



planner  
portal

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# DISABILITY INCOME NEEDS

OCTOBER 04, 2013

**PLEASE READ THIS DISCLOSURE CAREFULLY.**

This information may help you analyze your financial needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. The calculations do not infer that the company assumes any fiduciary duties. The calculations provided should not be construed as financial, legal or tax advice. In addition, such information should not be relied upon as the only source of information. This information is supplied from sources we believe to be reliable but we cannot guarantee its accuracy. Hypothetical illustrations may provide historical or current performance information. Past performance does not guarantee nor indicate future results.

# DISABILITY INCOME NEEDS

## Introduction

PREPARED FOR: Neil and Judy Saunders  
PRESENTED BY: Bill Whitman  
October 04, 2013



### YOUR GREATEST ASSET

You work hard to earn a paycheck, which in turn creates the financial foundation of your standard of living.

NEIL		JUDY	
\$105,000	salary	\$25,000	
21	years	24	
5.0%	raises	3.0%	
\$3,750,563		\$860,673	



YOUR EARNED INCOME

SPOUSE'S EARNED INCOME

What would happen to your standard of living if a portion of your financial foundation were suddenly and unexpectedly taken away?

Which of these expenses would you be willing to sacrifice if your paycheck stopped tomorrow?

- Foods and clothing
- Mortgage payments
- Debt payments
- Medical bills
- Dependent needs
- Insurance premiums



SPOUSE'S EARNED INCOME

How important would it be to you to replace the lost income?



DISABILITY INCOME

SPOUSE'S EARNED INCOME

Disability insurance is a cost effective way of protecting your financial foundation from the adverse effects of a short-term, or long-term disability.

## WHY YOU NEED PLANNING

Disabilities don't just happen to the other guy. Disability is an often overlooked risk with potentially devastating financial consequences.

However, the financial risk associated with disability is a risk we can eliminate through planning and a relatively small financial commitment.

Our analysis is designed to assess the risks that you face and evaluate what you can do to minimize those risks over the long-term.

## YOUR OBJECTIVES

DESIRED ANNUAL SPENDING	FIRST SPENDING PERIOD		SUBSEQUENT SPENDING PERIOD	
	DESIRED SPENDING (\$)	DURATION (YRS)	DESIRED SPENDING (\$)	DURATION (YRS)
Disability of Neil	\$10,000	1	\$100,000	20
Disability of Judy	\$10,000	1	\$25,000	20

Marital Status	married
Portfolio Before-Tax Return	3.0%
Average Tax Rate	25.0%
Estimated Inflation Rate	5.0%

## SUMMARY OF RESULTS

SUMMARY OF YOUR INCOME NEEDS IN THE EVENT OF A DISABILITY	TOTAL SHORT-TERM SURPLUS / (SHORTFALL) MONTHLY	TOTAL LONG-TERM SURPLUS / (SHORTFALL) ANNUAL
In the event of the disability of Neil	\$4,806	(\$22,419)
In the event of the disability of Judy	\$7,619	\$78,792

## TIMELY SOLUTIONS

Disability insurance is uniquely suited for covering financial needs created upon ones disability. It is a means of sharing the financial risk of disability with many, many others who have similar concerns.

You pay a relatively small premium to an insurance company in exchange for the promise of the insurer to pay a specified monthly benefit in the event of your disability. A financial need that arises from your disability can be eliminated by a financial resource that is created upon your disability.

# DISABILITY INCOME NEEDS

## Results (summary view)

PREPARED FOR: Neil and Judy Saunders

PRESENTED BY: Bill Whitman

October 04, 2013

### SUMMARY OF RESULTS IN THE EVENT OF NEIL'S DISABILITY

By undertaking proper disability planning, you can provide income for those who depend on you, even if you become unable to do so yourself. You currently need an additional \$0 in monthly short-term disability insurance coverage and \$22,419 in annual long-term coverage on Neil in order to meet your stated objectives.

