2.8% for Ellie.
  *See appendix for calculation
- We assumed that both the federal and state effective tax rates will remain the same for them through retirement.
- Social Security
- 85 percent of the social security income was taxed due to the current legislation

Living expenses were adjusted for inflation.

Retirement Income:
You will have several sources of income during your retirement. These sources of income include Social Security, Pensions, 403(b) Savings Plans, and Brokerage Account Investment Income. The overall objective is to lessen longevity risk, the risk of outliving all of your assets, and to live a happy retirement.

Social Security:
Although both of you are eligible to begin collecting social security at age 67, it is recommended that you delay collecting benefits until the age of 70. At age 70 you will be able to collect your maximum benefit. For the 3 years that you delay your benefit you will receive an additional 8% interest rate. As of April 29, 2016, use of the file and suspend strategy is no longer permitted. The file and suspend strategy could have been utilized in your situation. However, since it is no longer available, it is recommended that you choose to delay collecting your social security until age 70. Based off of the Social Security Administration website we were able to determine the amount that both of you would receive in retirement.

David's Social Security Income		
Retirement Age	**Estimated Monthly Benefits**	**Percent Increase Over Previous Period**
62	$ 1,890	
66	$ 2,822	49%
70	$ 3,548	20%

Ellie's Social Security Income		
Retirement Age	**Estimated Monthly Benefits**	**Percent Increase Over Previous Period**
62	$ 827	
67	$ 1,388	68%
70	$ 1,919	28%

Pension Income:
Johns Hopkins Hospital provides a defined benefit pension plan to their employees. The benefit provided is calculated based on the number of years of service and the employee's salary amount. One of the highlights of a defined benefit pension plan is that the employer bears the risk of investment and is required to contribute to the plan every year. One potential concern that has arisen surrounding defined benefit pension plans is their potential to go bankrupt. This should not be of a concern to you because your pension is covered by the Pension Benefit Guaranty Corporation (PBGC). Although you would not receive your full benefit under the PBGC, Johns Hopkins Hospital has been in operation since 1889, and it is expected to be able to continue to meet its expected benefit obligation in the future.

In terms of your pension, your pension is calculated based on 1% of your final average compensation plus ½% of your final average compensation above the Social Security limit times the number of years of benefit service (up to age 40) plus the annuity equivalent of the balance of your employer matching account. To allow for simplified calculations, the addition of the annuity equivalent of the balance of your employer matching account is not calculated or included. Final average compensation is the income amount of the top three years of the past ten years of employment.

With your pension there are two different options for how you would like to receive your benefit. You can choose to either receive a lump-sum upon retirement or you can receive your defined benefit as an annuity. A lump-sum distribution upon retirement would create a large increase in taxable income for the year in which you retire and is not recommended. It is recommended that you choose the annuity option, specifically both David and Ellie should choose the single life annuity option. With a single life annuity, there is guaranteed income for the remainder of your life, as opposed to other retirement plans that cannot make such a guarantee. Potential problems with choosing a single life is that there will be no benefit to your spouse under the circumstance that you pass away. However do to your life expectancies only being 3 years apart the reduction in the benefit during David's life does not constitute altering the pension to include survivor benefits. Ellie will be able to collect the survivor benefit of David's Social Security and with the accumulation of assets before and during retirement there should be sufficient funds to cover costs.
It is recommended that both David and Ellie do not begin to collect their pensions until the age of 65, full retirement age. This is recommended because if either spouse was to begin collecting on their pension before age 65, they would only receive a fraction of their benefit.

Education Funding

This section calculates and discusses the future college education costs of your grandchildren and future grandchildren. Calculations and assumptions have been made based on current conditions. It is recommended that you review this section annually for necessary adjustments.

Funding Objectives:
Based on the information that you have provided, you intend to partially fund Brandon's college education, as well as other future grandchildren. We have made the assumption that you will help to fund the college education for a total of three grandchildren. As discussed, you intend to fund approximately 25% of education expenses for four years for each child that Michael and Kelly have. A plan will also be established for Allison's future children.

Name	College Time Period	Average Annual Cost Amount (in current dollars)
Brandon	2033-2036	$24,714
Grandchild 2	2034-2037	$26,017
Grandchild 3	2037-2040	$30,402

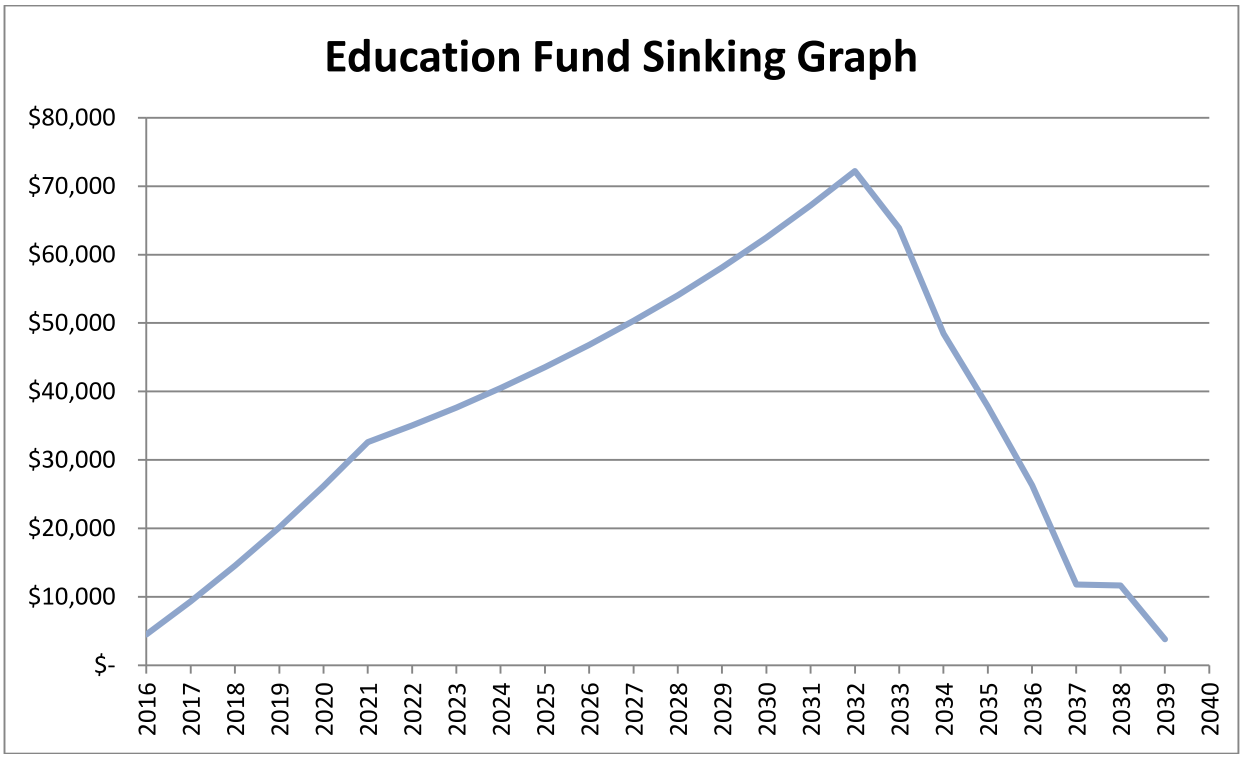
Current Funding Analysis:
Currently, David has a 529 Savings Plan for $15,003 of which Allison is the beneficiary. This money should not be withdrawn to pay off Allison's student loans. If the money was used to pay off student loans it would be subject to taxation as ordinary income and also a 10% penalty. In addition, you have not begun to save specifically for your grandchildren's education. We are here to help you identify and establish savings opportunities to be able to meet this future goal.

Future Funding Analysis:
Based on historical college cost data, it is assumed that college tuition expenses will continue to increase at a rate of 6.5% annually and room and board expenses will continue to increase by 3% annually. We have made the assumption that it would cost approximately $10,000 annually for tuition and $10,000 annually for room and board. These are rough estimates of what it would cost to attend an in-state university. It is further assumed that all grandchildren will begin college at age 18 and attend for four years.

Based on your contribution of 25% of college costs for Michael and Kelly's children, you are estimated to contribute the following amounts:

Name	Year 1	Year 2	Year 3	Year 4
Brandon	$ 5,713	$ 6,012	$ 6,328	$ 6,662
Grandchild 2	$ 6,012	$ 6,328	$ 6,662	$ 7,016
Grandchild 3	$ 7,016	$ 7,391	$ 7,788	$ 8,208

Overtime, the account balance will rise until the money is withdrawn to cover college expenses. The account balance over time is modeled with a sinking fund graph:



Recommended Savings Strategy:

In order to save for your grandchildren's education expenses, it is recommended to use a Qualified Education Plan (529 Plan) for the saving vehicle. A 529 Plan is recommended because of its flexibility and favorable tax benefits. Both of you are eligible to gift $14,000 annually to each beneficiary without incurring any gift tax. Based on estimated tuition expenses, it is not estimated that you will exceed this gift limit for any of your grandchildren. In addition, the money that is invested into this savings plan is permitted to grow tax free overtime. Since the money if funded with after tax income, withdrawals from the plan for education expenses are tax free. The plan is also flexible in that if one of your grandchildren decides not to attend college, the money can be transferred to the accounts of another grandchild. Other unused portions can also be transferred into the accounts of other grandchildren. If at any time you decide that you would like to cover more than 50% of your grandchildren's educational expenses, you can increase your contribution, as there is no federal maximum limitation on the amount that can be invested annually in a 529 plan. Although there is no federal maximum contribution, maximum contribution amounts can be set at the state level. In Maryland, the maximum account balance per beneficiary is $350,000. In addition, there can also be minimum account balances. The minimum account balance when establishing an account in Maryland is $250, or automatic monthly contributions of at least $25. While these minimum account balances do exist, they still provide some flexibility.

An additional advantage of a 529 Plan in terms of flexibility is that an account can be established in any state regardless of where you live or where your beneficiary, grandchild, decides to go to college. This means that you have the option of shopping around for plans with the lowest fees. Maryland is classified as having below average fees, therefore we recommend that you open a 529 Plan in Maryland.

Furthermore, there are multiple investment vehicle options that can be used based off of the amount of time and the amount of risk that you are willing to incur. In Maryland, there are two investment options, age-based and static. With an age-based investment option, the portfolio is arranged based on the number of years until the beneficiary will be attending college. Overtime, as the beneficiary approaches the age of attending college, the investments in the account will become more conservative and liquid. The entire account balance will be invested in mutual funds which will ensure a diversified portfolio. With the static investment option, there is the option of investing in an equity portfolio or a balanced portfolio. The disadvantage of investing with one of these portfolios is that the amount of risk is higher as a beneficiary approaches college

than under the age-based plan. As a result, the funds may not be as ready for use under the static plan as they would have been under the age-based plan.
It is recommended that you choose an age-based investment option for your 529 Savings Plan.

For Allison's future children, their accounts can come from David's 529 plan of which she is the beneficiary. The account is currently earning interest and will continue to earn interest overtime. It is recommended that this account have an allocation strategy that is aggressive in order to ensure the maximum amount of return for the time-being until she has children and more of an age-based strategy should be adopted. Allison's children's education should be able to be partially funded based on the current account balance and future interest.
It is not recommended to save for college education expenses using a Coverdell Education Savings Account (Coverdell) because of the gross income limitation. The income limit to make contributions is currently at a Modified Adjusted Gross Income (MAGI) of $190,000 since you are filing as married filing joint tax returns, and the contribution is completely phased out at $220,000. There is also an annual savings limitation of $2,000 beneficiary, which would not impact you at this time, however, if you wanted to increase the amount of your contribution in the future you would be limited.

It is also not recommended to utilize a custodial account. This is because money that is saved in custodial accounts would have an impact on financial aid calculations which would decrease the amount of financial aid that your grandchildren would receive.

Making Your Contributions:
We have made the assumption that your investment options will earn an annual rate of return of 7.5% annually before your grandchildren enter college and a 3% rate of return during college. This rate of return adjusts since the plan is an aged-based plan. It is recommended that you make a contribution of $1,500 for each grandchild annually for the years 2016 to 2021. This will amount to $4,500 per year for the next 5 years.

To be able to make these contributions, we suggest that you reduce the contributions to your brokerage accounts over the next five years. It is recommended to fund your grandchildren's education before entering retirement. Implementing this college education savings plan will not have an impact on your current lifestyle or your lifestyle during retirement.

Risk Management

Managing risk is essential to ensuring financial stability and mitigating the potential for large losses. Although it is not likely that you will face a large loss during your life time, it is still extremely important to insure against the potential of incurring a devastating loss to protect your finances. As a result, we are analyzing the types of insurance that you currently have: Homeowner's Insurance, Auto Insurance, Health Insurance, Disability Insurance, and Life Insurance. In addition, other forms of insurance such as personal liability umbrella insurance and long-term care insurance which you currently do not have will also be analyzed.

Homeowner's Insurance:
Having adequate homeowners insurance is such a vital part to completing a comprehensive financial plan because it is essentially protecting your biggest asset from peril (loss). We currently do not have much information on your Homeowners insurance policy other than the yearly premiums of $2,154. Homeowner's insurance policies are broken down into two sections:
Section 1:

Coverage A: Dwelling (Home)
Coverage B: Other structures (Garage, Shed, etc)
Coverage C: Personal property (Contents in home)
Coverage D: Loss of use (Expense of relocation after damage of home)

Section 2:

Coverage E: Personal liability (Liability to another person either bodily or personal property)
Coverage F: Medical payments to others (Medical expenses others have incurred on property or from actions of insured at alternate location).

Things to consider:
1: Ensure that your current Homeowners policy coverage amount is for the full replacement cost of your home. This is significant because in the event that your home is destroyed any difference between your coverage amount and the replacement cost will be an out of pocket expense. It is very important to make sure that the coverage amount does not go under 80% of the replacement cost of your home because in the event it does there will be a penalty enforced which will lower the amount of payment you will receive from the insurance company.

2: We also want to look at the current situation of your homeowner's policy to see what the current coverages for dwelling, other structures, and personal property are whether they are named or open peril policy.

Named peril policies: are policies that cover only what is named in the policy therefore you will open assuming more risk because there would be less coverage available to you in your policy.

Open peril policies: are policies that cover everything except what is mentioned in the policy therefore there is going to be more coverage in an open peril policy.

3. It is also important to look into the policy you have to determine whether or not the policy is for replacement cost or actual cash value. Replacement cost is the actual cost to replace something in today's dollars while actual cash value is the depreciated amount of what was destroyed. Therefore the benefit amount would be lower for an actual cash values policy as compared to a replacement cost policy.

It is important to take into consideration the risk you are willing to assume in the event your home was destroyed when determining an appropriate policy. We will also take a look at your liability split limits in order to determine how much you are currently covered for and how much additional you will need in coverage. In the event you need more coverage we will get this through an umbrella policy which will be discussed in further detail.

Auto Insurance:
During our previous discussions, we did not discuss your current auto insurance policy. The most important aspect to note is that your liability amounts need to fulfill the minimum requirements for an umbrella liability policy (discussed in detail below). Because we have not previously discussed your insurance policy, we suggest that you discuss your policy with your insurance broker to determine if you have adequate insurance coverage at a reasonable price. It is important to note that the cheapest insurance with the lowest premiums is not necessarily the best insurance for your needs and that there are other considerations such as coverage limits and deductibles that should be taken into consideration when selecting a policy.

Personal Liability Umbrella Policy:
Although you currently have liability insurance coverage under your homeowner and auto insurance policies, the coverage you have may not be enough if you were held liable for an injury or accident. It is important to remember that if you encounter a situation where the amount that you are required to pay exceeds the amount of liability coverage that you have, you are held responsible for the remaining amount. In order to protect against this risk, it is suggested that you purchase a personal liability umbrella policy. A personal liability umbrella policy will help to cover amounts that exceed other insurance coverage limits. Currently, your net worth is approximately $837,000. If you were

to face a catastrophic event, your net worth could be drastically impacted. You would not want to lose all of your assets because of a catastrophic event and not be able to retire as a result. A personal liability umbrella policy would be there to help cover liability costs if a catastrophic event were to occur.

It is recommended that you purchase a personal liability umbrella policy with a maximum coverage amount of $1,500,000. This amount is recommended because it will cover the value of all of your assets, even as those assets increase as you prepare for retirement. It is also necessary to take into consideration that the higher your deductible, the lower your premium. With a personal liability umbrella policy, it is required that you are insured for a minimum liability amount on your auto and homeowner's insurance. In addition, the policy deductible is not included in the deductibles or coverage limits of other policies, it will need to be paid out of pocket. However, umbrella policies have affordable premiums considering that your children are grown and out of the house. The annual premium would be approximately $300 for $1,250,000 of coverage. We advise that you work with your insurance broker to help ensure that a $1,250,000 policy is appropriate for your needs and that you current policies meet the minimum coverages needed for an umbrella policy.

Health Insurance:
Although we did not discuss health insurance at our previous meeting, it is vital that you maintain adequate health insurance coverage. As you get older, health care costs are expected to increase, it is important to take this into consideration when choosing a health care policy. Not only will adequate health insurance help to cover the costs of medical expenses and prevent you from paying a large amount of money out of pocket, it will also help prevent negative tax consequences. We recommend that you consult a CPA to ensure that you meet the minimum coverage amounts under the Affordable Care Act and that you are not subject to additional tax or penalties.

Disability Insurance:
The purpose of disability insurance is to replace income that is lost due to illness or injury. There are two types of disability insurance, short-term and long-term. Short-term disability coverage typically covers a time period of 0-2 years while long-term disability covers a time period after 2 years. It is recommended that 60 to 70% of income be replaced under a disability insurance policy and that coverage last until age 65 or retirement.
Current Situation:
Both of you have disability insurance through your employer, JHH. Having group disability insurance through your employer often results in the lowest premiums. Your specific coverage covers 60% of your salary up to the amount of $8,000 per month until the age of 65. There is an elimination period of 26 weeks,

or 6.5 months, which is a time period that an individual must wait before they are permitted to begin collecting benefits.

Based on our conversations with you, you have indicated that your family has not suffered from disability related incidents and do not think that a disability will arise before retirement. In addition, you have indicated that your policy is an "own occupation" policy. This provides benefits in the greatest number of situations. Short-term disability insurance not recommended because expenses incurred during the elimination period of the policy can be paid for with liquid assets. Your Average monthly expenses are approximately $11,735, meaning that the total amount of expenses that would need to be covered during the elimination period are approximately $76,280. Although some of these expenses may decrease because would not be working and incurring work related expenses (transportation, fuel, ect.), other expenses may increase such as medical care. Currently, your liquid assets (checking and savings accounts) total to $49,391, which is not a sufficient amount to cover the costs of the elimination period in itself. However, you could turn to your brokerage account to cover the additional expenses until your long-term disability begins.

Life Insurance:
Life insurance is designed to replace income that is lost as the result of death. Having life insurance with a defined benefit can help to ensure that when you pass away your family will not be in financial need. Term insurance provides life insurance for a temporary period of time and is used when there is not a need for permanent insurance.
Current Situation:
Currently, both of you have 30-year term life insurance with a death benefit of $500,000. The insurance was purchased in 1995 and will therefore expire in 2025. In 2025, David will be age 65 and Ellie will be age 64.
Future Need for Insurance:
In order to calculate the amount of life insurance that best fits your situation, the Needs Approach has been used. The Needs Approach determines the present value of the income that would need to be replaced in the event that one spouse dies before retirement. We have assumed that you would be willing to retire at age 65.
Based on the Needs Analysis in the event of Ellie's death, given the current situation, Ellie has adequate insurance coverage. Upon expiration of the 30-year term policy, it is not recommended that Ellie purchases additional life insurance. However, based on the Needs Analysis in the event of David's death, given the current situation, there is a large gap between the death benefit of the current policy and the amount of income that needs to be replaced. Another $500,000 in life insurance coverage should be purchased on David with Ellie being the beneficiary. Although the amount of additional life insurance that is needed is

$246,811, an additional $500,000 can be purchased with premiums of approximately $500 per year. The additional funds will not only provide Ellie with the income that is needed to continue her current lifestyle and pay her bills, but will also help to cover final expenses.

It is recommended that if possible the additional insurance coverage should be purchased through an employer's group insurance policy. This is the preferred option because group policies have lower premium costs than traditional policies.

David is also currently the co-signer on Allison's student loan. Although it is unlikely that David will be held liable for this loan in the event of Allison's death, having to pay off this additional $78,000 debt would cause financial distress during retirement. As a result, it is recommended that Allison purchase term life insurance in order to cover the time period until she has paid off her student loan balance.

Long-Term Care Insurance:

The costs of long-term care continue to rise at an alarming rate. As expected longevity continues to increase, so do the costs of long-term care. Based on your current income and assets, we believe that Medicaid planning is not appropriate for your situation. Therefore, we recommend that both spouses purchase long-term care insurance.

