



Survivor Needs Analysis

Prepared for:

Young, Todd and Sylvia

Prepared by:

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Thursday, May 24, 2012

Survivor Needs

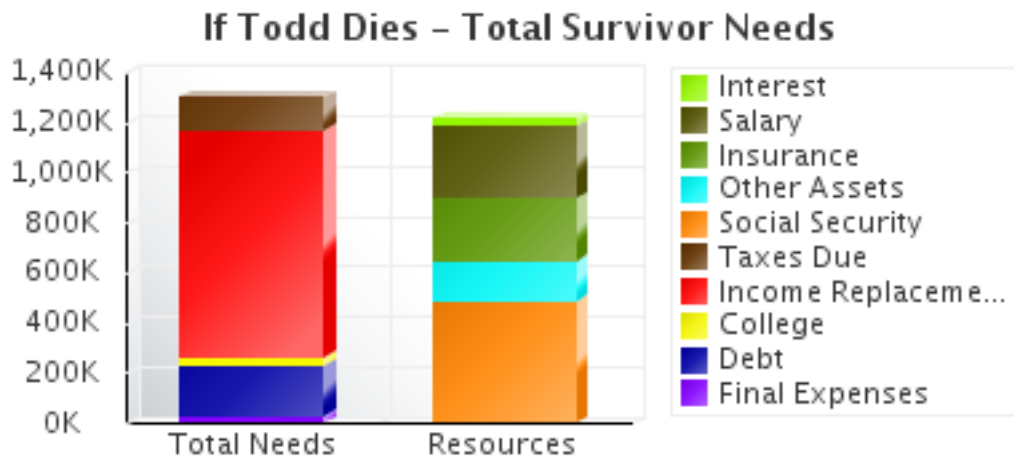
Objective: Survivor needs in the event of Todd's death

Planning for the unexpected can be an unpleasant experience. However, it is critical when developing a sound financial plan that clients answer the question, 'What if I were to die tomorrow?' Survivor Needs analysis is all about planning for an unexpected death, and addresses what it will take to ensure that your family is in sound financial shape. Although no one likes to contemplate their death, delaying this important planning step can have dramatic negative impacts on your family. Survivor Needs planning looks at how your current resources compare against your immediate and ongoing household needs should an unexpected death occur. Immediate Needs represent the lump sum cash a survivor will need to handle expenses and reduce debt in the first few months after a death. Ongoing or Income Replacement Needs represent the income required by survivors to maintain their standard of living over time.

If you died tomorrow, would you have a plan in place?

Total Needs Summary

The following graph illustrates Sylvia total survivor needs and total available resources. Both needs and resources reflect future value amounts.



Total Needs and Resources

Your total needs consist of immediate expenses and debts, potential college costs, future income replacement needs and taxes. Your total assets consist of salary, social security benefits, life insurance, other assets and interest earned on savings. The following table summarizes your total needs and resources.

One-Time Expenses and Debts	\$227,000	Existing Life Insurance	\$250,000
College Expense	\$33,534	Assets, Savings, Interest Earned	\$190,558
Income Replacement Need	\$908,854	Survivor Salary	\$288,592
Taxes Due	\$128,993	Survivor Social Security Income	\$483,986
Total Need	\$1,298,380	Total Resources	\$1,213,137

Additional Capital Required

The following estimate represents the additional capital Sylvia would require today to meet your total immediate and ongoing needs. The estimate is a net present value and reflects a rate of return on survivor savings of 5.00%.

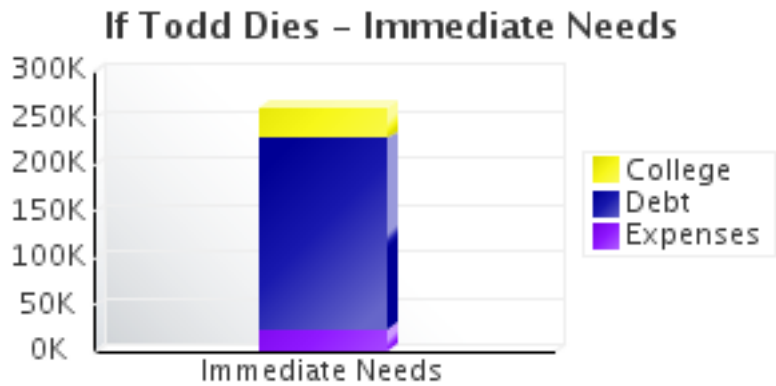
Additional Capital Required \$62,581

Survivor Needs Detail

Immediate Cash Needs

The following graph and table detail your immediate expense and debt needs.