#### ANALYSIS OF SHORT-TERM DISABILITY INCOME NEEDS (ALL FIGURES ARE AFTER-TAX)

<b>AVERAGE INDEXED MONTHLY NEED</b>	<b>\$833</b>
<b>AVERAGE INDEXED MONTHLY RESOURCES</b>	<b>\$5,640</b>
Spouse's Earnings	\$1,562
Existing Disability Insurance Benefits	\$1,875
Social Security Benefits	\$1,452
Pension Benefits	\$0
Investment Earnings (interest on non-qualified investment accounts)	\$750
<b>Average Indexed Monthly Surplus / (Shortfall)</b>	<b>\$4,806</b>

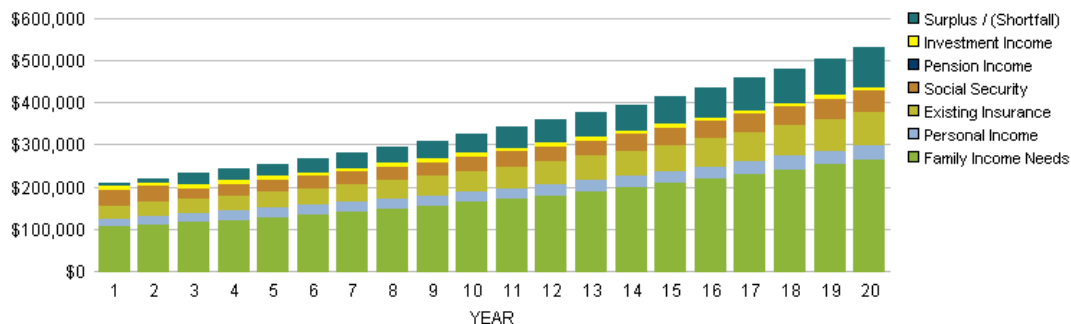
#### ANALYSIS OF LONG-TERM DISABILITY INCOME NEEDS (ALL FIGURES ARE AFTER-TAX)

<b>AVERAGE INDEXED ANNUAL NEED</b>	<b>\$95,714</b>
<b>AVERAGE INDEXED ANNUAL RESOURCES</b>	<b>\$73,295</b>
Spouse's Earnings	\$15,575
Existing Disability Insurance Benefits	\$29,643
Social Security Benefits	\$22,308
Pension Benefits	\$0
Investment Earnings (interest on non-qualified investment accounts)	\$5,770
<b>Average Indexed Annual Surplus / (Shortfall)</b>	<b>(\$22,419)</b>

### MONTHLY SHORT-TERM DISABILITY INCOME NEED



### ANNUAL LONG-TERM DISABILITY INCOME NEED



# DISABILITY INCOME NEEDS

Results (annual review)

PREPARED FOR: Neil and Judy Saunders

PRESENTED BY: Bill Whitman

October 04, 2013

## SUMMARY OF RESULTS IN THE EVENT OF NEIL'S DISABILITY

SHORT-TERM INCOME NEEDS (MONTHLY)		LONG-TERM INCOME NEEDS (ANNUAL)	
Average Income Need	\$833	Average Income Need	\$95,714
Average Available Resources	\$5,640	Average Available Resources	\$73,295
<b>Average Monthly Surplus / (Shortfall) \$4,806</b>		<b>Average Annual Surplus / (Shortfall) (\$22,419)</b>	

## SUMMARY OF MONTHLY SHORT-TERM DISABILITY INCOME NEEDS

Month	Family Income Needs	Spouse's Earnings	Existing Ins. Benefits	Social Security	Pension Income	Investment Income	Surplus / (Shortfall)
1	833	1,562	0	0	0	750	1,479
2	833	1,562	0	0	0	750	1,479
3	833	1,562	0	0	0	750	1,479
4	833	1,562	2,500	0	0	750	3,979
5	833	1,562	2,500	0	0	750	3,979
6	833	1,562	2,500	0	0	750	3,979
7	833	1,562	2,500	2,905	0	750	6,884
8	833	1,562	2,500	2,905	0	750	6,884
9	833	1,562	2,500	2,905	0	750	6,884
10	833	1,562	2,500	2,905	0	750	6,884
11	833	1,562	2,500	2,905	0	750	6,884
12	833	1,562	2,500	2,905	0	750	6,884
averages	833	1,562	1,875	1,452	0	750	4,806

## SUMMARY OF ANNUAL LONG-TERM DISABILITY INCOME NEEDS

(up to first 20 years of detailed cash flows)

