



Tax Analysis & Annuity Summary

SAMPLE

Prepared for: Mr. & Mrs. Sample Educators
 Tax Year: 2010 Date: May 20, 2010

Section 4: Maximum Allowable Contribution (MAC)

Annual MAC \$ 15,026 Catch-Up \$ 25,000

(@ 50 & 15 yrs same Dist.)

Section 1 : Tax Analysis Summary (1)

Annual Gross	\$	<u>128,200.00</u>
Adjusted Gross (Pre-Tax)	\$	<u>87,087.00</u>
Deduction (Sch. A)	\$	<u>33,703.00</u>
Personal Exemptions..... 4	\$	<u>14,600.00</u>
Total Write Offs	\$	<u>48,303.00</u>
Net Taxable Income	\$	<u>38,784.00</u>
New Tax Credits	\$	<u>250.00</u>
New Net Taxable Income	\$	<u>38,534.00</u>

Section 2: Estimate of Federal and State Taxes

Estimated: (This includes 1,600 of Federal Tax Credits)

Federal \$ <u>3,897.00</u>	State \$ <u>1,116.00</u>	Total \$ <u>5,013.00</u>
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Current Withheld:

Federal \$ <u>6,466.00</u>	State \$ <u>1,757.00</u>	Total \$ <u>8,223.00</u>
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Total **Over/Under Withheld** \$ 3,210.00

Tax Brackets:

Federal	15%	State	6%	Total	<u>21%</u>
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Tax Ratio	<u>1.26</u>
Current Paycheck (Net)	\$ <u>3,143.85</u>
New Paycheck (Net)	\$ <u>3,211.89</u>

(Note: This adjustment gives you a combined refund of \$ 300.00)

Section 3: State Teachers' Retirement System (STRS)

Current Annual Income	\$	<u>60,104</u>
(Average inflation 2%)		
Income at age 60 prior to retirement	\$	<u>92,756</u>

Annual Retirement Income Options: @ Age 60

	(1) Max	(6)	(7)
Client	<u>56,772</u>	<u>47,940</u>	<u>52,776</u>
Spouse	<u>0</u>	<u>47,940</u>	<u>26,388</u>
Income Dif.	<u>35,984</u>	<u>44,816</u>	<u>39,980</u>
*Monthly Income \$	<u>4,731</u>	(2) \$ <u>3,995</u>	(3) \$ <u>4,398</u>

Other Retirement Options...

	(1) Max	(6)	(7)
@ 55	<u>32,284</u>	<u>28,680</u>	<u>30,672</u>
@ 57	<u>41,435</u>	<u>36,264</u>	<u>39,108</u>
@ 59	<u>48,772</u>	<u>41,976</u>	<u>45,696</u>

(Pre-Election @ age 55 and 30 years of service)

Fact: People don't plan to fail, they just fail to plan!

Section 5: Recommendations; Paycheck Comparison

Current Paycheck

	Option 1	Option 2	Option 3
Gross	<u>5,977.80</u>	<u>5,977.80</u>	<u>5,977.80</u>
STRS	<u>465.18</u>	<u>465.18</u>	<u>465.18</u>
TSA	<u>600.00</u>	<u>700.00</u>	<u>800.00</u>
Fed	<u>68.04</u>	<u>58.04</u>	<u>48.04</u>
State	<u>11.37</u>	<u>7.37</u>	<u>3.37</u>
Net	<u>3,143.85</u>	<u>3,057.85</u>	<u>2,971.85</u>
Cost	<u>0.00</u>	<u>-86.00</u>	<u>-172.00</u>
New W4/DE4	FIT	N/C	FIT
	SIT	N/C	SIT
Refund \$	<u>3,210.00</u>	\$ <u>800.00</u>	\$ <u>800.00</u>
New Net Taxable Income	\$ <u>38,534.00</u>	\$ <u>38,481.00</u>	\$ <u>36,583.00</u>
Tax Savings ... (Joint)...	\$ <u>53.00</u>	\$ <u>1,951.00</u>	

Section 6: Solutions (Wealth Accum. (TSA only)) @ Age 58

Options	TSA/Monthly	Acct. Value	LEIO
2	\$ <u>700.00</u>	\$ <u>411,745</u>	\$ <u>411,745 *</u>
3	\$ <u>800.00</u>	\$ <u>460,760</u>	\$ <u>460,760 **</u>

*2. LEIO Provides a monthly income of \$ 2,573 + STRS = \$ 6,568 (78,821)
 **3. LEIO Provides a monthly income of \$ 2,880 + STRS = \$ 6,875 (82,497)

LEIO = Life Expectancy Income Option

Section 7: Solutions (Wealth Accum. (TSA)) @ Age 60

Options	TSA/Monthly	Acct. Value	LEIO
2	\$ <u>700.00</u>	\$ <u>439,945</u>	\$ <u>439,945 *</u>
3	\$ <u>800.00</u>	\$ <u>493,560</u>	\$ <u>493,560 **</u>

2. LEIO Provides a monthly income of \$ 2,750 + STRS = \$ 7,148 (85,772)
 3. LEIO Provides a monthly income of \$ 3,085 + STRS = \$ 7,483 (89,793)

LEIO = Life Expectancy Income Option

I understand that the above figures are projections and estimates based upon information provided by me and are for illustration purposes only. I further understand that actual results may vary and that this is not a legal contract.

SAMPLE _____ Date: _____
 X **Client Signature**

SAMPLE _____ Date: _____
 X **Agent Signature**

Agent License #: 0668875 ID #: B5532