Sylvia has immediate cash needs of \$260,534. This need can be covered with existing assets.

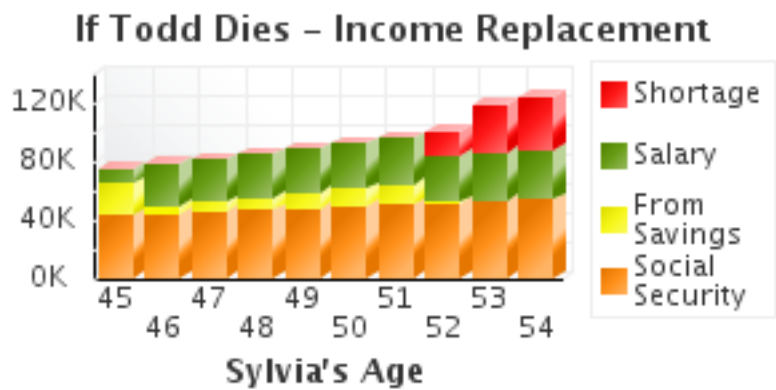


Expenses		Debts	
Funeral Expenses	\$10,000	Mortgage	\$175,000
Final Expenses	\$12,000	Other Debts	\$30,000
Estate Taxes	\$0		
College Expenses	\$33,534		

Income Replacement Needs

The following graph and table detail your income replacement needs.

Sylvia will require \$62,581 in additional capital today to meet the income replacement needs you have identified. Note: this amount includes future taxes.



Survivor Information		Annual Survivor Income Needs	
Annual Wage During Bereavement	\$10,000	With Children at Home	\$75,000
Annual Wage With Children Home	\$28,000	Without Children at Home	\$60,000
Annual Wage Without Children Home	\$28,000	During Retirement	\$50,000
Retirement Age	65	Years to Provide Income Replacement	10 Years
Life Expectancy	82		

Assets

The following table reflects the survivor assets that are currently available.

Life Insurance	\$250,000	Annual SS for each Child under 18	\$18,000
Other Assets and Savings	\$160,000	Annual SS for survivor caring for your Child	\$18,000
		Annual SS for survivor upon full retirement age	\$24,000

Rate Assumptions

The following table provides rate assumptions that were utilized in the needs analysis.

Federal Effective Tax Rate Pre-Retirement	23.00%	Inflation Rate	4.20%
Federal Effective Tax Rate Post Retirement	18.00%	Rate of Return on Survivor savings	5.00%
State Effective Tax Rate	5.00%	Social Security Cost of Living Adjustment	2.50%

Survivor Needs Annual Summary

The following table provides a annual needs timeline in the event of Todd's death.

Sylvia's Age	Annual Need	Survivor Salary	Social Security	Tax Due	Shortage	Interest Dividends	Year End Balance
47	\$75,000	\$10,000	\$43,200	\$4,587	\$0	\$6,383	\$129,462
48	\$78,150	\$28,560	\$44,280	\$13,010	\$0	\$6,208	\$117,350
49	\$81,432	\$29,131	\$45,387	\$13,245	\$0	\$5,522	\$102,713
50	\$84,852	\$29,714	\$46,522	\$13,453	\$0	\$4,705	\$85,347
51	\$88,416	\$30,308	\$47,685	\$13,631	\$0	\$3,746	\$65,039
52	\$92,130	\$30,914	\$48,877	\$13,776	\$0	\$2,635	\$41,560
53	\$95,999	\$31,533	\$50,099	\$13,884	\$0	\$1,360	\$14,667
54	\$100,031	\$32,163	\$51,351	\$13,979	\$15,829	\$0	\$0
55	\$104,232	\$32,806	\$52,635	\$14,465	\$33,256	\$0	\$0
56	\$108,610	\$33,463	\$53,951	\$14,962	\$36,159	\$0	\$0

