Retirement Plan for
Arthur M. and Ellen D. Participant

RetirementWORKS
a subsidiary of Still River

April 2, 2012

Plan #1: WITH SPIA Purchase (Overview)

This plan reflects your current and potential future financial situation, including the purchase of a new single premium immediate annuity (SPIA).

* This plan assumes that Arthur will roll over funds from his tax-qualified retirement plan into a Single Premium Immediate Annuity, funding lifelong retirement income benefits of $13,110 a year.

* You will not have to pay any taxes on the transfer of funds from your retirement plan.

* You will receive guaranteed income for life, no matter how long you live. Only an annuity can make this guarantee. If you live to age 90, you will still get a payment every month. If you live to age 100, you will still get a payment every month. If you live long after age 100 - increasingly a common occurrence - you will still get a payment every month.

Report Card for Plan #1

A-	Overall grade
A	Under "normal" circumstances
A+	If you live an extra long lifetime
A	If you experience inferior returns on savings and investments
C-	If you have high medical expenses, including long-term care
A	If you experience inferior returns on savings and investments, and if you live an extra long lifetime

See the attached Explanatory Notes for more specific definitions of each set of circumstances referred to above.

* The guarantee of truly permanent monthly income provides not only a financial advantage, but peace of mind. In retirement, you won't have to worry about whether your income will disappear some day. You can enjoy without worry and stress the security you have earned.

* The annuity continues to act as a tax shelter for you. Although your income will be taxable, those taxes will be spread out over your lifetime.

* Since the money behind your annuity will be in the hands of an insurance company, and pooled with that from lots of other people, it will receive professional management. Your funds, included in an institutional account, also can be invested in favorable opportunities that individual investors are generally not in position to take advantage of. This translates to higher monthly income than you could provide for yourself.

* For a modest reduction in the monthly benefit amount, you can insure that your spouse or partner is also covered for her lifetime.

Plan #2: WITHOUT SPIA Purchase (Overview)

This plan reflects your current and potential future financial situation, excluding the purchase of a new annuity product.

* This plan assumes that you will not be contributing to a new Single Premium Immediate Annuity. Such a decision could be justified by your having sufficient financial resources so you are not in great danger of running out, even if you live a very long life. However, an annuity will increase your resources in older age, and therefore can help in scenarios that are more than moderately adverse. Over a period of decades, highly adverse scenarios cannot be ruled out.

* Many people end up quickly spending some or even all of the money they really had intended for retirement. The temptation is too great, or the need for cash seems too legitimate at the time. But then when they need it, there is less to live on, maybe nothing at all. Instead of having an untouched retirement nest-egg, they have only the memories of where they spent it – and a future that looks much less comfortable, and quite a bit more stressful, than it could have been.

Report Card for Plan #2

B+	Overall grade
A	Under "normal" circumstances
A-	If you live an extra long lifetime
A-	If you experience inferior returns on savings and investments
C-	If you have high medical expenses, including long-term care
B+	If you experience inferior returns on savings and investments, and if you live an extra long lifetime

See the attached Explanatory Notes for more specific definitions of each set of circumstances referred to above.

* You have to manage your investments yourself. Considering that you are competing against a world of professionals, you are unlikely to do as well, especially over decades of time. What most people find themselves doing is either taking too much risk and losing a good chunk of their funds, or else being conservative and not making as much as they could have. Of course, you can put your retirement savings into the hands of mutual fund managers or other financial advisors, but you will have to pay fees for that. Individual accounts always create more costs than large institutional accounts. You don't always see all the costs, but in the end they do come out of your pocket.

* Unless you die before your time, which is not an outcome to be desired, your retirement savings could very well run out some day. The only way to avoid that is to use so little of it for your retirement expenses that you can be sure it will last until you are over 100 years old, or even older. But then you have to live on a lot less than you would if you had transferred your funds into an annuity. This is a tough choice: to have to scrimp, or to risk running out of funds. With

Plan #1, you don’t have to make this painful decision.

Your Household's Hypothetical Cash Flow

WITH Annuity Purchase
Extra Long Life Scenario

This illustration shows what could happen in one set of circumstances. But it is extremely unlikely that exactly these circumstances will occur, and this hypothetical illustration should not be taken as a prediction or forecast. See the attached Explanatory Notes for more information.

		Household Income			Household Expenses				
Year	Net Assets: Start of Year	Work	Social Security, Pensions, Annuities	Invest-ment and Other Income	Necessary Items	Discre-tionary Items	Financial (Debt, Taxes, etc.)	Medical Costs	Net Cash Flow for the Year
2012	850,000	0	**-158,650**	24,500	37,800	20,400	376	10,975	**-203,701**
2013	653,049	0	**42,019**	17,370	38,229	20,910	294	11,938	**-11,981**
2014	648,121	0	**42,704**	16,951	38,670	21,433	271	12,901	**-13,619**
2015	641,873	0	**43,407**	16,474	39,123	21,969	258	13,863	**-15,332**
2016	634,244	0	**44,127**	15,938	39,588	22,518	247	14,826	**-17,115**
2017	625,179	0	**44,864**	15,339	40,067	22,998	239	15,789	**-18,889**
2018	614,702	0	**62,334**	14,678	40,558	23,490	261	16,752	**-4,050**
2019	619,442	0	**63,527**	14,536	41,063	23,995	257	17,714	**-4,966**
2020	623,662	0	**64,750**	14,362	41,583	24,512	1,890	18,677	**-7,550**
2021	625,711	0	**66,003**	14,098	42,116	25,042	3,283	19,640	**-9,979**
2022	625,763	0	**67,288**	13,749	42,609	24,480	3,076	20,602	**-9,730**
2023	626,516	0	**68,605**	13,408	43,115	23,918	2,895	21,941	**-9,856**
2024	627,614	0	**69,955**	13,063	43,637	23,356	2,799	23,368	**-10,141**
2025	628,920	0	**71,339**	12,708	44,174	22,794	2,705	24,887	**-10,513**
2026	630,369	0	**72,757**	12,340	44,726	22,232	2,613	26,504	**-10,978**
2027	631,891	0	**74,210**	11,956	44,850	21,670	2,435	28,227	**-11,016**
2028	633,939	0	**75,700**	11,570	23,387	21,108	1,303	30,062	11,411
2029	659,001	0	**77,228**	11,970	23,537	20,546	1,388	32,016	11,712
2030	684,978	0	**78,793**	12,380	23,701	19,984	1,466	34,097	11,926
2031	711,811	0	**80,398**	12,797	23,879	19,422	1,537	36,313	12,045
2032	739,434	0	**82,042**	13,219	23,856	18,635	1,606	38,673	12,491
2033	768,204	0	**83,728**	13,656	23,843	17,848	1,693	41,187	12,813
2034	798,029	0	**85,456**	14,104	23,839	17,061	1,770	43,864	13,025
2035	828,831	0	**87,227**	14,560	23,847	16,275	1,800	46,716	13,151
2036	860,559	0	**89,043**	15,020	23,865	15,488	1,907	49,752	13,050
2037	893,022	0	**90,904**	15,477	23,895	14,569	1,900	52,986	13,031
2038	926,340	0	**92,811**	15,933	23,937	13,649	1,869	56,430	12,860
2039	960,399	0	**94,766**	16,383	23,990	12,730	1,810	60,098	12,521
2040	995,074	0	**96,770**	16,822	24,057	11,811	1,693	64,004	12,027
2041	1,030,251	0	**98,824**	17,243	24,136	10,892	1,749	68,165	11,125