We suggest that you purchase a tax-qualified plan. When a long-term care insurance plan is tax qualified, premiums can be deducted on your tax return as being a type of health insurance. This will help to decrease the apparent cost of the insurance overall. Please consult your CPA for additional information on this issue. In terms of the daily benefit of the plan, in Maryland, the current cost of a semi-private room at a nursing home facility is $210. It is therefore recommended that you purchase a policy that covers $200 per day. The remaining balance can be covered using retirement income.

The majority of policies are term policies, meaning that they have a benefit period of three years or five years, although there are some policies that have an unlimited benefit period. While we recommend that you choose a policy with a three year benefit period, you should also consult your insurance broker to ensure that your needs will be adequately met. One of the primary advantages of purchasing long-term care insurance is that you do not need to be in a nursing home facility. Long-term care insurance will also pay for services such as assisted living facilities, home health aides, or adult day care services. We feel that this flexibility better fits your lifestyle and needs.

Due to health care inflation costs it is highly recommended that you purchase a policy that has inflation protection. Other riders and benefits should not be

purchased in order to help keep premiums down. The annual estimated premium is $3,000, however this rate is subject to increase over time.
In addition, most long-term care policies have a waiting period before benefits can be received. This waiting period is approximately 90 days (3 months). You have sufficient retirement income to pay the costs of long-term care during this waiting period, and these expenses can be paid out of pocket.

The use of Medicaid planning is not appropriate for your lifestyle needs. For example, in order to qualify for Medicaid you are required to have assets below a specific amount. Special types of trusts can be used to increase the amount of assets that you are permitted to have; however, there are still limits on assets. In addition, there is a five year look-back period from the time that assets are gifted away or transferred to family members. Taking our previous discussions into consideration, you have not explained to us any bequest wishes with the exception of wanting to help provide funding towards your grandchildren's education. As a result, if you outlive the benefit period of your long-term care policy and are still in need of long-term care, personal assets can be used to cover costs, such as a reverse mortgage on your home. It is also important to note that you will still be receiving pension and social security income throughout your time in long-term care. If you spend down your assets to the level at which you would qualify for Medicaid, Medicaid can be used as the last source of funding.

Debt Management

As discussed in previous meetings, you currently have a 30 year mortgage on your home that began December 1st, 2002. Before we get into the details of the proposed plan, let's take a look at your current situation.

Current Situation:
The original mortgage was on the home was $305,000 but is currently $226,964. The annual interest rate on the mortgage is 5.2% and the loan is on track to be paid off December, 2032. Your current monthly payments equal $1,674 Principal and Interest plus $742 for Taxes and Insurance. Together your total monthly payment equals $2,416 including PITI (Principal, Interest, Taxes, and Insurance).

Concerns with Current Plan:
After discussing your goals with our firm in previous meetings (which include retiring in the next 10 years or sooner), we recommend that changes be made on your home mortgage in order to meet your desires goal of retiring in 10 years or less. The following list shows the concerns we have with the current plan:

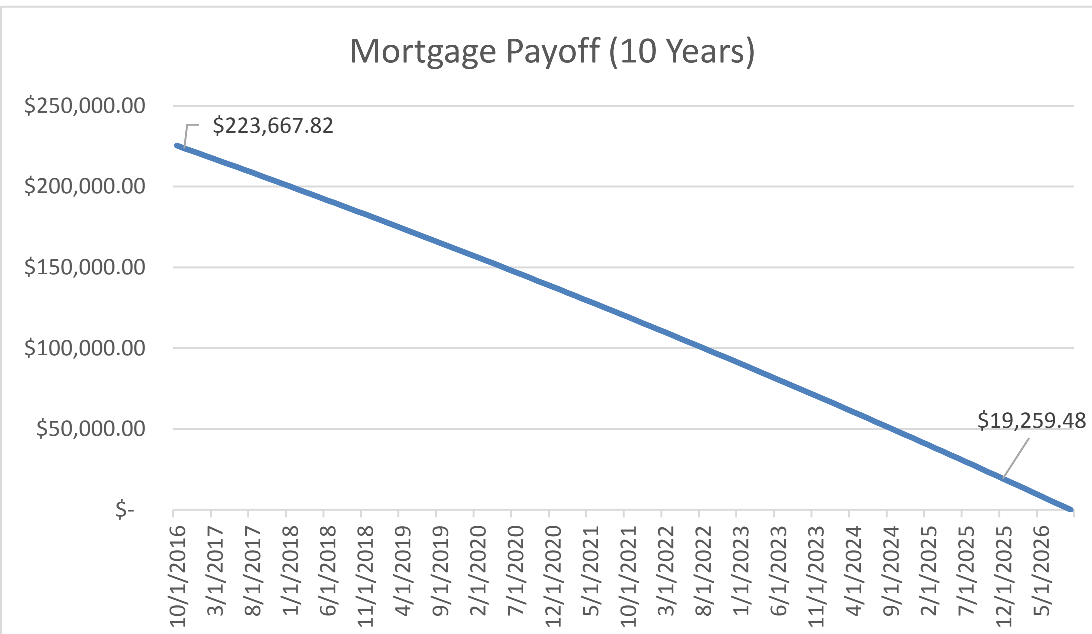
Duration of Mortgage Extends into Retirement
Generally, it is best to have your mortgage paid off before you enter into retirement. Having an annual mortgage payment total of $28,992 ($2,614 * 12 months) can cause strain on your retirement income. We want you both to enjoy your glory days by spending money on traveling, dining, and miscellaneous activities that bring enjoyment to your lives. Paying a substantial amount of retirement income towards your mortgage will result in a decrease in your standard of living or will cause you to withdraw money from assets that are still appreciating. Besides for your standard of living being decreased, it will become increasing difficult to achieve other goals such as funding future grandchildren's college funds. Please see the Cash Flow Statement for more details on how much additional money you will have per year.

Interest Rate on Loan
The interest rates in today's market are at an all-time low. The ability to garner an interest rate below 3% was unheard of years ago, even when you purchased your home in 2002. Interest rates on 10 and 15 year mortgages are half the rate you are currently paying (5.2%). We recognize that refinancing to a lower rate will be beneficial in lowering the amount of interest paid over the duration of the loan.

Large Payments every Month between Auto and Home
Between Automobile and Home Mortgage Payments, you are spending a combined $3,235.87 a month ($2,416 Home + $819.87 Auto). It is important to lower the amount of debt on these loans and reduce the amount of interest being paid.

Proposed Plan:
Our firm recommends that the liabilities on your mortgage and auto be paid off before you both retire. In order to so do, we strongly consider that you refinance your home to a 10 year mortgage at a lower interest rate.

Home Mortgage Loan:
The following chart below shows the 10 year mortgage and the payments made over time.



Payment per Month (PITI): $2,906.45

The diagram shows the mortgage payments being made over a 15 year loan. The annual payment will be $2,906.45. The payment will be an increase of $490.45 ($2,906.45 - $2,416) per month for an annual increase of $5,885.40 ($490.45 * 12 months). The refinanced annual fixed mortgage rate was 2.74%. Listed below are a few options our firm recommends.

Option 1

Since David is 56 and Ellie is 55, the mortgage is set to expire once Ellie turns age 65. At that point when Ellie turns age 65 and retires, the mortgage balance will equal $0. The $19,259.48 on the chart represents the point at which David is set to retire. There are ten payments left at that point, which Ellie's income could use to pay the remaining balance.

Option 2

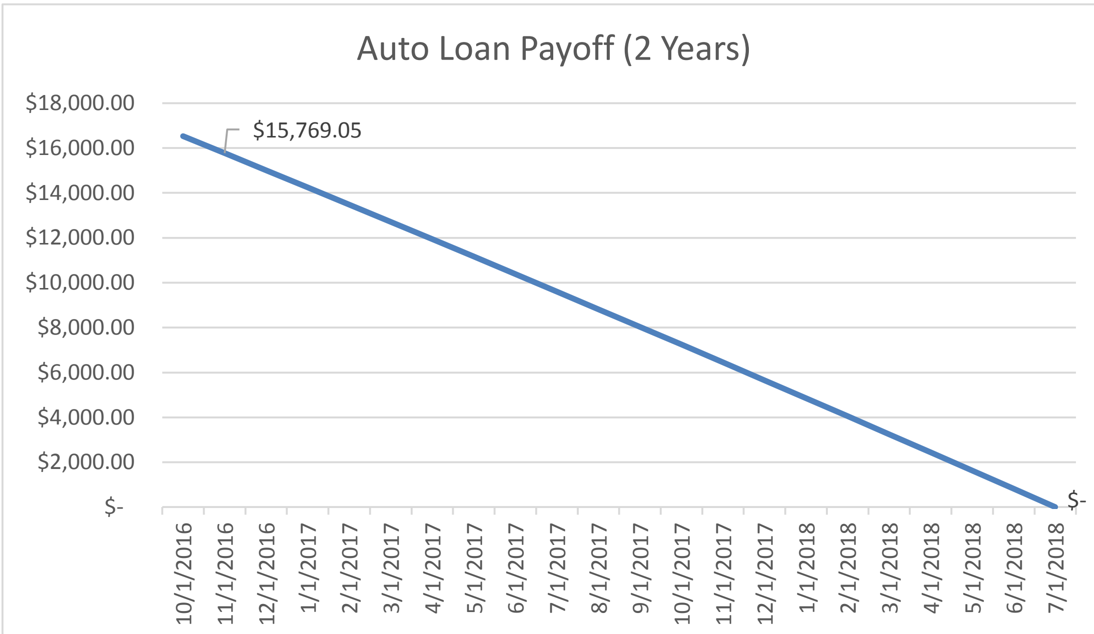
The second option would be to make extra payments during the duration of the loan to effectively end the mortgage when David retires in 2025. Remember that making extra payments on the mortgage will cause a reduction in other areas (savings, entertainment, miscellaneous, etc.). In this scenario, David and Ellie would both be able to retire in 2025 and no mortgage would exist. Please consult with each other to discuss which option you feel is more suitable.

Money Source

As discussed in other sections such as Retirement, Education, and Investment Planning, we plan on allocating a portion of the $28,732 saved every year in your brokerage account to other areas of need. In order to maintain a similar standard of living which you enjoy now, we recommend allocating a portion of the $28,732 in your yearly Brokerage savings towards paying off the refinanced mortgage. The additional $5,855.40 (the increase in mortgage payments from a 30 to 15 year mortgage) will be used to pay off your mortgage by the time you retire. Please see the Retirement and Education Planning section to see where the remaining funds will go.

Car Loan

With regards to the car loan, our firm assumed that it was a 5 year car loan. Prior records indicate that the mortgage began in August, 2013 and the remaining balance was $17,282. The annual interest rate is 4.5%. The following chart depicts the remaining balance on your auto loan and the duration of the loan:



Monthly Auto Payment: $1,167.49

The chart above shows the time between the first payment and the end of the auto loan. We assumed that there were two years left on the auto policy and that the payments would be $819.87 a month. The annual total will equal $9,838.44 ($819.87 * 12 months). It is important that you pay this off as soon as possible given the interest rate is a bit higher.

Money Source

Considering that the Auto Loan is already in the Cash Flow Statement, we assumed that the monthly auto payments were also included in the cash flow statements. We assumed that the original loan in August, 2013 was a 5 year car loan and is set to be paid off in 22 months (August, 2018). Please monitor the payments on the car loan and make sure that it is paid off sooner rather than later (since interest rate is higher).

Assumptions

- No additional payments were being made in the Auto or Home Mortgage Charts

- Option 1 states that David will retire in 2025 at age 65 and Ellie will retire at age 65 in 2026.
- The Auto Loan originally was a 5 year loan and that 38 payments have been made since policy began August 2013.
- Both the Auto and Home Mortgage charts show refinancing period beginning 10/1/2016.
- Property Taxes and Insurance remain constant ($742/month) over the duration of the loan.

Wealth Management

Summary:
This section starts by reviewing the overall responsibilities of a wealth manager. We will review your current investment options within both of your 403(b) plans and analyze the best option (given your risk tolerance) to maximize returns while obtaining minimal risk. All the suggestions made below take into consideration your overall goals, risk tolerance, and other important factors such as our investment philosophy that go into making an appropriate suggestion.

Our firm:
We firmly believe that in order for a client to better understand the suggestions made, it is crucial that you understand our fee structure and how we came to our decision. It is important for our clients to understand our methodology of investing before we dig into the details.

Wealth Management:
Wealth Managers are not your typical "money managers". Our job does not involve picking individual stocks such as Apple or Facebook in your portfolio. Our job is to take into consideration your goals/objectives and formulate the best portfolio based on each of your risk tolerance as well as investment horizons. We are responsible for selecting mutual funds, which represent a mix of hundreds of stocks and bonds, for your 403(b) retirement accounts and provide other services to minimize expenses involved in tax planning, investment costs, estate planning, special needs, etc. We take a look at the big picture and selectively choose our funds to maximize returns and minimize costs.

Investment Philosophy:
Our firm believes in the Modern Portfolio Theory which follows the idea of "not putting all your eggs into one basket". This strategy is meant to avoid taking unsystematic risk which is found in individual stocks. By spreading risk among various sectors of the industry (such as Large Companies versus Small Companies, U.S. versus International Funds, etc.) we are able to effectively maximize the risk given a desired rate of return while minimizing risk. Our projected rate of return is based off the values Harold Evensky projects for future returns.

Risk Tolerance:
Based on our previous discussions about risk tolerance, we have been able to determine appropriate values for both of you. We strongly believe that our clients should be truly comfortable with the amount of risk taken in each of their portfolios. We want you to focus on the important things in life and not be worried about the volatility in your portfolio. The last thing our firm would want

is for you to be uncomfortable with the plan and create tension within the family. Our plan is designed to provide peace of mind during the process so that you will be that much happier once your objectives are met.

Risk and Return

In Modern Portfolio Theory, higher risk results in higher returns. We took the appropriate amount of risk in each of your portfolios based on the feedback you provided. We want to inform you of the direct relationship between risk and return.

Passive versus Active Investing

We believe that passive investing should be used in the majority of your portfolio. Passive Investing provides low tax and low expense funds to maximize your after tax and after expense returns. We still believe that active investing does have a place within a portfolio. It is best to utilize both passive and active strategies to gain excess return in your portfolio.

Rebalancing

Our firm believes in the idea of rebalancing portfolios. Rebalancing allows you to maintain your desired portfolio risk tolerance as well as stay on track with the plan. One of the most important factors to successful investing is sticking to the plan, so rebalancing allows us to stay with the plan best suited to meet your objectives and maintain your stated risk tolerance levels.

Tax Planning and Cost Control

Our firm stresses the importance of minimizing taxes and costs. This allows the investor to maximize the return on their portfolio. We firmly believe that you work hard for every dollar you make, and it is our responsibility to make sure that you keep the most amount of money possible. Turnover Ratio and Expense Ratio are extremely important factors when deciding what funds make up a portfolio. Turnover Ratio is meant to measure the amount of buying and selling within a fund. A high turnover ratio results in higher tax consequences. Expense Ratio measures how expensive it is to own a fund. A lower expense ratio results in the fund manager charging less, which results in the investor keeping more of the return. As a result, our firm strides to minimize taxes and expenses in order to maximize every percent return you gain.

Fee Structure:

Unlike the majority of firms who charge a fee per service, our company charges a flat rate fee based on the amount of Assets Under Management (AUM). The fee structure is as follows:

AUM ($):	Rate:
Under $1,000,000	1.25%
$1,000,000 - $5,000,000	1.00%
Over $5,000,000	0.75%

Current Portfolio Analysis:
This section will review your current investment assets, time horizon, and risk tolerance. To evaluate your current investment situation, we will take a deeper look into your current asset allocation as well as specific investment vehicles.

Disclaimer:
Since there is a different investment time horizon between the 529 plan investments and the rest of your financial portfolio, the 529 assets will not be included for analysis. I recommend you to consider age-based investment option for your 529 plan. It is meant to set a date in the future for when the money is needed and will adjust the risk taken in the portfolio accordingly". For example, David's grandson Brandon is currently one years old. The target date fund for his 529 will invest in more equity (stocks) when he is younger because he will not need the money for another seventeen years or so. As time goes on and the closer Brandon gets in age to college, the 529 plan will start to shift to more bonds and less risky investment vehicles. Please refer to the education planning section for more information.

Risk Tolerance:
Based on our previous discussions and the risk questionnaire worksheet, we have been determined the appropriate risk tolerance for each client.

David Callahan:
David's risk tolerance has been determined as moderately aggressive. Given your age of 56 and looking to retire within the next ten years or so, we have determined the optical risk tolerance at 60% equity (stocks) and 40% bonds/cash. Moderately Aggressive is stated as somebody who is fairly tolerant to fluctuation in the market and is able to withstand a larger drop in account value, compared to the average person.

Ellie Callahan:
Based on the previous discussions and risk questionnaire completed, we have determined your risk tolerance as moderately conservative. Based on your investment horizon of ten years or less, the recommended asset allocation for your portfolio would be 50 percent equity (stocks) and fifty percent bonds/cash. Moderately conservative investment would be best described as someone who is slightly less tolerant than the average person and does not like much volatility (risk) in their portfolio.

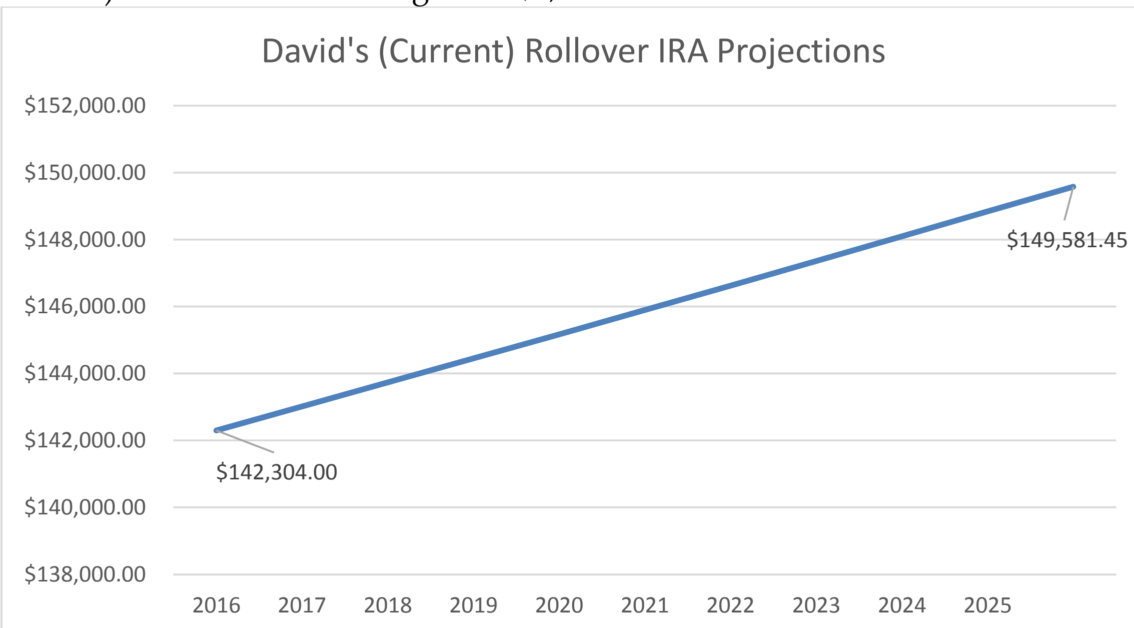
***Important Note:**
These are approximations based on previous discussions regarding risk. If you feel uncomfortable with our asset allocation recommendation, we can further discuss about this matter. We recognize that your comfort with the figures above will go a long way towards reaching your goals. Our firm does not want to cause added stress to you in the event these figures are too high or low. Once again it is important that both of you are comfortable with our figures. We will also adjust your asset allocation as you move closer to retirement, but once this asset allocation plan is determined, it should not be changed unless significant life event arises. It is to project your financial portfolio from your emotional sway due to market fluctuations.

Risk Tolerance of your family:
Like an important decision you make, family must be comfortable with the decision. That is why we took into account the risk tolerance of your family and went with more conservative figures. Since Ellie is moderately conservative, she is not comfortable with large fluctuation in account values. Regarding the Brokerage Account held Joint Tenancy with Right of Survivorship (which means joint ownership in the account), we decided that using a more conservative Asset Allocation would be more appropriate given both of your risk tolerance are taken into consideration. Our philosophy is that by using the lower number we are able to maintain peace within the family and minimize stress between both parties. With regards to the other investment funds, we took into account your respective risk tolerances and went with more modest returns. It allows us to determine whether the plan will be successful with the current returns in place, and provides peace of mind in the event we enter a lower return market in the future. By using modest returns, it insures the plan in place will result in goals being met. High expectations can lead to conflict when returns are not met.

Current Investment Assets:

Investment Asset	Ownership	Current Value
Rollover IRA	David	$142,304
John Hopkins 403(b)	David	$305,764
JHH Matching Account	David	$23,247
John Hopkins 403(b)	Ellie	$49,121
Brokerage Account	Dave/Ellie (JTWROS)	$27,797
	Total Investment Assets:	$ 548,233

Current Asset Allocation for Rollover IRA:
Based on the information provided in previous discussions your IRA consist of 100% cash. The current portfolio is projected to grow at a rate of .05% for the next 10 years (given growth of cash and cash alternatives at 3% and an inflation rate of 2.5%). This will result in a gain of $7,277.45 over the investment horizon.



