

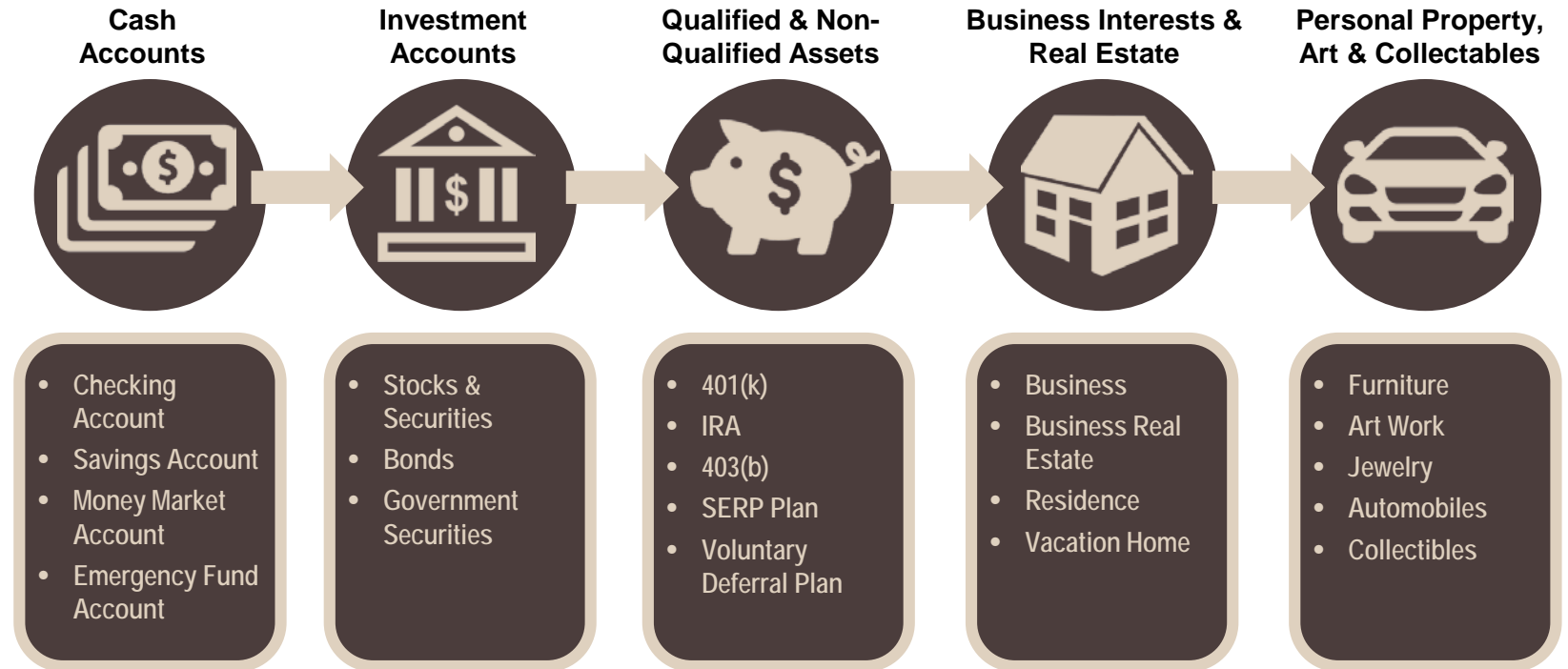


# Building Legacy Wealth



# BUILDING YOUR NET WORTH

## TO PASS ON A LEGACY & ENJOY YOUR RETIREMENT



Your net worth is a snapshot of your overall financial world. As your assets accumulate over your lifetime, they are used to sustain your lifestyle during retirement...but what about leaving a legacy?