Your Household's Hypothetical Cash Flow

WITH Annuity Purchase
Extra Long Life Scenario

Year	Net Assets: Start of Year	Household Income: Work	Household Income: Social Security, Pensions, Annuities	Household Income: Invest-ment and Other Income	Household Expenses: Necessary Items	Household Expenses: Discre-tionary Items	Household Expenses: Financial (Debt, Taxes, etc.)	Household Expenses: Medical Costs	Net Cash Flow for the Year
2042	1,065,569	0	**100,929**	17,632	23,920	10,385	1,801	72,595	9,861
2043	1,100,710	0	**103,087**	17,977	23,722	9,877	1,845	77,314	8,306
2044	1,135,435	0	**105,299**	18,268	23,545	9,370	1,862	82,339	6,450
2045	1,169,492	0	**107,566**	18,494	23,388	8,863	1,869	87,692	4,247
2046	1,202,589	0	**109,890**	18,642	23,252	8,356	1,867	93,391	1,666
2047	1,234,403	0	**112,272**	18,701	23,434	7,849	1,853	99,462	**-1,625**
2048	1,264,283	0	**114,714**	18,644	23,637	7,342	1,827	105,927	**-5,375**
2049	1,291,830	0	**117,216**	18,456	23,863	6,835	1,771	112,812	**-9,609**
2050	1,316,625	0	**68,341**	18,119	24,111	6,328	13,170	256,517	**-213,667**
2051	1,138,910	0	**70,049**	10,641	24,383	5,820	533	62,710	**-12,756**
2052	1,163,724	0	**0**	10,194	0	0	20,484	224,162	**-234,452**

Key events assumed for this Plan / Scenario (during the 12 months starting in April of the year shown):

2012 - Arthur's job ends.
2012 - Arthur begins receiving Social Security.
2012 - New single premium immediate annuity for Arthur, in the amount of $200,000, is purchased.
2017 - Ellen begins receiving Social Security.
2020 - Required minimum distributions from retirement accounts are assumed to begin.
2020 - Taxable savings and investments run out.
2050 - Arthur's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).
2052 - Ellen's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).

Your Household's Hypothetical Cash Flow

WITHOUT Annuity Purchase
Extra Long Life Scenario

This illustration shows what could happen in one set of circumstances. But it is extremely unlikely that exactly these circumstances will occur, and this hypothetical illustration should not be taken as a prediction or forecast. See the attached Explanatory Notes for more information.

		Household Income			Household Expenses				
Year	Net Assets: Start of Year	Work	Social Security, Pensions, Annuities	Invest-ment and Other Income	Necessary Items	Discre-tionary Items	Financial (Debt, Taxes, etc.)	Medical Costs	Net Cash Flow for the Year
2012	850,000	0	**28,241**	24,500	37,800	20,400	175	10,975	**-16,610**
2013	840,140	0	**28,909**	23,919	38,229	20,910	181	11,938	**-18,430**
2014	828,764	0	**29,594**	23,274	38,670	21,433	187	12,901	**-20,323**
2015	815,812	0	**30,297**	22,562	39,123	21,969	194	13,863	**-22,290**
2016	801,225	0	**31,017**	21,782	39,588	22,518	201	14,826	**-24,334**
2017	784,940	0	**31,755**	20,930	40,067	22,998	5,063	15,789	**-31,231**
2018	762,121	0	**49,224**	19,837	40,558	23,490	3,621	16,752	**-15,360**
2019	755,551	0	**50,417**	19,300	41,063	23,995	3,714	17,714	**-16,769**
2020	747,968	0	**51,640**	18,713	41,583	24,512	2,004	18,677	**-16,423**
2021	741,145	0	**52,893**	18,138	42,116	25,042	2,085	19,640	**-17,851**
2022	733,325	0	**54,178**	17,513	42,609	24,480	2,040	20,602	**-18,039**
2023	725,769	0	**55,495**	16,882	43,115	23,918	2,035	21,941	**-18,632**
2024	718,091	0	**56,845**	16,230	43,637	23,356	2,039	23,368	**-19,324**
2025	710,214	0	**58,229**	15,553	44,174	22,794	2,054	24,887	**-20,126**
2026	702,050	0	**59,647**	14,849	44,726	22,232	2,081	26,504	**-21,047**
2027	693,504	0	**61,101**	14,112	44,850	21,670	2,079	28,227	**-21,613**
2028	684,954	0	**62,591**	13,356	23,387	21,108	399	30,062	992
2029	699,597	0	**64,118**	13,391	23,537	20,546	419	32,016	991
2030	714,853	0	**65,683**	13,425	23,701	19,984	439	34,097	888
2031	730,649	0	**67,288**	13,456	23,879	19,422	459	36,313	672
2032	746,899	0	**68,933**	13,480	23,856	18,635	477	38,673	771
2033	763,949	0	**70,618**	13,507	23,843	17,848	511	41,187	737
2034	781,697	0	**72,346**	13,533	23,839	17,061	558	43,864	556
2035	800,030	0	**74,117**	13,552	23,847	16,275	597	46,716	236
2036	818,843	0	**75,933**	13,560	23,865	15,488	634	49,752	**-246**
2037	838,011	0	**77,794**	13,552	23,895	14,569	668	52,986	**-772**
2038	857,525	0	**79,701**	13,525	23,937	13,649	700	56,430	**-1,490**
2039	877,235	0	**81,656**	13,473	23,990	12,730	728	60,098	**-2,418**
2040	896,971	0	**83,660**	13,388	24,057	11,811	746	64,004	**-3,569**
2041	916,552	0	**85,714**	13,263	24,136	10,892	759	68,165	**-4,974**