David's 403(b):
Using previous information provided, it has been determined that David's 403(b) value is equal to $305,764. The holdings within the account have not been determined and the future growth rate is not calculated. David specifically asked us to recommend investment options within the plan, which will be discussed in more detail in the proposed plan.

David's JHH Matching Account:
Based on previous information provided, John Hopkin's matches fifty percent of any contribution up to 2 percent of your salary. For example, John's salary was $147,000 so ($147,000 * .02)*.5 = $1,470. The matching contribution can be added onto the additional $12,250 David contributed this past year. We combined David's 403(b) contributions as well as the company's matching amount to make figures less confusing.

Ellie's 403(b):
Based on previous information provided, Ellie's 403(b) is currently at $49,121. No information is provided on the holdings within the account, but we will assume it is being held in cash. Like David, Ellie has asked for recommendations regarding investment vehicles for her 403(b) account. Those recommendations will be discussed later in the proposed plan.

Brokerage Account (JTWROS):
Since David and Ellie are joint tenancy on the brokerage account, they both own the account. We were informed that they contributed $28,732 last year to their brokerage account valued at $27,797. We will assume that they contribute $28,732 for the next ten years in the current plan.

Current Asset Allocation:
In general, we assume that the Brokerage Account, 403(b) plans, and the IRA are not being invested in equities. We will assume that they are being held in cash given that no information was provided on the subject.
The concerns we have with the current asset allocation provided within your funds is addressed as follows:

Not producing high enough returns:
Given that no information is provided on the allocation of money in each of the accounts, we have to assume that the funds in each account are being held in cash. In that case we are not achieving high enough returns to match inflation. Given how low interest rates are right now, the return on your investment is minimal. Even though inflation rates are low now, there is belief across the industry that interest rates could rise in the future. We used Harold Evensky's projected returns which state inflation at 2.5%. Some believe that inflation could go up to 3.22% in the near future, although it is currently .5%. We used Evensky's projected 2.5% inflation rate which would be a good median projection. Given the future cash and cash alternatives rate is 3%, the return is .5% at best. In current times, the interest rates are .5 or .6% and the inflation rate is .5%. Essentially there is no return on your investment with cash holdings. With inflation rates on the rise in the near future it is not recommended that a large majority of holdings are in cash.

Unknowns within funds (Example: Ellie's Matching Account):
Since we do not have information regarding your withholdings in your accounts, it makes projecting future returns with you current strategy more difficult. Assuming that cash holdings are what each of the accounts have, there could be problems with meeting future goals and maintaining a higher standard of living during retirement. In addition, it does not state that Ellie receives matching contributions from John Hopkins Hospital. We did not assume that there would be a matching account for her 403(b) plan. Adjustments can be made in the event that she does receive matching contributions from John Hopkins Hospital.

Overfunding your Brokerage Account:
Given the amount of information provided in the cash flow statement, the results show that more money is being allocated to the brokerage account than needed.

We are able to achieve success in the various goals discussed previously while taxing advantage of tax advantaged accounts.

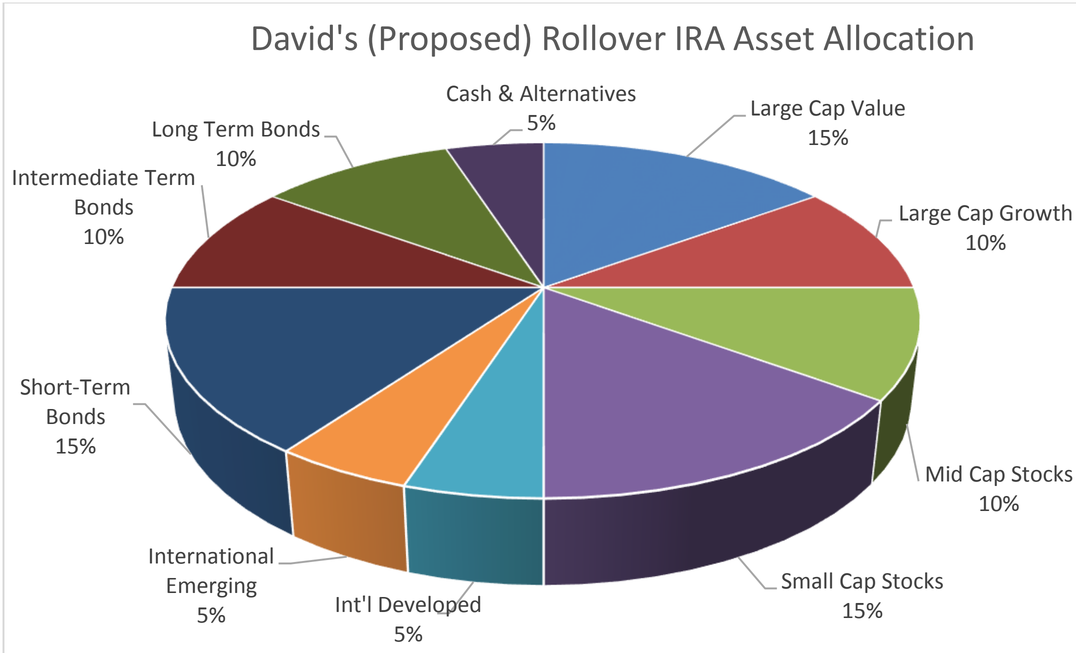
The following chart depicts where savings could be better allocated from the Brokerage Account:

Where Funds will go	Amount (Annual)
Pay off Refinanced 10 Year Mortgage	$5,855.40 (from Liabilities section)
Brokerage Account	$14,790 (Cash Flow Section)
529 Plan	$4,500 (for next 6 years)
Long-Term Care	$3,000 (Risk Management Section)
Umbrella Policy	$300 (Risk Management Section)
Life Insurance	$500 (Risk Management Section)
Total:	$28,975.40

$28,732 (Current Brokerage Savings) - $28,975.40 (Recommended amount saved per year in order to successfully fund goals) = ($243.40) In order to properly distribute the necessary amount of funds to each account stated above, we will need to allocate extra funds. Please refer to the Education, Risk Management, Liabilities, and Cash Flow for more details on the values stated above.

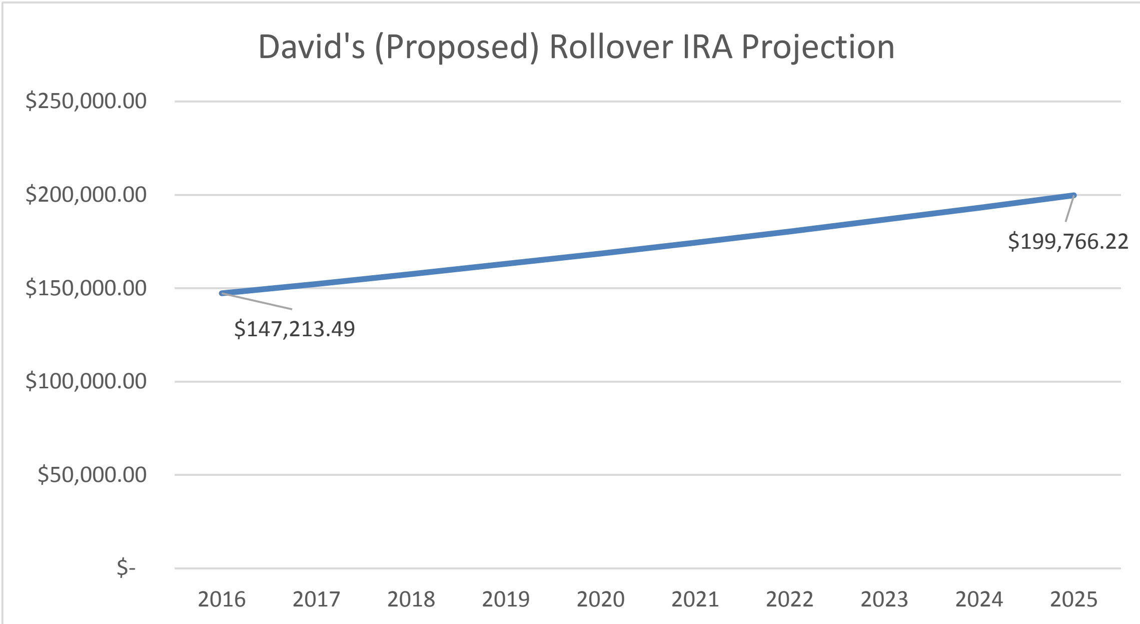
Recommended Plan for Investment Portfolio:
Our goal is to reconstruct your portfolio with minimum tax and fee funds that will help maximize you returns and meet your goals. The following suggestions are as follows:

Change Asset Allocation for Rollover IRA:
As discussed in the previous section, David's Rollover IRA portfolio consists of 100% cash. In order to match your risk tolerance of sixty percent stocks and forty percent bonds/cash, we recommend that you diversify your portfolio among the various sectors of the market in order to achieve your desired return. The following chart summarizes the prosed holdings within the IRA portfolio.



Rate of Return (After Inflation of 2.5%): 3.45%

As you can see, the proposed portfolio has spread the sixty percent equities portion among Large Cap, Mid-Cap, and Small Cap companies. It also has taken advantage of mixing Growth and Value funds to take advantage of the advantages each of them possess. Within the forty percent bond/cash portion, we have exposure between long-term, intermediate, and short-term bonds. In addition, we provide a small portion of cash to provide liquidity and allow you to purchase more funds in the future. The projected return of the portfolio after inflation is 3.45%. Our firm strongly believes in providing the return to the investor after inflation is taken into consideration. It is crucial that our clients understand that the gross return will not be the actual return (due to taxes, inflation, fees, etc.) The chart below will show the projected returns of the IRA until year 2025, when David is age 65.

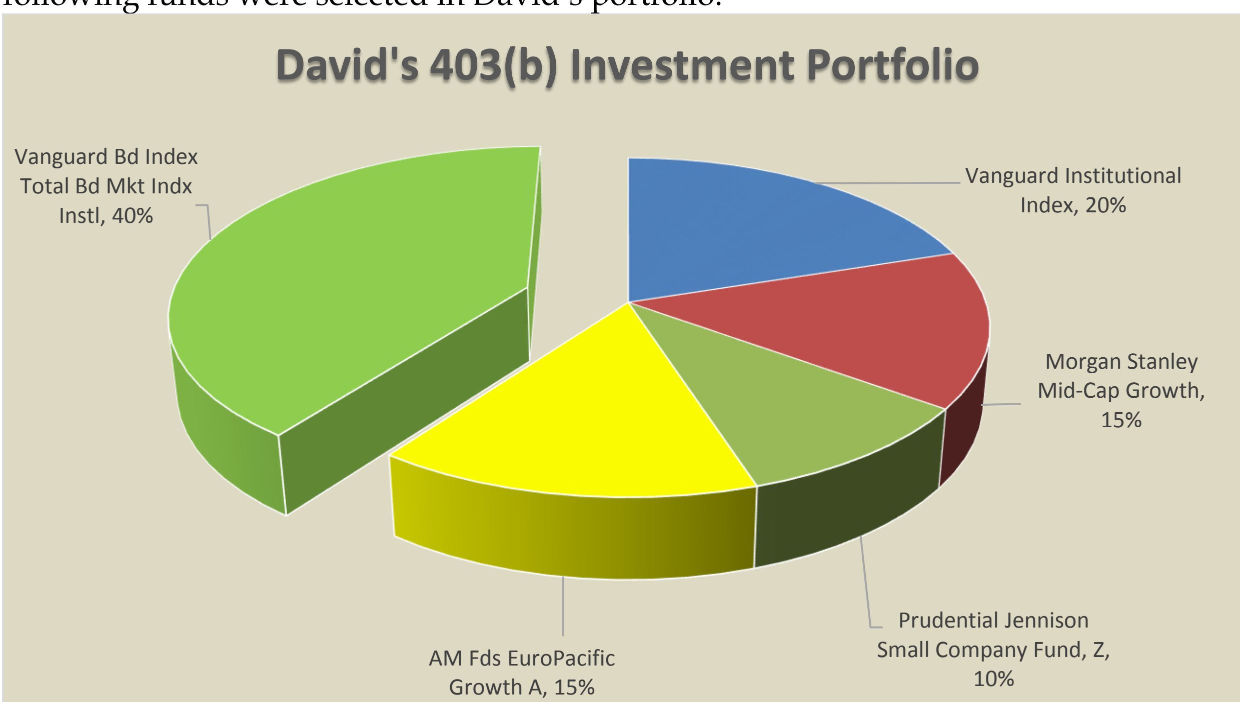


As the diagram shows, by investing in our proposed portfolio, you are able to obtain an increase of $52,552.63 over the duration of ten years. These results are calculated without any additional payments made. Compared to the current plan, you are projected to receive an additional $50,184.77 ($199,766.22 - $149,581.45 from projected current total) over the duration of the investment. This allows you to increase your portfolio's return without allocating extra money to the account.

David's 403(b) Account and Matching Program:
As stated above, given the risk tolerance and investment horizon for David, we recommend that his 403(b) invest in sixty percent stocks and forty percent bonds/cash. Since he makes too much money to open an IRA account, he is restricted to the following investment choices within the 403(b) plan:

Fund:
Allianzgi NFJ Dividend Value ADM
Allnzgi NFJ Small Cap Value ADM
AM Fds EuroPacific Growth A
AM Fds Washington Mutual A
Invsco Equity And Income
Jhn Hnk Disciplined Value Mid Cap
Lincoln Stable Value Account
Mainsty Large Cap Growth Fund Class R1
Mg Stnly Inst Mid Cap Growth I
Oppenheimer Global Y
PIMCO Total Return Inst
Prudntl Jennison Small Company Fund, Z
Vnguard Bd Index Total Bd Mkt Indx Instl
Vnguard Institutional Index (VINIX)

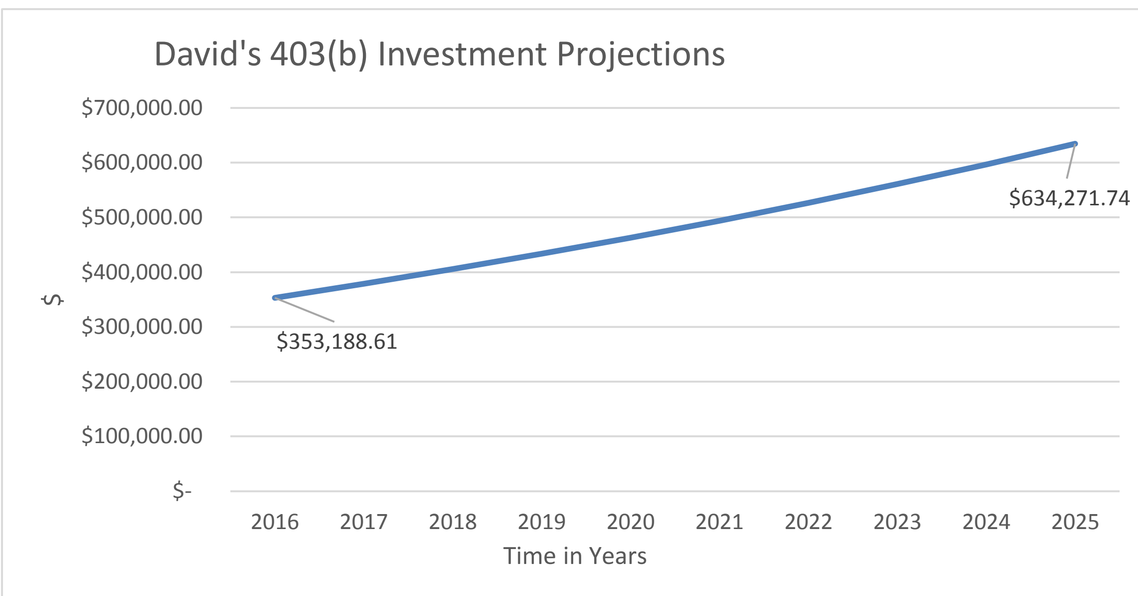
Considering the only choices for David and Ellie's 403(b) account are from the list above, we used turnover ratio and expense ratio as one of the deciding factors in our investment portfolio. Since David and Ellie are not extremely aggressive investors and are within ten years of retirement, we created a moderate portfolio centered on their risk tolerance and investment horizon. The following funds were selected in David's portfolio:



Projected Rate of Return (After Inflation of 2.5% and fees): 3.18%

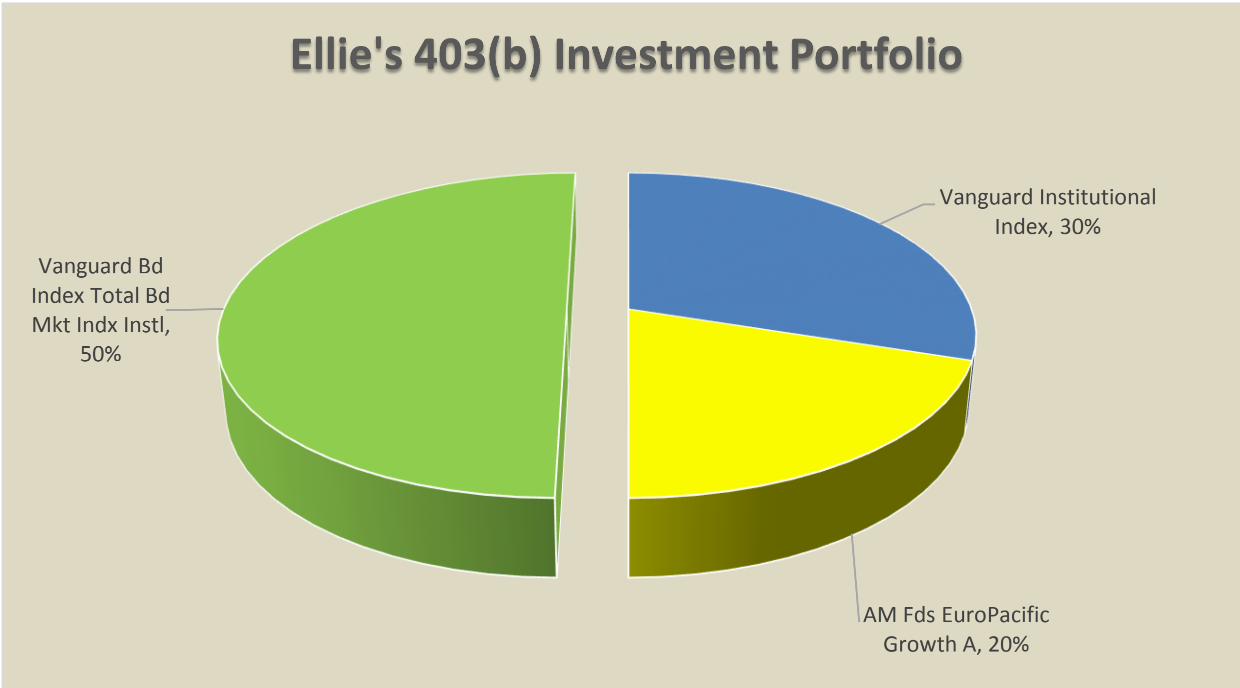
As you can see, David is investing 20% in Vanguard Institutional which focuses on Large Cap companies. He also receives exposure in Mid-Cap companies as well as Small Cap companies. In addition to U.S. companies, he also has money allocated towards International Funds. The forty percent bonds/cash which is separated from the rest of the chart represents holdings in Vanguard Bond Funds. It is important to have passive management from the Vanguard Funds as well as a portion of the funds in active management. Following Modern Portfolio Theory and Evensky's projected returns we were able to obtain a 3.18% return after inflation and expense fees. Unfortunately the expense and turnover ratios are higher with the actively managed funds (Morgan Stanley, Prudential, AM Funds) but in order to gain exposure into other sectors and effectively diversify, we had to allocate a percentage of money into these funds. Considering David and Ellie are limited as to what they can choose to invest in, we were handcuffed on what selections we were able to make.

The chart below shows the projected investment totals by investing in the proposed portfolio.



As you can see the 403(b) is projected to grow to $634,271.74 by 2025. In the ten years of investment growth, the value of the account was able to rise $281,083.13during that time span. With annual contributions in addition to the company matching program (contributions to matching account assumed to increase 3.5 percent per year), David is able to obtain a substantial amount of money in a short period of time. Further details on the specific funds can be found in the appendix.

