

**Jim & Jane's
Personal Financial Plan**
Last Updated October 15, 2021

Retirement Income Planner
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Jim & Jane's Plan

Plan Summary

Congratulations, you have created a solid financial foundation that will allow you to plan for your retirement.

To ensure that your plan is successful, start putting it into action today! To learn what steps you need to take, see the Plan Action Steps. Note that the viability of your plan can change if your personal situation or assumptions change. Be sure to update this plan regularly.

By following your plan, you predict that you'll be able to retire at age 70 and have adequate income to meet expenses until age 100. Your spouse will be able to retire at age 65 and have adequate income until age 100.

Before Retirement

Your cash flow is negative in the year(s) 2021-2044 because your income from Jim's CPP benefits, Jane's share of Jim's CPP benefits, Jim's salary, Jane's salary, Inheritance income Jim, Inheritance income Jane, Financial Aid for Sally, Student Contribution for Sally, Gifts Contribution for Sally and withdrawals from investments is not enough to cover all of your expenses.

Before retirement, you are saving in every year. In the years you are eligible to save to your tax deferred savings plans, you do not make the maximum contribution in these year(s) 2021-2044.

You plan to make withdrawals to pay for Home Renovation, New appliances, Sam and Sally ESP, Sally Wedding, Sam Wedding, Education Expense for Sally, New Car-2028, New roof, 2030 and New car.2038 in the year(s) 2021-2039.

Your combined portfolios increase or stay the same in every year. Your portfolio values at retirement are:

	Jim's <u>Retirement</u>	Jane's <u>Retirement</u>
Jim's taxable portfolio	\$151,697	\$148,307
Jane's taxable portfolio	\$0	\$0
Shared taxable portfolio	\$18,716	\$54,322
Jim's tax deferred portfolio	\$839,316	\$709,663
Jane's tax deferred portfolio	<u>\$0</u>	<u>\$0</u>
	\$1,009,729	\$912,291

Your net worth increases or stays the same in every year. Your net worth at retirement is \$2,105,428.

After Retirement

Your cash flow is positive in every year.

Your income from Jim's CPP benefits, Jane's share of Jim's CPP benefits, CPP survivor's benefits, Jane's CPP benefits, Jim's share of Jane's CPP benefits, Jim's salary, the proceeds from the sale of Your home and withdrawals from investments in the year(s) 2045-2048 and 2050-2080 is enough to cover all of your expenses after retirement.

Aside from taxes and normal living expenses, you plan to pay for Jim Extended Health, Jane Extended Health and New Roof-2050.

After retirement, you save in 2045-2049.

You will begin withdrawing money from your investments in 2045. Your first annual withdrawal is \$18,392.

To comply with government regulations, you must withdraw more than you need to cover your expenses in 2052-2055. Canada Customs and Revenue Agency regulations state that you must begin withdrawals by age 69. Retirement Income Planner uses age 69 in its calculations. These amounts in excess of the required minimum distribution are reinvested in your taxable portfolio.

After retirement, your combined portfolios decrease (in future dollars) in the year(s) 2051-2064. This is to be expected because you are withdrawing money to fund your retirement. Your portfolio values at the end of your plan are:

	<u>End of Plan</u>
Jim's taxable portfolio	\$153,813
Jane's taxable portfolio	\$0
Shared taxable portfolio	\$1,440,228
Jim's tax deferred portfolio	\$29,684
Jane's tax deferred portfolio	<u>\$0</u>
	\$1,623,725

Shared taxable portfolio is depleted in 2062-2064, 19 years before the end of your plan.

After retirement, your net worth decreases (in future dollars) in the year(s) 2065. This is expected because you are withdrawing money to fund your retirement. Your net worth at the end of your plan is \$1,623,725.

Estate

Your estate will be worth \$1,623,725. After paying taxes of \$753,571, you will leave \$870,154 to your heirs.

Jim & Jane's Plan

Plan Summary

You're off to a terrific start. To ensure that your plan is successful, start putting it into action today! To learn what steps you need to take, see the Plan Action Steps report.

Note: All amounts in this report are in today's dollars.

Plan Alerts

Warning: Cash flow problems before retirement

You have cash shortfalls in 2021-2044 because your normal expenses exceed your normal income. You may elect to cover such shortfalls by making withdrawals (selling investments). To learn more about this, see the Advanced Planning, Cash Shortfalls option (from the Options menu, choose Advanced Planning). You should also examine your income, expenses, and savings in these years. Your plan may be unrealistic. You may not be able to simultaneously save and meet your normal expenses in this time period.

Warning: Tax-deferred contributions exceed RRSP limit in some years

The total sum of tax-deferred contributions in some years exceeds the Canada Customs and Revenue Agency RRSP limits. You should consider lowering the contributions for these years.

Your contributions exceed RRSP limits in year(s) 2021-2049.

Your spouse has unused RRSP contribution room in year(s) 2021-2045.

Hint: Living expenses after retirement are adjusted amounts

You have specified that your living expenses after retirement should be adjusted to 90% of what you have entered in the Living Expenses workbook. If you are not sure this will match your level of spending in retirement, change the 'Retirement living expenses' adjustment in the What-If workbook.

Hint: Be sure of the appreciation for your asset

You've indicated that you will sell 'Your home' in 3/2065 and invest the proceeds of \$6,032,791 in your taxable portfolio. You should be sure that you can actually net this amount and you will in fact save and invest the entire amount.

Action Steps

You have enough money in your plan to fund your retirement, but you face cash shortfalls before retirement. Make sure you can live with these cash shortfalls and then put your plan into action. To put your plan into action, Retirement Income Planner recommends that you take the following steps:

1. Save according to your saving schedule.

Consider setting up an automatic savings plan for the following amounts:

Savings Schedule 2021

	<u>Monthly</u>	<u>Yearly</u>
Savings		
Your taxable	312.50	3,750.00
Shared taxable	500.00	6,000.00
Your Tax-deferred	<u>1,250.00</u>	<u>15,000.00</u>
Total Savings	2,062.50	24,750.00

2. Allocate your savings.

Consider setting up an automatic investment plan with your bank, brokerage firm, or mutual fund company. If you want to use the investment mix suggested by MoneyWare Inc., invest your savings in the following asset classes:

Suggested Investment Schedule 2021

		<u>Monthly</u>	<u>Yearly</u>
Overall Portfolio (6.0% Return)			
Domestic Bonds	30.00%	618.75	7,425.00
International Stocks	5.00%	103.13	1,237.50
Large Cap Stocks	10.00%	206.25	2,475.00
Money Market	45.00%	928.13	11,137.50
Small Cap Stocks	5.00%	103.13	1,237.50
US Large Cap Stocks	5.00%	<u>103.13</u>	<u>1,237.50</u>
Total Overall Portfolio		2,062.50	24,750.00

3. Rebalance your investments.

If you decide to use MoneyWare Inc.'s suggested investment mix, rebalance your investments as follows. MoneyWare Inc. portfolios are for illustrative

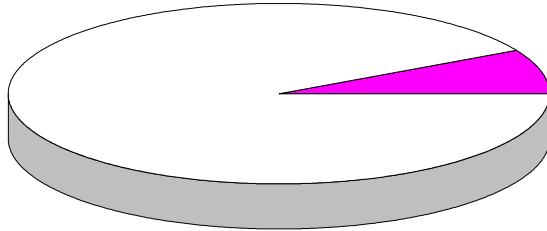
Jim & Jane's Plan

Action Steps

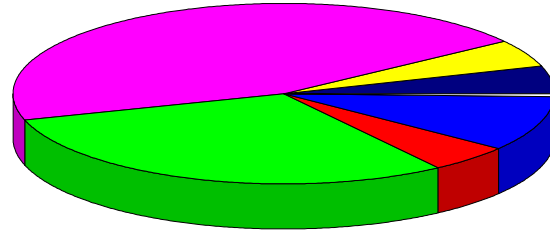
Currently, your savings are grouped into one overall portfolio. If you would like to see your savings separated into Taxable and Tax-deferred portfolios, select "Advanced Planning" from the "Options" menu, then select the "Investment Mixes" tab and choose the "Separate investment mixes" option.

How to Rebalance Your Portfolios

Current Investment Mix



MoneyWare Inc. Suggested Mix for 6.0



	<u>Current Value</u>		<u>Planned Value</u>		<u>Change</u>	
Domestic Bonds	0	(0%)	89,700	(30%)	89,700	(+30%)
International Stocks	0	(0%)	14,950	(5%)	14,950	(+5%)
Large Cap Stocks	0	(0%)	29,900	(10%)	29,900	(+10%)
Money Market	24,000	(8%)	134,550	(45%)	110,550	(+37%)
Other	275,000	(92%)	0	(0%)	-275,000	(-92%)
Small Cap Stocks	0	(0%)	14,950	(5%)	14,950	(+5%)
US Large Cap Stocks	0	(0%)	14,950	(5%)	14,950	(+5%)
Total	299,000	(100%)	299,000	(100%)	0	(0%)

If you prefer your own investment mix, rebalance your portfolios according to the asset allocation you have developed.