Your Household's Hypothetical Cash Flow

WITHOUT Annuity Purchase
Extra Long Life Scenario

		Household Income			Household Expenses				
Year	Net Assets: Start of Year	Work	Social Security, Pensions, Annuities	Invest-ment and Other Income	Necessary Items	Discre-tionary Items	Financial (Debt, Taxes, etc.)	Medical Costs	Net Cash Flow for the Year
2042	935,770	0	**87,819**	13,089	23,920	10,385	768	72,595	**-6,759**
2043	954,292	0	**89,977**	12,852	23,722	9,877	775	77,314	**-8,859**
2044	971,851	0	**92,189**	12,542	23,545	9,370	772	82,339	**-11,295**
2045	988,164	0	**94,457**	12,147	23,388	8,863	761	87,692	**-14,100**
2046	1,002,913	0	**96,780**	11,654	23,252	8,356	742	93,391	**-17,307**
2047	1,015,754	0	**99,162**	11,048	23,434	7,849	714	99,462	**-21,249**
2048	1,026,010	0	**101,604**	10,304	23,637	7,342	677	105,927	**-25,675**
2049	1,033,257	0	**104,107**	9,405	23,863	6,835	624	112,812	**-30,622**
2050	1,037,039	0	**68,341**	8,334	24,111	6,328	22,263	256,517	**-232,545**
2051	840,446	0	**70,049**	195	24,383	5,820	483	62,710	**-23,153**
2052	854,863	0	**0**	**-616**	0	0	191,984	224,162	**-416,762**

Key events assumed for this Plan / Scenario (during the 12 months starting in April of the year shown):

2012 - Arthur's job ends.
2012 - Arthur begins receiving Social Security.
2017 - Taxable savings and investments run out.
2017 - Ellen begins receiving Social Security.
2020 - Required minimum distributions from retirement accounts are assumed to begin.
2050 - Arthur's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).
2051 - Home equity credit line, reverse mortgage, or other method is used to start tapping home equity.
2051 - Retirement plan assets run out.
2052 - Main residence is sold.
2052 - Ellen's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).

Your Household's Hypothetical Future Income

WITH Annuity Purchase
Extra Long Life Scenario

This illustration shows what could happen in one set of circumstances. But it is extremely unlikely that exactly these circumstances will occur, and this hypothetical illustration should not be taken as a prediction or forecast.
See the attached Explanatory Notes for more information.

Year	Work	Social Security	Pensions	Annuities	Invest-ment Income	Miscel-laneous Income	Total
2012	0	26,741	1,500	**-186,890**	24,500	0	**-134,150**
2013	0	27,409	1,500	**13,110**	17,370	0	59,389
2014	0	28,094	1,500	**13,110**	16,951	0	59,655
2015	0	28,797	1,500	**13,110**	16,474	0	59,881
2016	0	29,517	1,500	**13,110**	15,938	0	60,064
2017	0	30,255	1,500	**13,110**	15,339	0	60,203
2018	0	47,724	1,500	**13,110**	14,678	0	77,011
2019	0	48,917	1,500	**13,110**	14,536	0	78,063
2020	0	50,140	1,500	**13,110**	14,362	0	79,112
2021	0	51,393	1,500	**13,110**	14,098	0	80,101
2022	0	52,678	1,500	**13,110**	13,749	0	81,037
2023	0	53,995	1,500	**13,110**	13,408	0	82,013
2024	0	55,345	1,500	**13,110**	13,063	0	83,018
2025	0	56,729	1,500	**13,110**	12,708	0	84,047
2026	0	58,147	1,500	**13,110**	12,340	0	85,097
2027	0	59,601	1,500	**13,110**	11,956	0	86,166
2028	0	61,091	1,500	**13,110**	11,570	0	87,271
2029	0	62,618	1,500	**13,110**	11,970	0	89,197
2030	0	64,183	1,500	**13,110**	12,380	0	91,173
2031	0	65,788	1,500	**13,110**	12,797	0	93,195
2032	0	67,433	1,500	**13,110**	13,219	0	95,261
2033	0	69,118	1,500	**13,110**	13,656	0	97,384
2034	0	70,846	1,500	**13,110**	14,104	0	99,560
2035	0	72,617	1,500	**13,110**	14,560	0	101,788
2036	0	74,433	1,500	**13,110**	15,020	0	104,063
2037	0	76,294	1,500	**13,110**	15,477	0	106,381
2038	0	78,201	1,500	**13,110**	15,933	0	108,744
2039	0	80,156	1,500	**13,110**	16,383	0	111,149
2040	0	82,160	1,500	**13,110**	16,822	0	113,592
2041	0	84,214	1,500	**13,110**	17,243	0	116,066

Your Household's Hypothetical Future Income

WITH Annuity Purchase
Extra Long Life Scenario

Year	Work	Social Security	Pensions	Annuities	Invest-ment Income	Miscel-laneous Income	Total
2042	0	86,319	1,500	**13,110**	17,632	0	118,561
2043	0	88,477	1,500	**13,110**	17,977	0	121,064
2044	0	90,689	1,500	**13,110**	18,268	0	123,567
2045	0	92,957	1,500	**13,110**	18,494	0	126,060
2046	0	95,280	1,500	**13,110**	18,642	0	128,533
2047	0	97,662	1,500	**13,110**	18,701	0	130,973
2048	0	100,104	1,500	**13,110**	18,644	0	133,358
2049	0	102,607	1,500	**13,110**	18,456	0	135,672
2050	0	68,341	0	**0**	18,119	0	86,460
2051	0	70,049	0	**0**	10,641	0	80,690
2052	0	0	0	**0**	10,194	0	10,194

Key events assumed for this Plan / Scenario (during the 12 months starting in April of the year shown):

2012 - Arthur's job ends.
2012 - Arthur begins receiving Social Security.
2012 - New single premium immediate annuity for Arthur, in the amount of $200,000, is purchased.
2017 - Ellen begins receiving Social Security.
2020 - Taxable savings and investments run out.
2050 - Arthur's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).
2052 - Ellen's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).