Ellie's 403(b) Recommended Asset Allocation Change:

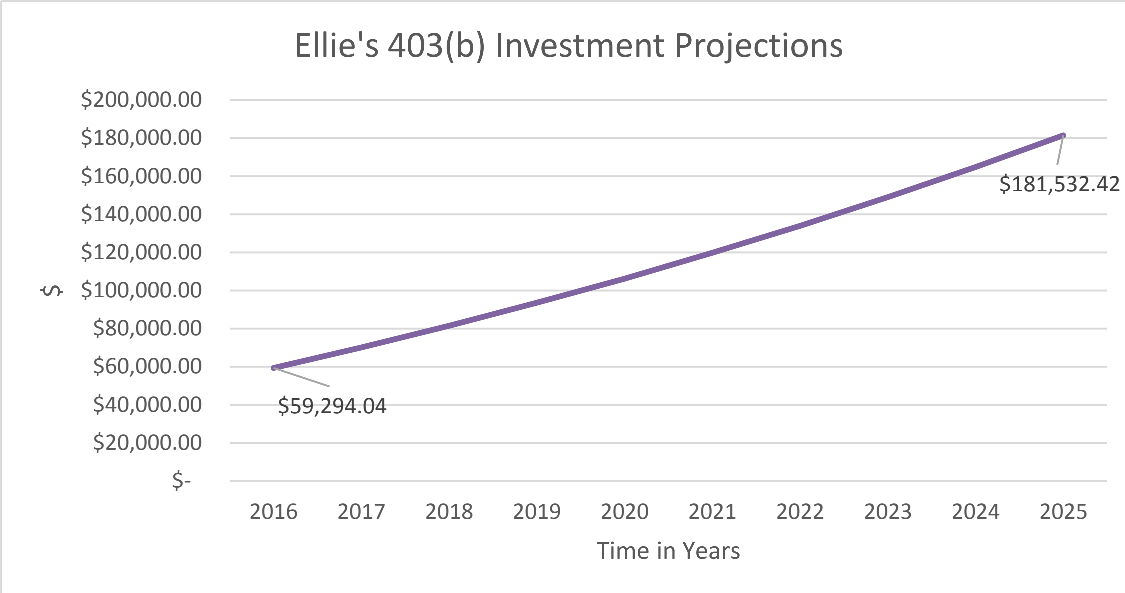


Given the risk tolerance and investment horizon for Ellie, we recommend that his 403(b) invest in fifty percent stocks and fifty percent bonds/cash. The following chart below shows the recommended asset allocation within her portfolio.

Projected Rate of Return (After Inflation of 2.5% and Fees): 2.90%

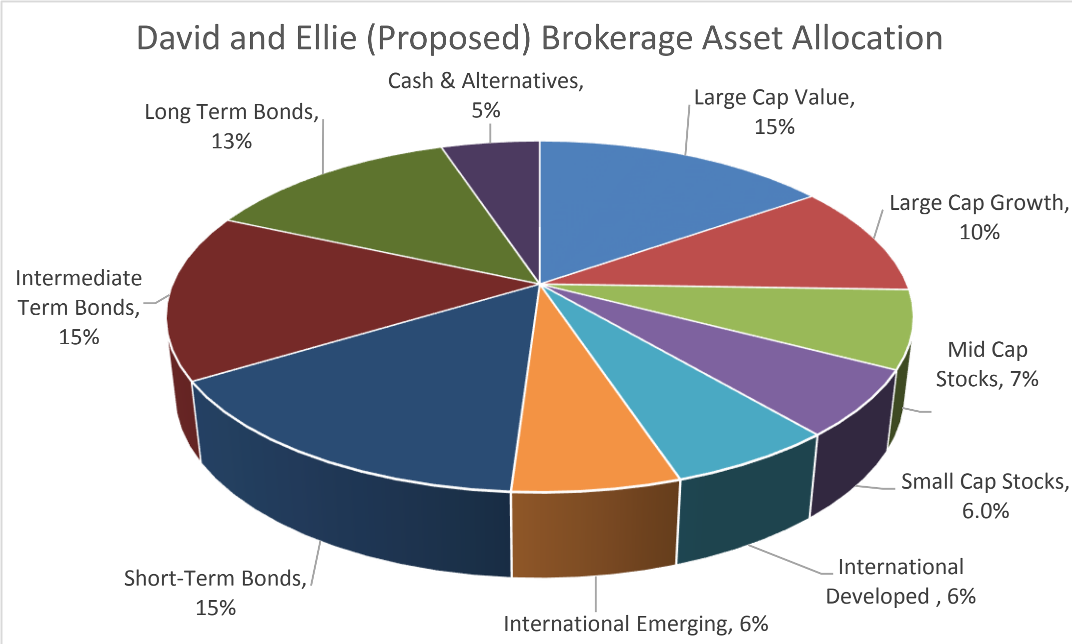
Since Ellie is moderately conservative, we had much less exposure towards risk in her portfolio. Also, since her return will automatically have a lesser return than David, we made it an emphasis to maintain passive investing philosophies to keep expenses and turnover ratio low. She has thirty percent exposure to Vanguard Institutional which tracks Large Cap companies and has twenty percent exposure to International Funds. It is important to stay diversified even when lowering risk. The remaining fifty percent will be invested in Vanguard Bond Funds.

The chart below depicts the projected returns for Ellie's 403(b) plan (assuming no matching program for her contributions).



As depicted in the graph above, Ellie's 403(b) account is projected to be worth $181,532.42 in 2025. This is assuming annual contributions each year that increase 3.5 percent per year. Her account will grow $122,238.38 ($181,532.42 - $59,294.04) over the next ten years.

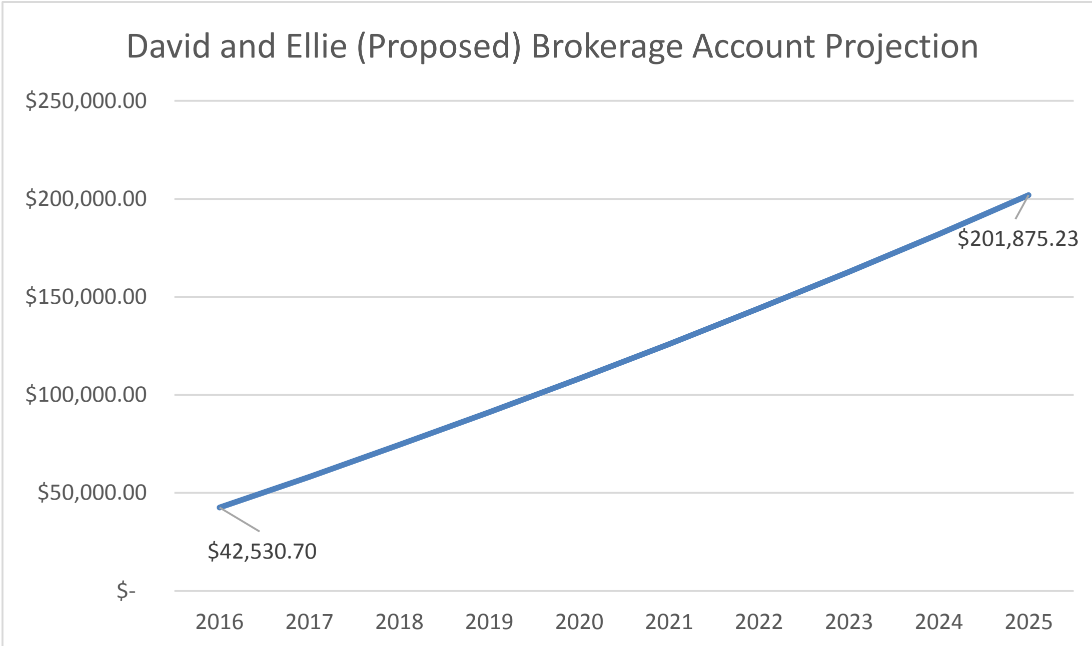
Brokerage Account Recommended Asset Allocation:
Considering David and Ellie are Joint Owners on the Brokerage Account, it is extremely important that our firm takes into consideration the conflicting risk tolerances. Since Ellie is more conservative and may be uncomfortable with a higher risk portfolio, we decided to take a more conservative stance and meet both of them in the middle. The chart below shows the projected asset allocation for their Brokerage Account.



Projected Rate of Return (After Inflation of 2.5%): 2.92%

As shown in the diagram above the projected rate of return is 2.92%. We have the asset allocation equaling fifty percent stock and fifty percent bonds/cash. Considering both husband and wife's risk tolerance, we found the appropriate figures above to be suitable for both parties.

The chart below shows the projected returns over the investment horizon.



In the year 2025, the Brokerage Account is projected to increase to $201,875.23. The gain over that period of time is $159,344.53 ($201,875.23 - $42,530.70). The assumed annual contribution will be $14,790 per year every year until 2025.

Brokerage Account Funding:
Our firm recommends that you take a portion of the $28,732 of money put into your Brokerage Account every year and use it for other needs. (All the areas shown in the chart below and discussed in a previous section). Using the $28,732 strictly for the Brokerage Account would not be the most tax and cost efficient way to allocate the funds.

Where Funds Will Go:	**Amount (Annual):**
Pay off Refinanced 10 Year Mortgage	$5,855.40 (from Liabilities section)
Brokerage Account	$14,790 (Cash Flow Section)
529 Plan	$4,500 (for next 6 years)
Long-Term Care	$3,000 (Risk Management Section)
Umbrella Policy	$300 (Risk Management Section)
Life Insurance	$500 (Risk Management Section)
Total:	$28,975.40

$28,732 (Current Brokerage Savings) - $28,975.40 (Recommended amount saved per year in order to successfully fund goals) = ($243.40)

As stated in a previous section, in order to use the Brokerage savings in the most cost and tax efficient way, we recommend you allocate extra funds in order to successfully fund all of your goals.

In The Future:
As both of you approach retirement, the risk tolerance in your portfolio will shift to more fixed income assets and reduce the amount of equity. Given your time horizon (in retirement) to recover from drops in the market, fixed income will be the suggested investment vehicle. We will monitor your portfolio and make the necessary adjustments in the future.

Client	Asset Allocation Before	Asset Allocation After Retirement
David	60% Stocks and 40% Bonds/Cash	30% Stocks and 70% Bonds/Cash
Ellie	50% Stocks and 50% Bonds/Cash	20% Stocks and 80% Bonds/Cash

Assumptions:

- The projected returns in our portfolio are based off these values from Harold Evensky.

Asset Class Description	Nominal Return
Cash & Cash Alternatives	3.00%
Short Term Bonds	3.50%
Intermediate Bonds	3.50%
Long Term Bonds	2.50%
Large Cap Value Stocks	8.00%
Large Cap Growth Stocks	7.00%
Mid Cap Stocks	7.50%
Small Cap Stocks	8.00%
International Developed Stocks	7.50%
International Emerging Stocks	9.00%
Base Inflation	2.5%

- Source for Projected Returns: The New Wealth Management: The Financial Advisor's Guide to Managing and Investing Client Assets: by Harold Evensky, Stephen M. Horan and Thomas R. Robinson
- Rebalancing occurs every year and each portfolio will be adjusted at time of retirement
- Assuming that risk tolerances are appropriate given past discussions

- Assume contributions towards retirement accounts will end when both clients retire
- Assume inflation rate stays constant over duration of investments
- Assume no changes regarding the investment vehicles within the 403(b) accounts

Estate Planning

Estate Planning is the process of accumulation, management, conservation, and transfer of wealth considering legal, tax, and personal objectives. A good estate plan allows you to fulfill client's health care wishes as well as provide liquidity at death to pay for last medical, taxes, and burial costs. This section looks at your current estate plan and identifies the issues that may arise given a series of events, while providing suggestions on how to improve your estate arrangement.

Important Figures to Know:
The American Tax Relief of 2012 made 2010 legislation permanent, establishing the Lifetime Credit for gifting at $5,000,000 indexed for inflation. In the year 2016, the Lifetime Gift Tax Exclusion equals $5,450,000/person and the annual gift tax exclusion is $14,000/person. Another feature called portability was introduced so surviving spouses could use their deceased partners remaining exclusion $5.45M – credit amount used) to reduce their overall tax. The tax rate for any amount exceeding the Lifetime Exclusion is 40%.

Question: $14,000 versus $5,450,000?
The difference between the annual exclusion and the lifetime gift exclusion is that the annual exclusion is the amount an individual is allowed to give per gift ($28,000 if husband and wife). For example, Dave and Ellie are allowed to gift $14,000 each to their son Michael per year without using any of their lifetime gift exclusion amount of $5,450,000. For example, if David and Ellie had already used their lifetime exemption amount of $10,900,000 ($5.45M * 2) and gifted $1,028,000 to their daughter Allison, $28,000 ($14,000 *2) would occupy their annual exclusion amount and $1,000,000 would be taxable at 40% since they have no more remaining credit. Any amount over the annual exclusion reduces the lifetime gift tax exclusion. When the amount gifted exceeds the annual exclusion and the exclusion amount is used up, gifts are taxed at a 40% rate.

Additional Disclaimer:
We are not licensed attorneys and are unable to draft any estate planning documents. It would be illegal and considered Unauthorized Practice of Law. Our firm is making suggestions that we feel may be necessary in your estate plan, but consult with your licensed attorney about the clauses below. Please contact your attorney to discuss which clauses and documents would be best suited given your current financial and personal family situation. We provided you with a general list of clauses and documents that are appropriate for most households.

Current Situation:

After a brief introduction to the basics of estate planning, let's take a look at your current estate planning situation and highlight some of our concerns before introducing our suggestions.

Current Estate Plan:
Based on previous discussions with each of you, it shows that you have simple wills which were completed soon after you purchased your home 7 years ago.

Here is a layout of your current assets with the list of beneficiaries:

Asset:	Owner:	Beneficiary:
Checking Account	JTWROS	Surviving Spouse
Savings Account	JTWROS	Surviving Spouse
Rollover IRA	David	Ellie
John Hopkins 403(b) Account	David	Ellie
JHH Matching Account	David	Ellie
John Hopkins 403(b) Account	Ellie	David
Brokerage Account	JTWROS	Surviving Spouse
529 Plan	David	Allison
Personal Residence	JTWROS	Ellie
Vehicle	David	N/A
Furniture and Household Items	JTWROS	Surviving Spouse

Concerns with Current Estate Plan:
Lack of Supporting Documents in Estate Plan:
Based on our previous meetings, no information was provided regarding supporting documents or clauses within the will. These documents will prevent will contests and avoid conflicts down the road.

Beneficiaries:
Since the simple wills were written 7 years ago and Brandon was not born, any assets that you desire to be transferred to him will have to be transferred through state intestacy laws. Unfortunately with state intestacy laws, your desires do not always match what is decided by the courts. In order to prevent this problem, make sure to update beneficiaries on life insurance policies, investment accounts, etc. so that the assets will be properly transferred to the desired heir.

Per Stirpes vs Per Capita
Depending on how you prefer your assets to be passed down, your children and future grandchildren could be affected depending on how your wills distribute assets. Per Stirpes and Per Capita is a topic to discuss with your lawyer to make sure that your intentions of distribution are the same in your wills.

Proposed Plan
We recommend you contact your attorney regarding the following clauses below:

- Living Will: legal document expressing an individual's last wishes regarding sustainment of his/her life under specific circumstances
- No Living Will can deplete net worth within 60-90 days after meeting lifetime benefit to pay for hospital costs which range from $5,000 - $14,000 a day.
- Side Letters of Instruction: expresses decedent's last wishes regarding the disposition of specific tangible assets as well as funeral/burial wishes of the decedent.
- Bequests Clause: directs specific property to be passed onto others
- Contingency Clause: clause in a will that names a secondary person to inherit asset if original beneficiary is dead/disclaims property.
- Appointment and Powers Clause: clause directing payments of debts and taxes in the event this incurs. (Including sources from which to pay them)
- Attestation Clause: provision at the end of the document signed by the witnesses as authentication of testator's (creator of will) will.
- Self-Proving Clause: declaration signed by the notary stating that he witnessed the testator (creator of will) and the witnesses sign the will.
- Simultaneous Death Clause: Clause in a will that establishes a presumption of which died first in simultaneous death situations.
- Codicil: separate document that modifies, explains, or amends will.
  - Much cheaper to use codicils than re-drafting the will.
- Power of Attorney: stand-alone document that allows an agent to act for the principal and has the ability. Those abilities can be general or limited. Caution that general power of appointment results in the asset being included in the beneficiary's gross estate in the event they were to die with general power.
  - No Power of Attorney means that you will need to go to court to get tasks done/sell property

- Power of Appointment: a power, usually included in a trust or power of attorney, allowing the power holder to direct assets to another. The powers include the power to transfer assets and can be general or limited. As stated above, a general power of appointment causes inclusion in the executor (designated leader) gross estate if they were to die while holding the power

Inclusion Rules for Limited vs. General Powers:

- Limited Power: not limited to Health, Education, Maintenance, and Support (no inclusion of assets).
- General Power: causes inclusion in gross estate
  - Do Not Resuscitate Order (DNR's): declares the principal (person in distress) wish to avoid having CPR performed in the event the heart stops beating
  - No Contest Clause: discourages heirs (recipients of assets) from contesting the will by substantially decreasing or eliminating bequests to them if they file a formal legal contest to the will
    - Need something to lose in order for clause to be effective

Estate/Inheritance Tax Issues:

After consideration, our firm does not believe that either of you will incur federal or state estate tax issues down the road. The federal exemption amount in 2016 is $5,450,000 (indexed for inflation) and the state estate tax limit is $2,000,000. In 2014, Maryland passed legislation increasing the exemption amount.

The following chart below shows the gradual increase of the exemption amount over the next few years:

Year:	Exemption Amount:
2016	$2,000,000
2017	$3,000,000
2018	$4,000,000
2019	Amount equal to federal estate tax exemption amount

Charitable Gifting:

In the event that you would like to donate assets to charity, keep in mind that you receive an unlimited charitable deduction for transfers to qualified charities (subject to AGI Limitations). Discuss this with each other to determine if donations to charity is something you are both interested in. If so, we can discuss options in the future and have your estate lawyer come up with an appropriate plan.

Assumptions:

- The simple wills do not include any of the clauses above
- The simple wills do not include distribution requests regarding Per Stirpes or Per Capita
- The will does not include Codicils, Letters of Instruction, etc.
- David and Ellie want to pass assets on to children and grandchildren, not just themselves
- No charitable gifting was done
- Lifetime Exemption Amount is $5,450,000 and has not been depleted

Tax Implications

We advise that you consult with your CPA on limiting the amount of income and penalty tax that you pay.

When you contribute to your grandchildren's 529 savings plan the money in the account will grow tax deferred and upon withdrawal is not taxable as long as it is used for qualified education expenses. David currently has a Traditional IRA Rollover of which the entire account will be subject to ordinary tax upon distribution. By not withdrawing money from this account before 65, a 10% penalty tax is avoided. By taking a single life annuity as the payment option on your pension, you are avoiding incurring the tax burden of taking a lump-sum payment. The tax burden is then distributed yearly rather than all in one year. A potential opportunity before retirement is that more money could be placed into your tax advantaged 403(b) plans. The contributions to these plans are not subject to income tax and grow tax deferred.

Capital Gains:
With your investment accounts, particularly your 403(b) accounts, there can be different tax implications. Securities that are held for a time period of less than 1 year are subject to short-term capital gain rates, meaning that the gain on a security is taxed as ordinary income at your rate of 28%. However, securities that are held for a time period of greater than 1 year are treated as long-term capital gains. Long-term capital gains receive favorable tax treatment where tax rates are discounted. For the 28% federal income tax bracket, long-term capital gain rates are only 15%. Therefore, it is highly recommended that you take advantage of long-term capital gain rates whenever possible, as you would be taxed at a rate of 15% rather than 28%. In addition, it is suggested that you invest in tax-advantaged bonds to help prevent a further tax burden from investing in securities.

