



Retirement Income Plan

Max and Ruby Test

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Buxton Wealth Management, Inc.

Securities and Advisory Services offered through LPL Financial-a Registered Investment Advisor, member FINRA/SIPC

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IMPORTANT DISCLOSURES

Assumptions

This report is intended to provide you with an analysis of your potential income in retirement. It is based on the data and assumptions provided by you (the client) and your financial professional ("representative"). The outcome of this analysis is dependent upon the accuracy of the data and reasonableness of your assumptions. Assumed rates of return may be either entered by you, your financial professional, or may reflect other historical returns as noted. The use of any past performance for this analysis is intended for illustrative purposes only and may not be used to predict or project future performance.

Your actual results will vary due to a number of factors, including, but not limited to, market conditions, changes in interest rates, assumed rates of return, product fees and charges, taxes, or inflation.

Product features, limitations, fees and availability may vary by state and by broker dealer. Please refer to the product specific materials your financial professional provides to you for a full explanation of how the products shown in this analysis work.

Values Contained in this Report

The values in this report are hypothetical in nature and may not reflect the deduction of all fees and charges or income taxes inherent to insurance or investment products. If included, the values shown would be reduced. The information contained in this report is not representative of the actual performance of any specific investment or product. Your results will vary.

Risk

Investment products are not FDIC insured, not guaranteed and are subject to risk including possible loss of principal.

Criteria and Methodology

RetireUp models different scenarios using fixed rate returns or variable rate returns as assumptions. The different sequences of variable returns cover a range of possible outcomes for your retirement portfolio, given your starting balance, the type of insurance or investment product, and your desired income level and other goals. The future returns, their sequence and individual year returns, were generated using a random number generator, using a normal distribution and standard deviation. The end result is a 100-year hypothetical sequence of returns. For each report, the software runs 100 year-by-year permutations of the simulated returns and determines which subsets of the entire sequence would generate the most optimal (Positive Sequence), least optimal (Negative Sequence) and mathematically average (Average

Sequence) hypothetical results for an individual report. A typical report will run 30-40 years, so only a subset of these 100 years will be used. These returns are all simulated and do not represent historic sequences.

Income Stability Ratio™ is calculated as the ratio of protected or guaranteed income to total income multiplied by the ratio of total net to total goal. For example, protected or guaranteed income may include Social Security benefits, Pension benefits and withdrawals from living benefit riders attached to certain annuity products and subject to benefit rules. This compound ratio is averaged over the length of the analysis from retirement to end. In other words, it represents the amount of income, which is not negatively impacted by or has a level of protection against changes in the market.

The various scenarios modeled do not indicate the probability of the scenario occurring but rather the outcomes if the scenario were to occur. To account for the effects of inflation, this tool uses a fixed annual inflation rate, up to a maximum of 10%, adjustable by your representative.

IMPORTANT: While some of these hypothetical scenarios may utilize past performance data, your actual future results will be different, either better or worse, so these results should not form the sole basis of your retirement income strategy. Results with this tool may vary with each use and over time. There may be other products that are not considered in the methodology that can be just as or more effective at addressing retirement risks and goals.

The taxes modeled are a single flat rate only applied to all withdrawals that are not marked as being non-taxable or partially taxable. The defaulted tax rate applied in a retirement income strategy is based on IRS Tax Rate Schedules, in combination with IRS Standard Deductions. The initial annual retirement income goal and marital status inputs determine the initially defaulted tax rate to the nearest whole percentage. It can be modified thereafter by your representative to have any value between 0% to 50% in 0.5% increments. The tax rate applied by the tax rate tables and standard deductions are updated annually and applied to new models created after the maintenance occurs. Current rates can be found at <https://taxfoundation.org/state-individual-income-tax-rates-brackets-2017>. State taxes and some associated product fees are not reflected and may necessitate an adjustment in the effective tax rate applied. Any withdrawals taken from qualified accounts prior to age 59-1/2, may be subject to a 10% federal additional tax.

Tax and Legal Advice

LPL Financial does not provide tax or legal advice. The information contained in this

report should be used for informational purposes only. The appropriate professionals should be consulted on all legal and accounting matters prior to or in conjunction with implementation of any strategy.