Your Household's Hypothetical Future Expenses

WITH Annuity Purchase
Extra Long Life Scenario

This illustration shows what could happen in one set of circumstances. But it is extremely unlikely that exactly these circumstances will occur, and this hypothetical illustration should not be taken as a prediction or forecast. See the attached Explanatory Notes for more information.

	Necessary Items			Financial			Medical		
Year	Housing	Food, Clothing Transpor-tation	Discre-tionary Items	Financial (Debt, Life Insur.)	Taxes	Special Items at Death	Medical (other than LTC)	Long-term care (LTC)	Total
2012	27,000	10,800	20,400	0	376	0	10,975	0	69,551
2013	27,159	11,070	20,910	0	294	0	11,938	0	71,371
2014	27,323	11,347	21,433	0	271	0	12,901	0	73,274
2015	27,492	11,630	21,969	0	258	0	13,863	0	75,213
2016	27,667	11,921	22,518	0	247	0	14,826	0	77,180
2017	27,847	12,219	22,998	0	239	0	15,789	0	79,092
2018	28,033	12,525	23,490	0	261	0	16,752	0	81,061
2019	28,226	12,838	23,995	0	257	0	17,714	0	83,029
2020	28,424	13,159	24,512	0	1,890	0	18,677	0	86,661
2021	28,629	13,488	25,042	0	3,283	0	19,640	0	90,080
2022	28,840	13,769	24,480	0	3,076	0	20,602	0	90,767
2023	29,058	14,057	23,918	0	2,895	0	21,941	0	91,869
2024	29,284	14,353	23,356	0	2,799	0	23,368	0	93,159
2025	29,516	14,657	22,794	0	2,705	0	24,887	0	94,559
2026	29,757	14,970	22,232	0	2,613	0	26,504	0	96,075
2027	30,005	14,845	21,670	0	2,435	0	28,227	0	97,182
2028	8,662	14,725	21,108	0	1,303	0	30,062	0	75,860
2029	8,927	14,610	20,546	0	1,388	0	32,016	0	77,486
2030	9,201	14,500	19,984	0	1,466	0	34,097	0	79,247
2031	9,484	14,395	19,422	0	1,537	0	36,313	0	81,150
2032	9,776	14,079	18,635	0	1,606	0	38,673	0	82,770
2033	10,079	13,764	17,848	0	1,693	0	41,187	0	84,571
2034	10,391	13,449	17,061	0	1,770	0	43,864	0	86,535
2035	10,714	13,133	16,275	0	1,800	0	46,716	0	88,637
2036	11,048	12,818	15,488	0	1,907	0	49,752	0	91,013
2037	11,393	12,502	14,569	0	1,900	0	52,986	0	93,350
2038	11,750	12,187	13,649	0	1,869	0	56,430	0	95,885
2039	12,119	11,871	12,730	0	1,810	0	60,098	0	98,629
2040	12,501	11,556	11,811	0	1,693	0	64,004	0	101,565
2041	12,896	11,240	10,892	0	1,749	0	68,165	0	104,941

Your Household's Hypothetical Future Expenses

WITH Annuity Purchase
Extra Long Life Scenario

	Necessary Items			Financial			Medical		
Year	Housing	Food, Clothing Transpor-tation	Discre-tionary Items	Financial (Debt, Life Insur.)	Taxes	Special Items at Death	Medical (other than LTC)	Long-term care (LTC)	Total
2042	13,304	10,615	10,385	0	1,801	0	72,595	0	108,701
2043	13,727	9,996	9,877	0	1,845	0	77,314	0	112,758
2044	14,164	9,382	9,370	0	1,862	0	82,339	0	117,117
2045	14,616	8,772	8,863	0	1,869	0	87,692	0	121,812
2046	15,084	8,168	8,356	0	1,867	0	93,391	0	126,866
2047	15,568	7,866	7,849	0	1,853	0	99,462	0	132,598
2048	16,070	7,568	7,342	0	1,827	0	105,927	0	138,733
2049	16,588	7,275	6,835	0	1,771	0	112,812	0	145,281
2050	17,125	6,986	6,328	0	1,019	12,152	256,517	0	300,126
2051	17,681	6,702	5,820	0	533	0	62,710	0	93,446
2052	0	0	0	0	7,717	12,767	224,162	0	244,646

Key events assumed for this Plan / Scenario (during the 12 months starting in April of the year shown):

2012 - Arthur's job ends.
2020 - Required minimum distributions from retirement accounts are assumed to begin.
2020 - Taxable savings and investments run out.
2050 - Arthur's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).
2052 - Ellen's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).

Your Household's Hypothetical Future Assets and Debt

WITH Annuity Purchase
Extra Long Life Scenario

This illustration shows what could happen in one set of circumstances. But it is extremely unlikely that exactly these circumstances will occur, and this hypothetical illustration should not be taken as a prediction or forecast. See the attached Explanatory Notes for more information.