Resources:
https://www.nolo.com/legal-encyclopedia/maryland-estate-tax.html

https://www.trustedchoice.com/umbrella-insurance/coverage-rate-cost/

http://insurance.maryland.gov/Consumer/Documents/publications/longtermcare.pdf

Appendix

Life Insurance Needs Analysis - David

David	**Ellie**				
Gross Income	Gross Income	Total Family Gross Income	Federal Taxes	State Taxes	Income after Taxes
$ 185,000	$ 70,000	$ 255,000	$ 71,400	$ 13,388	$ 170,213
Ellie's Age	**FV of Income Needed**	**Ellie's Net Income**	**FV of Replacement Income**	**PV of Income Needed**	
55	$ 170,213	$ 70,000	$ 100,213	$94,816	
56	$ 174,468	$ 72,541	$ 101,927	$89,696	
57	$ 178,830	$ 75,174	$ 103,655	$84,841	
58	$ 183,300	$ 77,903	$ 105,397	$80,235	
59	$ 187,883	$ 80,731	$ 107,152	$75,868	
60	$ 192,580	$ 83,661	$ 108,918	$71,727	
61	$ 197,394	$ 86,698	$ 110,696	$67,800	
62	$ 202,329	$ 89,846	$ 112,484	$64,077	
63	$ 207,387	$ 93,107	$ 114,280	$60,548	
64	$ 212,572	$ 96,487	$ 116,085	$57,203	
65	$ 217,886	$ 99,989	$ 117,897	$0	
		Total Amount of Life Insurance Needed:		**$ 746,811**	

David	**Ellie**				
Gross Income	Gross Income	Total Family Gross Inco	Federal Taxes	State Taxes	Total Income after Taxes
$ 185,000	$ 70,000	$ 255,000	$ 71,400	$ 13,388	$ 170,213
David's Age	**FV of Income Needed**	**David's Net Income**	**FV of Replacement Income Needed**	**PV of Income Needed**	
56	$ 170,213	$ 185,000	$ (14,788)	($15,821)	
57	$ 174,468	$ 191,475	$ (17,007)	($16,742)	
58	$ 178,830	$ 198,177	$ (19,347)	($17,558)	
59	$ 183,300	$ 205,113	$ (21,813)	($18,277)	
60	$ 187,883	$ 212,292	$ (24,409)	($18,906)	
61	$ 192,580	$ 219,722	$ (27,142)	($19,450)	
62	$ 197,394	$ 227,412	$ (30,018)	($19,917)	
63	$ 202,329	$ 235,372	$ (33,042)	($20,310)	
64	$ 207,387	$ 243,610	$ (36,222)	($20,636)	
65	$ 212,572	$ 252,136	$ (39,564)	$0	
		Total Amount of Life Insurance Needed:		$ (167,617)	

	A	B	C	D	E	F	G	H	I
1	Appendex V: Education Funding Assumption Sheet								
2	Client Name:	David and Ellie Callahan					Date of Analysis: May 2016		
3	Education Funding Assumptions								
4	Date for the Financial Plan								
5									
6	**Economic Data**								
7	Tuition Inflation Rate	6.50%							
8	Room and Board Inflation Rate	3.00%							
9	Before College Investment Rate	7.50%							
10	During College Investment Rate	3%							
11	Current Cost of College Tuition*	######							
12	Current Cost of Room and Board**	######							
13									
14	**Student Data**								
15	Name	Brandon		Name	Grandchild 2		Name	Grandchild 3	
16	Age	1		Age	0		Age	-3	
17	Age when College Begin	18		Age when College Begin	18		Age when College Begin	18	
18	No. of years until College	17		No. of years until College	18		No. of years until Colleg	21	
19	No. of years in College	4		No. of years in College	4		No. of years in College	4	
20	Cost paid by client:	25%		Cost paid by client:	25%		Cost paid by client:	25%	
21									
22	**Other Data**								
23	Plan Year	2016							
24	Amount Saved	0							
25	Annual Contribution Brandon	$ 1,500							
26	Annual Contribution Grandchild 2	$ 1,500							
27	Annual Contribution Grandchild 3	$ 1,500		Note: * We assume college ruition cost inflates at a annaul rate of 6.5%.					
28	Contribution End Year Brandon	2034		**We assume room and board cost inflates at a annual rate of 3%.					
29	Contribution End Year Grandchild 2	2037		The annual contribution is deposited at the end of each year and will end when					
30	Contribution End Year Grandchild 3	2040		the child enters college.					
31				The tuition and other expenses will be withdrawn at the beginning of each year.					
32	Annual Total Contribution Cost	$ 4,500							

K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
	Education Sinking Fund Detail														
	Education Sinking Fund Analysis														
		Date for the Financial Plan													
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
								11,425	12,023	12,655	13,324				
									12,023	12,655	13,324	14,032			
												14,032	14,782	15,575	16,415
-	-	-	-	-	-	-	-	11,425	24,045	25,310	26,649	28,065	14,782	15,575	16,415
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
13,499	14,511	15,600	16,770	18,027	19,379	20,833	22,395	24,075	18,913	13,289	7,170				
1,012	1,088	1,170	1,258	1,352	1,453	1,562	1,680	551	387	209	15				
-	-	-	-	-	-	-	-	(5,712)	(6,011)	(6,328)	(6,662)				
14,511	**15,600**	**16,770**	**18,027**	**19,379**	**20,833**	**22,395**	**24,075**	**18,913**	**13,289**	**7,170**	**523**				
13,499	14,511	15,600	16,770	18,027	19,379	20,833	22,395	24,075	24,797	19,349	13,412	6,953			
1,012	1,088	1,170	1,258	1,352	1,453	1,562	1,680	722	564	391	203	(2)			
-	-	-	-	-	-	-	-	-	(6,011)	(6,328)	(6,662)	(7,016)			
14,511	**15,600**	**16,770**	**18,027**	**19,379**	**20,833**	**22,395**	**24,075**	**24,797**	**19,349**	**13,412**	**6,953**	**(65)**			
13,499	14,511	15,600	16,770	18,027	19,379	20,833	22,395	24,075	25,880	27,822	29,908	32,151	25,889	19,053	11,604
1,012	1,088	1,170	1,258	1,352	1,453	1,562	1,680	1,806	1,941	2,087	2,243	754	555	338	102
-	-	-	-	-	-	-	-	-	-	-	-	(7,016)	(7,391)	(7,787)	(8,207)
14,511	**15,600**	**16,770**	**18,027**	**19,379**	**20,833**	**22,395**	**24,075**	**25,880**	**27,822**	**29,908**	**32,151**	**25,889**	**19,053**	**11,604**	**3,498**
43,534	**46,799**	**50,309**	**54,082**	**58,138**	**62,498**	**67,186**	**72,225**	**69,591**	**60,460**	**50,491**	**39,627**	**25,824**	**19,053**	**11,604**	**3,498**
-	-	-	-	-	-	-	-	(5,712)	(12,023)	(12,655)	(13,324)	(14,032)	(7,391)	(7,787)	(8,207)
43,534	46,799	50,309	54,082	58,138	62,498	67,186	72,225	63,879	48,437	37,836	26,303	11,791	11,662	3,816	(4,709)

	A	B	C	D	E	F	G	H	I	J
1			**Education Sinking Fund Detail**							
2	Client Name: Sam and Diane Bates									
3			**Education Sinking Fund Analysis**							
4				**Date for the Financial Plan**						
5										
6				Education Cost						
7	Calender Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
8	Year from today	0	1	2	3	4	5	6	7	8
9	College Cost Brandon									
10	College Cost Grandchild 2									
11	College Cost Grandchild 3									
12	Total Annual College Cost	-	-	-	-	-	-	-	-	-
13										
14				Education Sinking Fund						
15	Calender Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
16	Year from today	0	1	2	3	4	5	6	7	8
17	Brandon's Age	1	2	3	4	5	6	7	8	9
18	Grandchild 2 Age	0	1	2	3	4	5	6	7	8
19	Grandchild 3 Age	-3	-2	-1	0	1	2	3	4	5
20	Beginning Balance of Brandon	-	1,500	3,113	4,846	6,709	8,713	10,866	11,681	12,557
21	Annual Contribution for Branc	1,500	1,500	1,500	1,500	1,500	1,500			
22	Investment Return for Brandc	-	113	233	363	503	653.44	815	876	942
23	Annual Distribution for Brand	-	-	-	-	-	-	-	-	-
24	**Ending Balance for Brandon**	**1,500**	**3,113**	**4,846**	**6,709**	**8,713**	**10,866**	**11,681**	**12,557**	**13,499**
25	Beginning Balance Grandchild	-	1,500	3,113	4,846	6,709	8,713	10,866	11,681	12,557
26	Annual Contribution for Granc	1,500	1,500	1,500	1,500	1,500	1,500			
27	Investment Return for Granch	-	113	233	363	503	653	815	876	942
28	Annual Distribution for Grand	-	-	-	-	-	-	-	-	-
29	**Ending Balance for Grandchilc**	**1,500**	**3,113**	**4,846**	**6,709**	**8,713**	**10,866**	**11,681**	**12,557**	**13,499**
30	Beginning Balance Grandchild	-	1,500	3,113	4,846	6,709	8,713	10,866	11,681	12,557
31	Annual Contribution for Granc	1,500	1,500	1,500	1,500	1,500	1,500			
32	Investment Return for Granch	-	113	233	363	503	653	815	876	942
33	Annual Distribution for Grand	-	-	-	-	-	-	-	-	-
34	**Ending Balance for Grandchilc**	**1,500**	**3,113**	**4,846**	**6,709**	**8,713**	**10,866**	**11,681**	**12,557**	**13,499**
35	**Aggregate Balance**	**4,500**	**9,338**	**14,538**	**20,128**	**26,138**	**32,598**	**35,043**	**37,671**	**40,497**
36	Aggregate Annual Withdraw	-	-	-	-	-	-	-	-	-
37		4,500	9,338	14,538	20,128	26,138	32,598	35,043	37,671	40,497
38										
39										

Education Funding Assumptions | Education Sinking Fund | Sinking Fund Chart | Sheet2

READY

Ellie: (Mod. Conservative) 50/50				Age:	56	57	58	59	60	61	62	63	64	65
			Assumed Return (Fees + Inflation):	2.90%										
Recommended Portfolio:	Symbol	Weight	Sector	$ PV	2016 PMT	2017	2018	2019	2020	2021	2022	2023	2024	2025
				$ 49,121.00	$ 8,750.00	$ 9,065.00	$ 9,391.34	$ 9,729.43	$ 10,079.69	$ 10,442.56	$ 10,818.49	$ 11,207.95	$ 11,611.44	$ 12,029.45
Stock:														
Vanguard Institutional	VINIX	30%	Large Blend	$ 14,736.30	$ 17,788.21	$ 21,023.04	$ 24,449.47	$ 28,076.60	$ 31,913.89	$ 35,971.20	$ 40,258.83	$ 44,787.52	$ 49,568.45	$ 54,613.28
AM Fds EuroPacific Growth A	AEPGX	20%	Foreign Large Growth	$ 9,824.20	$ 11,858.81	$ 14,015.36	$ 16,299.65	$ 18,717.74	$ 21,275.93	$ 23,980.80	$ 26,839.22	$ 29,858.35	$ 33,045.63	$ 36,408.85
Total Stock:		50%		$ 24,560.50	$ 29,647.02	$ 35,038.39	$ 40,749.12	$ 46,794.34	$ 53,189.82	$ 59,952.00	$ 67,098.06	$ 74,645.86	$ 82,614.08	$ 91,022.13
Bond:														
Vanguard Bd Index Total Bd Mkt Indx Instl	VBTIX	50%	Immediate-Term Bond (High Credit Quality)	$ 24,560.50	$ 29,647.02	$ 35,038.39	$ 40,749.12	$ 46,794.34	$ 53,189.82	$ 59,952.00	$ 67,098.06	$ 74,645.86	$ 82,614.08	$ 91,022.13
Total Bond:		50%		$ 24,560.50	$ 29,647.02	$ 35,038.39	$ 40,749.12	$ 46,794.34	$ 53,189.82	$ 59,952.00	$ 67,098.06	$ 74,645.86	$ 82,614.08	$ 91,022.13
Total Portfolio:		100%		$ 49,121.00	$ 59,294.04	$ 70,076.78	$ 81,498.25	$ 93,588.68	$106,379.63	$119,904.01	$134,196.11	$149,291.73	$165,228.15	$182,044.26

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	David: (Mod. Aggressive) 60/40														
2	*Contribution + (50% of salary up to 2%)			Assume Return (Fees + Inflation):	3.18%										
3						56	57	58	59	60	61	62	63	64	65
4	Recommended Portfolio:	Symbol	Sector	Weight	$	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
5					PV	PMT									
6					$329,011.00	$ 13,720.00	$ 14,191.20	$ 14,697.21	$ 15,211.61	$ 15,744.02	$ 16,295.06	$ 16,865.38	$ 17,455.67	$ 18,066.62	$ 18,698.95
7	Stock:														
8	Vanguard Institutional Index	VINIX	Large Blend	20%	$ 65,802.20	$ 70,637.72	$ 75,721.18	$ 81,067.42	$ 86,686.47	$ 92,590.60	$ 98,792.61	$105,305.81	$112,144.09	$119,321.91	$126,854.35
9	Morgan Stanley Mid-Cap Growth	MPEGX	Mid Cap Growth	15%	$ 49,351.65	$ 52,978.29	$ 56,790.89	$ 60,800.57	$ 65,014.85	$ 69,442.95	$ 74,094.46	$ 78,979.36	$ 84,108.07	$ 89,491.43	$ 95,140.76
10	Prudential Jennison Small Company Fund, Z	PSCZX	Small Growth	10%	$ 32,901.10	$ 35,318.86	$ 37,860.59	$ 40,533.71	$ 43,343.24	$ 46,295.30	$ 49,396.30	$ 52,652.90	$ 56,072.04	$ 59,660.96	$ 63,427.17
11	AM Fds EuroPacific Growth A	AEPGX	Foreign Large Growth	15%	$ 49,351.65	$ 52,978.29	$ 56,790.89	$ 60,800.57	$ 65,014.85	$ 69,442.95	$ 74,094.46	$ 78,979.36	$ 84,108.07	$ 89,491.43	$ 95,140.76
12	Total Stock:			60%	$197,406.60	$ 211,913.17	$227,163.55	$243,202.27	$260,059.42	$277,771.81	$296,377.82	$315,917.42	$336,432.26	$357,965.73	$380,563.05
13															
14	Bond:														
15	Vanguard Bd Index Total Bd Mkt Indx Instl	VBTIX	Immediate-Term Bond (High Credit Quality)	40%	$131,604.40	$ 141,275.45	$151,442.37	$162,134.84	$173,372.94	$185,181.21	$197,585.22	$210,611.62	$224,288.17	$238,643.82	$253,708.70
16															
17	Total Bond:			40%	$131,604.40	$ 141,275.45	$151,442.37	$162,134.84	$173,372.94	$185,181.21	$197,585.22	$210,611.62	$224,288.17	$238,643.82	$253,708.70
18															
19	Total Portfolio:			100%	$329,011.00	$ 353,188.61	$378,605.91	$405,337.11	$433,432.36	$462,953.02	$493,963.04	$526,529.04	$560,720.44	$596,609.56	$634,271.74
20															
21															
22															
23															
24			***Assumed Increase in Salary: 3.5%**												

Garden State Financial Group

GARDEN STATE FINANCIAL GROUP
PRIVATE WEALTH MANAGEMENT

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1		David: (Mod. Aggressive) 60/40			Age:	56	57	58	59	60	61	62	63	64	65
2		Rollover IRA (David) 60/35/5		Assume Return (w/ Inflation):	0.50%										
3					Age:	56	57	58	59	60	61	62	63	64	65
4		Recommended Portfolio:	Ret. %	Weight	$	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
5					PV	PMT									
6					$142,304.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7															
8		Cash & Cash Alternatives	3.00%	100%	$142,304.00	$ 143,015.52	$143,730.60	$144,449.25	$145,171.50	$145,897.35	$146,626.84	$147,359.98	$148,096.78	$148,837.26	$149,581.45
9															
10		Total Portfolio:		100%	$142,304.00	$ 143,015.52	$143,730.60	$144,449.25	$145,171.50	$145,897.35	$146,626.84	$147,359.98	$148,096.78	$148,837.26	$149,581.45
11															
12															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
2		Rollover IRA (David) 60/35/5		Assume Return (w/ Inflation):	3.45%										
3					Age:	56	57	58	59	60	61	62	63	64	65
4		Recommended Portfolio:	Ret. %	Weight	$	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
5					PV	PMT									
6					$142,304.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7		Stock:													
8		Large Cap Value	8.00%	15%	$ 21,345.60	$ 22,082.02	$ 22,843.85	$ 23,631.97	$ 24,447.27	$ 25,290.70	$ 26,163.23	$ 27,065.86	$ 27,999.63	$ 28,965.62	$ 29,964.93
9		Large Cap Growth	7.00%	10%	$ 14,230.40	$ 14,721.35	$ 15,229.24	$ 15,754.64	$ 16,298.18	$ 16,860.47	$ 17,442.15	$ 18,043.91	$ 18,666.42	$ 19,310.41	$ 19,976.62
10		Mid Cap Stocks	7.50%	10%	$ 14,230.40	$ 14,721.35	$ 15,229.24	$ 15,754.64	$ 16,298.18	$ 16,860.47	$ 17,442.15	$ 18,043.91	$ 18,666.42	$ 19,310.41	$ 19,976.62
11		Small Cap Stocks	8.00%	15%	$ 21,345.60	$ 22,082.02	$ 22,843.85	$ 23,631.97	$ 24,447.27	$ 25,290.70	$ 26,163.23	$ 27,065.86	$ 27,999.63	$ 28,965.62	$ 29,964.93
12		International Developed	7.50%	5%	$ 7,115.20	$ 7,360.67	$ 7,614.62	$ 7,877.32	$ 8,149.09	$ 8,430.23	$ 8,721.08	$ 9,021.95	$ 9,333.21	$ 9,655.21	$ 9,988.31
13		International Emerging	9.00%	5%	$ 7,115.20	$ 7,360.67	$ 7,614.62	$ 7,877.32	$ 8,149.09	$ 8,430.23	$ 8,721.08	$ 9,021.95	$ 9,333.21	$ 9,655.21	$ 9,988.31
14															
15		Total Stock:		60%	$ 85,382.40	$ 88,328.09	$ 91,375.41	$ 94,527.86	$ 97,789.08	$101,162.80	$104,652.91	$108,263.44	$111,998.53	$115,862.48	$119,859.73
16															
17		Bond:													
18		Short-Term Bonds	3.50%	15%	$ 21,345.60	$ 22,082.02	$ 22,843.85	$ 23,631.97	$ 24,447.27	$ 25,290.70	$ 26,163.23	$ 27,065.86	$ 27,999.63	$ 28,965.62	$ 29,964.93
19		Intermediate Term Bonds	3.50%	10%	$ 14,230.40	$ 14,721.35	$ 15,229.24	$ 15,754.64	$ 16,298.18	$ 16,860.47	$ 17,442.15	$ 18,043.91	$ 18,666.42	$ 19,310.41	$ 19,976.62
20		Long Term Bonds	2.50%	10%	$ 14,230.40	$ 14,721.35	$ 15,229.24	$ 15,754.64	$ 16,298.18	$ 16,860.47	$ 17,442.15	$ 18,043.91	$ 18,666.42	$ 19,310.41	$ 19,976.62
21															
22		Total Bond:		35%	$ 49,806.40	$ 51,524.72	$ 53,302.32	$ 55,141.25	$ 57,043.63	$ 59,011.63	$ 61,047.53	$ 63,153.67	$ 65,332.48	$ 67,586.45	$ 69,918.18
23															
24		Cash & Alternatives	3.00%	5%	$ 7,115.20	$ 7,360.67	$ 7,614.62	$ 7,877.32	$ 8,149.09	$ 8,430.23	$ 8,721.08	$ 9,021.95	$ 9,333.21	$ 9,655.21	$ 9,988.31
25															
26		Total Portfolio:		100%	$142,304.00	$ 147,213.49	$152,292.35	$157,546.44	$162,981.79	$168,604.66	$174,421.52	$180,439.07	$186,664.21	$193,104.13	$199,766.22
27															
28															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1		David & Ellie (50/45/5)			Age:	56	57	58	59	60	61	62	63	64	65
2		Brokerage Account (50/45/5)		Assume Return (+ Inflation):	2.92%										
3															
4		Recommended Portfolio:	Return %	Weight	$	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
5					PV	PMT									
6					$ 27,797.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00	$ 14,790.00
7		Stock:													
8		Large Cap Value	8.00%	15.0%	$ 4,169.55	$ 6,509.80	$ 8,918.39	$ 11,397.30	$ 13,948.61	$ 16,574.40	$ 19,276.88	$ 22,058.26	$ 24,920.86	$ 27,867.05	$ 30,899.27
9		Large Cap Growth	7.00%	10.0%	$ 2,779.70	$ 4,339.87	$ 5,945.59	$ 7,598.20	$ 9,299.07	$ 11,049.60	$ 12,851.25	$ 14,705.51	$ 16,613.91	$ 18,578.03	$ 20,599.51
10		Mid Cap Stocks	7.50%	7.0%	$ 1,945.79	$ 3,037.91	$ 4,161.91	$ 5,318.74	$ 6,509.35	$ 7,734.72	$ 8,995.88	$ 10,293.86	$ 11,629.74	$ 13,004.62	$ 14,419.66
11		Small Cap Stocks	8.00%	6.0%	$ 1,667.82	$ 2,603.92	$ 3,567.35	$ 4,558.92	$ 5,579.44	$ 6,629.76	$ 7,710.75	$ 8,823.30	$ 9,968.35	$ 11,146.82	$ 12,359.71
12		International Developed	7.50%	6.0%	$ 1,667.82	$ 2,603.92	$ 3,567.35	$ 4,558.92	$ 5,579.44	$ 6,629.76	$ 7,710.75	$ 8,823.30	$ 9,968.35	$ 11,146.82	$ 12,359.71
13		International Emerging	9.00%	6.0%	$ 1,667.82	$ 2,603.92	$ 3,567.35	$ 4,558.92	$ 5,579.44	$ 6,629.76	$ 7,710.75	$ 8,823.30	$ 9,968.35	$ 11,146.82	$ 12,359.71
14															
15		Total Stock:		50.0%	$ 13,898.50	$ 21,699.34	$ 29,727.96	$ 37,991.01	$ 46,495.35	$ 55,248.01	$ 64,256.26	$ 73,527.54	$ 83,069.54	$ 92,890.17	$102,997.57
16															
17		Bond:													
18		Short-Term Bonds	3.50%	15.0%	$ 4,169.55	$ 6,509.80	$ 8,918.39	$ 11,397.30	$ 13,948.61	$ 16,574.40	$ 19,276.88	$ 22,058.26	$ 24,920.86	$ 27,867.05	$ 30,899.27
19		Intermediate Term Bonds	3.50%	15.0%	$ 4,169.55	$ 6,509.80	$ 8,918.39	$ 11,397.30	$ 13,948.61	$ 16,574.40	$ 19,276.88	$ 22,058.26	$ 24,920.86	$ 27,867.05	$ 30,899.27
20		Long Term Bonds	2.50%	13.0%	$ 3,613.61	$ 5,641.83	$ 7,729.27	$ 9,877.66	$ 12,088.79	$ 14,364.48	$ 16,706.63	$ 19,117.16	$ 21,598.08	$ 24,151.45	$ 26,779.37
21															
22		Total Bond:		45.0%	$ 11,952.71	$ 18,661.43	$ 25,566.04	$ 32,672.27	$ 39,986.00	$ 47,513.29	$ 55,260.38	$ 63,233.68	$ 71,439.81	$ 79,885.55	$ 88,577.91
23															
24		Cash & Alternatives	3.00%	5.0%	$ 1,389.85	$ 2,169.93	$ 2,972.80	$ 3,799.10	$ 4,649.54	$ 5,524.80	$ 6,425.63	$ 7,352.75	$ 8,306.95	$ 9,289.02	$ 10,299.76
25															
26		Total Portfolio:		100.0%	$ 27,241.06	$ 42,530.70	$ 58,266.80	$ 74,462.39	$ 91,130.89	$108,286.11	$125,942.26	$144,113.98	$162,816.31	$182,064.74	$201,875.23
27															