Client's Age	Family Income Needs	Spouse's Earnings	Existing Ins. Benefits	Social Security	Pension Income	Investment Income	Surplus / (Shortfall)
45	105,000	19,312	31,500	36,162	0	9,000	(9,026)
46	110,250	19,892	33,075	37,518	0	9,000	(10,765)
47	115,763	20,489	34,729	25,950	0	9,000	(25,595)
48	121,551	21,103	36,465	26,923	0	9,000	(28,059)
49	127,628	21,736	38,288	27,933	0	9,000	(30,671)
50	134,010	22,388	40,203	28,980	0	9,000	(33,438)
51	140,710	23,060	42,213	30,067	0	9,000	(36,370)
52	147,746	23,752	44,324	31,194	0	9,000	(39,476)
53	155,133	24,464	46,540	32,364	0	9,000	(42,764)
54	162,889	25,198	48,867	33,578	0	9,000	(46,246)
55	171,034	25,954	51,310	34,837	0	9,000	(49,932)
56	179,586	26,733	53,876	36,143	0	9,000	(53,834)
57	188,565	27,535	56,569	37,499	0	9,000	(57,962)
58	197,993	28,361	59,398	38,905	0	9,000	(62,329)
59	207,893	29,212	62,368	40,364	0	9,000	(66,949)
60	218,287	30,088	65,486	41,878	0	9,000	(71,835)
61	229,202	30,991	68,761	43,448	0	9,000	(77,002)
62	240,662	31,921	72,199	45,077	0	9,000	(82,465)
63	252,695	32,878	75,809	46,768	0	9,000	(88,241)
64	265,330	33,865	79,599	48,521	0	9,000	(94,345)
averages	105,000	19,312	31,500	36,162	0	9,000	(9,026)

### SUMMARY OF RESULTS IN THE EVENT OF JUDY'S DISABILITY

By undertaking proper disability planning, you can provide income for those who depend on you, even if you become unable to do so yourself. You currently need an additional \$0 in monthly short-term disability insurance coverage and \$0 in annual long-term coverage on Judy in order to meet your stated objectives.

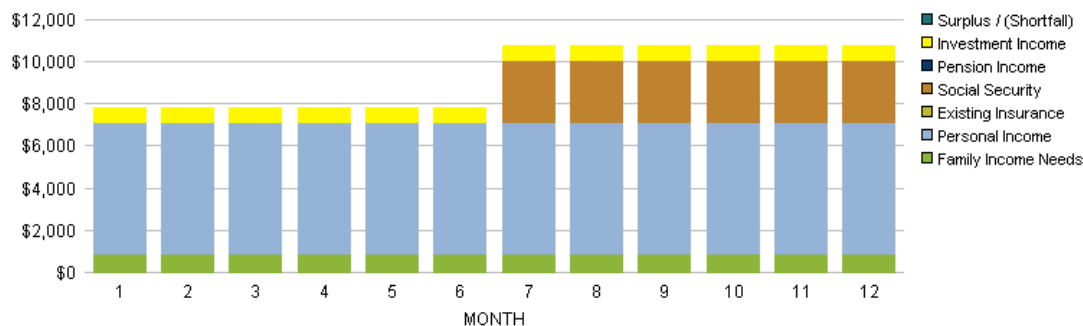
#### ANALYSIS OF SHORT-TERM DISABILITY INCOME NEEDS (ALL FIGURES ARE AFTER-TAX)

<b>AVERAGE INDEXED MONTHLY NEED</b>	<b>\$833</b>
<b>AVERAGE INDEXED MONTHLY RESOURCES</b>	<b>\$8,452</b>
Spouse's Earnings	\$6,250
Existing Disability Insurance Benefits	\$0
Social Security Benefits	\$1,452
Pension Benefits	\$0
Investment Earnings (interest on non-qualified investment accounts)	\$750
<b>Average Indexed Monthly Surplus / (Shortfall)</b>	<b>\$7,619</b>

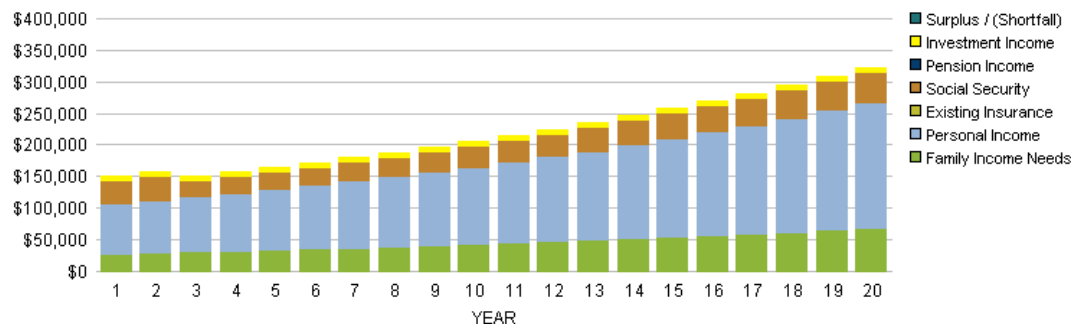
#### ANALYSIS OF LONG-TERM DISABILITY INCOME NEEDS (ALL FIGURES ARE AFTER-TAX)