4. Check your life insurance.

Protect your family by making sure you have enough life insurance to cover your plan in case you die or your spouse dies. The Insurance Needs workbook in Full Plan's Action Plan can help you determine if you have enough life insurance to provide for your loved ones.

5. Prepare or update your will.

Make sure you have an up-to-date will.

Cash Flow Analysis

Your total income minus your total expenses is called cash flow. Cash flow is a good measure of your general overall financial health. If your plan is like most, in some years you will have cash surpluses, in others cash shortfalls. A shortfall occurs when your expenses exceed your income.

The income and expenses for this year are prorated to start today and go through the end of the year.

Your income may include 'withdrawals' which are the proceeds from selling investments. Withdrawals are made to cover cash shortfalls caused by out-of-the-ordinary expenses such as a down payment on a home, a lump sum payment on a loan, post secondary education expenses, or special expenses. In your plan, Home Renovation, New appliances, Sam and Sally ESP, Sally Wedding, Sam Wedding, Education Expense for Sally, Jim Extended Health, Jane Extended Health, New Car-2028, New roof, 2030, New car.2038 and New Roof-2050 will be covered by withdrawals if you do not have sufficient income to cover them in any year.

You might also have cash shortfalls because your normal expenses, including taxes, living expenses, loan payments, and savings, exceed your income. You have chosen not to cover such shortfalls before retirement by selling investments. This may mean your plan is too optimistic because savings contributions will be made even when you have a cash shortfall. For more information, see the Advanced Planning, Cash Shortfalls option (from the Options Menu, choose Advanced Planning).

After retirement, investments are always sold to cover all cash shortfalls.

You have cash surpluses in 2049. You can see the amount of these surpluses in the Cash Flow table. You may be able to increase your savings in these years. Change your savings plans in the Savings section, or see the Advanced Planning, Sweep option (from the Options menu, choose Advanced Planning).

Before Retirement (2021 - 2045)

Your cash flow is negative in the year(s) 2021-2044 because your income from Jim's CPP benefits, Jane's share of Jim's CPP benefits, Jim's salary, Jane's salary, Inheritance income Jim, Inheritance income Jane, Financial Aid for Sally, Student Contribution for Sally, Gifts Contribution for Sally and withdrawals from investments is not enough to cover all of your expenses.

Jim & Jane's Plan

Cash Flow Analysis

You have cash shortfalls in 2021-2044 because your normal expenses exceed your normal income. You may elect to cover such shortfalls by making withdrawals (selling investments). To learn more about this, see the Advanced Planning, Cash Shortfalls option (from the Options menu, choose Advanced Planning). You should also examine your income, expenses, and savings in these years. Your plan may be unrealistic. You may not be able to simultaneously save and meet your normal expenses in this time period.

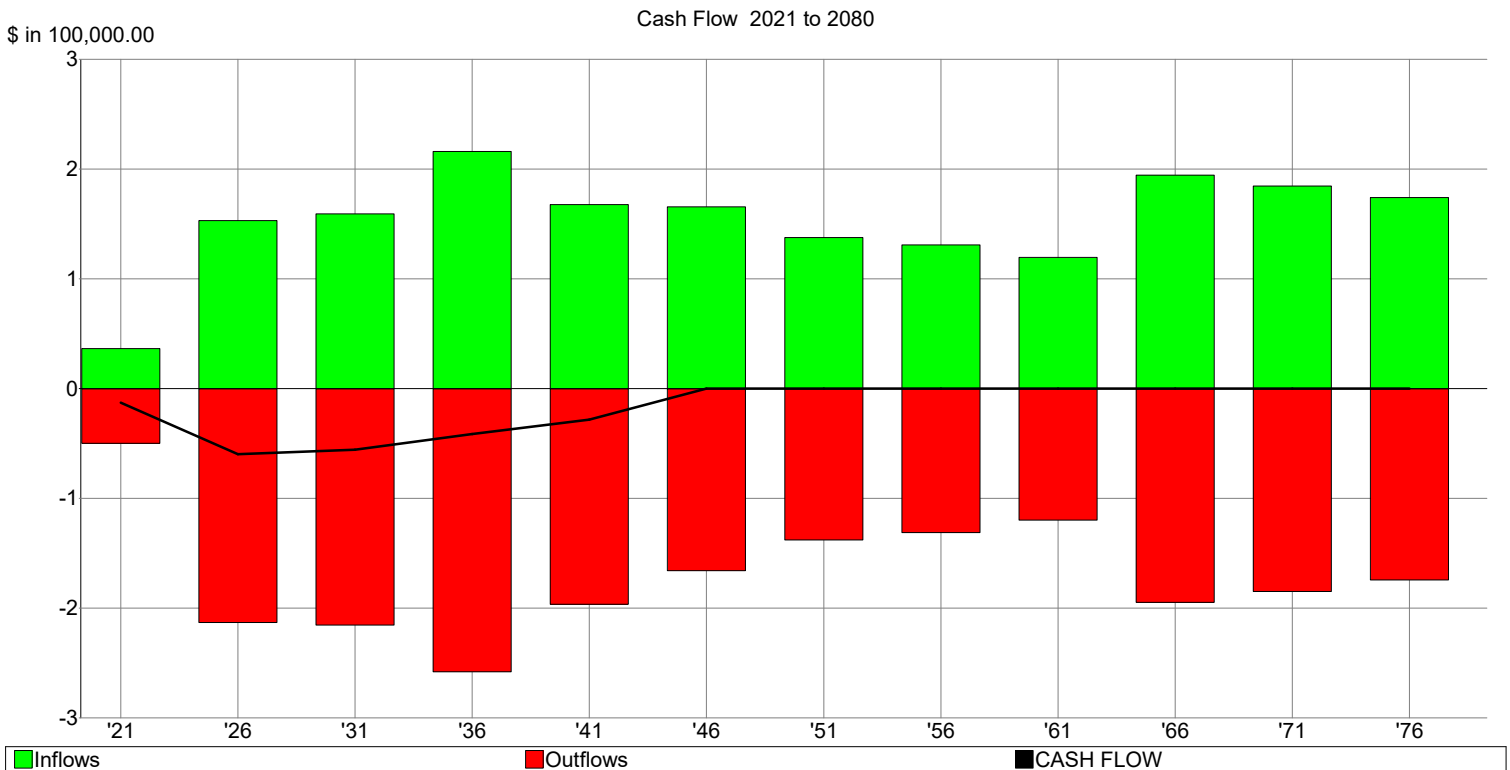
You plan to sell investments in 2021-2039 to cover uncommon expenses, such as a special expense, post secondary education expense, or down payment on a home.

After Retirement (2045 - 2080)

Your cash flow is positive in every year.

Your income from Jim's CPP benefits, Jane's share of Jim's CPP benefits, CPP survivor's benefits, Jane's CPP benefits, Jim's share of Jane's CPP benefits, Jim's salary, the proceeds from the sale of Your home and withdrawals from investments in the year(s) 2045-2048 and 2050-2080 is enough to cover all of your expenses after retirement.

You plan to sell investments in 2050 and 2065-2079 to cover uncommon expenses, such as a special expense, post secondary education expense, or down payment on a home.



Jim & Jane's Plan

Cash Flow 2021 to 2080

Jim's Age	41	46	51	56	61	66	71
Jane's Age	41	46	51	56	61	66	71
Years from now	0	5	10	15	20	25	30
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>
Inflows							
Salaries	31,250	125,000	125,000	125,000	125,000	75,000	0
CPP Benefits	0	0	0	0	0	16,478	35,868
OAS Benefits	0	0	0	0	0	10,191	11,829
Withdrawals	1,000	4,000	5,000	22,301	0	12,811	43,953
Investment Gains	4,438	24,215	29,377	34,856	42,853	51,299	46,150
Special Income	0	0	0	25,000	0	0	0
Education Incomes	0	0	0	9,000	0	0	0
Gross proceeds from asset/home sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Inflows	36,688	153,215	159,377	216,157	167,852	165,779	137,799
Outflows							
Living Expenses	21,250	85,000	85,000	85,000	85,000	63,000	63,000
Savings	6,188	24,750	24,750	22,750	22,750	17,000	0
Loan Payments	5,816	30,102	25,966	22,399	0	0	0
Education Expenses	0	0	0	18,014	0	0	0
Special Expenses	1,000	4,000	5,000	4,000	0	0	0
Invest special income	0	0	0	13,750	0	0	0
Invest proceeds from asset/home sales	0	0	0	0	0	0	0
Invest excess minimum distribution	0	0	0	0	0	0	0
Taxes	11,920	48,709	48,691	60,046	48,735	37,085	31,039
Insurance premium	50	173	149	128	111	96	0
Reinvested Gains	<u>3,578</u>	<u>20,342</u>	<u>25,786</u>	<u>31,726</u>	<u>39,798</u>	<u>48,599</u>	<u>43,760</u>
Total Outflows	49,801	213,075	215,342	257,813	196,394	165,779	137,799
CASH FLOW	-13,113	-59,860	-55,965	-41,657	-28,542	0	-0