This material is not intended to be used, nor can it be used by any taxpayer, for the

purpose of avoiding U.S. federal, state or local tax penalties. This material is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by this material. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor or attorney.

IMPORTANT DISCLOSURES

Disclaimer: This financial planning analysis ("Analysis") contained herein is hypothetical in nature and provided for informational purposes to illustrate certain financial and estate planning ideas and concepts based on information provided and reviewed by you. **Data and Assumptions:** This Analysis is based upon holdings, transactions, prices, performance, and/or assumptions ("Data") provided by LPL Financial LLC ("LPL"), third parties, and/or you. Data shown in this Analysis is obtained from sources that LPL considers reliable but LPL cannot guarantee that such data reflects all of your holdings or transactions, or details about their costs or returns. In addition, there may be variations in the Data because Data providers may implement different calculation methodologies. To the extent that this Analysis includes personal assets that the firm does not hold on your behalf (e.g., collectibles, real estate, intangible assets/intellectual property, checking and savings accounts, business ownership interests, insurance, personal property, etc.), the value of such assets has not been verified by LPL and is included for informational purposes only. You should review and confirm the completeness and accuracy of all values before relying on this Analysis. Furthermore, you should review and confirm the completeness and accuracy of all Data on a frequent basis to ensure the results provided herein remain accurate given any changes that may occur in your financial and personal situation. Small changes in assumptions can have significant impacts on the outcome of this Analysis, and inaccurate representations by you of any Data may invalidate results provided in this Analysis. Assets listed on this Analysis may not be covered by FDIC or SIPC. **Questions about coverage that may apply should be directed to the asset provider or sponsor.** **Performance:** Performance results presented in this Analysis are based on assumptions and may not reflect actual results due to factors beyond the scope of this Analysis. Investment returns set forth in this Analysis are based on asset class rather than individual performance of a particular investment. Projected valuations and/or rates of return may not take into account surrender charges on products you might own, deduction of commissions, fees, and other charges, which can result in a lower rate of return. Additionally, proposed asset allocation, performance results, and assumptions presented in this Analysis may be based on your answers to questions designed to determine your individual risk tolerance. You are responsible for confirming the answers you provided accurately represent your risk tolerance. Depending on your answers, performance results in this Analysis may be more aggressive than your current allocation mix and return rates may be overstated. Your assets may lose value including a portion or all of your initial investment. Data used to provide performance projections is historical, and past performance is no guarantee of future performance. **Service Provider:** This Analysis may be provided as part of a financial plan being offered through LPL or a third-party registered investment adviser ("Service Provider"). However, the term "plan" or "planning," when used within this Analysis does not imply that a recommendation has been made to implement one

or more financial plans or make a particular investment. Please refer to the financial planning agreement you signed for further information about the parties providing services. This Analysis does not constitute a recommendation of any particular technique or investment, and may not contain general or specific recommendations for implementation. The results contained herein do not constitute an actual offer to buy, sell or recommend a particular investment or product. All investments are inherently risky. You are under no obligation to implement any recommendations that may be included within this Analysis. If you choose, you may implement this Analysis through a financial adviser, including one associated with LPL. By doing so, Service Provider may make a variety of products and services available. This may result in the payment of normal and customary commissions, advisory fees or other types of compensation to Service Provider. This compensation may be more or less depending on the product or service that representative recommends. To the extent that Service Provider recommends that you invest in products and services that will result in compensation being paid to Service Provider and its representatives, this presents a conflict of interest. For more information about conflicts of interest, please see LPL's Form ADV at www.lpl.com or Service Provider's Form ADV, as applicable. The information contained in this Analysis is not written or intended as financial, tax or legal advice. The information provided herein may not be relied on for purposes of avoiding any federal tax penalties. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances. **Monte Carlo:** Monte Carlo Analysis is a complex statistical method that charts the probability of certain financial outcomes at certain times in the future by generating many possible economic scenarios that could affect the performance of your investments. The Monte Carlo simulation uses at most 1000 scenarios to determine the probability of outcomes resulting from the asset allocation choices and underlying assumptions regarding rates of return and volatility of certain asset classes. Some scenarios assume favorable financial market returns, consistent with some of the best periods in investing history. Some scenarios assume unfavorable financial market returns, consistent with some of the worst periods in investing history. Most scenarios will fall somewhere in between. The outcomes presented using the Monte Carlo simulation represent only a few of the many possible outcomes. Since past performance and market conditions may not be repeated in the future, your investment goals may not be fulfilled by following advice that is based on the projections. Tools such as the Monte Carlo simulation will yield different results with each use and over time depending on the variables inputted and the assumptions underlying the calculation. If this Analysis makes use of a Monte Carlo simulation, the term "Monte Carlo" will be included in the title. Simulation assumptions include the assumed rates of return and standard deviations of the portfolio model associated with each asset. The assumed rates of return are based on the historical rates of returns and standard deviations, for certain periods of