Year	Home(s)	Assets with Taxable Income	Assets with Tax-Deferred Income	Assets with Non-Taxable Income	Miscel-laneous Assets	Debt Other than Mortgages	Net Assets
2012	150,000	200,000	500,000	0	0	0	850,000
2013	156,750	178,799	317,500	0	0	0	653,049
2014	163,804	155,705	328,612	0	0	0	648,121
2015	171,175	130,584	340,114	0	0	0	641,873
2016	178,878	103,349	352,018	0	0	0	634,244
2017	186,927	73,913	364,339	0	0	0	625,179
2018	195,339	42,272	377,090	0	0	0	614,702
2019	204,129	25,024	390,289	0	0	0	619,442
2020	213,315	6,398	403,949	0	0	0	623,662
2021	222,914	0	402,797	0	0	0	625,711
2022	232,945	0	392,818	0	0	0	625,763
2023	243,428	0	383,088	0	0	0	626,516
2024	254,382	0	373,232	0	0	0	627,614
2025	265,829	0	363,090	0	0	0	628,920
2026	277,792	0	352,578	0	0	0	630,369
2027	290,292	0	341,599	0	0	0	631,891
2028	303,356	0	330,583	0	0	0	633,939
2029	317,007	16,126	325,869	0	0	0	659,001
2030	331,272	33,143	320,563	0	0	0	684,978
2031	346,179	50,992	314,640	0	0	0	711,811
2032	361,757	69,602	308,075	0	0	0	739,434
2033	378,036	89,326	300,842	0	0	0	768,204
2034	395,048	110,066	292,915	0	0	0	798,029
2035	412,825	131,737	284,269	0	0	0	828,831
2036	431,402	154,146	275,011	0	0	0	860,559
2037	450,815	177,075	265,132	0	0	0	893,022
2038	471,102	200,613	254,626	0	0	0	926,340
2039	492,301	224,609	243,488	0	0	0	960,399
2040	514,455	248,899	231,720	0	0	0	995,074
2041	537,605	273,142	219,504	0	0	0	1,030,251

Your Household's Hypothetical Future Assets and Debt

WITH Annuity Purchase
Extra Long Life Scenario

Year	Home(s)	Assets with Taxable Income	Assets with Tax-Deferred Income	Assets with Non-Taxable Income	Miscel-laneous Assets	Debt Other than Mortgages	Net Assets
2042	561,798	296,909	206,862	0	0	0	1,065,569
2043	587,079	319,810	193,821	0	0	0	1,100,710
2044	613,497	341,522	180,415	0	0	0	1,135,435
2045	641,105	361,483	166,904	0	0	0	1,169,492
2046	669,954	379,297	153,338	0	0	0	1,202,589
2047	700,102	394,527	139,774	0	0	0	1,234,403
2048	731,607	406,401	126,275	0	0	0	1,264,283
2049	764,529	414,391	112,910	0	0	0	1,291,830
2050	798,933	417,683	100,009	0	0	0	1,316,625
2051	834,885	216,390	87,635	0	0	0	1,138,910
2052	872,455	215,420	75,849	0	0	0	1,163,724

Key events assumed for this Plan / Scenario (during the 12 months starting in April of the year shown):

2012 - Arthur's job ends.
2012 - Arthur begins receiving Social Security.
2012 - New single premium immediate annuity for Arthur, in the amount of $200,000, is purchased.
2017 - Ellen begins receiving Social Security.
2020 - Required minimum distributions from retirement accounts are assumed to begin.
2020 - Taxable savings and investments run out.
2050 - Arthur's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).
2052 - Ellen's death (income and expenses for this person end; one-time medical expenses occur; funeral expenses are paid).

Explanatory Notes

Plans:

This report outlines two plans that attempt to make good use of the resources and opportunities you have before you. Of course, no plan can guarantee success, and no plan can fully account for all of life's surprises. We strongly urge you to update this analysis periodically. In the meantime:

The "WITH SPIA Purchase" plan assumes that the principal factors that determine your finances work out as you initially specified, PLUS you purchase a new single premium deferred annuity. The annuity amount is based on $200,000 from an immediate lump sum rollover into a tax-qualified annuity. NOTE THAT ANNUITY PAYOUTS ARE ESTIMATED, AND MAY NOT REFLECT THE SPECIFIC PRODUCT YOU ULTIMATELY PURCHASE. It is also assumed that you will make various other sensible choices in how you manage your other resources in the future. These are not itemized here, but are taken account of in the analysis of your situation, and some may be noted in the Cash Flow reports.

The "WITHOUT SPIA Purchase" plan uses the same assumptions as the preceding plan, except without any new annuity product purchase.

Report cards:

Each plan is given an overall grade, then is further evaluated under five sets of conditions ("Scenarios") that reflect both "normal" conditions and other concerns you have indicated.

The "Overall grade" is an average of the individual grades for each scenario. The grading system is intended to be similar to a school report card. To be more specific:

A = Goals are expected to be met, with room to spare.
B = Goals are expected to be nearly met, but not quite.
C = Results are expected to fall short of goals, but further adjustments may produce acceptable results.
D = Substantial changes will be needed to bring results and goals in line.
F = This is a recipe for financial disaster if these circumstances occur.

The "normal" scenario is intended to show what would happen under "expected" or "typical" future circumstances. This means expected average future events, with neither good nor bad surprises. Of course, the "Normal" scenario will not occur, because reality always varies from expectations, sometimes by a little, sometimes by a lot. That is why other, less favorable scenarios are also shown. Here are the assumptions that we use in the "Normal" scenario:

1. Everyone lives to the expected average age for people of their sex, current age, health, and smoking status:
   Arthur lives to age 83.0.
   Ellen lives to age 81.3.
2. You use a relatively conservative strategy for your savings and investments:
   Your annual pre-tax return on saved and invested funds is assumed to be 3.5%, which matches the interest rate assumed in the annuity pricing.
   (See further notes below for more information about savings and investments.)
3. Inflation consistently runs at a moderate rate:
   The annual inflation rate is assumed to be 2.5%.
4. Medical costs, unless already higher than average, will gravitate to historical averages:
   Medical expenses tend to increase about 2% for each year of age.
   Annual medical cost inflation will be about 4.5%.
   Normal medical costs will be adjusted, based on current health.
      Adjustments may range from 25% below normal to as much as four times normal.
   Extra out-of-pocket medical costs are assumed to be $20,000 per person in the year of death (before inflation).
   No other long-term medical care costs are assumed in this scenario.