Jim's Age	76	81	86	91	96
Jane's Age	76	81	86	91	96
Years from now	35	40	45	50	55
Year	<u>2056</u>	<u>2061</u>	<u>2066</u>	<u>2071</u>	<u>2076</u>
Inflows					
Salaries	0	0	0	0	0
CPP Benefits	35,870	35,880	35,886	35,882	35,878
OAS Benefits	9,592	10,134	10,622	11,022	11,795
Withdrawals	48,232	45,438	48,403	46,211	43,171
Investment Gains	37,253	28,267	99,756	91,613	83,432
Special Income	0	0	0	0	0
Education Incomes	0	0	0	0	0
Gross proceeds from asset/home sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Inflows	130,946	119,719	194,665	184,728	174,275
Outflows					
Living Expenses	63,000	63,000	63,000	63,000	63,000
Savings	0	0	0	0	0
Loan Payments	0	0	0	0	0
Education Expenses	0	0	0	0	0
Special Expenses	0	0	10,000	10,000	10,000
Invest special income	0	0	0	0	0
Invest proceeds from asset/home sales	0	0	0	0	0
Invest excess minimum distribution	0	0	0	0	0
Taxes	33,352	30,884	45,842	43,363	40,090
Insurance premium	0	0	0	0	0
Reinvested Gains	<u>34,595</u>	<u>25,835</u>	<u>75,823</u>	<u>68,366</u>	<u>61,185</u>
Total Outflows	130,946	119,719	194,665	184,728	174,275
CASH FLOW	0	0	-0	0	0

Income Analysis

Your plan may include both 'normal' and 'out-of-the-ordinary' income. Salaries, income from a home or special asset (such as rent income or business profits), CPP benefits, and pension benefits are considered normal income. You may periodically receive out-of-the-ordinary income such as special income (an inheritance or gift) or proceeds from the sale of a home or other asset.

Jim & Jane's Plan Income Analysis

When more income is needed to cover expenses, Retirement Income Planner will 'sell' investments. This is called a 'withdrawal'.

Before retirement, your income tends to go up each year as your salary increases. After retirement, your income from salary usually goes down, but income from CPP, pension benefits, and investment withdrawals goes up to fill the gaps. The income for this year is prorated to start today and go through the end of the year.

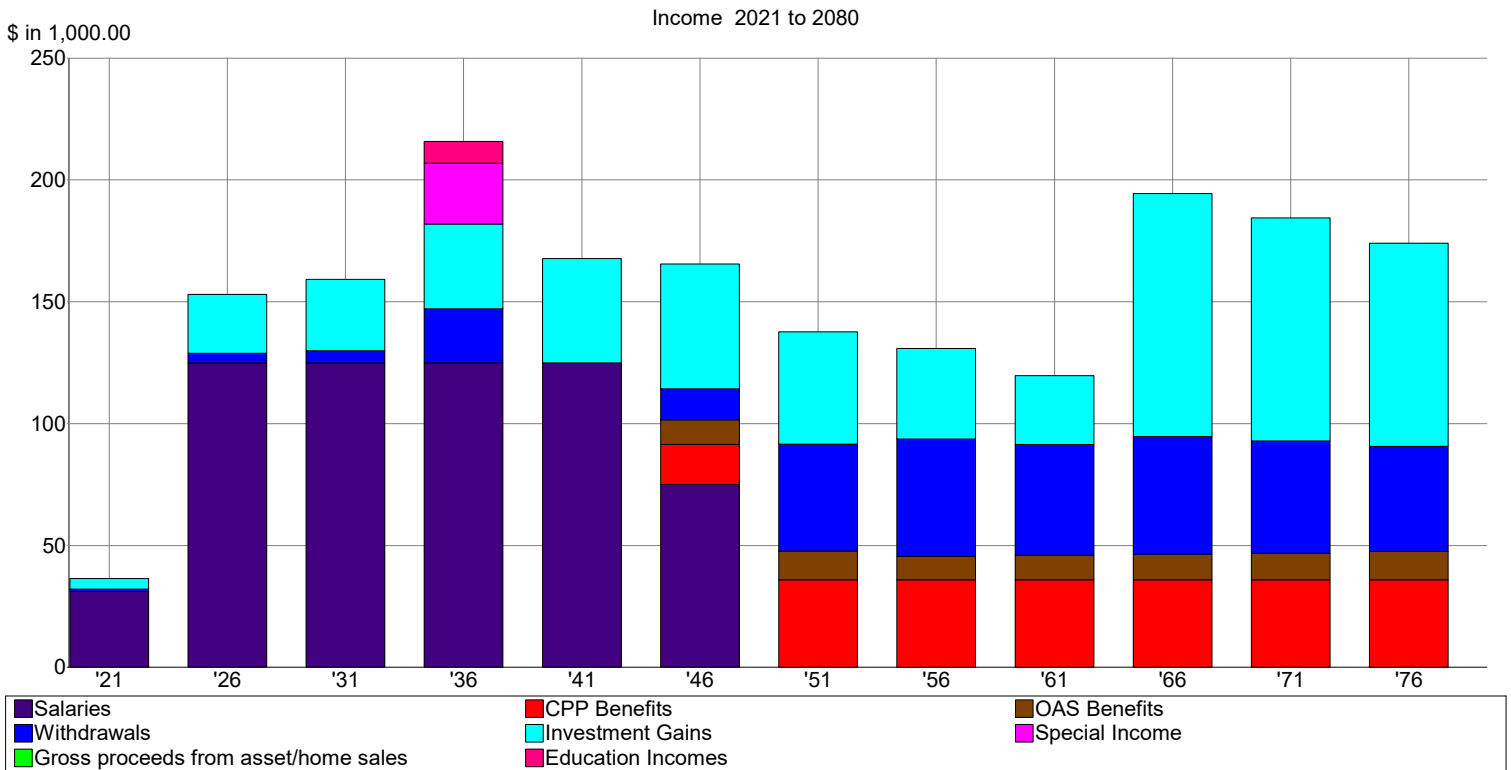
The income generated by your taxable and tax-deferred investments is automatically reinvested. If you want to see these investment gains in graphs or tables, click the Customize button, and then select 'Investment Gains.'

Before Retirement (2021 - 2045)

You receive income from Jim's CPP benefits, Jane's share of Jim's CPP benefits, Jim's salary, Jane's salary, Inheritance income Jim, Inheritance income Jane, Financial Aid for Sally, Student Contribution for Sally, Gifts Contribution for Sally and withdrawals from investments in the year(s) 2021-2039 and 2045.

After Retirement (2045 - 2080)

You receive income from Jim's CPP benefits, Jane's share of Jim's CPP benefits, CPP survivor's benefits, Jane's CPP benefits, Jim's share of Jane's CPP benefits, Jim's salary, the proceeds from the sale of Your home and withdrawals from investments in the year(s) 2045-2048 and 2050-2080.



Jim & Jane's Plan

Income 2021 to 2080

Jim's Age	41	46	51	56	61	66	71
Jane's Age	41	46	51	56	61	66	71
Years from now	0	5	10	15	20	25	30
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>
Inflows							
Salaries	31,250	125,000	125,000	125,000	125,000	75,000	0
CPP Benefits	0	0	0	0	0	16,478	35,868
OAS Benefits	0	0	0	0	0	10,191	11,829
Withdrawals	1,000	4,000	5,000	22,301	0	12,811	43,953
Investment Gains	4,438	24,215	29,377	34,856	42,853	51,299	46,150
Special Income	0	0	0	25,000	0	0	0
Education Incomes	0	0	0	9,000	0	0	0
Gross proceeds from asset/home sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Inflows	36,688	153,215	159,377	216,157	167,852	165,779	137,799

Jim's Age	76	81	86	91	96
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Inflows					
Salaries	0	0	0	0	0
CPP Benefits	35,870	35,880	35,886	35,882	35,878
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Withdrawals	48,232	45,438	48,403	46,211	43,171
Investment Gains	37,253	28,267	99,756	91,613	83,432
Special Income	0	0	0	0	0
Education Incomes	0	0	0	0	0
Gross proceeds from asset/home sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Inflows	130,946	119,719	194,665	184,728	174,275

Expense Analysis

Your plan may include both 'common' and 'uncommon' expenses. Normal, ordinary day-to-day expenses such as living expenses, taxes, loan payments, and savings contributions are considered 'common' expenses. Out-of-the-ordinary expenses such as special expenses, post-secondary education expenses, home down payments, or lump sum loan payments are considered 'uncommon' expenses.

