

for Mary Jane

Will you be ok in Retirement?

Table of Contents

• Introduction	pg 1
• Your 401(k) savings vs. the averages	pg 2
• Spending quick check	pg 3
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• Your Retirement Spending Ability vs. Today	pg 4
• If you have other retirement savings	pgs 5, 6
• What's next for you?	pg 7
• Your Step-by-Step Financial Recommendations	pg 8
<hr/>	
• Legal Disclosures & Disclaimer (The Fine Print)	pg 9
• Assumptions, References & Methods	Appendix
• Get HELP	Back Cover

Mary Jane

Annual Salary: \$32,000

Date of Birth: Dec 31, 1974

as of 12/31/2014

Hi Mary,

In this report we show you how prepared you are for retirement by estimating how much you will be able to **spend in retirement** each month. (Based on your company plan and estimated social security).

Compare this to what you **spend today**.

We have also included 401(k) averages to give you an idea of what others are doing.

*Sincerely,
Pat Zumbusch*

CEO Wellspring Financial Partners

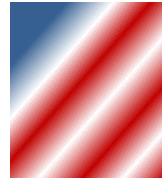
How does your 401(k) savings compare to everyone else?



401(k) Balances



Mary
\$40,000



Average USA
\$109,723

401(k) Contribution Rates



Mary
6.5%



Average Samples
7.4%



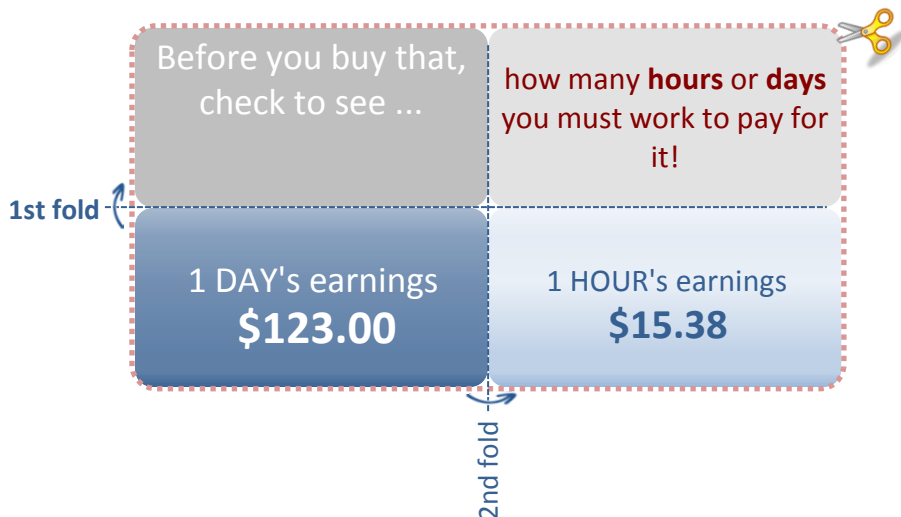
Average USA
6.4%

- \$40,000 Your 401(k) balance as of 12/31/2014.
- \$109,723 - USA balance as of 12/31/2009 Figure-6 EBRI 'Issue Brief No. 350', November 2010.
- 6.5% - based on contributions of \$86.67 each pay day (24 a year) and salary of \$32,000.00.
- 3.0% - based on Samples's total contribution on your behalf (not shown).
- 7.4% - average contribution of Samples workers as of 12/31/2014.
- 6.4% - average USA rate - Table 26, Plan Sponsor Council of America's '55th Annual Survey'.

Spending quick check

Mary Jane

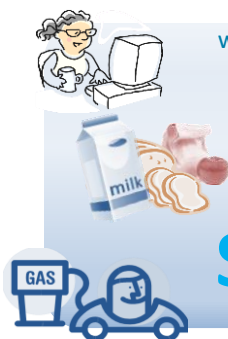
Going shopping? Pause, remember your daily and hourly rate of pay and how hard you have to work to pay for things you buy; especially things you do not need.



