

Welcome



How to avoid outliving your money.

*The value of a retirement income analysis.

** It can prevent the nightmare of running out of money.

Presenter:

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What are the top fears? \$\$\$\$\$

2017 Transamerica Survey-

- Running out of money; 51% surveyed.
- Rising healthcare costs; 45% feared long-term care needs.
- Forced retirement; 20% feared early retirement due to health or layoffs.



Today's Presentation

- Summary of the income analysis
- Lifestyle spending goals
- Sources of income
- Prepare the optimal plan
- Case Study - exercise

Summary of the analysis



Benefits...

- Projects future taxes, account value, spending:
 - Includes lifestyle, travel, and L-T Care estimates.
 - Includes sources of income- SS, pension, rentals etc.
 - Includes investment portfolio and tax projections.



Written goals – lifestyle



Spending goals: 5, 10, & 15 years forward

- Overall budget and travel plans.
- Large capital expenditures.
- Hobbies or learning experiences.
- Healthcare cost plans.



Sources of income



Nonportfolio income:

- Social Security Benefits.
- Pension income.
- Annuity income.
- Nontraditional income, Eg. net rental income or royalties.
- New tax law changes.

Sources of income



Portfolio income:

- Investment plan -Allocation of client accounts, expected ROI.
 - Taxable accounts, traditional IRA, and Roth IRA accounts.
 - Consider Roth IRA conversion plan.
 - Prevent tax bracket creep over the long-term.
 - Consider annuity, L-T Care or Life Insurance in the overall plan.
 - Probability analysis / market expectations.

Prepare the optimal plan



Review your client analysis:

- Qualitative issues: charitable goals, family considerations.
 - Project tax efficient portfolio management.
 - Consider holding deferred tax accounts to fund end of life costs.
 - Charitable plans that are tax efficient.
 - Consider optimal legacy plans in the analysis.
 - Prepare the top three plans and discuss with client.



Case study – exercise



- A) The more complicated a client case, the more valuable an income analysis becomes.
- B) Preparing for the workshop:
 - 1) Review your handout.
 - 2) Discuss questions on the case study.
 - 3) Make recommendations.

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