time, for the benchmark indexes comprising the asset classes in the model portfolio. Since the market data used to generate these rates of return change over time your results will vary with each use over time. **IMPORTANT:** The projects or other information generated by a Monte Carlo simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. You have received and read this

Disclaimer. You understand this Disclaimer's contents, the limitations of the Analysis (including a Monte Carlo simulation, if applicable), and that none of the calculations and presentations of investment returns are guaranteed. Client: Christa French Date: 5/2/17 Advisor: Gregg Buxton, CFP Date: 5/2/17 Securities and Advisory Offerings offered through LPL Financial-a Registered Investment Advisor, member FINRA/SIPC.

Net Worth

Assets

Description	Owner	Value
Brokerage Account	Joint	\$500,000
Max's IRA	Max	\$1,000,000

Total Assets: \$1,500,000

Liabilities

Type	Description	Value
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Total Liabilities: \$0

Total Net Worth

\$1,500,000

Account Overview

Asset Accounts

Asset	Owner	Balance	Contribution
Brokerage Account	Joint	Actual: \$500,000	None
Max's IRA	Max	Actual: \$1,000,000	5% of salary

Income Accounts

Account	Owner	Income	Starts At	Ends At	Assumed Growth
Ruby's Social Security	Ruby	\$1,250 Monthly	Ruby's retirement	--	1% Annually
Max's Pension	Max	\$2,000 Monthly	Age 65	--	--
Max's Social Security	Max	\$2,500 Monthly	Max's retirement	--	1% Annually

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ASSUMPTIONS for Current Plan

Profile

Name: Max and Ruby Test
Current Age: Max 60, Ruby 58
Retirement Age: Max 65, Ruby 63
End Age: Max 95, Ruby 98
Dependents: Max Jr. Test(Age 10)
Effective Tax Rate on Withdrawals: 20.00%
Max's Pre Retirement Salary: \$250,000 per year grows 2.5% annually.

Goals

After Tax Retirement Income Goal: \$100,000 annually at retirement inflates 2.50% per year.
Periodic Travel: \$10,000 once a year starting at retirement in 2023 continuing until Max is 75. Increases 2.5% per year.

Assumed Hypothetical Returns of Variable Assets

100 Year Average: 6.5%
Plan Avg: 5.98%
Sequence: AVERAGE
Hypothetical Returns used from Current Year until latest End Year: 1.6%, 8.3%, 13.9%, 8.5%, 10.4%, 4.0%, 7.3%, 3.5%, 21.4%, -8.8%, 17.3%, 6.0%, 11.8%, 8.8%, 6.9%, 9.6%, 8.5%, -4.5%, 10.4%, 7.0%, 10.3%, 4.9%, 11.9%, 4.4%, 5.9%, 14.3%, 11.4%, -6.1%, -9.2%, -17.5%, 9.9%, 5.6%, 13.1%, 10.9%, 10.6%, -27.4%, 14.3%, 5.6%, 4.8%, 13.1%, 2.5%

The Assumed Average Growth Rate column reflects the return for all assets for each scenario, proportionate to the percentage the asset is represented in the overall portfolio represented in this report. The return is net of the expenses listed in the assumptions. It does not include all possible expenses that could be applied. For the proposed scenarios, please refer to the full product illustration for information on how the product works.