Before retirement, your expenses tend to rise. After retirement your expenses typically, but not always, decrease as your work-related living expenses decline and you stop saving. The expenses for this year are prorated to start today and go through the end of the year.

Before Retirement (2021 - 2045)

Aside from taxes, savings, loan payments, living expenses and insurance premiums, you plan to pay for Home Renovation, New appliances, Sam and Sally ESP, Sally Wedding, Sam Wedding, Education Expense for Sally, New Car-2028, New roof, 2030 and New car.2038.

After Retirement (2045 - 2080)

Aside from taxes, savings, living expenses and insurance premiums, you plan to pay for Jim Extended Health, Jane Extended Health and New Roof-2050.

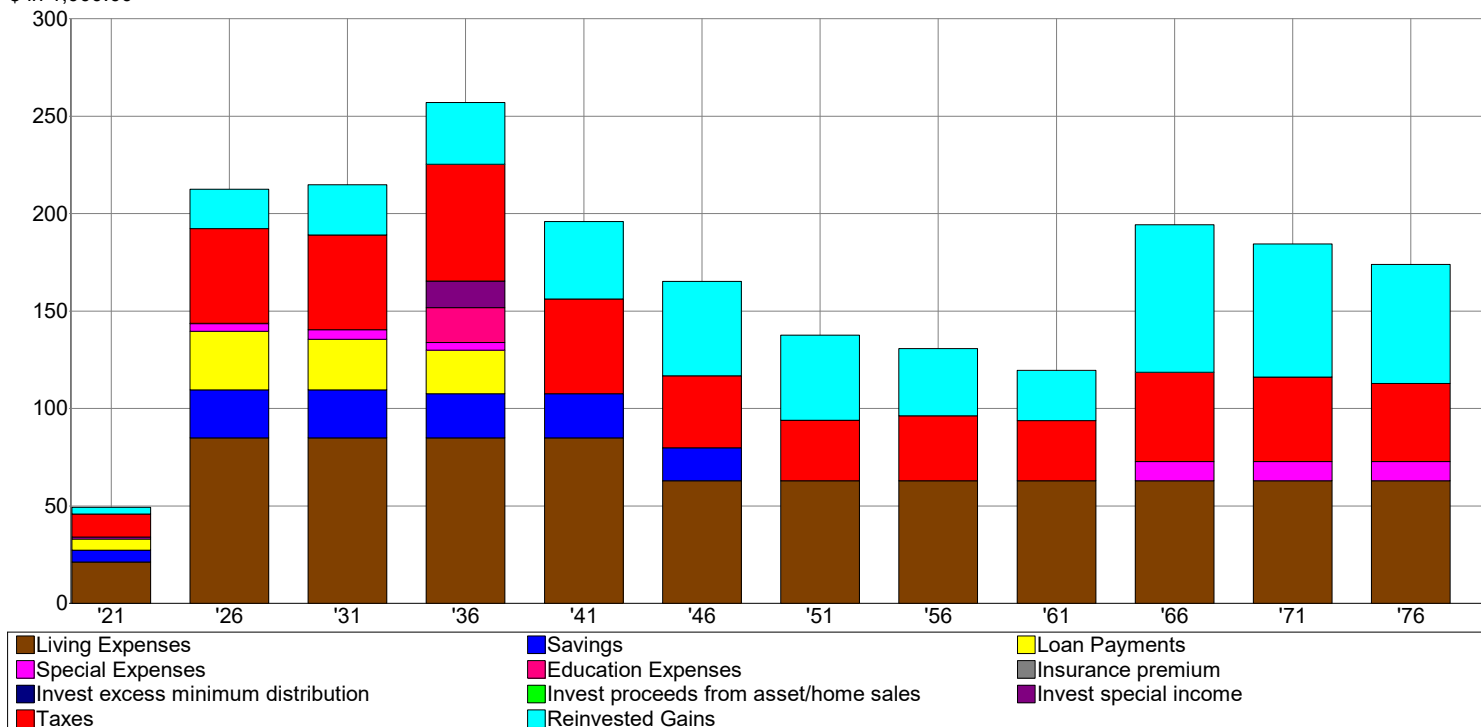
You and your spouse must start making distributions (withdrawals) from tax-deferred savings by age 69. However, Retirement Income Planner always begins making minimum distributions at age 69. If you don't need the entire required distribution to pay expenses, Retirement Income Planner will reinvest the excess in your taxable portfolio. This occurs in 2052-2055.

You have specified that your living expenses after retirement should be adjusted to 90% of what you have entered in the Living Expenses workbook. If you are not sure this will match your level of spending in retirement, change the 'Retirement living expenses' adjustment in the What-If workbook.

Jim & Jane's Plan

Expenses 2021 to 2080

\$ in 1,000.00



Expenses 2021 to 2080

	41	46	51	56	61	66	71
Jim's Age	41	46	51	56	61	66	71
Jane's Age	41	46	51	56	61	66	71
Years from now	0	5	10	15	20	25	30
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>
Outflows							
Living Expenses	21,250	85,000	85,000	85,000	85,000	63,000	63,000
Savings	6,188	24,750	24,750	22,750	22,750	17,000	0
Loan Payments	5,816	30,102	25,966	22,399	0	0	0
Education Expenses	0	0	0	18,014	0	0	0
Special Expenses	1,000	4,000	5,000	4,000	0	0	0
Invest special income	0	0	0	13,750	0	0	0
Invest proceeds from asset/home sales	0	0	0	0	0	0	0
Invest excess minimum distribution	0	0	0	0	0	0	0
Taxes	11,920	48,709	48,691	60,046	48,735	37,085	31,039
Insurance premium	50	173	149	128	111	96	0
Reinvested Gains	<u>3,578</u>	<u>20,342</u>	<u>25,786</u>	<u>31,726</u>	<u>39,798</u>	<u>48,599</u>	<u>43,760</u>
Total Outflows	49,801	213,075	215,342	257,813	196,394	165,779	137,799

	76	81	86	91	96
Jim's Age	76	81	86	91	96
Jane's Age	76	81	86	91	96
Years from now	35	40	45	50	55
Year	<u>2056</u>	<u>2061</u>	<u>2066</u>	<u>2071</u>	<u>2076</u>
Outflows					
Living Expenses	63,000	63,000	63,000	63,000	63,000
Savings	0	0	0	0	0
Loan Payments	0	0	0	0	0
Education Expenses	0	0	0	0	0
Special Expenses	0	0	10,000	10,000	10,000
Invest special income	0	0	0	0	0
Invest proceeds from asset/home sales	0	0	0	0	0
Invest excess minimum distribution	0	0	0	0	0
Taxes	33,352	30,884	45,842	43,363	40,090
Insurance premium	0	0	0	0	0
Reinvested Gains	<u>34,595</u>	<u>25,835</u>	<u>75,823</u>	<u>68,366</u>	<u>61,185</u>
Total Outflows	130,946	119,719	194,665	184,728	174,275

Jim & Jane's Plan

Savings Analysis

The Savings graphs and tables show how much you are planning to save each year of your plan. You may set aside money in both tax-deferred and taxable savings accounts. The money you set aside each year is invested to achieve the target rate of return you set in the Return section. Savings are set aside monthly starting today. This year's savings include this month through the end of the year.

Before retirement, taxable and tax-deferred savings generally go up each year as your salary increases. However, Canada Customs and Revenue Agency rules governing tax-deferred savings plans may limit the amount you can save in some or all years. After retirement, your savings often stop completely.

The total sum of tax-deferred contributions in some years exceeds the Canada Customs and Revenue Agency RRSP limits. You should consider lowering the contributions for these years.

