Retirement Plan for Elaine L. Sirocco

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 series of new single premium immediate annuities (SPIAs).

* This plan assumes that you will purchase a series of 4 Single Premium Immediate Annuities every 3 years starting this year, ultimately funding lifelong retirement income benefits of $17,192 a year.

* You will not have to pay any taxes on the transfer of funds.

* 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.

* 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.

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
B+	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.

* The annuity continues to act as a tax shelter for you. Although your income will be partly 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.

Plan #2: WITHOUT SPIA Purchase (Overview)

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

Report Card for Plan #2

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

* 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.

* Most people do, in fact, end up quickly spending some or even all of the money they receive in this fashion. 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 their old pension plan, 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.

* 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	750,000	0	**-27,892**	26,250	24,600	16,800	394	900	**-44,336**
2013	705,664	0	**22,569**	24,698	25,455	17,115	316	1,416	2,965
2014	708,630	0	**23,042**	24,802	26,342	17,438	310	1,933	1,822
2015	710,451	0	**-22,448**	24,866	27,263	17,769	97	2,449	**-45,159**
2016	665,292	0	**28,049**	23,285	28,218	18,108	201	2,965	1,842
2017	667,133	0	**28,558**	23,350	29,210	18,456	361	3,482	400
2018	667,533	0	**-16,442**	23,364	30,188	18,082	104	3,998	**-45,451**
2019	622,082	0	**34,093**	21,773	31,205	17,709	**-2**	4,515	2,440
2020	624,522	0	**34,641**	21,858	32,262	17,336	98	5,031	1,773
2021	626,295	0	**-9,766**	21,920	33,360	16,962	205	5,547	**-43,920**
2022	582,375	0	**40,810**	20,383	34,501	16,589	204	6,064	3,835
2023	586,210	0	**41,400**	20,517	35,285	16,216	202	6,458	3,758
2024	589,968	0	**42,005**	20,649	36,111	15,842	200	6,878	3,624
2025	593,591	0	**42,626**	20,776	36,983	15,469	197	7,325	3,427
2026	597,019	0	**43,262**	20,896	37,903	15,095	194	7,801	3,164
2027	600,183	0	**43,913**	21,006	38,871	14,722	191	8,308	2,827
2028	603,010	0	**44,581**	21,105	39,783	14,213	188	8,848	2,656
2029	605,666	0	**45,266**	21,198	40,745	13,704	184	9,423	2,409
2030	608,075	0	**45,968**	21,283	41,760	13,195	180	10,035	2,081
2031	610,156	0	**46,687**	21,355	42,831	12,686	175	10,688	1,664
2032	611,820	0	**47,425**	21,414	43,959	12,176	270	11,382	1,051
2033	612,871	0	**48,181**	21,450	45,148	11,499	292	12,122	570
2034	613,441	0	**48,955**	21,470	46,399	10,822	313	12,910	**-19**
2035	613,422	0	**49,749**	21,470	47,716	10,145	1,655	13,749	**-2,046**
2036	611,376	0	**50,563**	21,398	49,102	9,468	1,741	14,643	**-2,992**
2037	608,384	0	**51,398**	21,293	50,559	8,791	1,770	15,595	**-4,024**
2038	604,361	0	**52,253**	21,153	51,897	8,351	6,355	16,608	**-9,806**
2039	594,554	0	**53,129**	20,809	53,316	7,912	6,257	17,688	**-11,235**
2040	583,320	0	**54,028**	20,416	54,819	7,472	6,122	18,838	**-12,807**
2041	570,513	0	**54,948**	19,968	56,410	7,033	12,838	20,062	**-21,425**

Your Household's Hypothetical Cash Flow

WITH 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	549,087	0	**55,892**	19,218	58,091	6,593	12,368	21,366	**-23,308**
2043	525,780	0	**56,860**	18,402	60,136	6,154	11,673	22,755	**-25,455**
2044	500,324	0	**57,852**	17,511	62,280	5,714	10,884	24,234	**-27,749**
2045	472,575	0	**58,868**	16,540	64,527	5,274	9,994	25,809	**-30,197**
2046	442,378	0	**59,910**	15,483	66,882	4,835	8,874	27,487	**-32,685**
2047	409,693	0	**0**	14,339	0	0	20,760	163,612	**-170,033**