Survivor Needs

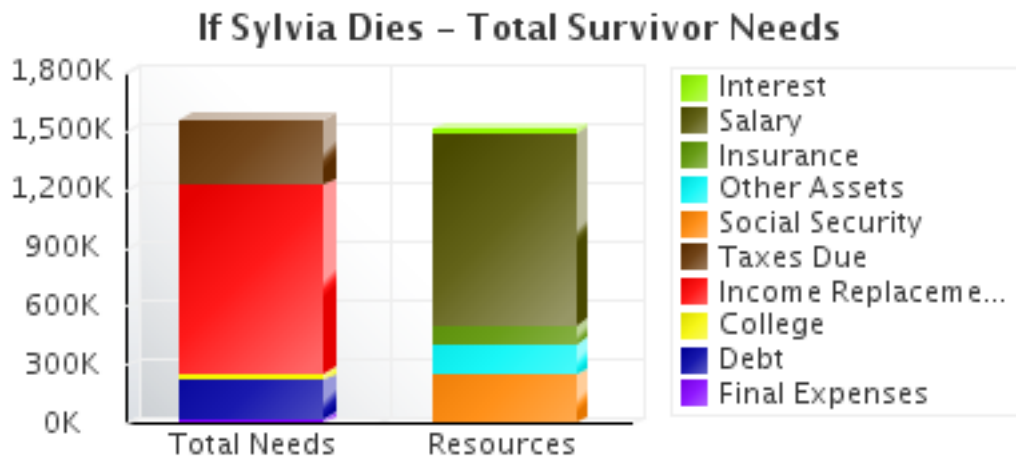
Objective: Survivor needs in the event of Sylvia's death

Planning for the unexpected can be an unpleasant experience. However, it is critical when developing a sound financial plan that clients answer the question, 'What if I were to die tomorrow?' Survivor Needs analysis is all about planning for an unexpected death, and addresses what it will take to ensure that your family is in sound financial shape. Although no one likes to contemplate their death, delaying this important planning step can have dramatic negative impacts on your family. Survivor Needs planning looks at how your current resources compare against your immediate and ongoing household needs should an unexpected death occur. Immediate Needs represent the lump sum cash a survivor will need to handle expenses and reduce debt in the first few months after a death. Ongoing or Income Replacement Needs represent the income required by survivors to maintain their standard of living over time.

If you died tomorrow, would you have a plan in place?

Total Needs Summary

The following graph illustrates Todd total survivor needs and total available resources. Both needs and resources reflect future value amounts.



Total Needs and Resources

Your total needs consist of immediate expenses and debts, potential college costs, future income replacement needs and taxes. Your total assets consist of salary, social security benefits, life insurance, other assets and interest earned on savings. The following table summarizes your total needs and resources.

One-Time Expenses and Debts	\$227,000	Existing Life Insurance	\$100,000
College Expense	\$33,534	Assets, Savings, Interest Earned	\$190,558
Income Replacement Need	\$969,444	Survivor Salary	\$986,749
Taxes Due	\$338,730	Survivor Social Security Income	\$241,993
Total Need	\$1,558,708	Total Resources	\$1,508,379

Additional Capital Required

The following estimate represents the additional capital Todd would require today to meet your total immediate and ongoing needs. The estimate is a net present value and reflects a rate of return on survivor savings of 7.00%.

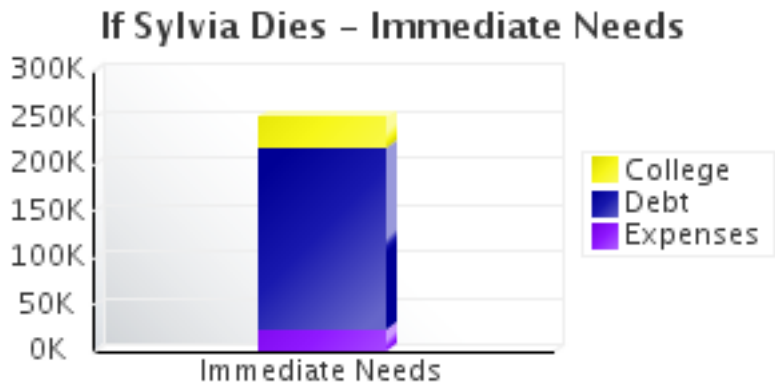
Additional Capital Required \$39,437

Survivor Needs Detail

Immediate Cash Needs

The following graph and table detail your immediate expense and debt needs.