	A	B	D	G	H	I	L
1	403(b) Plan Investment Options	Ticker Symbol	Beta (10yr against Standard Index):	Category	Turnover Ratio: (2015)	Assumed Return: (Evens	Annual Report Expense Ratio
2							
3	Allianzgi NFJ Dividend Value ADM	ANDAX	1.01	Large Value	44.00%	5.50%	0.95%
4	Allianzgi NFJ Small Cap Value ADM	PVADX	0.98	Small Value	42.00%	6.00%	1.03%
5	AM Fds EuroPacific Growth A	AEPGX	0.90	Foreign Large Growth	28.00%	5.50%	0.83%
6	Invsco Equity and Income	AWSHX	0.90	Large Value	24.00%	5.50%	0.58%
7	John Hancock Disciplined Value Mid Cap	ACETX	1.09	Large Value	69.00%	5.50%	0.54%
8		JVMTX	1.04	Mid-Cap Value	N/A	5.75%	1.04%
9	Lincoln Stable Value Account	F08		Fixed Income			-
10	Mainsty Large Cap Growth Fund Class R1	MLRRX	1.03	Large Growth	66.00%	5.50%	0.84%
11	Morgan Stanley Mid Cap Growth	MPEGX	1.11	Mid Cap Growth	27.00%	5.75%	0.74%
12	Oppenheimer Global Y	OGLYX	0.91	World Stock (Large Growth)	11.00%	5.50%	0.90%
13	PIMCO Total Return Inst	PTTRX	1.01	Immediate-Term Bond	265.00%	1.75%	0.46%
14	Prudential Jennison Small Company Fund, Z	PSCZX	1.12	Small Growth	52.00%	6.00%	0.83%
15	Vanguard Bd Index Total Bd Mkt Indx Instl	VBTIX	1.02	Immediate-Term Bond (High Credit Quality)	84.00%	1.75%	0.05%
16	Vanguard Institutional Index	VINIX	1.00	Large Blend	5.00%	5.50%	0.04%

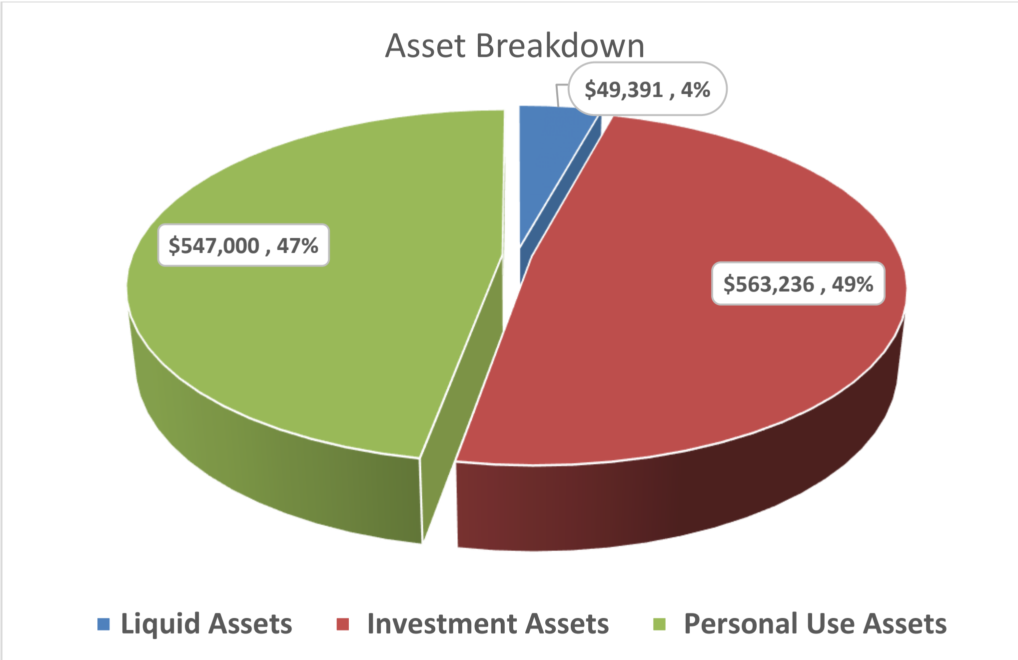
Projected Cash Flow				
Cash Inflow				
David Salary	$	147,000.00		
David Bonus	$	38,000.00		
Ellie Salary	$	60,000.00		
Ellie Bonus	$	10,000.00		
Total				**$255,000.00**
Cash Outflow				
Taxes- Federal	$	39,528.00		
Taxes- FICA	$	11,687.00		
Taxes- Medicaire	$	3,698.00		
Taxes- State	$	9,531.00		
Total				**$ 64,444.00**
Mortgage (PI)	$	25,980.00		
Property Taxes	$	6,750.00		
Homeowners	$	2,154.00		
Auto Payments	$	8,928.00		
Auto- Insurance	$	1,800.00		
Umbrella Policy	$	300.00		
Long Term Care	$	3,500.00		
Insurance Life Term	$	1,128.00		
Insurance LTD	$	1,076.00		
529 Plan Contributions	$	4,500.00		
Benefits	$	6,600.00		
Utilities	$	17,250.00		
Medical	$	2,750.00		
Food- Groceries	$	11,394.00		
Food- Restaurants	$	11,928.00		
Auto- Fuel/ Repairs	$	2,964.00		
Clothing	$	6,200.00		
Entertainment	$	5,500.00		
Hobbies	$	5,100.00		
Travel	$	14,164.00		
Gifts	$	8,350.00		
Misc- Lifestyle	$	6,700.00		
Total				$155,016.00
Savings				
David- 403(b)			$12,250	
Ellie- 403(b)			$8,750	
Brokerage- JTWROS			$14,790	

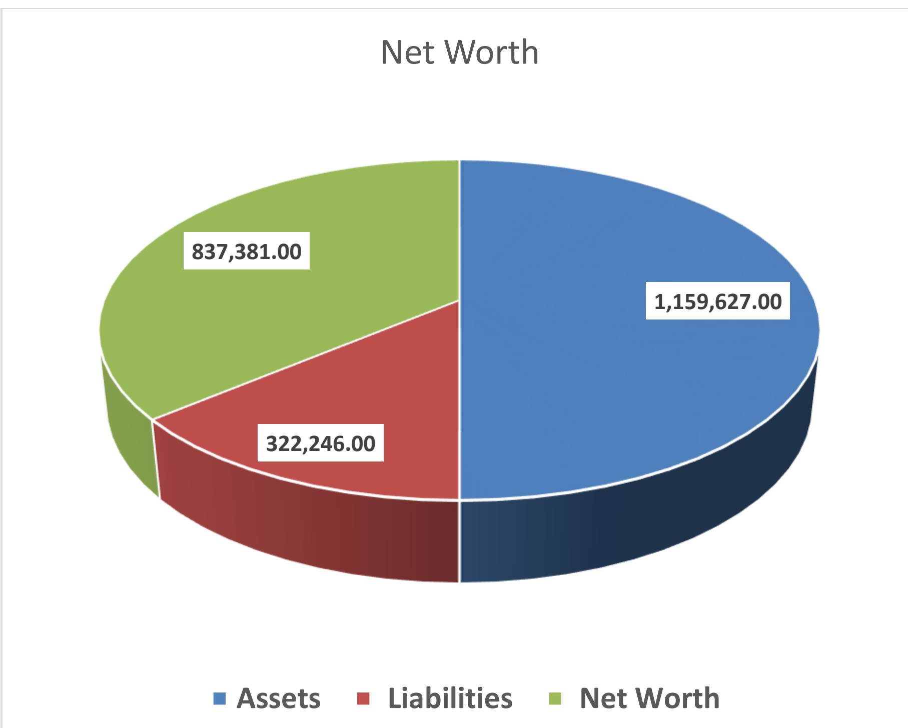
Statement of Cash Flows

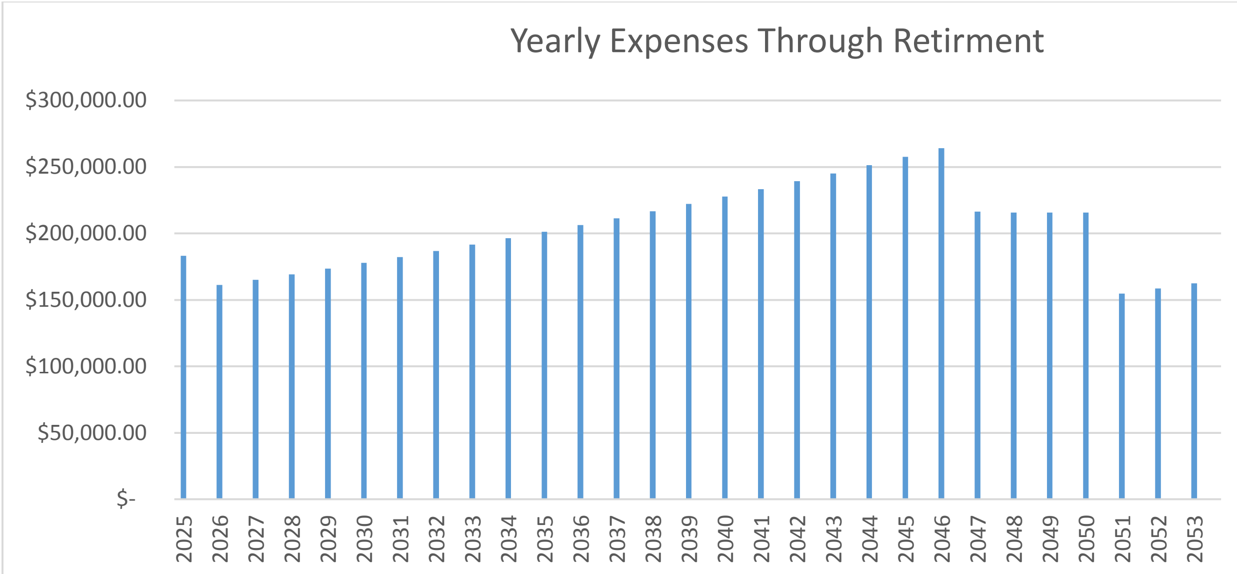
Cash Inflows			
	David Salary	$ 147,000	
	David Bonus	$ 38,000	
	Ellie Salary	$ 60,000	
	Ellie Bonus	$ 10,000	
Total Cash Inflows			**255,000**
Cash Outflows & Savings			
	Taxes- Federal	$39,528	
	Taxes- Fica	$11,687	
	Taxes- Medicare	$3,698	
	Taxes- State	$9,531	
	Total Taxes		**$64,444**
	Mortgage (PITI)	$28,992	
	Auto Payments	$8,928	
	Insurance- Auto	$1,800	
	Insurance- Term Life	$1,128	
	Insurance- LTD	$1,076	
	Benefits	$6,600	
	Utilities	$17,250	
	Medical	$2,750	
	Food- Groceries	$11,394	
	Food- Restaurants	$11,928	
	Auto- Fuel/ Repairs	$2,964	
	Clothing	$6,200	
	Entertainment	$5,500	
	Hobbies	$5,100	
	Travel	$14,164	
	Gifts	$8,350	
	Misc- Lifestyle	$6,700	
	Total Expenses		**$140,824**
	Savings		
	David- 403(b)	$12,250	
	Ellie-403(b)	$8,750	
	JT- Brokerage	$28,732	
	Total Savings		**$49,732**
	Total- Taxes,Expenses,Savings		**$255,000**

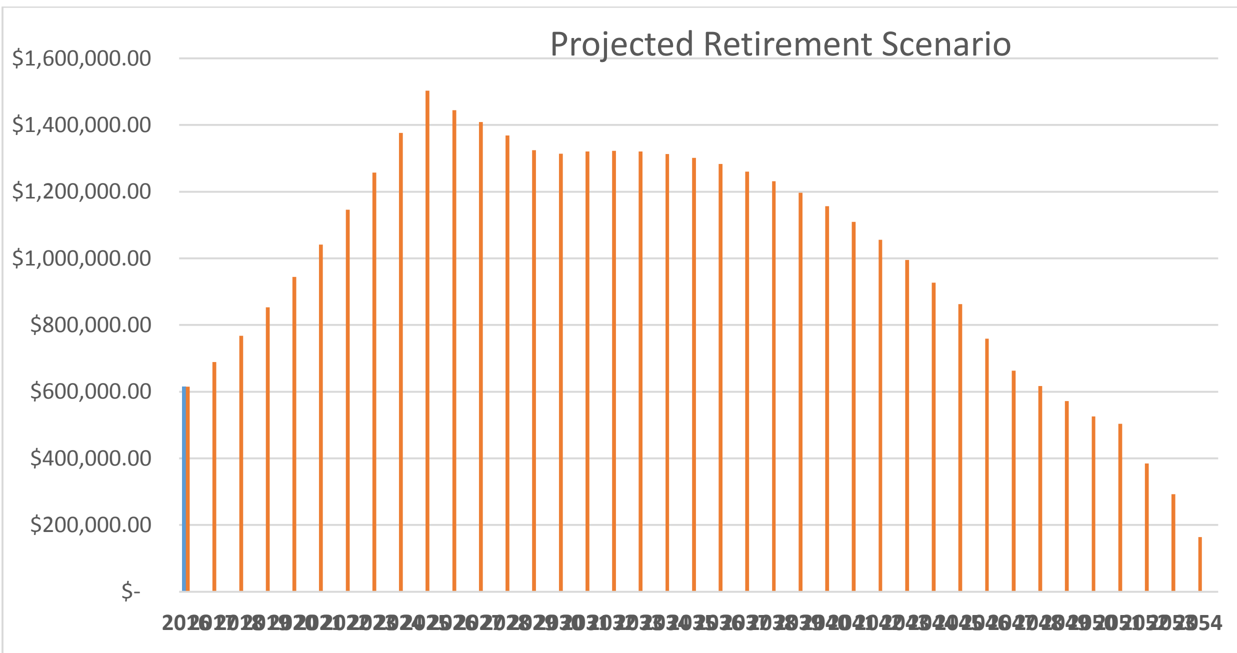
2016			
Personal			
Client		Co-Client	
Name:	David Callahan	Name:	Ellie Callahan
DOB:	1960	**DOB:**	1961
Age:	56	**Age:**	55
SS Full Retirement Age:	67	**SS Full Retirement Age:**	67
Life Expectancy:	92	**Life Expectancy :**	95
Children			
Name:	Michael	**Name:**	Alison
Age:	27	**Age:**	24
Spouse:	Kelly		
Age:	27		
Grandson:	Brandon		
Age:	1		
Occupation			
Client		**Co-Client**	
Employer	John Hopkins Hospital	**Employer**	John Hopkins Hospital
Job Title:	Administrator	**Job Title:**	Office Assistant
Years of Service:	25	**Years of service:**	6
Salary:	$147,000	**Salary:**	60,000
Bonus:	$38,000	**Bonus:**	$10,000

Appendix I: Statement of Net Worth					
Assets				% of total assets	
Liquid Assets					
Checking Account	JTWROS	$31,526		2.72%	
Saving Account	JTWROS	$17,865		1.54%	
	Liquid Asset Total		$49,391		4.26%
Investment Asset					
Rollover IRA: David1		$142,304		12.27%	
JHH 403(b): David2		$305,764		26.37%	
JHH Matching Account		$23,247		2.00%	
JHH 403(b): Ellie3		$49,121		4.24%	
Brokerage Account	JTWROS4	$27,797		2.40%	
529: David5		$15,003		1.29%	
	Total Invested Assets		$563,236		48.57%
Personal Use Assets					
Personal Residence	JTWROS	$475,000		40.96%	
Vehicle: David		$22,000		1.90%	
Furniture & Household Items	JTWROS	$50,000		4.31%	
	Total Personal Use Assets		$547,000		47.17%
	Total Assets		**$1,159,627**	100.00%	100.00%
Liabilities					
Mortgage: Joint					
Original Loan	$305,000 @ 5.2%				
Monthly PI	$ 1,674				
Monthly PITI	$ 2,416				
Remaining Balance		$ 226,964		70.4%	
Auto Loan	$17,282 @ 4.2%	$17,282		5.4%	
Student Loan Co-sign	$78,000 @ 4.8%	$78,000		24.2%	
Total Liabilities			**$ 322,246**	100.0%	
Net Worth			**$837,381**		


Asset Breakdown
$49,391 , 4%
$547,000 , 47%
$563,236 , 49%
Liquid Assets
Investment Assets
Personal Use Assets


Net Worth
837,381.00
1,159,627.00
322,246.00
Assets
Liabilities
Net Worth


Yearly Expenses Through Retirment
$300,000.00
$250,000.00
$200,000.00
$150,000.00
$100,000.00
$50,000.00
$-
2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053


Projected Retirement Scenario
$1,600,000.00
$1,400,000.00
$1,200,000.00
$1,000,000.00
$800,000.00
$600,000.00
$400,000.00
$200,000.00
$-

Economic	
Inflation	3.22%
Pre Tax Retirment Returns	4%
Marginal Tax Rate	28%
Effective Tax Rate	15.50%
After Tax Retirment Returns	3.38%
Income Needs Pre Retirement	
Income Needs Post Retirment	
Husband	
Age	56
Retirement Age	65
Years to retirment	9
Life Expectancy	91
Years in Retirement	26
Income	$ 185,000
Fed Income Tax	$ 28,675
After Fed Income	$ 156,325
State Income Tax	$ 6,915
After State Tax Income	$ 149,409.70
FICA Taxes	$ 7,347
Medicaire Taxes	$ 2,683
After Tax Income	$ 139,380
Social Security At FRA	$ 33,864
Social Security Adjustment	100%
Social Secuirty Income	$ 33,864.00
Social Secuity Age 70	$ 42,576.00
Social Secuirty Wage Index	
Wife	
Age	55
Retirement Age	64
Years to retirment	9
Life Expectancy	93
Years in Retirement	29
Income	70,000
Fed Income Tax	10850
After Fed Income	59,150
State Income Tax	2616.6
After StateTax Income	56,533
FICA Taxes	4,340
Medicaire Taxes	1,015
After Tax Income	51,178
Social Security At FRA	$ 16,656.00
Social Security Adjustment	100%
Social Secuirty Income	$ 16,656.00
Social Secuity Age 70	$ 23,028.00
Social Secuirty Wage Index	