Retirement Income

Ruby's Social Security: \$1,250 monthly starting at Ruby's retirement. Increases 1% per year.

Max's Pension: \$2,000 monthly starting at age 65. Survivor benefit is 50%.

Max's Social Security: \$2,500 monthly starting at Max's retirement. Increases 1% per year.

Assets

Brokerage Account (Joint): Balance is \$500,000. Balance grows at Assumed Hypothetical Returns of Variable Assets. Income is taken as needed to meet goals starting at retirement.

Max's IRA (QUALIFIED): Balance is \$1,000,000. Balance grows at Assumed Hypothetical Returns of Variable Assets. Contributing 5% of salary starting now, ending retirement. Income is taken as needed to meet goals starting at retirement.

Current Plan Key Years - Income

For detailed assumptions in this model see page titled:
ASSUMPTIONS for Current Plan

Assumed Hypothetical Returns of Variable Assets | 100 yr Avg: 6.5% | Plan Avg: 5.98% | Sequence: AVERAGE



Source	Assumed Average Growth Rate	Balance Today	Assumed Withdrawal Rate	Year 2023 Age 65	2027 Age 69	2029 Age 71	2034 Age 76	2039 Age 81	2044 Age 86	2049 Age 91
Ruby's Social Security	1% CPI	-	-	\$15,000	\$15,609	\$15,923	\$16,735	\$17,589	\$18,486	\$19,429
Max's Pension	-	-	-	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Max's Social Security	1% CPI	-	-	\$30,000	\$31,218	\$31,846	\$33,470	\$35,177	\$36,972	\$38,858
Brokerage Account	variable	\$500,000	as needed	\$70,143	\$82,760	\$11,187	\$0	\$0	\$0	\$26,090
Max's IRA	variable	\$1,000,000	as needed	\$0	\$0	\$78,407	\$112,383	\$139,752	\$186,895	\$129,160
Total		\$1,500,000		\$139,143	\$153,587	\$161,363	\$186,588	\$216,518	\$266,353	\$237,537
Tax (20.0%)				\$27,829	\$30,717	\$32,273	\$37,318	\$43,304	\$53,271	\$47,507
Net				\$111,314	\$122,870	\$129,090	\$149,271	\$173,215	\$213,082	\$190,029
Goal \$100,000/year Inflates 2.5% per year				\$111,314	\$122,870	\$129,090	\$131,209	\$148,451	\$167,958	\$190,029
Surplus/Shortfall				\$0	\$0	\$0	\$18,062	\$24,764	\$45,124	\$0

Income Stability Ratio: **39%**

Estimated Ending Retirement Assets: **\$1,505,005**

"As needed" assumes the asset can be withdrawn when there is a difference between the sum of the fixed income sources and desired annual income for any given year. For additional details about the income stability ratio, refer to the Income Stability Ratio section of the Important Disclosures found at the beginning of this report. Securities and Advisory Services offered through LPL Financial-a Registered Investment Advisor, member FINRA/SIPC

Current Plan Key Years - Balances

For detailed assumptions in this model see page titled:
ASSUMPTIONS for Current Plan

Assumed Hypothetical Returns of Variable Assets | 100 yr Avg: 6.5% | Plan Avg: 5.98% | Sequence: AVERAGE



Source	Assumed Average Growth Rate	Balance Today	Assumed Withdrawal	Year 2023 Age 65	2027 69	2029 71	2034 76	2039 81	2044 86	2049 91
Brokerage Account	variable	\$500,000	as needed	\$668,249	\$472,571	\$545,751	\$780,772	\$971,336	\$1,460,906	\$1,076,016
Max's IRA	variable	\$1,000,000	as needed	\$1,557,960	\$1,845,116	\$2,102,444	\$2,544,242	\$2,459,372	\$2,721,859	\$1,330,353
Total		\$1,500,000		\$2,226,209	\$2,317,687	\$2,648,194	\$3,325,014	\$3,430,708	\$4,182,765	\$2,406,369