# SAM & MARY JONES

## \$4,000,000 NET WORTH

Assets		Liabilities	
Residence	\$750,000	Home Mortgage	\$125,000
Vacation Home	\$500,000	Other Mortgage	\$85,000
Personal Property	\$100,000	Auto Loans	-
Automobiles	\$60,000	Other Loans	-
Art and Collectibles	\$50,000	Credit Card Debt	-
Stocks and Securities	\$250,000	Other Debt	-
Business Interests	\$500,000	<b>Total Liabilities</b>	<b>\$210,000</b>
Government Securities	\$50,000		
Bonds	\$200,000		
Checking Accounts	\$50,000		
Savings Accounts	\$100,000		
Money Market Account	\$600,000		
Qualified Assets	\$1,000,000		
<b>Total Assets</b>	<b>\$4,210,000</b>	<b>Net Worth</b>	<b>\$4,000,000</b>

## CURRENT PLAN

- Sam & Mary Jones' net worth remains at \$4,000,000 or above

Mr. Jones	Mrs. Jones	Year	Current Net Worth	Annual Spending w/ Inflation	Total Net Worth
65	64	2018	\$4,000,000	\$100,000	\$4,095,000
66	65	2019	\$4,095,000	\$103,000	\$4,191,600
67	66	2020	\$4,191,600	\$106,090	\$4,289,786
68	67	2021	\$4,289,786	\$109,273	\$4,389,538
69	68	2022	\$4,389,538	\$112,551	\$4,490,837
70	69	2023	\$4,490,837	\$115,927	\$4,593,655
71	70	2024	\$4,593,655	\$119,405	\$4,697,962
72	71	2025	\$4,697,962	\$122,987	\$4,803,724
73	72	2026	\$4,803,724	\$126,677	\$4,910,899
74	73	2027	\$4,910,899	\$130,477	\$5,019,443



## CURRENT PLAN (CONTINUED)

Mr. Jones	Mrs. Jones	Year	Current Net Worth	Annual Spending w/ Inflation	Total Net Worth
75	74	2028	\$5,019,443	\$134,392	\$5,129,304
76	75	2029	\$5,129,304	\$138,423	\$5,240,424
77	76	2030	\$5,240,424	\$142,576	\$5,352,741
78	77	2031	\$5,352,741	\$146,853	\$5,466,182
79	78	2032	\$5,466,182	\$151,259	\$5,580,669
80	79	2033	\$5,580,669	\$155,797	\$5,696,116

*We have assumed a 5% growth rate on portfolio assets.*



# RECOMMENDED PLAN

- Sam & Mary Jones reposition \$45,000 annually to leverage those dollars to leave a larger legacy. Now, they have the freedom to spend more in retirement knowing their legacy to their heirs is secure.

Mr. Jones	Mrs. Jones	Year	Net Worth – LI Premium	Annual Spending w/ Inflation	Net Worth - LI Premium + Growth	Death Benefit	Total Net Worth	LTC/CI Benefit
65	64	2018	\$3,955,000	\$145,000	\$4,000,500	\$3,261,298	\$7,261,798	\$129,600
66	65	2019	\$4,000,500	\$149,350	\$4,043,708	\$3,261,298	\$7,305,006	\$129,600
67	66	2020	\$4,043,708	\$153,831	\$4,084,371	\$3,261,298	\$7,345,669	\$129,600
68	67	2021	\$4,084,371	\$158,445	\$4,122,222	\$3,261,298	\$7,383,520	\$129,600
69	68	2022	\$4,122,222	\$163,199	\$4,156,974	\$3,261,298	\$7,418,272	\$129,600
70	69	2023	\$4,156,974	\$168,095	\$4,188,323	\$3,261,298	\$7,449,621	\$129,600
71	70	2024	\$4,188,323	\$173,138	\$4,215,945	\$3,261,298	\$7,477,243	\$129,600
72	71	2025	\$4,215,945	\$178,332	\$4,239,494	\$3,261,298	\$7,500,792	\$129,600
73	72	2026	\$4,239,494	\$183,682	\$4,258,603	\$3,261,298	\$7,519,901	\$129,600
74	73	2027	\$4,258,603	\$189,192	\$4,272,881	\$3,261,298	\$7,534,179	\$129,600