How does your spending ability today
compare to how much
you will likely be able to spend in retirement?

TODAY

we use your monthly salary, but, we exclude
your FICA taxes, and, exclude your 401(k)
contributions



\$2,289/month

Your \$2,289 (less federal & state taxes) is how much
you have available to spend today.

VS.

RETIREMENT

starting at age 67 until age 100

\$362	from your 401(k) balance
+ \$342	from future 401(k) contributions
+ \$158	from future employer contributions
+ \$1,283	from Social Security



\$2,145/month

\$2,145 (less federal & state taxes) is how much you will likely
have available to spend in retirement (adjusted for inflation).



Your likely retirement spending ability is close to your spending ability today.
You have done a good job preparing for retirement. To have a bit of a
savings cushion in retirement, consider adding a little more to your 401(k)
starting today.

Do you have other Retirement savings - an ESOP, IRA, old 401(k), mutual funds, etc.?

use the worksheet below to estimate how much these savings could add to your monthly retirement income (you will need a simple calculator).

(A) Do you have money saved up elsewhere for your retirement?

Enter current balance of your other retirement savings in box (A) below

multiply by 0.0091*

write the result in 1 below

(B) 1. Are you saving for your retirement outside your 401(k) plan?

2. Are you making regular, ongoing monthly contributions to this outside retirement savings plan?

3. Do you increase these monthly contributions annually each time your salary increases?

If you answered yes to all three questions, then;

Enter other monthly retirement savings/contributions you make in box (B) below

multiply by 1.9731**

write the result in 2 below

(C) Add 1 2 and 3

Enter current balance of your other retirement savings

$$\textcircled{A} \left\{ \$ \right\} \times 0.0091 = \$ \textcircled{1}$$

(times)

Enter other monthly retirement savings/ contributions you make

$$\textcircled{B} \left\{ \$ \right\} \times 1.9731 = \$ \textcircled{2}$$

Your estimated retirement spending ability from your 401(k) and social security (see page 4)

$$+ \$2,145 \textcircled{3}$$

$$\textcircled{C} \text{ Total estimated retirement income } \textcircled{1} + \textcircled{2} + \textcircled{3}$$

* **
& see Appendix - page A2

What's next for you?

Keep it up Mary, you've done the smart thing, using your 401(k) to get more to spend in retirement. You are taking charge! Here's what you should do next:



Your next steps

1. Check your emergency fund savings - (Step 1, next page)
2. Do you have enough life insurance? - (Step 2, next page)
3. Start tracking how much you spend each month - (Step 3, next page)
4. Start saving more in your retirement plan, Mary

See the yellow sticky. Maybe you have other savings and now is not the right time, or you have too many other expenses. Hold on to this, discuss it with someone you trust. The next time you get a raise you could save just a 1/2 DAY's pay more each month.