Year	1	2	3	4	5	6	7	8	9
Date	2016	2017	2018	2019	2020	2021	2022	2023	2024
David Age	56	57	58	59	60	61	62	63	64
Ellie Age	55	56	57	58	59	60	61	62	63
Income Need	$ 155,016.00	$ 158,891.40	$ 162,863.69	$ 156,861.21	$ 162,351.00	$ 166,409.78	$ 165,957.52	$ 170,106.46	$ 174,359.12
Retirement Income									
Contribution From Investments									
Income	$ 190,558.600	$ 197,294.68	$ 204,200.00	$ 211,347.00	$ 218,744.14	$ 226,400.19	$ 234,324.19	$ 242,525.54	$ 251,013.93
Net Income Year	$ 35,542.600	$ 38,403.28	$ 41,336.31	$ 54,485.79	$ 56,393.14	$ 59,990.41	$ 68,366.67	$ 72,419.08	$ 76,654.81
Less Contribution 403(b) David	$ 13,720.00	$ 14,200.20	$ 14,697.21	$ 15,211.61	$ 15,744.02	$ 16,295.06	$ 16,865.38	$ 17,455.67	$ 18,066.62
Balance 403(b) David	$ 362,198.12	$ 397,777.75	$ 435,903.53	$ 476,738.48	$ 520,455.50	$ 567,237.99	$ 617,280.44	$ 670,789.13	$ 727,982.75
Less Contribution 403(b) Ellie	$ 8,750.00	$ 9,056.25	$ 9,373.22	$ 9,701.28	$ 10,040.83	$ 10,392.26	$ 10,755.98	$ 11,132.44	$ 11,522.08
Balance 403(b) Ellie	$ 66,234.41	$ 77,925.84	$ 90,354.52	$ 103,557.76	$ 117,574.53	$ 132,445.63	$ 148,213.67	$ 164,923.22	$ 182,620.89
Rollover IRA Distribution									
Rollover IRA Balance	$ 142,304.00	$ 150,771.09	$ 159,741.97	$ 169,246.61	$ 179,316.79	$ 189,986.14	$ 201,290.31	$ 213,267.09	$ 225,956.48
Brokerage Account Contribution	$ 14,542.60	$ 15,051.59	$ 15,578.40	$ 16,123.64	$ 16,687.97	$ 17,272.05	$ 17,876.57	$ 18,502.25	$ 19,149.83
Brokerage Account Balance	$ 44,077.55	$ 62,333.94	$ 82,135.19	$ 103,584.45	$ 126,791.19	$ 151,871.46	$ 178,948.37	$ 208,152.45	$ 239,622.06
total assets	$ 614,814.08	$ 688,808.61	$ 768,135.21	$ 853,127.31	$ 944,138.01	$ 1,041,541.21	$ 1,145,732.80	$ 1,257,131.88	$ 1,376,182.18
				No more auto payment			No more 529 Plan contribution		

10	11	12	13	14	15	16	17
2025	2026	2027	2028	2029	2030	2031	2032
65	66	67	68	69	70	71	72
64	65	66	67	68	69	70	71
$ 178,718.10	$ 183,186.05	$ 161,136.20	$ 165,164.61	$ 169,293.72	$ 173,526.06	$ 177,864.22	$ 182,310.82
	115,859	115,859	115,859	115,859	152825.61	172819.673	172,819.67
	$ 67,327.30	$ 45,277.20	$ 49,305.61	$ 53,434.72	$ 20,700.45	$ 5,044.54	$ 9,491.15
$ 259,799.42							
$ 81,081.32							
$ 18,698.95	(12,040.77)	(13,395.62)	(14,587.46)	(15,809.09)	(6,124.39)	(1,492.47)	(2,808.03)
$ 789,093.22	$ 771,756.44	$ 760,097.57	$ 747,401.37	$ 733,641.93	$ 728,311.56	$ 727,012.60	$ 724,568.62
$ 11,925.35	$ (19,919.32)	$ (13,395.62)	$ (14,587.46)	$ (15,809.09)	$ (6,124.39)	$ (1,492.47)	$ (2,808.03)
$ 201,355.36	$ 189,690.19	$ 183,365.28	$ 175,827.97	$ 167,018.43	$ 166,374.93	$ 169,736.98	$ 172,050.39
	($19,919.32)	($13,395.62)	($14,587.46)	($15,809.09)	($6,124.39)	($1,492.47)	($2,808.03)
$ 239,400.89	$ 218,883.99	$ 205,086.50	$ 190,061.42	$ 173,778.06	$ 167,469.93	$ 165,932.69	$ 163,040.42
$ 19,820.07	$ (19,919.32)	$ (13,395.62)	$ (14,587.46)	$ (15,809.09)	$ (6,124.39)	$ (1,492.47)	$ (2,808.03)
$ 273,503.89	$ 264,372.23	$ 260,644.52	$ 255,767.66	$ 249,681.25	$ 251,841.32	$ 258,097.59	$ 263,396.55
$ 1,503,353.36	$ 1,444,702.86	$ 1,409,193.86	$ 1,369,058.41	$ 1,324,119.66	$ 1,313,997.74	$ 1,320,779.85	$ 1,323,055.97
		no more mortgage					

18	19	20	21	22	23	24	25	26
2033	2034	2035	2036	2037	2038	2039	2040	2041
73	74	75	76	77	78	79	80	81
72	73	74	75	76	77	78	79	80
$ 186,868.59	$ 191,540.31	$ 196,328.81	$ 201,237.03	$ 206,267.96	$ 211,424.66	$ 216,710.28	$ 222,128.03	$ 227,681.23
172,820.67	172,821.67	172,822.67	172,823.67	172,824.67	172,825.67	172,826.67	172,827.67	172,828.67
$ 14,047.92	$ 18,718.63	$ 23,506.14	$ 28,413.36	$ 33,443.29	$ 38,598.99	$ 43,883.60	$ 49,300.36	$ 54,852.56
(4,156.19)	(5,538.06)	(6,954.48)	(8,406.32)	(9,894.46)	(11,419.82)	(12,983.31)	(14,585.91)	(16,228.57)
$ 720,951.29	$ 716,131.24	$ 710,078.41	$ 702,761.97	$ 694,150.32	$ 684,211.08	$ 672,911.05	$ 660,216.21	$ 646,091.68
$ (4,156.19)	$ (5,538.06)	$ (6,954.48)	$ (8,406.32)	$ (9,894.46)	$ (11,419.82)	$ (12,983.31)	$ (14,585.91)	$ (16,228.57)
$ 173,257.48	$ 173,298.00	$ 172,109.27	$ 169,626.10	$ 165,780.70	$ 160,502.62	$ 153,718.61	$ 145,352.54	$ 135,325.30
($4,156.19)	($5,538.06)	($6,954.48)	($8,406.32)	($9,894.46)	($11,419.82)	($12,983.31)	($14,585.91)	($16,228.57)
$ 158,759.54	$ 153,055.34	$ 145,892.23	$ 137,233.72	$ 127,042.42	$ 115,280.01	$ 101,907.20	$ 86,883.71	$ 70,168.29
$ (4,156.19)	$ (5,538.06)	$ (6,954.48)	$ (8,406.32)	$ (9,894.46)	$ (11,419.82)	$ (12,983.31)	$ (14,585.91)	$ (16,228.57)
$ 267,681.10	$ 270,891.49	$ 272,965.40	$ 273,837.92	$ 273,441.41	$ 271,705.42	$ 268,556.55	$ 263,918.41	$ 257,711.43
$ 1,320,649.41	$ 1,313,376.07	$ 1,301,045.31	$ 1,283,459.70	$ 1,260,414.86	$ 1,231,699.13	$ 1,197,093.41	$ 1,156,370.87	$ 1,109,296.69

27	28	29	30	31	32	33	34	35
2042	2043	2044	2045	2046	2047	2048	2049	2050
82	83	84	85	86	87	88	89	90
81	82	83	84	85	86	87	88	89
$ 233,373.26	$ 239,207.60	$ 245,187.79	$ 251,317.48	$ 257,600.42	$ 264,040.43	$ 216,513.15	$ 215,618.62	$ 215,618.62
172,829.67	172,830.67	172,831.67	172,832.67	172,833.67	172,834.67	172,835.67	172,836.67	172,837.67
$ 60,543.59	$ 66,376.92	$ 72,356.11	$ 78,484.81	$ 84,766.74	$ 91,205.75	$ 43,677.48	$ 42,781.95	$ 42,780.95
(17,912.30)	(19,638.14)	(21,407.13)	(23,712.63)	(33,405.12)	(35,942.62)	(17,212.54)	(16,859.63)	(16,859.24)
$ 630,501.70	$ 613,409.65	$ 594,777.95	$ 570,353.94	$ 535,946.67	$ 498,925.76	$ 481,196.84	$ 463,831.42	$ 446,466.41
$ (17,912.30)	$ (19,638.14)	$ (21,407.13)	$ (23,684.76)	$ (33,405.12)	$ (35,942.62)	$ (17,212.54)	$ (16,859.63)	$ (16,859.24)
$ 123,554.71	$ 109,955.37	$ 94,438.60	$ 76,912.29	$ 42,505.01	$ 20,255.27	$ 9,597.31	$ (1,128.93)	$ (12,155.24)
($17,912.30)	($19,638.14)	($21,407.13)	($21,743.54)					
$ 51,718.61	$ 31,491.33	$ 9,441.98	$ -					
$ (17,912.30)	$ (19,638.14)	$ (21,407.13)	$ (23,684.76)	$ (33,445.25)	$ (35,985.80)	$ (17,233.22)	$ (16,879.88)	$ (16,879.49)
$ 249,852.79	$ 240,256.32	$ 228,832.31	$ 215,487.44	$ 181,038.84	$ 143,973.47	$ 126,223.25	$ 108,836.97	$ 91,451.10
$ 1,055,627.82	$ 995,112.66	$ 927,490.84	$ 862,753.67	$ 759,490.52	$ 663,154.51	$ 617,017.41	$ 571,539.47	$ 525,762.27

36	37	38	39
2051	2052	2053	2054
91			
90	91	92	93
$ 215,619.62	$ 154,707.08	$ 158,574.75	$ 162,539.12
172,836.67	57,343.50	57,343.50	57,343.50
$ 42,782.95	$ 97,363.58	$ 101,231.25	$ 105,195.62
(16,860.03)	(57,611.58)	(75,474.19)	(124,491.86)
$ 429,100.58	$ 369,760.65	$ 292,022.24	$ 163,795.62
$ (7,417.40)			
$ -			
$ (16,880.28)	$ (57,611.58)	$ (32,286.18)	
$ 74,064.41	$ 14,724.48	$ -	
$ 503,164.99	$ 384,485.13	$ 292,022.24	$ 163,795.62
			Final Balance

Garden State Financial Group

GARDEN STATE FINANCIAL GROUP
PRIVATE WEALTH MANAGEMENT

David's Age	Year	David's Income	Yearly Increase	Average Yearly Increase	SS Wage Base	Yearly Increase in SS Wagebase
31	1991	$ 78,673		4%	$ 53,400	
32	1992	$ 81,526	3%		$ 55,500	4%
33	1993	$ 84,483	4%		$ 57,600	4%
34	1994	$ 87,548	4%		$ 60,600	5%
35	1995	$ 90,723	3%		$ 61,200	1%
36	1996	$ 94,013	3%		$ 62,700	2%
37	1997	$ 97,423	4%		$ 65,400	4%
38	1998	$ 100,957	4%		$ 68,400	4%
39	1999	$ 104,618	3%		$ 72,600	6%
40	2000	$ 108,413	4%		$ 76,200	5%
41	2001	$ 112,345	3%		$ 80,400	5%
42	2002	$ 116,419	3%		$ 84,900	5%
43	2003	$ 120,642	4%		$ 87,000	2%
44	2004	$ 125,018	4%		$ 87,900	1%
45	2005	$ 129,552	3%		$ 90,000	2%
46	2006	$ 134,251	4%		$ 94,200	4%
47	2007	$ 139,120	3%		$ 97,500	3%
48	2008	$ 144,166	4%		$ 102,000	4%
49	2009	$ 149,394	3%		$ 106,800	4%
50	2010	$ 154,813	4%		$ 106,800	0%
51	2011	$ 160,428	4%		$ 106,800	0%
52	2012	$ 166,246	3%		$ 110,100	3%
53	2013	$ 172,276	4%		$ 113,700	3%
54	2014	$ 178,525	4%		$ 117,000	3%
55	2015	$ 185,000	4%		$ 118,500	1%
56	2016	$ 191,475	4%		$ 118,500	0%
57	2017	$ 198,177	4%		$ 122,201	-
58	2018	$ 205,113	4%		$ 126,017	-
59	2019	$ 212,292	4%		$ 129,952	-
60	2020	$ 219,722	4%		$ 134,010	-
61	2021	$ 227,412	4%		$ 138,195	-
62	2022	$ 235,372	4%		$ 142,511	-
63	2023	$ 243,610	4%		$ 146,961	-
64	2024	$ 252,136	4%		$ 151,551	-
65	2025	$ 260,961	4%		$ 156,283	-
66	2026	$ 270,095	4%		$ 161,164	-
67	2027	$ 279,548	4%		$ 166,197	-
68	2028	$ 289,332	4%		$ 171,387	-
69	2029	$ 299,459	4%		$ 176,739	-
70	2030	$ 309,940	4%		$ 182,258	-
71	2031	$ 320,788	4%		$ 187,950	-

Average SS Wagebase Increase	Years of Benefit Service	Amount Over SS Wage Base	Amount Within SS Wagebase	JHH Matching Account
3%	0	$ 25,273	$ 53,400	$ 23,247
	1	$ 26,026	$ 55,500	
	2	$ 26,883	$ 57,600	
	3	$ 26,948	$ 60,600	
	4	$ 29,523	$ 61,200	
	5	$ 31,313	$ 62,700	
	6	$ 32,023	$ 65,400	
	7	$ 32,557	$ 68,400	
	8	$ 32,018	$ 72,600	
	9	$ 32,213	$ 76,200	
	10	$ 31,945	$ 80,400	
	11	$ 31,519	$ 84,900	
	12	$ 33,642	$ 87,000	
	13	$ 37,118	$ 87,900	
	14	$ 39,552	$ 90,000	
	15	$ 40,051	$ 94,200	
	16	$ 41,620	$ 97,500	
	17	$ 42,166	$ 102,000	
	18	$ 42,594	$ 106,800	
	19	$ 48,013	$ 106,800	
	20	$ 53,628	$ 106,800	
	21	$ 56,146	$ 110,100	
	22	$ 58,576	$ 113,700	
	23	$ 61,525	$ 117,000	
	24	$ 66,500	$ 118,500	
	25	$ 72,975	$ 118,500	
	26	$ 75,976	$ 122,201	
	27	$ 79,096	$ 126,017	
	28	$ 82,340	$ 129,952	
	29	$ 85,712	$ 134,010	
	30	$ 89,217	$ 138,195	
	31	$ 92,861	$ 142,511	
	32	$ 96,649	$ 146,961	
	33	$ 100,586	$ 151,551	
	34	$ 104,678	$ 156,283	
	35	$ 108,931	$ 161,164	
	36	$ 113,351	$ 166,197	
	37	$ 117,946	$ 171,387	
	38	$ 122,720	$ 176,739	
	39	$ 127,682	$ 182,258	
	40	$ 132,838	$ 187,950	

David's Age	Year	David's Income	Yearly Increase	Average Yearly Increase
31	1991	$ 78,673		4%
32	1992	$ 81,526	3%	
33	1993	$ 84,483	4%	
34	1994	$ 87,548	4%	
35	1995	$ 90,723	3%	
36	1996	$ 94,013	3%	
37	1997	$ 97,423	4%	
38	1998	$ 100,957	4%	
39	1999	$ 104,618	3%	
40	2000	$ 108,413	4%	
41	2001	$ 112,345	3%	
42	2002	$ 116,419	3%	
43	2003	$ 120,642	4%	
44	2004	$ 125,018	4%	
45	2005	$ 129,552	3%	
46	2006	$ 134,251	4%	
47	2007	$ 139,120	3%	
48	2008	$ 144,166	4%	
49	2009	$ 149,394	3%	
50	2010	$ 154,813	4%	
51	2011	$ 160,428	4%	
52	2012	$ 166,246	3%	
53	2013	$ 172,276	4%	
54	2014	$ 178,525	4%	
55	2015	$ 185,000	4%	
56	2016	$ 191,475	4%	
57	2017	$ 198,177	4%	
58	2018	$ 205,113	4%	
59	2019	$ 212,292	4%	
60	2020	$ 219,722	4%	
61	2021	$ 227,412	4%	
62	2022	$ 235,372	4%	
63	2023	$ 243,610	4%	
64	2024	$ 252,136	4%	
65	2025	$ 260,961	4%	
66	2026	$ 270,095	4%	
67	2027	$ 279,548	4%	
68	2028	$ 289,332	4%	
69	2029	$ 299,459	4%	
70	2030	$ 309,940	4%	
71	2031	$ 320,788	4%	

2016 Final Compensation	2017 Final Compensation	2018 Final Compensation	2019 Average Compensation	2020 Average Compensation	2021 Average Compensation
$ 178,600	$ 185,000	$ 191,551	$ 198,255	$ 205,194	$ 212,376
2022 Average Compensation	2023 Average Compensation	2024 Average Compensation	2025 Average Compensation	2026 Average Compensation	2027 Average Compensation
$ 219,809	$ 227,502	$ 235,465	$ 243,706	$ 252,236	$ 261,064

Pension Calculation:				
Formula from Page 14:				
Year	**Age**	**1% of Final Average Compensation**	**1/2% of compensation above SS Wagebase**	**Years of Benefit Service**
2016	56	$ 1,786	$ 364.88	25
2017	57	$ 1,850	$ 379.88	26
2018	58	$ 1,916	$ 395.48	27
2019	59	$ 1,983	$ 411.70	28
2020	60	$ 2,052	$ 428.56	29
2021	61	$ 2,124	$ 446.09	30
2022	62	$ 2,198	$ 464.31	31
2023	63	$ 2,355	$ 483.24	32
2024	64	$ 2,437	$ 502.93	33
2025	65	$ 2,522	$ 523.39	34
2026	66	$ 2,611	$ 544.66	35

Minimum Pension Amount ($480 * YOS)	**Calculation Total (B+C*D)**	**Percentage of full benefit that you would receive**	**Pension Total**	**Percent Difference**	**Average Percent Difference YO**
$ 12,000	$ 53,772	50%	$ 26,886		1
$ 12,480	$ 57,977	55%	$ 31,887	16%	
$ 12,960	$ 62,397	60%	$ 37,438	15%	
$ 13,440	$ 67,039	65%	$ 43,575	14%	
$ 13,920	$ 71,934	70%	$ 50,354	13%	
$ 14,400	$ 77,095	76%	$ 58,592	14%	
$ 14,880	$ 82,534	82%	$ 67,678	13%	
$ 15,360	$ 90,813	88%	$ 79,915	15%	
$ 15,840	$ 97,020	94%	$ 91,198	12%	
$ 16,320	$ 103,555	100%	$ 103,555	12%	
$ 16,800	$ 110,435	100%	$ 110,435	6%	

Ellie's Age	Year	Ellie's Income	Yearly Increase	Average Yearly Increase	SS Wage Base	Yearly Increase in SS Wagebase
59	2010	$ 58,194		4%	$ 106,800	From David's Table
50	2011	$ 60,384	4%		$ 106,800	
51	2012	$ 62,656	4%		$ 110,100	
52	2013	$ 65,014	4%		$ 113,700	
53	2014	$ 67,461	4%		$ 117,000	
54	2015	$ 70,000	4%		$ 118,500	
55	2016	$ 72,539			$ 118,500	
56	2017	$ 75,170			$ 122,201	
57	2018	$ 77,896			$ 126,017	
58	2019	$ 80,721			$ 129,952	
59	2020	$ 83,649			$ 134,010	
60	2021	$ 86,683			$ 138,195	
61	2022	$ 89,826			$ 142,511	
62	2023	$ 93,084			$ 146,961	
63	2024	$ 96,460			$ 151,551	
64	2025	$ 99,959			$ 156,283	
65	2026	$ 103,584			$ 161,164	
66	2027	$ 107,341			$ 166,197	
67	2028	$ 111,234			$ 171,387	
68	2029	$ 115,268			$ 176,739	
69	2030	$ 119,449			$ 182,258	
70	2031	$ 123,781			$ 187,950	

Average SS Wagebase Increase	Years of Benefit Service	Amount Over SS Wage Base	Amount Within SS Wagebase	JHH Matching Account
From David's Table	0	$ (48,606)	$ 106,800	N/A
	1	$ (46,416)	$ 106,800	
	2	$ (47,444)	$ 110,100	
	3	$ (48,686)	$ 113,700	
	4	$ (49,539)	$ 117,000	
	5	$ (48,500)	$ 118,500	
	6	$ (45,961)	$ 118,500	
	7	$ (47,031)	$ 122,201	
	8	$ (48,121)	$ 126,017	
	9	$ (49,231)	$ 129,952	
	10	$ (50,361)	$ 134,010	
	11	$ (51,513)	$ 138,195	
	12	$ (52,684)	$ 142,511	
	13	$ (53,877)	$ 146,961	
	14	$ (55,090)	$ 151,551	
	15	$ (56,324)	$ 156,283	
	16	$ (57,580)	$ 161,164	
	17	$ (58,856)	$ 166,197	
	18	$ (60,153)	$ 171,387	
	19	$ (61,470)	$ 176,739	
	20	$ (62,809)	$ 182,258	
	21	$ (64,169)	$ 187,950	