## RECOMMENDED PLAN (CONTINUED)

Mr. Jones	Mrs. Jones	Year	Net Worth - LI Premium	Annual Spending w/ Inflation	Net Worth - LI Premium + Growth	Death Benefit	Total Net Worth	LTC/CI Benefit
75	74	2028	\$4,272,881	\$194,868	\$4,281,914	\$3,261,298	\$7,543,212	\$129,600
76	75	2029	\$4,281,914	\$200,714	\$4,285,260	\$3,261,298	\$7,546,558	\$129,600
77	76	2030	\$4,285,260	\$206,735	\$4,282,451	\$3,261,298	\$7,543,749	\$129,600
78	77	2031	\$4,282,451	\$212,937	\$4,272,989	\$3,261,298	\$7,534,287	\$129,600
79	78	2032	\$4,272,989	\$219,326	\$4,256,347	\$3,261,298	\$7,517,645	\$129,600
80	79	2033	\$4,256,347	\$225,905	\$4,231,964	\$3,261,298	\$7,493,262	\$129,600

\*see assumptions footnote at conclusion of this Plan.



# COMPARISON OF PLANS

## Current Plan

Mr. Jones	Mrs. Jones	Annual Spending w/ Inflation	Total Net Worth
65	64	\$100,000	\$4,095,000
66	65	\$103,000	\$4,191,600
67	66	\$106,090	\$4,289,786
68	67	\$109,273	\$4,389,538
69	68	\$112,551	\$4,490,837
70	69	\$115,927	\$4,593,655
71	70	\$119,405	\$4,697,962
72	71	\$122,987	\$4,803,724
73	72	\$126,677	\$4,910,899
74	73	\$130,477	\$5,019,443
75	74	\$134,392	\$5,129,304
76	75	\$138,423	\$5,240,424
77	76	\$142,576	\$5,352,741
78	77	\$146,853	\$5,466,182
79	78	\$151,259	\$5,580,669
80	79	\$155,797	\$5,696,116

## Recommended Plan

Annual Spending w/ Inflation	Total Net Worth	% Increase in Net Worth	Dollar Increase
\$145,000	\$7,261,798	77.33%	\$3,166,798
\$149,350	\$7,305,006	74.28%	\$3,113,406
\$153,831	\$7,345,669	71.24%	\$3,055,883
\$158,445	\$7,383,520	68.21%	\$2,993,981
\$163,199	\$7,418,272	65.19%	\$2,927,435
\$168,095	\$7,449,621	62.17%	\$2,855,966
\$173,138	\$7,477,243	59.16%	\$2,779,281
\$178,332	\$7,500,792	56.15%	\$2,697,068
\$183,682	\$7,519,901	53.13%	\$2,609,002
\$189,192	\$7,534,179	50.10%	\$2,514,737
\$194,868	\$7,543,212	47.06%	\$2,413,909
\$200,714	\$7,546,558	44.01%	\$2,306,134
\$206,735	\$7,543,749	40.93%	\$2,191,009
\$212,937	\$7,534,287	37.83%	\$2,068,106
\$219,326	\$7,517,645	34.71%	\$1,936,976
\$225,905	\$7,493,262	31.55%	\$1,797,146