Income Stability Ratio: **39%**

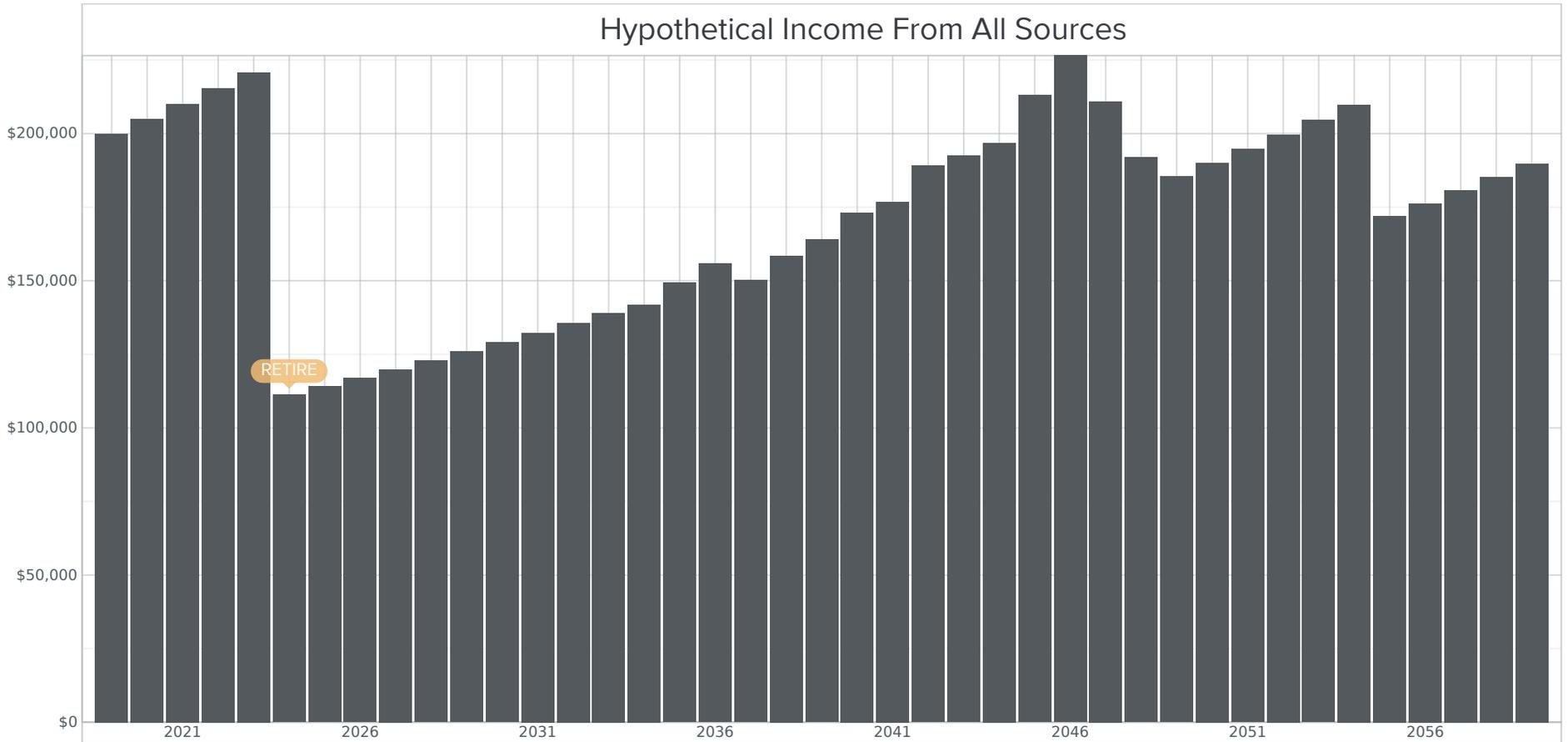
Estimated Ending Retirement Assets: **\$1,505,005**

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Current Plan Graph - Income

For detailed assumptions in this model see page titled:
ASSUMPTIONS for Current Plan

Assumed Hypothetical Returns of Variable Assets | 100 yr Avg: 6.5% | Plan Avg: 5.98% | Sequence: AVERAGE