The "long life" scenario illustrates the consequences if other assumptions are held steady, but everyone in the household lives longer. In most cases, a longer life means an increased financial risk, because your money has to last that many more years. In this scenario, life expectancy of household members is age 100.

The "inferior returns" scenario tests the impact of adverse investment experience. Although most people invest more conservatively when they get older, even conservative investments can do worse than expected. Furthermore, adverse market conditions tend to hurt you more if they occur early on, before you have withdrawn and spent much of your savings. Under this scenario: your average pre-tax return on saved and invested funds is 1.00% lower (compound average annual rate).

The "high medical expense" scenario estimates what would happen if medical expenses turn out to be much higher than expected. All assumptions are kept at "normal" levels in this scenario, except:

1. Expenses for medical care are multiplied by a factor of 2.0.
2. Both of you are assumed to need 5 years in long-term home health or nursing home care. (Assumed costs are based on family arrangements, insurance, and your state of residence.)

The "long life and inferior returns" scenario assumes the following deviations from "normal:"

1. Each person in the household lives to age 100.
2. Your average pre-tax return on saved and invested funds drops to 2.5% (compound average rate).

Social Security:

The longer you wait to start taking Social Security, the higher your monthly check will be. The best time to start taking Social Security benefits, therefore, depends on the trade-off between getting more checks vs. getting higher checks. The recommendations made under each Plan reflect your expected benefit levels and life expectancy. The analysis also takes into account your overall income, because you can lose some of your benefits to income taxes depending on how much other taxable income you receive. Finally, where one spouse's benefits depend on the earnings of the other spouse, the non- or lesser-earning spouse generally best begins benefits when the higher-earning spouse does, or sometimes later if the higher-earning spouse is older.

Accessing home equity:

Various techniques are available to turn part or all of the value of your home into cash. For most people, the simplest and best, if you do not wish to sell the property, is to obtain a new mortgage, refinance an existing mortgage, or take out a home equity line of credit. This option lets you retain ownership of your home, and gives you flexibility in the amount of cash you receive. A "reverse mortgage" is an arrangement in which you trade eventual ownership of your home for cash and the right to continue living there for the rest of your life. Not everyone qualifies for a reverse mortgage, but it is worth looking into if you need more money than you are likely to be able to repay. A "private annuity" can provide the same benefits, but is usually set up with children or someone else you know; this can be arranged with much more flexibility, and may allow you to keep the property in the family, if you know someone who can afford to provide you with funds and is willing to wait to receive the property. You might also consider renting out part of your home, or taking in one or more boarders.

Medicare:

U.S. citizens automatically receive Medicare Part A (hospital insurance) at age 65. They are also eligible for Part B (supplemental medical insurance) at an additional but relatively modest premium. Despite the premiums required for participation in Medicare, the program is heavily subsidized by the U.S. government and is worth signing up for as soon as one is eligible (unless you already have equivalent low-cost coverage available through an employer or elsewhere). Medicare recipients also have the option of using an existing HMO or other care arrangement under Medicare Part C as a substitute for traditional Medicare. If you are already part of a medical plan that you like, or if you are joining a new plan, ask your medical care provider about how they work with Medicare. Medicare members may also sign up for prescription drug benefits under a wide variety of options, collectively called Medicare Part D; which option works best depends on your specific medication requirements, so you should consult with your pharmacist about which is the best fit for you, or visit the Medicare Prescription Drug Plan Finder at:
www.medicare.gov/MPDPF/Public/Include/DataSection/Questions/MPDPFIntro.asp.

Private health insurance:

Medical insurance is a prudent financial choice for anyone who is eligible, because otherwise there is a much higher risk of a medical catastrophe turning into a financial catastrophe as well. After age 65, Medicare provides basic coverage for most Americans. So-called "Medigap" policies cover most of the out-of-pocket costs not covered by Medicare, or you can use Medigap Plans K or L to cover catastrophic medical needs only. In general, people over 65 should have such additional insurance, unless they are already otherwise covered as an employee, retiree, or dependent, or already use a Medicare HMO or PPO. Many varieties of coverage are available, and your advisor can help you select one that makes sense for you.

New annuities:

Annuities are arrangements in which an amount of money, whose size you select, is turned into a monthly income for life. The main advantage of an annuity is that the payments will never run out during the lifetime of the person covered, no matter how long that is. The hidden benefit is that you don't have to guess how long that will be, and so you don't have to short-change yourself by either living or investing too conservatively in retirement.

Single Premium Immediate Annuities start paying you back as soon as you purchase them. Your future income is assured, regardless of what happens in the financial markets, and regardless of your lifespan. NOTE THAT ANNUITY PAYOUTS ARE ESTIMATED, AND MAY NOT REFLECT THE SPECIFIC PRODUCT YOU ULTIMATELY PURCHASE.

Order of liquidation of assets:

The proper order of sale for your assets, as you need to liquidate them, cannot be determined without detailed information about each asset. The following information is general, therefore, and may not be fully applicable to your situation:

Personal investments and savings, particularly those that do not offer tax advantages, are generally best to use up first (though you should always keep some handy in case of emergency). Not having tax benefits, such assets tend to have less long-term pay-off for you. Still, they can be worth holding onto if their pre-tax return is higher, or if they have significant growth potential or other features that are important to you.

Funds held in tax-sheltered retirement accounts have extra value because of their tax benefits. Generally it is a good idea to keep your funds inside of such tax shelters as long as you can.

Other forms of real and personal property may be hard to liquidate, and doing so often causes serious inconvenience in other ways. Such assets, therefore, usually fall to the bottom of the list of those that you should spend.

Note: you appear to face a relatively unusual opportunity this year, because your taxes are distinctly lower than they seem likely to be in the future. This could therefore be an advantageous time to dispose of assets whose sale will generate taxes. In most future years, your taxes on asset sales will probably be higher. Consult your tax advisor.

Assumed investment return:

The target investment rate of return is set to recognize that in your older years your investments should be relatively conservative. Although taking more risk is likely to produce higher returns, it also means a greater chance of lower returns, or even of losing some portion of your money. When you are young and still have many years of work in front of you, you can afford to take more chances, because you have the time and are more likely to have the means to make up for bad luck. But in retirement, your chances of covering losses are severely reduced. In general, therefore, you can only afford to take more risk if you can afford to lose money (for more information, see "Extended Help" under the online System Help for a copy of "Can You Afford to Take Investment Risks?").