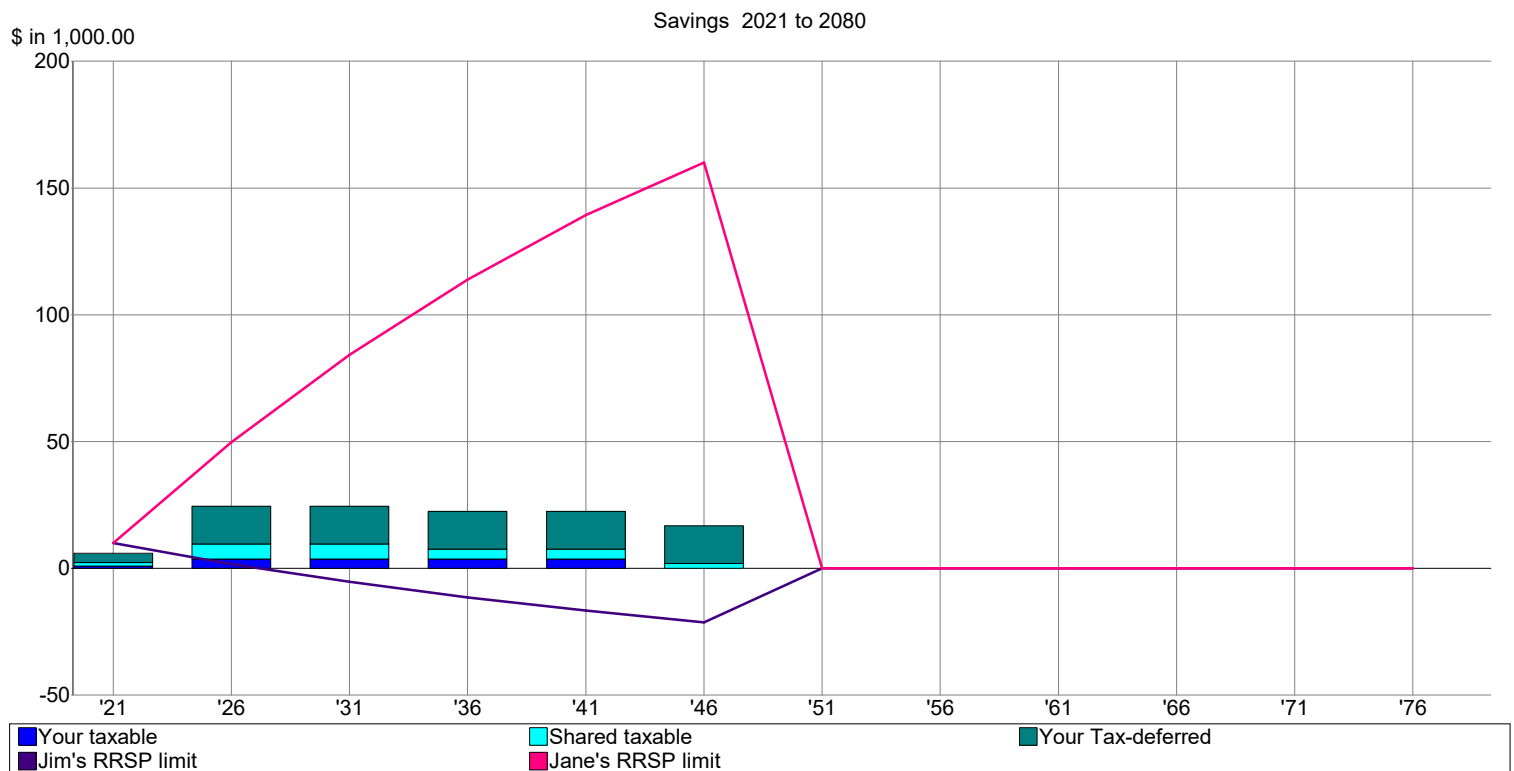
Your contributions exceed RRSP limits in year(s) 2021-2049.

Your spouse has unused RRSP contribution room in year(s) 2021-2045.

There are no tax-deferred savings plans for you in these working years: 2050. Consider adding a savings plan for these years to take full advantage of the benefits of tax-deferred savings.

There are no tax-deferred savings plans for your spouse in these working years: 2021-2045. Consider adding a savings plan for these years to take full advantage of the benefits of tax-deferred savings.

There are no taxable savings plans for these working years: 2050. Consider adding a taxable savings plan for these years.



Jim & Jane's Plan Savings 2021 to 2080

Jim's Age	41	46	51	56	61	66	71	76
Jane's Age	41	46	51	56	61	66	71	76
Years from now	0	5	10	15	20	25	30	35
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>	<u>2056</u>
Savings								
Your taxable	938	3,750	3,750	3,750	3,750	0	0	0
Shared taxable	1,500	6,000	6,000	4,000	4,000	2,000	0	0
Your Tax-deferred	<u>3,750</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>0</u>
Total Savings	6,188	24,750	24,750	22,750	22,750	17,000	0	0
RRSP Limits								
Jim's RRSP limit	10,000	1,757	-5,354	-11,488	-16,779	-21,344	0	0
Jane's RRSP limit	10,000	49,843	84,213	113,860	139,434	160,038	0	0
Jim's Age	81	86	91	96				
Jane's Age	81	86	91	96				
Years from now	40	45	50	55				
Year	<u>2061</u>	<u>2066</u>	<u>2071</u>	<u>2076</u>				
Savings								
Your taxable	0	0	0	0				
Shared taxable	0	0	0	0				
Your Tax-deferred	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>				
Total Savings	0	0	0	0				
RRSP Limits								
Jim's RRSP limit	0	0	0	0				
Jane's RRSP limit	0	0	0	0				

Withdrawal Analysis

A withdrawal is the sale of an investment. Retirement Income Planner sells investments to cover cash shortfalls. It may also sell tax-deferred investments to comply with Canada Customs and Revenue Agency guidelines that require minimum withdrawals from tax-deferred savings. Withdrawals are included as income in the Income and Cash Flow graphs and tables.

Your income may include 'withdrawals' which are the proceeds from selling investments. Withdrawals are made to cover cash shortfalls caused by out-of-the-ordinary expenses such as a down payment on a home, a lump sum payment on a loan, post secondary education expenses, or special expenses. In your plan, Home Renovation, New appliances, Sam and Sally ESP, Sally Wedding, Sam Wedding, Education Expense for Sally, Jim Extended Health, Jane Extended Health, New Car-2028, New roof, 2030, New car.2038 and New Roof-2050 will be covered by withdrawals if you do not have sufficient income to cover them in any year.

You might also have cash shortfalls because your normal expenses, including taxes, living expenses, loan payments, and savings, exceed your income. You have chosen not to cover such shortfalls before retirement by selling investments. This may mean your plan is too optimistic because savings contributions will be made even when you have a cash shortfall. For more information, see the Advanced Planning, Cash Shortfalls option (from the Options Menu, choose Advanced Planning).

After retirement, investments are always sold to cover all cash shortfalls.

Before Retirement (2021 - 2045)

You plan to sell investments in 2021-2039 to cover uncommon expenses, such as a special expense, post secondary education expense, or down payment on a home.

After Retirement (2045 - 2080)

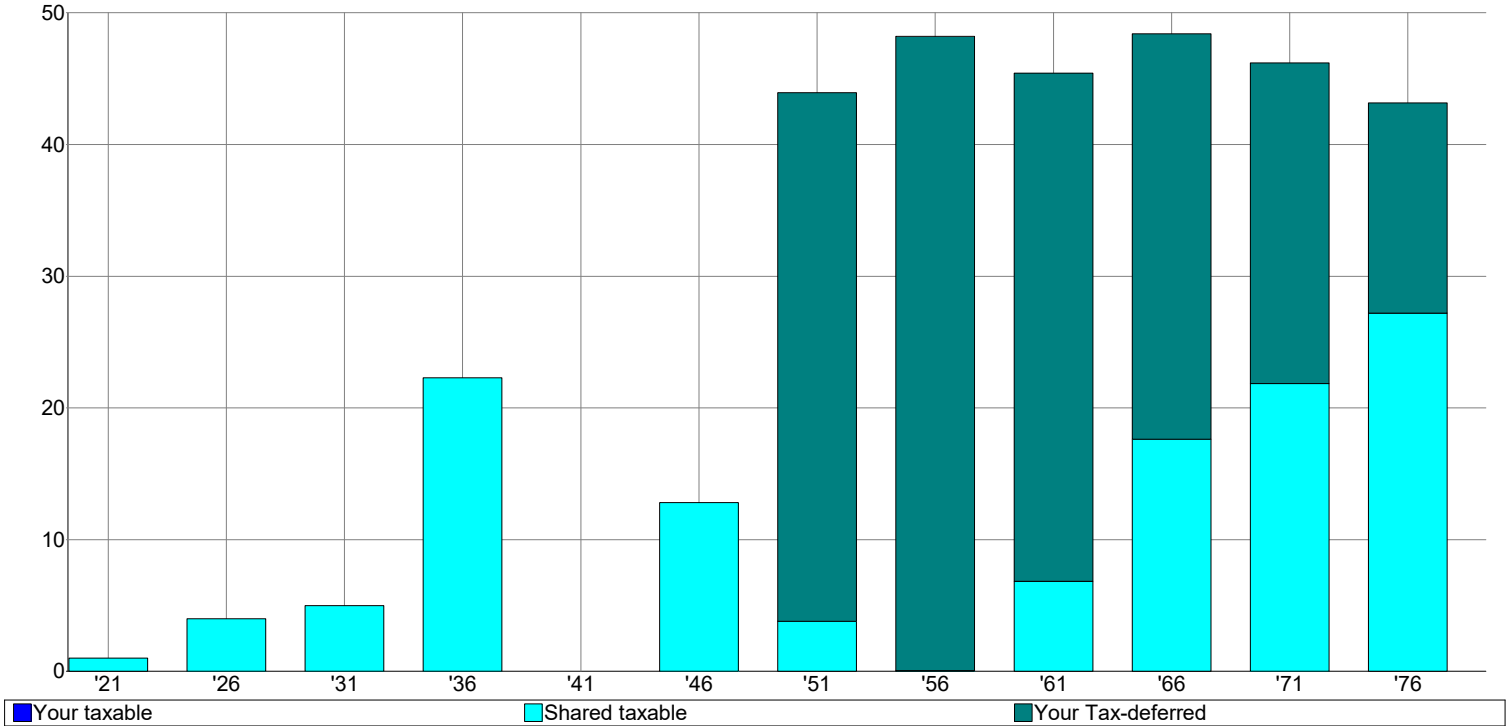
Withdrawals will be made from taxable savings in 2045-2051 and 2056-2080.