<b>AVERAGE INDEXED ANNUAL NEED</b>	<b>\$24,286</b>
<b>AVERAGE INDEXED ANNUAL RESOURCES</b>	<b>\$103,078</b>
Spouse's Earnings	\$75,000
Existing Disability Insurance Benefits	\$0
Social Security Benefits	\$22,308
Pension Benefits	\$0
Investment Earnings (interest on non-qualified investment accounts)	\$5,770
<b>Average Indexed Annual Surplus / (Shortfall)</b>	<b>\$78,792</b>

### MONTHLY SHORT-TERM DISABILITY INCOME NEED



### ANNUAL LONG-TERM DISABILITY INCOME NEED



# DISABILITY INCOME NEEDS

Results (annual review)

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PRESENTED BY: Bill Whitman

October 04, 2013

## SUMMARY OF RESULTS IN THE EVENT OF JUDY'S DISABILITY

SHORT-TERM INCOME NEEDS (MONTHLY)		LONG-TERM INCOME NEEDS (ANNUAL)	
Average Income Need	\$833	Average Income Need	\$95,714
Average Available Resources	\$5,640	Average Available Resources	\$73,295
<b>Average Monthly Surplus / (Shortfall) \$4,806</b>		<b>Average Annual Surplus / (Shortfall) (\$22,419)</b>	

## SUMMARY OF MONTHLY SHORT-TERM DISABILITY INCOME NEEDS

Month	Family Income Needs	Spouse's Earnings	Existing Ins. Benefits	Social Security	Pension Income	Investment Income	Surplus / (Shortfall)
1	833	6,250	0	0	0	750	6,167
2	833	6,250	0	0	0	750	6,167
3	833	6,250	0	0	0	750	6,167
4	833	6,250	0	0	0	750	6,167
5	833	6,250	0	0	0	750	6,167
6	833	6,250	0	0	0	750	6,167
7	833	6,250	0	2,905	0	750	9,071
8	833	6,250	0	2,905	0	750	9,071
9	833	6,250	0	2,905	0	750	9,071
10	833	6,250	0	2,905	0	750	9,071
11	833	6,250	0	2,905	0	750	9,071
12	833	6,250	0	2,905	0	750	9,071
averages	833	6,250	0	1,452	0	750	7,619

## SUMMARY OF ANNUAL LONG-TERM DISABILITY INCOME NEEDS

(up to first 20 years of detailed cash flows)

Client's Age	Family Income Needs	Spouse's Earnings	Existing Ins. Benefits	Social Security	Pension Income	Investment Income	Surplus / (Shortfall)
42	26,250	78,750	0	36,162	0	9,000	97,662
43	27,562	82,688	0	37,518	0	9,000	101,643
44	28,941	86,822	0	25,950	0	9,000	92,831
45	30,388	91,163	0	26,923	0	9,000	96,698
46	31,907	95,721	0	27,933	0	9,000	100,747
47	33,502	100,507	0	28,980	0	9,000	104,985
48	35,178	105,533	0	30,067	0	9,000	109,422
49	36,936	110,809	0	31,194	0	9,000	114,067
50	38,783	116,350	0	32,364	0	9,000	118,931
51	40,722	122,167	0	33,578	0	9,000	124,023
52	42,758	128,275	0	34,837	0	9,000	129,354
53	44,896	134,689	0	36,143	0	9,000	134,936
54	47,141	141,424	0	37,499	0	9,000	140,781
55	49,498	148,495	0	38,905	0	9,000	146,902
56	51,973	155,920	0	40,364	0	9,000	153,310
57	54,572	163,716	0	41,878	0	9,000	160,021
58	57,300	171,901	0	43,448	0	9,000	167,049
59	60,165	180,496	0	45,077	0	9,000	174,408
60	63,174	189,521	0	46,768	0	9,000	182,115
61	66,332	198,997	0	48,521	0	9,000	190,186
averages	24,286	75,000	0	22,308	0	5,770	78,792