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

2012 - Your job ends.
2012 - You begin receiving Social Security.
2012 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2015 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2017 - Required minimum distributions from retirement accounts are assumed to begin.
2018 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2021 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2047 - Your 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	750,000	0	**18,450**	26,250	24,600	16,800	1,291	900	1,109
2013	751,109	0	**18,911**	26,289	25,455	17,115	1,248	1,416	**-34**
2014	751,074	0	**19,384**	26,288	26,342	17,438	1,194	1,933	**-1,235**
2015	749,839	0	**19,869**	26,244	27,263	17,769	1,129	2,449	**-2,497**
2016	747,342	0	**20,365**	26,157	28,218	18,108	1,053	2,965	**-3,822**
2017	743,519	0	**20,874**	26,023	29,210	18,456	4,186	3,482	**-8,436**
2018	735,084	0	**21,396**	25,728	30,188	18,082	4,169	3,998	**-9,313**
2019	725,770	0	**21,931**	25,402	31,205	17,709	4,150	4,515	**-10,245**
2020	715,525	0	**22,480**	25,043	32,262	17,336	4,129	5,031	**-11,235**
2021	704,290	0	**23,042**	24,650	33,360	16,962	4,106	5,547	**-12,284**
2022	692,007	0	**23,618**	24,220	34,501	16,589	4,080	6,064	**-13,396**
2023	678,611	0	**24,208**	23,751	35,285	16,216	4,069	6,458	**-14,067**
2024	664,544	0	**24,813**	23,259	36,111	15,842	4,033	6,878	**-14,792**
2025	649,752	0	**25,434**	22,741	36,983	15,469	4,018	7,325	**-15,620**
2026	634,132	0	**26,069**	22,195	37,903	15,095	3,974	7,801	**-16,509**
2027	617,623	0	**26,721**	21,617	38,871	14,722	3,934	8,308	**-17,498**
2028	600,125	0	**27,389**	21,004	39,783	14,213	3,892	8,848	**-18,342**
2029	581,783	0	**28,074**	20,362	40,745	13,704	3,843	9,423	**-19,278**
2030	562,505	0	**28,776**	19,688	41,760	13,195	3,783	10,035	**-20,310**
2031	542,195	0	**29,495**	18,977	42,831	12,686	3,712	10,688	**-21,444**
2032	520,751	0	**30,232**	18,226	43,959	12,176	3,565	11,382	**-22,623**
2033	498,128	0	**30,988**	17,434	45,148	11,499	3,406	12,122	**-23,753**
2034	474,375	0	**31,763**	16,603	46,399	10,822	3,224	12,910	**-24,989**
2035	449,386	0	**32,557**	15,729	47,716	10,145	3,014	13,749	**-26,339**
2036	423,047	0	**33,371**	14,807	49,102	9,468	2,796	14,643	**-27,831**
2037	395,216	0	**34,205**	13,833	50,559	8,791	2,503	15,595	**-29,410**
2038	365,806	0	**35,060**	12,803	51,897	8,351	2,195	16,608	**-31,189**
2039	334,617	0	**35,937**	11,712	53,316	7,912	1,934	17,688	**-33,202**
2040	301,416	0	**36,835**	10,550	54,819	7,472	1,641	18,838	**-35,385**
2041	266,031	0	**37,756**	9,311	56,410	7,033	1,259	20,062	**-37,696**

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	228,335	0	**38,700**	7,992	58,091	6,593	1,098	21,366	**-40,457**
2043	187,879	0	**39,668**	6,576	60,136	6,154	999	22,755	**-43,801**
2044	144,078	0	**40,659**	5,043	62,280	5,714	2,107	24,234	**-48,633**
2045	95,445	0	**41,676**	3,341	64,527	5,274	6,449	25,809	**-57,044**
2046	38,401	0	**42,718**	1,344	66,882	4,835	4,151	27,487	**-59,293**
2047	**-20,892**	0	**0**	**-731**	0	0	11,284	163,612	**-175,627**