Withdrawals will be made from your tax-deferred savings in 2050-2080.

Jim & Jane's Plan

Withdrawals 2021 to 2080

\$ in 1,000.00



Withdrawals 2021 to 2080

Jim's Age	41	46	51	56	61	66	71
Jane's Age	41	46	51	56	61	66	71
Years from now	0	5	10	15	20	25	30
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>
Your taxable							
Total Withdrawal	0	0	0	0	0	0	0
Net after taxes	0	0	0	0	0	0	0
Shared taxable							
Total Withdrawal	1,000	4,000	5,000	22,301	0	12,811	3,812
Net after taxes	1,000	4,000	5,000	22,015	0	12,509	3,732
Your Tax-deferred							
Total Withdrawal	0	0	0	0	0	0	40,141
Net after taxes	0	0	0	0	0	0	28,099
Total Withdrawal	1,000	4,000	5,000	22,301	0	12,811	43,953
Less: Total taxes	0	0	0	-286	0	-302	-12,122
Less: Reinvested min distribution	0	0	0	0	0	0	0
Net to pay expenses	1,000	4,000	5,000	22,015	0	12,509	31,831

Jim & Jane's Plan

Withdrawals 2021 to 2080

Jim's Age	76	81	86	91	96
Jane's Age	76	81	86	91	96
Years from now	35	40	45	50	55
Year	<u>2056</u>	<u>2061</u>	<u>2066</u>	<u>2071</u>	<u>2076</u>
Your taxable					
Total Withdrawal	0	0	0	0	0
Net after taxes	0	0	0	0	0
Shared taxable					
Total Withdrawal	61	6,837	17,616	21,850	27,194
Net after taxes	61	6,791	17,616	21,850	27,194
Your Tax-deferred					
Total Withdrawal	48,171	38,601	30,787	24,361	15,977
Net after taxes	33,720	27,021	21,551	17,053	11,184
Total Withdrawal	48,232	45,438	48,403	46,211	43,171
Less: Total taxes	-14,451	-11,626	-9,236	-7,308	-4,793
Less: Reinvested min distribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net to pay expenses	33,781	33,812	39,167	38,903	38,378

Portfolio Analysis

Portfolio Value shows the total value of your taxable and tax-deferred investments during each year of your plan.

Generally, your portfolios should increase in value before retirement. The growth comes from savings contributions, capital gains, and reinvested dividends and interest. Your portfolio value may also increase if you invest a special income or proceeds from the sale of a home or special asset.

Your portfolios are likely to decrease in value after you retire, as you sell investments (make withdrawals) to pay expenses.

Before retirement, your combined portfolios increase or stay the same in every year.

After retirement, your combined portfolios decrease (in future dollars) in the year(s) 2051-2064. This is to be expected because you are withdrawing money to fund your retirement.

Your portfolio values at retirement and at the end of your plan are:

	<u>Jim's</u>	<u>Jane's</u>	<u>End of Plan</u>
	<u>Retirement</u>	<u>Retirement</u>	<u>End of Plan</u>
Jim's taxable portfolio	\$151,697	\$148,307	\$153,813
Jane's taxable portfolio	\$0	\$0	\$0
Shared taxable portfolio	\$18,716	\$54,322	\$1,440,228
Jim's tax deferred portfolio	\$839,316	\$709,663	\$29,684
Jane's tax deferred portfolio	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	\$1,009,729	\$912,291	\$1,623,725

Shared taxable portfolio is depleted in 2062-2064, 19 years before the end of your plan.

Portfolio Returns

Retirement Income Planner uses the assumed target rate of return you set in the Return section to forecast the hypothetical growth of your investment portfolios over time. To match the forecasts in your plan, you must earn at least the rate of return you set. In some years you won't make these returns and in others you'll beat them. On average, though, you need to meet or exceed your target.

The table below shows the historical return for your current investments and compares it to your planned return. The historical return is calculated using the projected returns for asset classes provided by MoneyWare Inc.

	<u>Historical Return on</u>	<u>Planned Before</u>	<u>Planned After</u>
	<u>Current Investments</u>	<u>Retirement Return</u>	<u>Retirement Return</u>
Jim's taxable portfolio	All in 'Other' *	6.0	5.0
Jane's taxable portfolio	No Investments	6.0	5.0
Shared taxable portfolio	4.0% *	6.0	5.0
Jim's tax deferred portfolio	All in 'Other' *	6.0	5.0
Jane's tax deferred portfolio	No Investments	6.0	5.0

* Some investments are categorized as 'Other' and have been ignored in the computation.

If you've classified your investments correctly this table will give you some guidance on how to rebalance your portfolios. Consider rebalancing if your expected returns are substantially higher or lower than your planned returns.

Jim & Jane's Plan

Portfolio Analysis

Retirement Income Planner reinvests your investment income each year. In your taxable portfolio, your income is taxed before it is reinvested. You pay taxes each year on interest, dividends and 'realized' gains. Realized gains are gains from selling an investment for a higher price than you purchased it.

In Advanced Planning, Realized Gains option, you've elected to tax 100% of the return on your taxable portfolios. You will postpone the tax on the remaining 0% of your return until you withdraw the funds.

Before retirement shared taxable portfolio is projected to return 6.0% per year before taxes. After paying a 28% income tax on 100% of that return, a net return of 4.4% per year is reinvested.

After retirement shared taxable portfolio is projected to return 5.0% per year before taxes. After paying a 28% income tax on 100% of that return, a net return of 3.6% per year is reinvested.

Before retirement your taxable portfolio is projected to return 6.0% per year before taxes. After paying a 30% income tax on 100% of that return, a net return of 4.2% per year is reinvested.

After retirement your taxable portfolio is projected to return 5.0% per year before taxes. After paying a 30% income tax on 100% of that return, a net return of 3.5% per year is reinvested.

Before retirement your spouse's taxable portfolio is projected to return 6.0% per year before taxes. After paying a 25% income tax on 100% of that return, a net return of 4.5% per year is reinvested.

After retirement your spouse's taxable portfolio is projected to return 5.0% per year before taxes. After paying a 25% income tax on 100% of that return, a net return of 3.8% per year is reinvested.

In your tax-deferred portfolios, all returns are reinvested without being taxed. The taxes are due when you withdraw your funds. This allows your tax-deferred portfolios to grow faster because you reinvest 100% of your return.

Asset Allocation

Historically, over 90% of the return you get on your investments is determined by Asset Allocation. Asset Allocation is the process of purchasing different 'classes' of investments with different risk and potential return characteristics to attain a target rate of return.

MoneyWare Inc. provides suggested asset allocations to achieve returns between 4.5% and 10.5%. These suggestions are developed by MoneyWare Inc. using sophisticated statistical tools. You can use these suggestions or develop your own asset allocation with an investment advisor.