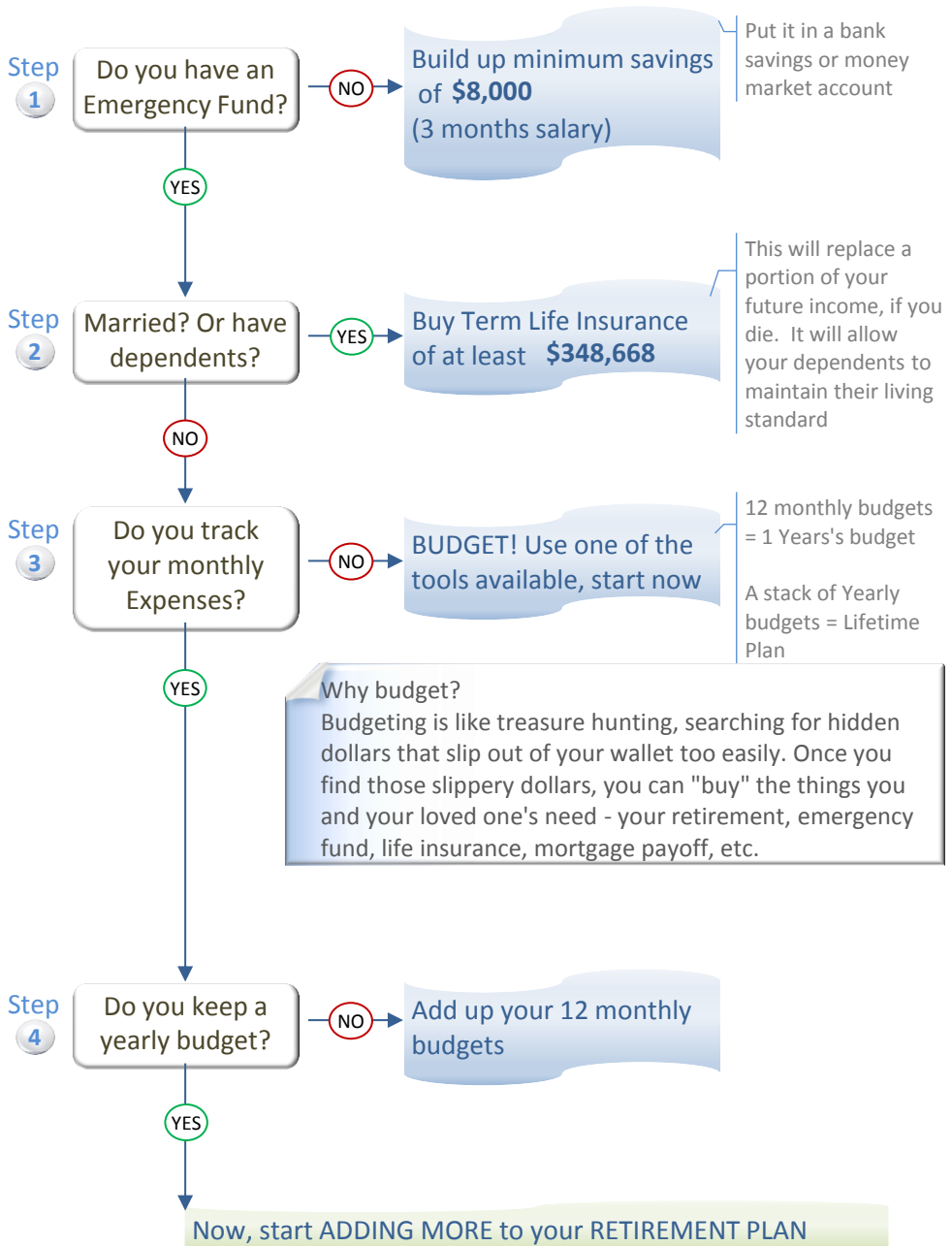
STOP

Do you have ongoing, high-interest rate credit card debt you are not paying off? Start now, get help and make a plan to pay it off as quickly as you can.

DO THIS BEFORE SAVING ANYTHING MORE!

This debt is like a big hole in your wallet.... It will just keep draining you, and you will not be able to do the things you want to do.

Mary's Step-by-Step Financial Recommendations



Legal Disclosures & Disclaimer (The FINE PRINT)

Nothing in this document is intended to alter the at-will nature of the employee-employer relationship. Wellspring Financial Partners cannot guarantee the accuracy of your personal pay and benefits data. If you notice any discrepancies within your personal data, please contact us at info@WellspringFP.com. All portfolio market value data was obtained directly from the retirement plan vendor, a source deemed to be accurate and reliable. Past performance is not indicative of future results. Assumptions and projections used in the calculations are purely estimates and Wellspring Financial Partners does not guarantee that actual results will match the estimates provided in this report. The information presented is for informational purposes only. It is not our position to offer legal or tax advice.