Todd has immediate cash needs of \$250,534.
This need can be covered with existing assets.

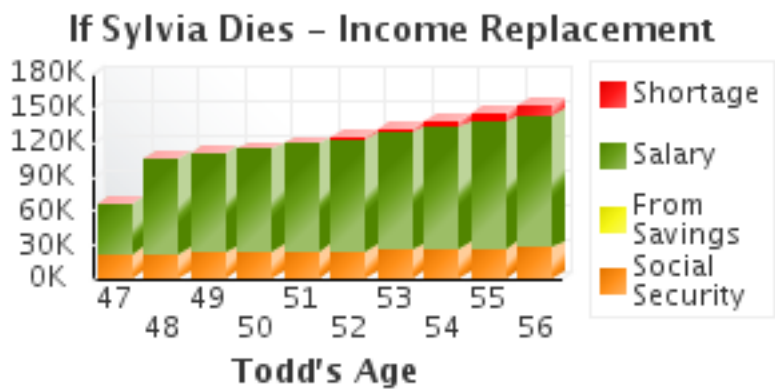


Expenses		Debts	
Funeral Expenses	\$10,000	Mortgage	\$175,000
Final Expenses	\$12,000	Other Debts	\$20,000
Estate Taxes	\$0		
College Expenses	\$33,534		

Income Replacement Needs

The following graph and table detail your income replacement needs.

Todd will require \$39,437 in additional capital today to meet the income replacement needs you have identified. Note: this amount includes future taxes.



Survivor Information		Annual Survivor Income Needs	
Annual Wage During Bereavement	\$45,000	With Children at Home	\$80,000
Annual Wage With Children Home	\$90,000	Without Children at Home	\$55,000
Annual Wage Without Children Home	\$90,000	During Retirement	\$45,000
Retirement Age	65	Years to Provide Income Replacement	10 Years
Life Expectancy	88		

Assets

The following table reflects the survivor assets that are currently available.

Life Insurance	\$100,000	Annual SS for each Child under 18	\$10,800
Other Assets and Savings	\$160,000	Annual SS for survivor caring for your Child	\$10,800
		Annual SS for survivor upon full retirement age	\$14,400

Rate Assumptions

The following table provides rate assumptions that were utilized in the needs analysis.

Federal Effective Tax Rate Pre-Retirement	23.00%	Inflation Rate	4.20%
Federal Effective Tax Rate Post Retirement	18.00%	Rate of Return on Survivor savings	7.00%
State Effective Tax Rate	5.00%	Social Security Cost of Living Adjustment	2.50%

Survivor Needs Annual Summary

The following table provides a annual needs timeline in the event of Sylvia's death.

Todd's Age	Annual Need	Survivor Salary	Social Security	Tax Due	Shortage	Interest Dividends	Year End Balance
45	\$80,000	\$45,000	\$21,600	\$17,088	\$21,022	\$0	\$0
46	\$83,360	\$92,700	\$22,140	\$31,842	\$0	\$2,204	\$1,841
47	\$86,861	\$95,481	\$22,694	\$32,786	\$0	\$2,321	\$2,690
48	\$90,509	\$98,345	\$23,261	\$33,735	\$0	\$2,365	\$2,417
49	\$94,311	\$101,296	\$23,842	\$34,689	\$0	\$2,327	\$883
50	\$98,272	\$104,335	\$24,438	\$35,645	\$2,064	\$2,197	\$0
51	\$102,399	\$107,465	\$25,049	\$36,642	\$4,419	\$2,108	\$0
52	\$106,700	\$110,689	\$25,676	\$37,685	\$5,944	\$2,077	\$0
53	\$111,181	\$114,009	\$26,318	\$38,757	\$7,572	\$2,040	\$0
54	\$115,851	\$117,430	\$26,975	\$39,860	\$9,307	\$1,999	\$0