Ellie's Age	Year	Ellie's Income	Yearly Increase	Average Yearly Increase		Year	Final Compensation
59	2010	$ 58,194		4%		2016	$ 70,000
50	2011	$ 60,384	4%			2017	$ 72,569
51	2012	$ 62,656	4%			2018	$ 75,201
52	2013	$ 65,014	4%			2019	$ 77,929
53	2014	$ 67,461	4%			2020	$ 80,755
54	2015	$ 70,000	4%			2021	$ 83,684
55	2016	$ 72,539				2022	$ 86,719
56	2017	$ 75,170				2023	$ 89,864
57	2018	$ 77,896				2024	$ 93,124
58	2019	$ 80,721				2025	$ 96,501
59	2020	$ 83,649				2026	$ 100,001
60	2021	$ 86,683				2027	$ 103,628
61	2022	$ 89,826				2028	$ 107,386
62	2023	$ 93,084				2029	$ 111,281
63	2024	$ 96,460				2030	$ 115,317
64	2025	$ 99,959				2031	$ 119,500
65	2026	$ 103,584					
66	2027	$ 107,341					
67	2028	$ 111,234					
68	2029	$ 115,268					
69	2030	$ 119,449					
70	2031	$ 123,781					

Pension Calculation:					
Formula from Page 14:					
Year	Age	1% of Final Average Compensation	1/2% of compensation above SS Wagebase	Years of Benefit Service	Minimum Pension Amount ($480 * YOS)
2016	55	$ 700	$ -	6	$ 2,880
2017	56	$ 726	$ -	7	$ 3,360
2018	57	$ 752	$ -	8	$ 3,840
2019	58	$ 779	$ -	9	$ 4,320
2020	59	$ 808	$ -	10	$ 4,800
2021	60	$ 837	$ -	11	$ 5,280
2022	61	$ 867	$ -	12	$ 5,760
2023	62	$ 899	$ -	13	$ 6,240
2024	63	$ 931	$ -	14	$ 6,720
2025	64	$ 965	$ -	15	$ 7,200
2026	65	$ 1,000	$ -	16	$ 7,680
2027	66	$ 1,036	$ -	17	
2028	67	$ 1,074	$ -	18	
2029	68	$ 1,113	$ -	19	
2030	69	$ 1,153	$ -	20	
2031	70	$ 1,195	$ -	21	

Calculation Total (B+C*D)	Percentage of full benefit that you would receive	Pension Total	Percent Difference	Average Percent Difference YOY
$ 4,200	50%	$ 2,100		18%
$ 5,080	55%	$ 2,794	25%	
$ 6,016	60%	$ 3,610	23%	
$ 7,014	65%	$ 4,559	21%	
$ 8,076	70%	$ 5,653	19%	
$ 9,205	76%	$ 6,996	19%	
$ 10,406	82%	$ 8,533	18%	
$ 11,682	88%	$ 10,280	17%	
$ 13,037	94%	$ 12,255	16%	
$ 14,475	100%	$ 14,475	15%	
$ 16,000	100%	$ 16,000	10%	

Amortization Table								
Payment Number	Payment Date	Taxes/Insurance	Extra Payment	Total Payment	Principal	Interest	Ending Balance	PMT's to go
1	10/1/2016	$ 742.00	$ -	$2,285.47	$1,017.67	$525.80	$ 225,946.33	180
2	11/1/2016	$ 742.00	$ -	$2,285.47	$1,020.03	$523.44	$ 224,926.30	179
3	12/1/2016	$ 742.00	$ -	$2,285.47	$1,022.39	$521.08	$ 223,903.91	178
4	1/1/2017	$ 742.00	$ -	$2,285.47	$1,024.76	$518.71	$ 222,879.16	177
5	2/1/2017	$ 742.00	$ -	$2,285.47	$1,027.13	$516.34	$ 221,852.02	176
6	3/1/2017	$ 742.00	$ -	$2,285.47	$1,029.51	$513.96	$ 220,822.51	175
7	4/1/2017	$ 742.00	$ -	$2,285.47	$1,031.90	$511.57	$ 219,790.62	174
8	5/1/2017	$ 742.00	$ -	$2,285.47	$1,034.29	$509.18	$ 218,756.33	173
9	6/1/2017	$ 742.00	$ -	$2,285.47	$1,036.68	$506.79	$ 217,719.65	172
10	7/1/2017	$ 742.00	$ -	$2,285.47	$1,039.09	$504.38	$ 216,680.56	171
11	8/1/2017	$ 742.00	$ -	$2,285.47	$1,041.49	$501.98	$ 215,639.07	170
12	9/1/2017	$ 742.00	$ -	$2,285.47	$1,043.91	$499.56	$ 214,595.16	169
13	10/1/2017	$ 742.00	$ -	$2,285.47	$1,046.32	$497.15	$ 213,548.84	168
14	11/1/2017	$ 742.00	$ -	$2,285.47	$1,048.75	$494.72	$ 212,500.09	167
15	12/1/2017	$ 742.00	$ -	$2,285.47	$1,051.18	$492.29	$ 211,448.91	166
16	1/1/2018	$ 742.00	$ -	$2,285.47	$1,053.61	$489.86	$ 210,395.30	165
17	2/1/2018	$ 742.00	$ -	$2,285.47	$1,056.05	$487.42	$ 209,339.25	164
18	3/1/2018	$ 742.00	$ -	$2,285.47	$1,058.50	$484.97	$ 208,280.75	163
19	4/1/2018	$ 742.00	$ -	$2,285.47	$1,060.95	$482.52	$ 207,219.80	162
20	5/1/2018	$ 742.00	$ -	$2,285.47	$1,063.41	$480.06	$ 206,156.39	161
21	6/1/2018	$ 742.00	$ -	$2,285.47	$1,065.87	$477.60	$ 205,090.51	160
22	7/1/2018	$ 742.00	$ -	$2,285.47	$1,068.34	$475.13	$ 204,022.17	159
23	8/1/2018	$ 742.00	$ -	$2,285.47	$1,070.82	$472.65	$ 202,951.35	158
24	9/1/2018	$ 742.00	$ -	$2,285.47	$1,073.30	$470.17	$ 201,878.06	157
25	10/1/2018	$ 742.00	$ -	$2,285.47	$1,075.78	$467.68	$ 200,802.27	156
26	11/1/2018	$ 742.00	$ -	$2,285.47	$1,078.28	$465.19	$ 199,723.99	155
27	12/1/2018	$ 742.00	$ -	$2,285.47	$1,080.78	$462.69	$ 198,643.22	154
28	1/1/2019	$ 742.00	$ -	$2,285.47	$1,083.28	$460.19	$ 197,559.94	153
29	2/1/2019	$ 742.00	$ -	$2,285.47	$1,085.79	$457.68	$ 196,474.15	152
30	3/1/2019	$ 742.00	$ -	$2,285.47	$1,088.30	$455.17	$ 195,385.85	151
47	8/1/2020	$ 742.00	$ -	$2,285.47	$1,131.97	$411.50	$ 176,494.13	134
48	9/1/2020	$ 742.00	$ -	$2,285.47	$1,134.59	$408.88	$ 175,359.54	133
49	10/1/2020	$ 742.00	$ -	$2,285.47	$1,137.22	$406.25	$ 174,222.32	132
50	11/1/2020	$ 742.00	$ -	$2,285.47	$1,139.85	$403.62	$ 173,082.46	131
51	12/1/2020	$ 742.00	$ -	$2,285.47	$1,142.49	$400.97	$ 171,939.97	130
52	1/1/2021	$ 742.00	$ -	$2,285.47	$1,145.14	$398.33	$ 170,794.83	129
53	2/1/2021	$ 742.00	$ -	$2,285.47	$1,147.79	$395.67	$ 169,647.03	128
54	3/1/2021	$ 742.00	$ -	$2,285.47	$1,150.45	$393.02	$ 168,496.58	127
55	4/1/2021	$ 742.00	$ -	$2,285.47	$1,153.12	$390.35	$ 167,343.46	126
56	5/1/2021	$ 742.00	$ -	$2,285.47	$1,155.79	$387.68	$ 166,187.67	125
57	6/1/2021	$ 742.00	$ -	$2,285.47	$1,158.47	$385.00	$ 165,029.20	124
58	7/1/2021	$ 742.00	$ -	$2,285.47	$1,161.15	$382.32	$ 163,868.05	123
59	8/1/2021	$ 742.00	$ -	$2,285.47	$1,163.84	$379.63	$ 162,704.21	122
60	9/1/2021	$ 742.00	$ -	$2,285.47	$1,166.54	$376.93	$ 161,537.67	121
61	10/1/2021	$ 742.00	$ -	$2,285.47	$1,169.24	$374.23	$ 160,368.43	120
62	11/1/2021	$ 742.00	$ -	$2,285.47	$1,171.95	$371.52	$ 159,196.48	119
63	12/1/2021	$ 742.00	$ -	$2,285.47	$1,174.66	$368.81	$ 158,021.82	118
64	1/1/2022	$ 742.00	$ -	$2,285.47	$1,177.39	$366.08	$ 156,844.44	117
65	2/1/2022	$ 742.00	$ -	$2,285.47	$1,180.11	$363.36	$ 155,664.32	116
66	3/1/2022	$ 742.00	$ -	$2,285.47	$1,182.85	$360.62	$ 154,481.48	115
67	4/1/2022	$ 742.00	$ -	$2,285.47	$1,185.59	$357.88	$ 153,295.89	114
68	5/1/2022	$ 742.00	$ -	$2,285.47	$1,188.33	$355.14	$ 152,107.56	113
69	6/1/2022	$ 742.00	$ -	$2,285.47	$1,191.09	$352.38	$ 150,916.47	112
70	7/1/2022	$ 742.00	$ -	$2,285.47	$1,193.85	$349.62	$ 149,722.62	111
71	8/1/2022	$ 742.00	$ -	$2,285.47	$1,196.61	$346.86	$ 148,526.01	110
72	9/1/2022	$ 742.00	$ -	$2,285.47	$1,199.38	$344.09	$ 147,326.63	109
73	10/1/2022	$ 742.00	$ -	$2,285.47	$1,202.16	$341.31	$ 146,124.47	108
74	11/1/2022	$ 742.00	$ -	$2,285.47	$1,204.95	$338.52	$ 144,919.52	107
75	12/1/2022	$ 742.00	$ -	$2,285.47	$1,207.74	$335.73	$ 143,711.78	106
76	1/1/2023	$ 742.00	$ -	$2,285.47	$1,210.54	$332.93	$ 142,501.24	105
77	2/1/2023	$ 742.00	$ -	$2,285.47	$1,213.34	$330.13	$ 141,287.90	104
78	3/1/2023	$ 742.00	$ -	$2,285.47	$1,216.15	$327.32	$ 140,071.75	103
79	4/1/2023	$ 742.00	$ -	$2,285.47	$1,218.97	$324.50	$ 138,852.78	102
80	5/1/2023	$ 742.00	$ -	$2,285.47	$1,221.79	$321.68	$ 137,630.99	101
81	6/1/2023	$ 742.00	$ -	$2,285.47	$1,224.62	$318.85	$ 136,406.36	100
82	7/1/2023	$ 742.00	$ -	$2,285.47	$1,227.46	$316.01	$ 135,178.90	99
83	8/1/2023	$ 742.00	$ -	$2,285.47	$1,230.30	$313.16	$ 133,948.60	98
84	9/1/2023	$ 742.00	$ -	$2,285.47	$1,233.15	$310.31	$ 132,715.44	97
85	10/1/2023	$ 742.00	$ -	$2,285.47	$1,236.01	$307.46	$ 131,479.43	96
86	11/1/2023	$ 742.00	$ -	$2,285.47	$1,238.87	$304.59	$ 130,240.56	95
87	12/1/2023	$ 742.00	$ -	$2,285.47	$1,241.74	$301.72	$ 128,998.81	94
88	1/1/2024	$ 742.00	$ -	$2,285.47	$1,244.62	$298.85	$ 127,754.19	93
89	2/1/2024	$ 742.00	$ -	$2,285.47	$1,247.51	$295.96	$ 126,506.69	92
90	3/1/2024	$ 742.00	$ -	$2,285.47	$1,250.40	$293.07	$ 125,256.29	91
91	4/1/2024	$ 742.00	$ -	$2,285.47	$1,253.29	$290.18	$ 124,003.00	90
92	5/1/2024	$ 742.00	$ -	$2,285.47	$1,256.20	$287.27	$ 122,746.80	89
93	6/1/2024	$ 742.00	$ -	$2,285.47	$1,259.11	$284.36	$ 121,487.70	88
94	7/1/2024	$ 742.00	$ -	$2,285.47	$1,262.02	$281.45	$ 120,225.68	87

35	8/1/2019	$ 742.00	$ -	$2,906.45	$1,778.95	$385.50	$ 167,052.82	86
36	9/1/2019	$ 742.00	$ -	$2,906.45	$1,783.01	$381.44	$ 165,269.81	85
37	10/1/2019	$ 742.00	$ -	$2,906.45	$1,787.08	$377.37	$ 163,482.73	84
38	11/1/2019	$ 742.00	$ -	$2,906.45	$1,791.16	$373.29	$ 161,691.57	83
39	12/1/2019	$ 742.00	$ -	$2,906.45	$1,795.25	$369.20	$ 159,896.32	82
40	1/1/2020	$ 742.00	$ -	$2,906.45	$1,799.35	$365.10	$ 158,096.97	81
41	2/1/2020	$ 742.00	$ -	$2,906.45	$1,803.46	$360.99	$ 156,293.51	80
42	3/1/2020	$ 742.00	$ -	$2,906.45	$1,807.58	$356.87	$ 154,485.93	79
43	4/1/2020	$ 742.00	$ -	$2,906.45	$1,811.70	$352.74	$ 152,674.23	78
44	5/1/2020	$ 742.00	$ -	$2,906.45	$1,815.84	$348.61	$ 150,858.39	77
45	6/1/2020	$ 742.00	$ -	$2,906.45	$1,819.99	$344.46	$ 149,038.40	76
46	7/1/2020	$ 742.00	$ -	$2,906.45	$1,824.14	$340.30	$ 147,214.26	75
47	8/1/2020	$ 742.00	$ -	$2,906.45	$1,828.31	$336.14	$ 145,385.95	74
48	9/1/2020	$ 742.00	$ -	$2,906.45	$1,832.48	$331.96	$ 143,553.47	73
49	10/1/2020	$ 742.00	$ -	$2,906.45	$1,836.67	$327.78	$ 141,716.80	72
50	11/1/2020	$ 742.00	$ -	$2,906.45	$1,840.86	$323.59	$ 139,875.94	71
51	12/1/2020	$ 742.00	$ -	$2,906.45	$1,845.06	$319.38	$ 138,030.87	70
52	1/1/2021	$ 742.00	$ -	$2,906.45	$1,849.28	$315.17	$ 136,181.60	69
53	2/1/2021	$ 742.00	$ -	$2,906.45	$1,853.50	$310.95	$ 134,328.10	68
54	3/1/2021	$ 742.00	$ -	$2,906.45	$1,857.73	$306.72	$ 132,470.37	67
55	4/1/2021	$ 742.00	$ -	$2,906.45	$1,861.97	$302.47	$ 130,608.39	66
56	5/1/2021	$ 742.00	$ -	$2,906.45	$1,866.22	$298.22	$ 128,742.17	65
57	6/1/2021	$ 742.00	$ -	$2,906.45	$1,870.49	$293.96	$ 126,871.68	64
58	7/1/2021	$ 742.00	$ -	$2,906.45	$1,874.76	$289.69	$ 124,996.93	63
59	8/1/2021	$ 742.00	$ -	$2,906.45	$1,879.04	$285.41	$ 123,117.89	62
60	9/1/2021	$ 742.00	$ -	$2,906.45	$1,883.33	$281.12	$ 121,234.56	61
61	10/1/2021	$ 742.00	$ -	$2,906.45	$1,887.63	$276.82	$ 119,346.93	60
62	11/1/2021	$ 742.00	$ -	$2,906.45	$1,891.94	$272.51	$ 117,454.99	59
63	12/1/2021	$ 742.00	$ -	$2,906.45	$1,896.26	$268.19	$ 115,558.74	58
64	1/1/2022	$ 742.00	$ -	$2,906.45	$1,900.59	$263.86	$ 113,658.15	57
65	2/1/2022	$ 742.00	$ -	$2,906.45	$1,904.93	$259.52	$ 111,753.22	56
66	3/1/2022	$ 742.00	$ -	$2,906.45	$1,909.28	$255.17	$ 109,843.94	55
67	4/1/2022	$ 742.00	$ -	$2,906.45	$1,913.64	$250.81	$ 107,930.31	54
68	5/1/2022	$ 742.00	$ -	$2,906.45	$1,918.01	$246.44	$ 106,012.30	53
69	6/1/2022	$ 742.00	$ -	$2,906.45	$1,922.39	$242.06	$ 104,089.91	52
70	7/1/2022	$ 742.00	$ -	$2,906.45	$1,926.78	$237.67	$ 102,163.14	51
71	8/1/2022	$ 742.00	$ -	$2,906.45	$1,931.17	$233.27	$ 100,231.96	50
72	9/1/2022	$ 742.00	$ -	$2,906.45	$1,935.58	$228.86	$ 98,296.38	49
73	10/1/2022	$ 742.00	$ -	$2,906.45	$1,940.00	$224.44	$ 96,356.38	48
74	11/1/2022	$ 742.00	$ -	$2,906.45	$1,944.43	$220.01	$ 94,411.94	47
75	12/1/2022	$ 742.00	$ -	$2,906.45	$1,948.87	$215.57	$ 92,463.07	46
76	1/1/2023	$ 742.00	$ -	$2,906.45	$1,953.32	$211.12	$ 90,509.75	45
77	2/1/2023	$ 742.00	$ -	$2,906.45	$1,957.78	$206.66	$ 88,551.96	44
78	3/1/2023	$ 742.00	$ -	$2,906.45	$1,962.25	$202.19	$ 86,589.71	43
79	4/1/2023	$ 742.00	$ -	$2,906.45	$1,966.73	$197.71	$ 84,622.98	42
80	5/1/2023	$ 742.00	$ -	$2,906.45	$1,971.22	$193.22	$ 82,651.75	41
81	6/1/2023	$ 742.00	$ -	$2,906.45	$1,975.73	$188.72	$ 80,676.03	40
82	7/1/2023	$ 742.00	$ -	$2,906.45	$1,980.24	$184.21	$ 78,695.79	39
83	8/1/2023	$ 742.00	$ -	$2,906.45	$1,984.76	$179.69	$ 76,711.03	38
84	9/1/2023	$ 742.00	$ -	$2,906.45	$1,989.29	$175.16	$ 74,721.74	37
85	10/1/2023	$ 742.00	$ -	$2,906.45	$1,993.83	$170.61	$ 72,727.91	36
86	11/1/2023	$ 742.00	$ -	$2,906.45	$1,998.39	$166.06	$ 70,729.52	35
87	12/1/2023	$ 742.00	$ -	$2,906.45	$2,002.95	$161.50	$ 68,726.57	34

Amortization Table

Payment Number	Payment Date	Extra Payment	Total Payment (PITI)	Principal	Interest	Ending Balance	PMT's to go
1	10/1/2016	$ -	$819.87	$755.06	$64.81	$ 16,526.94	22
2	11/1/2016	$ -	$819.87	$757.89	$61.98	$ 15,769.05	21
3	12/1/2016	$ -	$819.87	$760.73	$59.13	$ 15,008.32	20
4	1/1/2017	$ -	$819.87	$763.58	$56.28	$ 14,244.74	19
5	2/1/2017	$ -	$819.87	$766.45	$53.42	$ 13,478.29	18
6	3/1/2017	$ -	$819.87	$769.32	$50.54	$ 12,708.96	17
7	4/1/2017	$ -	$819.87	$772.21	$47.66	$ 11,936.76	16
8	5/1/2017	$ -	$819.87	$775.10	$44.76	$ 11,161.65	15
9	6/1/2017	$ -	$819.87	$778.01	$41.86	$ 10,383.65	14
10	7/1/2017	$ -	$819.87	$780.93	$38.94	$ 9,602.72	13
11	8/1/2017	$ -	$819.87	$783.86	$36.01	$ 8,818.86	12
12	9/1/2017	$ -	$819.87	$786.80	$33.07	$ 8,032.07	11
13	10/1/2017	$ -	$819.87	$789.75	$30.12	$ 7,242.32	10
14	11/1/2017	$ -	$819.87	$792.71	$27.16	$ 6,449.61	9
15	12/1/2017	$ -	$819.87	$795.68	$24.19	$ 5,653.93	8
16	1/1/2018	$ -	$819.87	$798.66	$21.20	$ 4,855.27	7
17	2/1/2018	$ -	$819.87	$801.66	$18.21	$ 4,053.61	6
18	3/1/2018	$ -	$819.87	$804.66	$15.20	$ 3,248.95	5
19	4/1/2018	$ -	$819.87	$807.68	$12.18	$ 2,441.27	4
20	5/1/2018	$ -	$819.87	$810.71	$9.15	$ 1,630.55	3
21	6/1/2018	$ -	$819.87	$813.75	$6.11	$ 816.80	2
22	7/1/2018	$ -	$819.87	$816.80	$3.06	$ -	1