APPENDIX

Assumptions, Methods & References

refer to page 2

401(k) Contribution Rates

- we assume that your contribution rate of 6.5% stays the same until you retire
- we assume that your salary will increase each year by 3.0% until you retire
- hence, we assume that the dollar amount of your contributions will also increase each year until you retire

refer to page 3

1 day's earnings

Your annual salary of \$32,000 divided by 260 (workdays in a year) = \$123.00

1 hour's earnings

Your 1 day's earnings of \$123.00 divided by 8 (work hours in a day) = \$15.38

refer to page 4

Your spending ability TODAY

We exclude your 401(k) contributions and your FICA taxes because in retirement:

1. You will no longer be making 401(k) contributions, and,
2. FICA taxes will not be charged on your 401(k) withdrawals or social security benefits

Hence, your spending ability **Today** and your **likely Retirement** spending ability (after adjusting for inflation) are more comparable

Your RETIREMENT spending ability \$2,145/month is calculated from 3 sources:

1. Your current 401(k) balance of \$40,000
2. Your future ongoing 401(k) contributions
3. Your Social Security estimate based on the Social Security Quick Calculator

Federal and state taxes

We have not deducted federal and state taxes since tax rates and laws could change

Prices tend to go up over time (inflation)

Your spending ability today is based on your current salary. To help you compare your lifestyle today (based on your spending ability today) with your likely retirement lifestyle (based on how much you will likely be able to spend in retirement)... we have adjusted your likely retirement spending ability to account for prices increasing (inflation) in the future.

refer to pages 5 & 6

Factor to estimate retirement income from other retirement savings balances

* 0.0091 retirement balance factor

We estimated that your current 401(k) balance of \$40,000 will provide you a retirement income (spending ability) that starts at \$362/month.

We use these 2 numbers to calculate how much additional monthly retirement income you would have if you had another \$1 in current retirement savings;

Hence, $\$362 \div \$40,000 = \$0.0091$ is how much more retirement income you would get from an additional \$1 of retirement savings balance.

Factor to estimate retirement income from other retirement contributions

** 1.9731 retirement contribution factor

We estimated that your ongoing 401(k) contributions of \$173/month will provide you a retirement income (spending ability) that starts at \$342/month.

We use these 2 numbers to calculate how much additional monthly retirement income you would get if you contributed an additional \$1/month towards your retirement until you retired;

Hence, $\$342 \div \$173.33 = \$1.9731$ is how much more retirement income you would get from an additional \$1 of future ongoing contributions (note we assume that as your salary increases each year, your contributions also increase).

refer to page 7

Mary's to do

If you contribute an additional 1/2 day's pay of \$62 each month to your 401(k) the increase in your likely retirement income (spending ability) is calculated in a similar way:

We multiply your 1/2 day's pay of \$62 by your retirement contribution factor of 1.9731

Hence, $\$62 \times 1.9731 = \122 is how much more retirement income you would get if you save an additional 1/2 day's pay each month (note we assume that as your salary increases each year, your contributions also increase).

refer to page 8

Minimum Term Life Insurance Recommendation

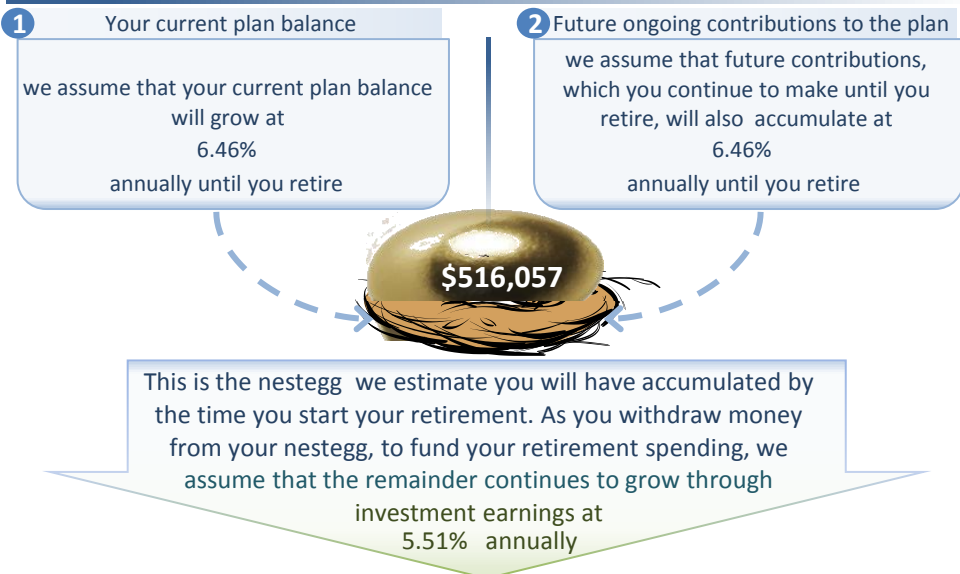
This is the lump sum value (today's dollars) of 60% of your future estimated salaries