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

2012 - Your job ends.
2012 - You begin receiving Social Security.
2017 - Required minimum distributions from retirement accounts are assumed to begin.
2044 - Taxable savings and investments run out.
2046 - Retirement plan assets run out.
2047 - Your 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	18,450	0	**-46,342**	26,250	0	**-1,642**
2013	0	18,911	0	**3,658**	24,698	0	47,268
2014	0	19,384	0	**3,658**	24,802	0	47,844
2015	0	19,869	0	**-42,316**	24,866	0	2,418
2016	0	20,365	0	**7,684**	23,285	0	51,334
2017	0	20,874	0	**7,684**	23,350	0	51,908
2018	0	21,396	0	**-37,838**	23,364	0	6,922
2019	0	21,931	0	**12,162**	21,773	0	55,866
2020	0	22,480	0	**12,162**	21,858	0	56,500
2021	0	23,042	0	**-32,808**	21,920	0	12,154
2022	0	23,618	0	**17,192**	20,383	0	61,193
2023	0	24,208	0	**17,192**	20,517	0	61,918
2024	0	24,813	0	**17,192**	20,649	0	62,654
2025	0	25,434	0	**17,192**	20,776	0	63,401
2026	0	26,069	0	**17,192**	20,896	0	64,157
2027	0	26,721	0	**17,192**	21,006	0	64,920
2028	0	27,389	0	**17,192**	21,105	0	65,687
2029	0	28,074	0	**17,192**	21,198	0	66,464
2030	0	28,776	0	**17,192**	21,283	0	67,251
2031	0	29,495	0	**17,192**	21,355	0	68,043
2032	0	30,232	0	**17,192**	21,414	0	68,838
2033	0	30,988	0	**17,192**	21,450	0	69,631
2034	0	31,763	0	**17,192**	21,470	0	70,426
2035	0	32,557	0	**17,192**	21,470	0	71,219
2036	0	33,371	0	**17,192**	21,398	0	71,961
2037	0	34,205	0	**17,192**	21,293	0	72,691
2038	0	35,060	0	**17,192**	21,153	0	73,405
2039	0	35,937	0	**17,192**	20,809	0	73,939
2040	0	36,835	0	**17,192**	20,416	0	74,444
2041	0	37,756	0	**17,192**	19,968	0	74,916

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	38,700	0	**17,192**	19,218	0	75,110
2043	0	39,668	0	**17,192**	18,402	0	75,262
2044	0	40,659	0	**17,192**	17,511	0	75,363
2045	0	41,676	0	**17,192**	16,540	0	75,408
2046	0	42,718	0	**17,192**	15,483	0	75,393
2047	0	0	0	**0**	14,339	0	14,339

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

2012 - Your job ends.
2012 - You begin receiving Social Security.
2012 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2015 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2018 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2021 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2047 - Your 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	16,200	8,400	16,800	0	394	0	900	0	42,694
2013	16,845	8,610	17,115	0	316	0	1,416	0	44,302
2014	17,517	8,825	17,438	0	310	0	1,933	0	46,023
2015	18,217	9,046	17,769	0	97	0	2,449	0	47,578
2016	18,946	9,272	18,108	0	201	0	2,965	0	49,493
2017	19,706	9,504	18,456	0	361	0	3,482	0	51,508
2018	20,498	9,691	18,082	0	104	0	3,998	0	52,373
2019	21,323	9,882	17,709	0	**-2**	0	4,515	0	53,426
2020	22,182	10,079	17,336	0	98	0	5,031	0	54,726
2021	23,078	10,282	16,962	0	205	0	5,547	0	56,075
2022	24,012	10,489	16,589	0	204	0	6,064	0	57,358
2023	24,985	10,300	16,216	0	202	0	6,458	0	58,160
2024	25,999	10,112	15,842	0	200	0	6,878	0	59,031
2025	27,056	9,927	15,469	0	197	0	7,325	0	59,974
2026	28,158	9,745	15,095	0	194	0	7,801	0	60,993
2027	29,306	9,565	14,722	0	191	0	8,308	0	62,092
2028	30,503	9,279	14,213	0	188	0	8,848	0	63,031
2029	31,751	8,994	13,704	0	184	0	9,423	0	64,055
2030	33,052	8,708	13,195	0	180	0	10,035	0	65,170
2031	34,409	8,422	12,686	0	175	0	10,688	0	66,379
2032	35,823	8,136	12,176	0	270	0	11,382	0	67,788
2033	37,297	7,850	11,499	0	292	0	12,122	0	69,061
2034	38,834	7,565	10,822	0	313	0	12,910	0	70,444
2035	40,437	7,279	10,145	0	1,655	0	13,749	0	73,265
2036	42,109	6,993	9,468	0	1,741	0	14,643	0	74,953
2037	43,852	6,707	8,791	0	1,770	0	15,595	0	76,714
2038	45,669	6,228	8,351	0	6,355	0	16,608	0	83,212
2039	47,565	5,751	7,912	0	6,257	0	17,688	0	85,173
2040	49,542	5,278	7,472	0	6,122	0	18,838	0	87,251
2041	51,603	4,806	7,033	0	12,838	0	20,062	0	96,342