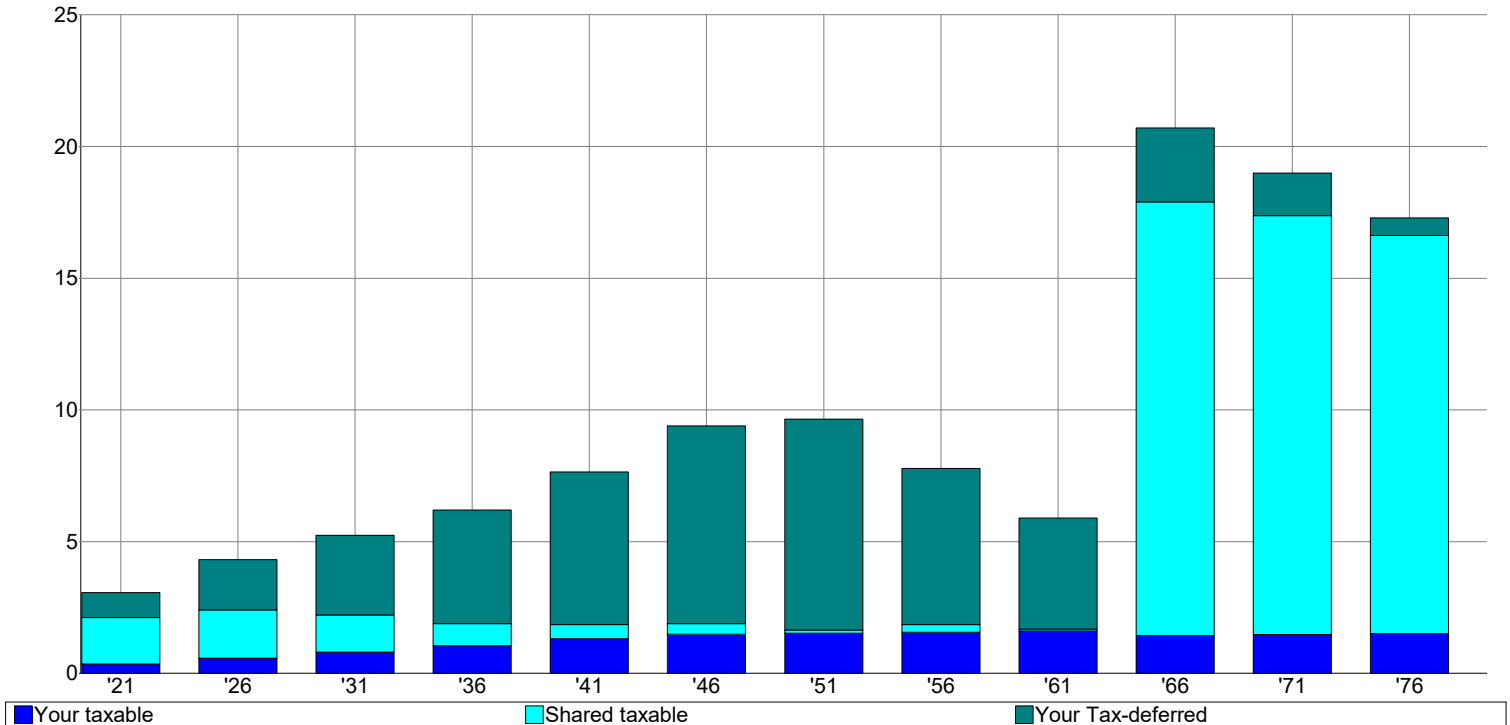
The asset allocation of your current investments in your combined portfolios is more than 10% out of balance with the suggested MoneyWare Inc. allocation for your planned 6.0% rate of return. If you want to use the MoneyWare Inc. suggestion, you should rebalance your combined portfolios as prescribed in the Balance Report.

Note: All amounts in this report are in today's dollars.

Jim & Jane's Plan

Portfolio Value 2021 to 2080

\$ in 100,000.00



Portfolio Value 2021 to 2080

	41	46	51	56	61	66	71
Jim's Age	41	46	51	56	61	66	71
Jane's Age	41	46	51	56	61	66	71
Years from now	0	5	10	15	20	25	30
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>
Your taxable							
Beginning Balance	35,000	53,610	76,401	100,552	126,142	148,426	152,064
Ending Balance	36,303	58,063	81,120	105,552	131,441	149,147	152,802
Spouse's taxable							
Beginning Balance	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0
Shared taxable							
Beginning Balance	174,000	180,163	138,189	88,258	48,848	51,560	16,979
Ending Balance	176,355	184,568	141,022	84,667	53,575	40,670	13,131
Your Tax-deferred							
Beginning Balance	90,000	171,234	279,550	404,585	548,922	715,540	826,912
Ending Balance	95,107	191,672	303,142	431,819	580,360	751,831	800,820
Spouse Tax-deferred							
Beginning Balance	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0
TOTAL ENDING BALANCE	307,765	434,303	525,284	622,038	765,376	941,648	966,753

Jim & Jane's Plan

Portfolio Value 2021 to 2080

Jim's Age	76	81	86	91	96
Jane's Age	76	81	86	91	96
Years from now	35	40	45	50	55
Year	<u>2056</u>	<u>2061</u>	<u>2066</u>	<u>2071</u>	<u>2076</u>
Your taxable					
Beginning Balance	155,791	159,609	143,036	146,542	150,133
Ending Balance	156,547	160,384	143,730	147,253	150,862
Spouse's taxable					
Beginning Balance	0	0	0	0	0
Ending Balance	0	0	0	0	0
Shared taxable					
Beginning Balance	29,232	15,086	1,654,785	1,604,040	1,530,756
Ending Balance	29,346	8,093	1,646,572	1,591,131	1,511,865
Your Tax-deferred					
Beginning Balance	632,059	454,395	306,981	184,227	82,283
Ending Balance	593,752	422,686	280,615	162,225	67,104
Spouse Tax-deferred					
Beginning Balance	0	0	0	0	0
Ending Balance	0	0	0	0	0
TOTAL ENDING BALANCE	779,645	591,163	2,070,917	1,900,609	1,729,831

Net Worth Analysis

Net worth is your total assets minus your total liabilities (everything you own minus everything you owe). Your total assets consist of your investments, homes, special assets, and cash value insurance policies. Your liabilities are your loans.

Generally net worth should increase before retirement as your investments grow and you pay off loans. Your net worth may decrease after retirement as you sell investments to pay expenses.

Before Retirement (2021 - 2045)

Before retirement, your net worth increases or stays the same in every year. This is a healthy sign because you are increasing what you own and/or decreasing what you owe in anticipation of funding your retirement.

Your net worth at retirement is:

	<u>Jim's Retirement</u>	<u>Jane's Retirement</u>
Liquid Assets	\$995,955	\$915,526
Non-Liquid Assets	\$1,310,000	\$1,189,902
Less: Loans	-0	-0
	\$2,305,955	\$2,105,428

After Retirement (2045 - 2080)

After retirement, your net worth decreases (in future dollars) in the year(s) 2065. This is to be expected because you are withdrawing money to fund your retirement.

Your net worth at the end of your plan is:

	<u>End of Plan</u>
Liquid Assets	\$1,623,725
Non-Liquid Assets	\$0
Less: Loans	-0
	\$1,623,725

Estate

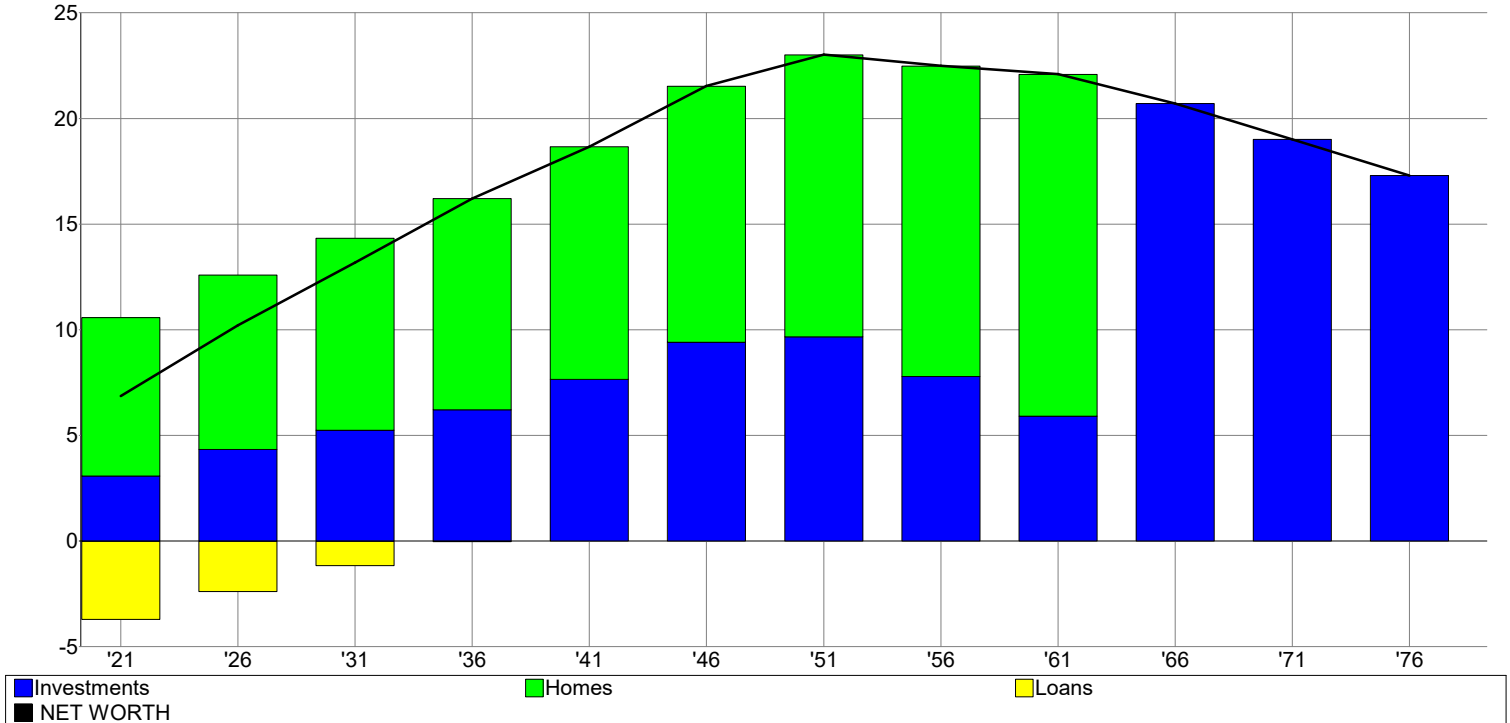
Your estate will be worth \$1,623,725. After paying taxes of \$753,571, you will leave \$870,154 to your heirs.