There are many ways you can achieve the target rate of return. Using mutual funds alone, for example, putting 5% into a money market fund and the rest into stocks (equities) would give you a reasonable chance at obtaining such a return over the long run. But many other possibilities are open to you, and you may do well to discuss saving and investment choices with a financial advisor.

Wills:

Every adult, especially older adults, should have an up-to-date last will and testament. Such a document is the best assurance that what happens, financially and otherwise, after your death is in line with your wishes.

Living wills:

A living will states your wishes regarding extraordinary medical measures. Having a living will makes it more likely that your wishes will be understood and followed. This is better for you, and it also takes a large burden off of relatives and medical caretakers who would otherwise have to try to figure it out on their own (for more information, see "Extended Help" under the online System Help for a copy of "Living Wills and Beyond: Planning for Possible Future Incapacity").

Health care proxies:

A health care proxy authorizes someone you trust to make medical decisions for you, if you are mentally incapacitated. Without such authority, decisions may fall to medical caretakers or others whose decisions might not be based on your or your family's wishes.

Durable powers of attorney:

A durable power of attorney gives someone else, under circumstances you can specify, the ability to act legally in financial or other matters for you. Such a document can be very beneficial if you are incapacitated for some reason and need someone to sign checks, make financial or legal decisions, or handle other matters on your behalf.

Household Hypothetical Cash Flow report:

This report assumes that the specified Plan and Scenario occur as described, and that all assumptions and decisions described in the Plan details occur (unless otherwise specified). In addition, the report assumes that other events and decisions occur at logical times: for example, that when assets need to be liquidated to cover expenses, assets that are more liquid and less tax-advantaged generally will be used first. Expense projections are based on current expense levels, typical patterns of expense changes that occur with aging, and other assumptions specified for the illustrated Plan and Scenario. Other details you may wish to know about include:

1. YEAR: Each row represents one 365-day period, with the first one starting April 2, 2012. In the remaining notes for this section, "the year" refers to such a 365-day period, not to the calendar year.

2. NET ASSETS: This is the estimated value of household assets at the start of the year, minus any debts. It takes into account both the cash flow documented in the other columns of the report, and other events, such as the underlying growth in market value of real estate or family businesses, or contributions to retirement plans. Since some non-listed events are reflected, as well as debt amortizations (where applicable) that appear as cash expenses but do not affect net worth, the change in net assets from one year to the next often does not equal the cash flow during that year.

3. WORK: Estimated income from employment.

4. SOCIAL SECURITY, PENSIONS, ANNUITIES: Estimated income from these sources, whether currently received, or anticipated under the Plan. The common element among these sources is that they are regular payments from outside institutions that are not dependent on assets owned by the household. NOTE THAT ANNUITY PAYOUTS ARE ESTIMATED, AND MAY NOT REFLECT THE SPECIFIC PRODUCT YOU ULTIMATELY PURCHASE.

5. INVESTMENT AND OTHER INCOME: This includes income from all other sources. Investment income includes all income earned on savings and investments, whether it is received in cash or not. This means that capital gains on stocks, bonds, or other securities are included, as is the growth in any tax-advantaged accounts such as (for example) IRAs or employer-sponsored retirement accounts, and growth in the value of personal property that could be sold someday - even though such gains are not "cash" events, strictly speaking. Investment income also includes direct income (i.e., rental income or business earnings) on real estate or family businesses. However, gains in the underlying market value of real estate and business assets are not included here or in other columns of this report, except as a change in net assets. "Other" income means all other income sources, such as rents, copyrights, patents, alimony, or any other miscellaneous items that have been entered, including both ongoing and lump sum amounts. Note that investment income in the first year will generally not match income as input, since we assume that assets will shift as part of the implementation of this plan.

6. NECESSARY EXPENSES: Any line between "necessary" and "discretionary" expenses is somewhat arbitrary. For purposes of this report, "necessary" expenses include housing costs (mortgage or rent, real estate taxes, home insurance, utilities), plus food, clothing, and transportation.

7. DISCRETIONARY EXPENSES: This category includes most other household expenses, including entertainment, travel and vacations (incl. all expenses for second homes, if any), retirement plan contributions, charitable and family gifts, vehicles other than the family car, and other miscellaneous household expenses.

8. FINANCIAL EXPENSES: This includes most debt payments (other than home mortgages), and taxes (other than real estate taxes). Taxes include any Social Security taxes payable on employment income, federal and state/local income taxes, and estate taxes. Federal income taxes include both regular income taxes and capital gains taxes, which are estimated according to current tax laws, with assumed future inflation adjustments. State and local taxes, where applicable, are estimated based on current tax rates on earned income for the present state of residence; no special adjustments are made according to the nature of the income, although many states allow adjustments of various kinds. Estate taxes are only very roughly and arbitrarily estimated (at no more than 10%), as the current estate tax structure makes any useful predictions impossible. "Financial Expenses" also includes other financial events that occur at death: a modest allowance for funeral expenses (except if prepaid), and the transfer of any applicable bequests outside of the household. Any life insurance proceeds payable at death to beneficiaries inside the household are counted as reductions

to financial expenses, so that in the year of a family member death, this figure can be a negative number.

9. MEDICAL COSTS: This column includes projected future costs of medical care and medical insurance, including the costs of long-term care and long-term care insurance, if applicable.

10. NET CASH FLOW: This equals the total of the Income columns, minus the total of the Expense columns. As explained above, the Net Cash Flow often does NOT equal the difference in Net Assets from one year to the next, because the change in assets may include items not listed under income and expenses.