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	53,754	4,337	6,593	0	12,368	0	21,366	0	98,418
2043	55,996	4,140	6,154	0	11,673	0	22,755	0	100,717
2044	58,336	3,945	5,714	0	10,884	0	24,234	0	103,112
2045	60,776	3,752	5,274	0	9,994	0	25,809	0	105,605
2046	63,321	3,561	4,835	0	8,874	0	27,487	0	108,078
2047	0	0	0	0	9,476	11,284	163,612	0	184,372

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

2012 - Your job ends.
2017 - Required minimum distributions from retirement accounts are assumed to begin.
2047 - Your 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	0	500,000	250,000	0	0	0	750,000
2013	0	446,914	258,750	0	0	0	705,664
2014	0	440,823	267,806	0	0	0	708,630
2015	0	433,272	277,179	0	0	0	710,451
2016	0	378,411	286,881	0	0	0	665,292
2017	0	370,212	296,922	0	0	0	667,133
2018	0	371,056	296,477	0	0	0	667,533
2019	0	326,416	295,666	0	0	0	622,082
2020	0	330,057	294,465	0	0	0	624,522
2021	0	333,445	292,850	0	0	0	626,295
2022	0	291,580	290,795	0	0	0	582,375
2023	0	297,936	288,274	0	0	0	586,210
2024	0	304,708	285,260	0	0	0	589,968
2025	0	311,803	281,789	0	0	0	593,591
2026	0	319,249	277,770	0	0	0	597,019
2027	0	326,935	273,247	0	0	0	600,183
2028	0	334,811	268,199	0	0	0	603,010
2029	0	343,063	262,603	0	0	0	605,666
2030	0	351,638	256,437	0	0	0	608,075
2031	0	360,476	249,680	0	0	0	610,156
2032	0	369,510	242,310	0	0	0	611,820
2033	0	378,452	234,419	0	0	0	612,871
2034	0	387,443	225,998	0	0	0	613,441
2035	0	396,380	217,043	0	0	0	613,422
2036	0	403,827	207,549	0	0	0	611,376
2037	0	410,867	197,518	0	0	0	608,384
2038	0	417,256	187,105	0	0	0	604,361
2039	0	418,226	176,329	0	0	0	594,554
2040	0	418,107	165,213	0	0	0	583,320
2041	0	416,727	153,786	0	0	0	570,513

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	0	406,819	142,269	0	0	0	549,087
2043	0	395,074	130,705	0	0	0	525,780
2044	0	381,181	119,144	0	0	0	500,324
2045	0	364,938	107,637	0	0	0	472,575
2046	0	346,134	96,244	0	0	0	442,378
2047	0	324,446	85,248	0	0	0	409,693

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

2012 - Your job ends.
2012 - You begin receiving Social Security.
2012 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2015 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2017 - Required minimum distributions from retirement accounts are assumed to begin.
2018 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2021 - New single premium immediate annuity for you, in the amount of $50,000, is purchased.
2047 - Your 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 a series of new single premium deferred annuities. The annuity amount is based on $50,000 deposited into such an annuity each time, without inflation increases in contributions. 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:
    - You live to age 83.3.
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. 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.

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.

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.

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.