Note: All amounts in this report are in today's dollars.

Jim & Jane's Plan

Net Worth 2021 to 2080

\$ in 100,000.00



Net Worth 2021 to 2080

Jim's Age	41	46	51	56	61	66	71
Jane's Age	41	46	51	56	61	66	71
Years from now	0	5	10	15	20	25	30
Year	<u>2021</u>	<u>2026</u>	<u>2031</u>	<u>2036</u>	<u>2041</u>	<u>2046</u>	<u>2051</u>
Assets							
Investments	307,765	434,303	525,284	622,038	765,376	941,648	966,753
Homes	750,000	825,699	909,038	1,000,789	1,101,800	1,213,006	1,335,437
Total Assets	1,057,765	1,260,002	1,434,322	1,622,827	1,867,176	2,154,654	2,302,190
Loans							
Home Mortgages	370,361	238,588	116,490	1,859	0	0	0
Total Loans	370,361	238,588	116,490	1,859	0	0	0
NET WORTH	687,404	1,021,414	1,317,832	1,620,968	1,867,176	2,154,654	2,302,190

Jim's Age	76	81	86	91	96
Jane's Age	76	81	86	91	96
Years from now	35	40	45	50	55
Year	<u>2056</u>	<u>2061</u>	<u>2066</u>	<u>2071</u>	<u>2076</u>
Assets					
Investments	779,645	591,163	2,070,917	1,900,609	1,729,831
Homes	1,470,225	1,618,618	0	0	0
Total Assets	2,249,870	2,209,781	2,070,917	1,900,609	1,729,831
Loans					
Home Mortgages	0	0	0	0	0
Total Loans	0	0	0	0	0
NET WORTH	2,249,870	2,209,781	2,070,917	1,900,609	1,729,831

Plan Assumptions

Personal
Age:

Jim
41

Jane
40

Jim & Jane's Plan

Plan Assumptions

Health:	Fair, Non-Smoker	Good, Non-Smoker
Life Expectancy:	100	100
Retirement Age:	70	65
Retirement Date:	7/2050	11/2045
Years Until Retirement:	28	24
Years In Retirement:	30	35

Dependents	<u>Age</u>
Sally	5
Sam	5

<u>Income</u>	<u>Amount</u>	<u>Annual Increase</u>	<u>Self Emp.</u>	<u>Pay CPP</u>	<u>Pay EI</u>
Jim's Salaries					
Jim's salary (2021-2050)	\$75,000	Inflation	No	Yes	Yes
Jane's Salaries					
Jane's salary (2021-2045)	\$50,000	Inflation	No	Yes	Yes
Special Income			<u>Duration</u>	<u>Proceeds</u>	
Inheritance income Jim (1/2035)	\$50,000	Inflation	One Time Event	Invested	
Inheritance income Jane (10/2036)	\$25,000	Inflation	One Time Event	Invested	
(10/2021)	\$0	Inflation	One Time Event	Pay Expenses	

<u>Economic Assumptions</u>	
Average long term inflation	3.0% per year
Your average tax rate before retirement	30.0% per year
Your average tax rate after retirement	30.0% per year
Spouse's average tax rate before retirement	25.0% per year
Spouse's average tax rate after retirement	25.0% per year

<u>Advanced Planning Options</u>	
Investments are NOT sold to cover cash shortfalls	
You have one overall investment mix and expected return for all portfolios	
Percent of your return taxable each year:	100.0% per year
Percent of spouse's return taxable each year:	100.0% per year
Percent of shared return taxable each year:	100.0% per year
Percent of cash flow surplus saved:	0% per year

<u>Accounts</u>	<u>Amount</u>	<u>Annual Increase</u>	<u>Basis</u>	<u>As Of</u>	<u>Class</u>
Accounts					
Joint Investment Acct					
Annual Contribution (2021-2045)	\$2,000	Inflation			
Investments:					
Total Invested	\$150,000	n/a	\$75,000	10/2021	Other
This is an Investment Account.					
RRSP - Jim					
Annual Contribution (2021-2049)	10% of salary	n/a			
Investments:					
Total invested	\$50,000	n/a	\$65,000	10/2021	Other
This is your RRSP Account.					
RRSP-Jane					
Annual Contribution (2021-2049)	10% of salary	n/a			
Investments:					
Total invested	\$40,000	n/a	\$40,000	10/2021	Other
This is your RRSP Account.					
TFSA-R-RIA - Jim					
Annual Contribution (2021-2045)	2.5% of Jim's salary	n/a			
Current Balance:	\$15,000				
This is an Other Taxable Account.					
TFSA-Jane					
Annual Contribution (2021-2045)	2.5% of Jim's salary	n/a			
Current Balance:	\$20,000				
This is an Other Taxable Account.					
Sam ESP					
Annual Contribution (2021-2050)	\$2,000	Inflation			
Current Balance:	\$12,000				

Jim & Jane's Plan

Plan Assumptions

This is a Savings Bond or T-Bill.

Sally ESP

Annual Contribution (2021-2033)

Amount Annual Increase

Current Balance:

\$2,000 Inflation

\$12,000

This is a Savings Bond or T-Bill.

Assets

Homes

Your home

Purchase Price in 1/2012 \$500,000

Sale Price in 3/2065 \$6,417,863

Value as of 10/2021 \$750,000

Property Tax for 2021 \$2,000

Gains Information

Sale Price \$6,417,863

Less: Purchase Price -500,000

Less: Closing Costs (6%) -385,072

Less: Improvements -0

Gain on sale of this home \$5,532,791

Proceeds Information

Sale Price \$6,417,863

Less: Closing Costs (6%) -385,072

Less: Taxes due (46%) -0

Less: Pay off loans -0

Approximate proceeds to you \$6,032,791

Life Insurance

Jim's life insurance policy (2021-2050)

Coverage \$1,000,000

Annual premium as of 10/2021 \$200

Loans

Mortgage loan for Your home

Opening Date 1/2012

Opening Balance \$500,000

Current Balance as of 1/2012 \$500,000

Interest Rate 5.000%

Length of loan (in years) 25

Payments per year 12

Interest is compounded 2 times per year

Payment Amount \$2,908

Expenses

Living Expenses

Rough estimate BEFORE retirement (2021-2045) \$85,000 Inflation

Rough estimate AFTER retirement (2045-2080) \$70,000 Inflation

Living expense reduction after Jane retires 10.0%

Education Expense for Sally

Name of Attendee Sally

Opening Date 2033

Duration 4

Annual Tuition Fees \$10,000

Annual Room & Board \$2,000

Annual Books & Supplies \$1,000

Annual Other Expenses \$500

Education Cost Inflation 5.0% per year

Annual Financial Aid Growing at Inflation \$4,000

Annual Student Contribution Growing at Inflation \$4,000

Annual Gift Contribution Growing at Inflation \$1,000

Special Expenses

Jim Extended Health (2065-2079) \$5,000 Inflation 15 years

Jane Extended Health (2065-2079) \$5,000 Inflation 15 years

New Car-2028 (2028-2028) \$35,000 Inflation 1 years

New roof, 2030 (2030-2030) \$10,000 Inflation 1 years

Home Renovation (2024-2024) \$12,000 Inflation 1 years

New car.2038 (1/2038) \$40,000 Inflation One Time Event

Jim & Jane's Plan Plan Assumptions

New appliances (2030-2031)	\$12,000	Inflation	1 years
New Roof-2050 (5/2050)	\$10,000	Inflation	One Time Event
Sam and Sally ESP (2021-2039)	\$4,000	Inflation	18 years
Sally Wedding (1/2032)	\$15,000	Inflation	One Time Event
Sam Wedding (1/2035)	\$15,000	Inflation	One Time Event

Return

Jim's Tax-deferred Investments

Annual before retirement return:	6.0% per year
Annual after retirement return:	5.0% per year

Jane's Tax-deferred Investments

Annual before retirement return:	6.0% per year
Annual after retirement return:	5.0% per year

Jim's Taxable Investments

Annual before retirement return:	6.0% per year
Annual after retirement return:	5.0% per year
Percent of return taxable each year:	100.0% per year

Jane's Taxable Investments

Annual before retirement return:	6.0% per year
Annual after retirement return:	5.0% per year
Percent of return taxable each year:	100.0% per year

Shared Taxable Investments

Annual before retirement return:	6.0% per year
Annual after retirement return:	5.0% per year
Percent of return taxable each year:	100.0% per year

All amounts are reported in today's dollars.