Income Stability Ratio: 39%

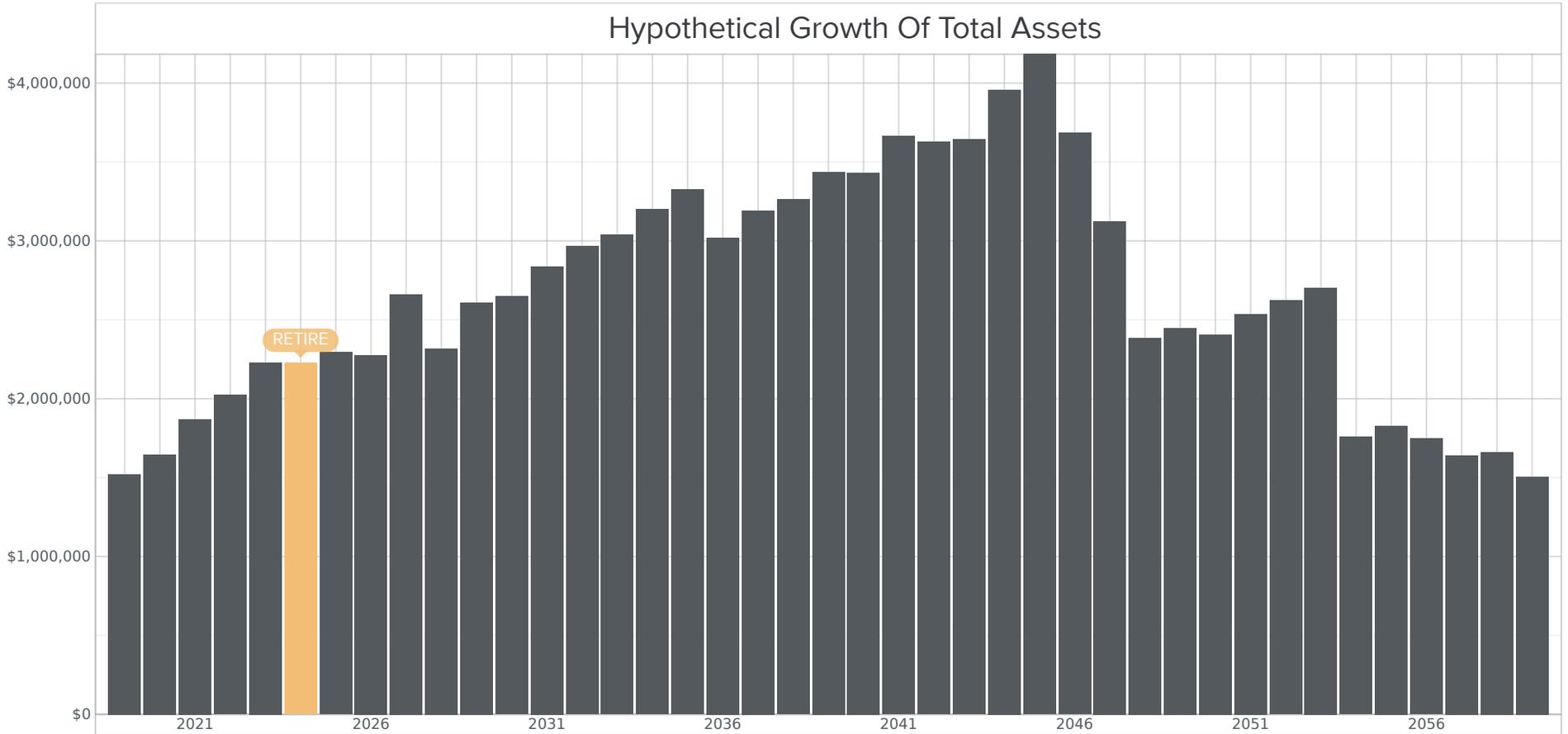
Estimated Ending Retirement Assets: **\$1,505,005**

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Current Plan Graph - Balances

For detailed assumptions in this model see page titled:
ASSUMPTIONS for Current Plan

Assumed Hypothetical Returns of Variable Assets | 100 yr Avg: 6.5% | Plan Avg: 5.98% | Sequence: AVERAGE



Income Stability Ratio: 39%

Estimated Ending Retirement Assets: \$1,505,005

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