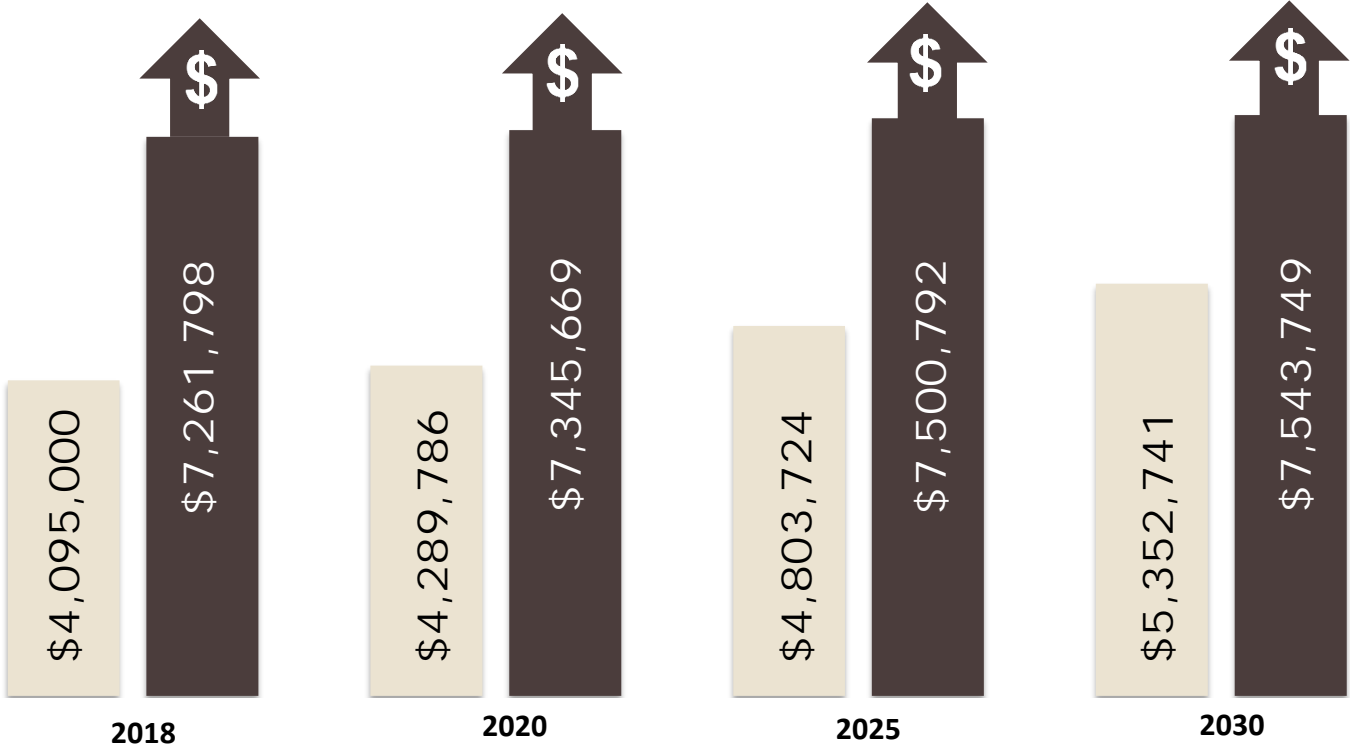




# COMPARISON OF PLANS



## Sam and Mary Jones Legacy Comparison



■ - Current Plan    ■ - Recommended Plan

# RESULTS AND RECOMMENDATIONS

## Current Plan

- Total assets will diminish over time and be utilized for expenses during retirement
- Upon death, assets may be liquidated to pay for estate taxes
- There is no guarantee of any legacy wealth transfer to next generation
- Legacy assets could be depleted by long term care expenses

## Recommended Plan

- Provides significantly more benefit to the heirs, while also allowing more to be spent & enjoyed during retirement
- Life insurance proceeds at death paid to designated beneficiaries
- Guarantees transfer of legacy wealth to next generation
- Provides substantial benefits to address possible long term care needs

## APPENDIX - ASSUMPTIONS

- The following assumptions should be noted:
  - Sam & Mary Jones – Age 65, Preferred Non Tobacco underwriting
- For illustrative purposes only, we have utilized John Hancock's Protection Survivorship Indexed Universal Life product assuming a \$45,000 annual premium which provides \$3,261,298 of coverage on Sam & Mary. The rate of return used for the insurance was 6%.
- The alternatives provided on pages 4 through 7 illustrate how life insurance can impact your net worth and preserve your legacy.