Household Hypothetical Future Income report:

This report assumes that the specified Plan and Scenario occur as described, and that all assumptions and decisions described in the Plan details occur (unless otherwise specified). Other details you may wish to know about include:

1. YEAR: Each row represents one 365-day period, with the first one starting April 2, 2012. In the remaining notes for this section, "the year" refers to such a 365-day period, not to the calendar year.
2. WORK: Estimated income from employment.
3. SOCIAL SECURITY: Estimated benefits received.
4. PENSIONS: Estimated income from pension plans paying out lump sum or monthly benefits. NOTE THAT ANNUITY PAYOUTS ARE ESTIMATED, AND MAY NOT REFLECT THE SPECIFIC PRODUCT YOU ULTIMATELY PURCHASE.
5. ANNUITIES: Estimated income from annuities paying out monthly benefits, less any outlays for the purchase of new annuities (if any) that immediately begin paying monthly benefits.
6. INVESTMENT INCOME: This includes all income earned on savings and investments, whether it is received in cash or not. This means that capital gains on stocks, bonds, or other securities are included, as is the growth in any tax-advantaged accounts such as (for example) IRAs or employer-sponsored retirement accounts, and growth in the value of personal property that could be sold someday. Investment income also includes direct income (i.e., rental income or business earnings) on real estate or family businesses. However, gains in the underlying market value of real estate and business assets, if any, are not included here or elsewhere in this report. Note that investment income in the first year will generally not match income as input, since we assume that assets will shift as part of the implementation of this plan.
7. MISCELLANEOUS INCOME: This includes all other income sources, such as rents, copyrights, patents, alimony, or any other miscellaneous items that have been entered, including both ongoing and lump sum amounts.
8. TOTAL: Total income from columns 2 thru 7.

Household Hypothetical Future Expense report:

This report assumes that the specified Plan and Scenario occur as described, and that all assumptions and decisions described in the Plan details occur (unless otherwise specified). Expense projections are based on current expense levels, typical patterns of expense changes that occur with aging, and other assumptions specified for the illustrated Plan and Scenario. Other details you may wish to know about include:

1. YEAR: Each row represents one 365-day period, with the first one starting April 2, 2012. In the remaining notes for this section, "the year" refers to such a 365-day period, not to the calendar year.
2. HOUSING: This includes rent payments, real estate taxes, insurance, and utilities.
3. FOOD, CLOTHING, TRANSPORTATION: This column, plus Housing expenses, equals the "Necessary" expenses column on the Cash Flow Summary report, if provided.
4. DISCRETIONARY EXPENSES: This category includes most other household expenses, including entertainment, travel and vacations (incl. all expenses for second homes, if any), retirement plan contributions, charitable and family gifts, vehicles other than the family car, and other miscellaneous household expenses.
5. FINANCIAL EXPENSES: This column should be all zeroes, in this case.
6. TAXES: Taxes include any Social Security taxes payable on employment income, federal and state/local income taxes, and estate taxes, but exclude real estate taxes. Federal income taxes include both regular income taxes and capital gains taxes, which are estimated according to current tax laws, with assumed future inflation adjustments. State and local income taxes, where applicable, are estimated based on current tax rates on earned income for the present state of residence; no special adjustments are made according to the nature of the income, although many states allow adjustments of various kinds. Estate taxes are only very roughly and arbitrarily estimated (at no more than 10%), as the current estate tax structure makes any useful predictions impossible.
7. SPECIAL ITEMS AT DEATH: This column includes a modest allowance for funeral expenses (except if prepaid), and the transfer of any applicable bequests outside of the household. Any life insurance proceeds payable at death to beneficiaries inside the household are counted as reductions to financial expenses, so that in the year of a family member

death, this figure can be a negative number.

8. MEDICAL (OTHER THAN LTC): All medical expenses other than for long-term care or long-term care insurance are included here. This means health and/or disability insurance premiums, as well as all out-of-pocket costs for medical, dental or eye care, and drugs, equipment or other related expenses.

9. LONG-TERM CARE (LTC): This category includes all out-of-pocket costs for long-term care insurance, and for long-term care itself, whether at home or in nursing home or other facility. However, medical care costs and (if care is received at home) housing and basic living expenses are not included in this column.

10. TOTAL: Total of columns 2 thru 9.

Household Hypothetical Future Assets and Debt report:

This report assumes that the specified Plan and Scenario occur as described, and that all assumptions and decisions described in the Plan details occur (unless otherwise specified). In addition, the report assumes that other events and decisions occur at logical times: for example, that when assets need to be liquidated to cover expenses, assets that are more liquid and less tax-advantaged generally will be used first. Other details you may wish to know about include:

1. YEAR: Each row represents the estimated status on April 2 of the year shown.

2. HOME(S): The value of any property you own and use as a residence, net of any mortgages or home equity loans.

3. ASSETS WITH TAXABLE INCOME: Includes most savings and investments that you own directly (that is, not through a pension plan, IRA, annuity, or life insurance policy). Examples would be: bank accounts, certificates of deposit, individual stocks, bonds, mutual funds, and other kinds of securities.

4. ASSETS WITH TAX-DEFERRED INCOME: Balances in employer-sponsored retirement plans, Individual Retirement Accounts (IRAs), and annuities that are not yet paying out a monthly income.

5. ASSETS WITH NON-TAXABLE INCOME: Life insurance policy cash values.

6. MISCELLANEOUS ASSETS: Includes any businesses you own or co-own, as well as automobiles or other vehicles.

7. DEBT OTHER THAN MORTGAGES: Includes credit card balances, personal loans, or loans against assets other than your home(s).

8. NET ASSETS: The estimated total value of household assets, minus any debts.

IMPORTANT: Warning and disclaimer (System released March 2012, Version 4.03A):

This report reflects our best effort to help you meet your financial goals, given your current situation as you have described it, and taking into account the uncertainty of the future. In all cases, if you knew exactly how the future would unfold, you would do many things differently. The "normal" scenario is only a current best guess, and any adverse scenarios analyzed are not intended to illustrate the worst possible case. The purpose of this report is to produce a prudent plan that will give you a relatively good chance of success in an environment where little is certain. But it cannot predict the future, and therefore it should be updated regularly so that you can adjust your plans as circumstances change. If these limitations are not acceptable to you, you are strongly advised not to take this report into account in your financial planning.

The analysis in this report is driven by software developed by Still River Retirement Planning Software, Inc., Harvard, Massachusetts.