APPENDIX continued...Assumptions & Methods

The age you...		Rates used in the calculations	Before you retire	During retirement
...retire	67	Yearly investment earnings	6.46%	5.51%
...begin social security	67	Yearly price increase	3.00%	3.00%
...live to	100	Yearly salary increase	3.00%	N/A

A

How we estimate your monthly **RETIREMENT** spending ability
from your employer plan



We take the nestegg we estimate you will have accumulated by the time you retire and we use it to estimate your monthly retirement income (i.e. your retirement spending ability). To make sure that your nestegg supports you during your retirement and does not crack;

we set **2 goals** for your nest egg:

1. it should last throughout your retirement, AND,
2. it should allow your spending ability to keep up with rising prices

To meet these goals, your estimated monthly retirement spending amount ...

1. starts the year you retire
2. continues until you turn 100, AND,
3. increases each year at the rate we assumed prices will increase

**B**

How we estimate your monthly **RETIREMENT** spending ability from Social Security

Your social security benefit of \$1,283 is based on an estimate obtained directly from the Quick Calculator on the social security website.

This is a rough estimate based on the following information:

1. Your date of birth: Dec 31, 1974
2. Your annual salary: \$32,000
3. You retire and start collecting social security benefits at age 67


The Social Security Quick Calculator can be found online at this link:



<http://www.ssa.gov/oact/quickcalc/>

Get a more accurate estimate from the social security website at:
<http://www.ssa.gov/estimator>

Create an account and use the Retirement Estimator to obtain an estimate based on your actual past earnings.

Finally, two more steps:

1. We add **A** and **B** and get the monthly amount  you will be able to spend starting at age 67

2. We adjust this monthly amount  to today's dollars 
to take future price increases/inflation into account so that you can compare this to how much you are able to spend today

Get Help

BASIC Plan Services

Contact Helga Rmoney at Samples



(520) My-Own-HR



@ HRmoney@sampleclient.com

If you need to change how much you save?

- ... or change your beneficiary (if you marry, have a child, divorce, write a new will)
- ... or change your home/ mailing address
- ... or move/rollover other retirement funds into your plan
- ... or take money out of your savings plan (if your plan allows you to do so)
- ... or need some plan form

INVESTMENT Changes, Allocating your savings to different investment funds



(888)-help-mee



@ www.saveforretirement.com

If you need to change how you invest your savings

- ... or to rebalance your savings (move money between investment funds)

LEARNING - General Savings and Investing Education - Video Learning Series



@ <http://demosite.com>

A comprehensive series of 8 videos, each 2 to 4 minutes long, covering saving, investing, choosing and allocating your savings among investment fund choices, financial risks today and during retirement, and making smart financial decisions. Share these videos with your family and friends to help them too!

TALK to your Plan Advisor at Wellspring Financial Partners



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Pat Zumbusch



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If you have any questions that are not answered by the other help options listed just call Deirdre or Pat. Something you are not sure about? Confused? Need help making decisions?

Want to talk to someone about *how much you should be saving* ?

Prepared for Mary Jane

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