

**RETIREMENT WEALTH ACCUMULATION  
AND  
RETIREMENT WITHDRAWAL CALCULATOR  
INSTRUCTION MANUAL**



Glorifying God by helping our ministry partners achieve financial security

**RETIREMENT WEALTH ACCUMULATION  
and  
RETIREMENT WITHDRAWAL CALCULATOR**

**Instruction Manual**

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## **Important Notice**

The Projection Calculator is intended for your use and your use only and is not intended for any other purpose than to help you assess your retirement readiness and to help you plan for your retirement. It is for modeling various retirement projections based on information provided by you (or third-parties about you), and a variety of assumptions that you make, or that are made as part of the model. Varying the inputs and/or the assumptions will produce different results, some of which may not be considered reasonable. RBI and PwC do not assume any responsibility for the reasonableness of the results generated from your inputs and the assumptions you select. Furthermore, the returns and the results shown by this model are not guaranteed and actual results will differ from the results presented as actual experience will differ from that anticipated by the assumptions you selected. In addition, this information does not constitute investment advice. Before making any retirement related or investment based decisions, you should consult with your financial advisor. By using this tool you agree that neither RBI nor PwC will be liable for any damages resulting from the use of this tool.

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### Introduction

Thank you for your participation in the RBI Ministerial Retirement Readiness survey. Your input has been very valuable in helping us assess the potential future needs of the Relief Fund. As thanks for your participation, RBI and PwC are providing you with a retirement projection tool to help you assess your current retirement readiness and plan for your retirement.

As you know, your expenses in retirement will be provided through a number of sources - Social Security (if applicable), supplemental income sources, annuities provided from other retirement plans, life insurance and withdrawals from your savings accounts. Having enough savings at retirement is a key component to having sufficient funds to provide for your household's expenses in retirement.

The primary goal of this Retirement Wealth Accumulation - Retirement Withdrawal Calculator (the "Projection Calculator") is to project when your sources of retirement income will no longer be sufficient to provide for your household's expected retirement expenses based upon **your** selected inputs and assumptions. The Projection Calculator will allow you to model what the impact of changing your annual savings amount can have on reaching the goal to have sufficient sources of income at retirement so that you can make immediate decisions regarding changes you may need to make to your annual retirement savings goals.

The Projection Calculator is intended for your use and your use only and is not intended for any other purpose than to help you assess your retirement readiness and to help you plan for your retirement. It is for modeling various retirement projections based on information provided by you (or third-parties about you), and a variety of assumptions that you make, or that are made as part of the model. Varying the inputs and/or the assumptions will produce different results, some of which may not be considered reasonable. RBI and PwC do not assume any responsibility for the reasonableness of the results generated from your inputs and the assumptions you select. Furthermore, the returns and the results shown by this model are not guaranteed and actual results will differ from the results presented as actual experience will differ from that anticipated by the assumptions you selected. In addition, this information does not constitute investment advice. Before making any retirement related or investment based decisions, you should consult with your financial advisor. By using this tool you agree that neither RBI nor PwC will be liable for any damages resulting from the use of this tool.

Any Social Security benefits calculated by the Projection Calculator are only estimates of the benefit that you or your Spouse, if applicable, may receive from the Social Security Administration and are not intended to be the exact amount of the benefits payable to you or your Spouse. Determining Social Security benefits is a very complex process which is ultimately dependent on the actual earnings history and years of Social Security participation of you and/or your Spouse. Please note, you can go to the Social Security Administration website at [ssa.gov](http://ssa.gov) and use their benefit calculator to estimate your Social Security benefit. Your Social Security benefit is then estimated based on your actual earnings history.

The Projection Calculator allows for sufficient customization to allow you to model different What If scenarios which will assist in your retirement planning and provide you with information and insight into managing your annual pre-retirement savings needs, your post-retirement expenses and your

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post-retirement life insurance needs to help ensure that you and your Spouse, if applicable, will have sufficient funds for a secure retirement.

The Projection Calculator consists of two modules. The Accumulation Module is designed to project income and savings amounts to your and your Spouse's selected retirement dates. These projected amounts will then serve as inputs into the Withdrawal Module. The Withdrawal Module of the calculator is designed to project when your sources of retirement income will no longer be sufficient to provide for your and/or your Spouse's retirement expenses.

The instructions below will guide you through the inputs needed for both the Accumulation Module and the Withdrawal Module. The information in your customized calculator has been initially populated with information based upon your responses to the Retirement Readiness Survey. The instructions will alert you to which input items you are able to modify to update the information and/or to model different What If projection scenarios.

This is a personalized and robust financial planning and assessment tool and RBI understands that you may need assistance in learning how to use it. While this instruction booklet will help, RBI is ready to assist you in making the best use of this tool. In order to provide this assistance well, we need you to make an appointment so we may assist you by phone. Please call Ms. Susan Hulteen at (800) 789-8765 to schedule a convenient time. Since most of the RBI staff will be at General Assembly, we will begin making appointments after June 13th.

Please be aware that RBI does not have access to any of your survey information. You do not have to reveal your confidential information for us to help you learn to use this tool. However, if you want us to discuss your specific projection with you, you will need to send a copy of the projection printout to us.

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### **Part I: Accumulation Module - Review and Set the Accumulation Inputs**

The Accumulation Module of the calculator is designed to project income and savings amounts to your and your Spouse's selected retirement dates. These projected amounts will then serve as inputs into the Withdrawal Module.

The Accumulation Module has been pre-populated with data obtained from your responses to the Retirement Readiness Survey. Additionally you will be able to change or update many of the inputs as you consider necessary to update information and/or to model different projection scenarios. Please review the inputs carefully for reasonableness as the survey responses were taken as given.

The Accumulation Module projects income and savings balances to your selected year of retirement.

Follow the steps below to complete the Accumulation Module:

- i. Data Measurement Date:
  - a. Input the year the calculation will begin.
  - b. The calculator will start the accumulation projection from January 1st of the year selected and is preset to January 1, 2011.
  - c. The accumulation projection will assume the savings account balances input are as of January 1st of the year selected (see below for savings balance input).
  - d. The accumulation projection will assume the income amounts input are for the year selected and project forward from these inputs.
- ii. Participant Summary:
  - a. Dates of birth: Review the dates of birth for accuracy and update the information as necessary.
  - b. Marital status: Review your marital status and update as necessary.
  - c. Employment status: Review your and your Spouse's employment statuses and update as necessary.
- iii. Current Income Sources:
  - a. These amounts represent the current sources of pre-retirement income for you and your Spouse, if applicable.
  - b. These amounts are projected to the selected retirement dates (through the year before the year of retirement) and are one of the factors used in determining your household's post-retirement income need.

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- See the Pre-retirement Assumption section below for details on selecting how much you expect your and/or your Spouse's income to increase each year until retirement.
- c. Review the amounts presented for accuracy and update the information as necessary.
- d. If your Spouse is expected to retire before you, her primary income projection will be set to zero once she reaches her retirement age. In addition, starting with her retirement year, her other sources of income will be set equal to her expected Social Security benefit for each year, if she is considered eligible for Social Security based upon your survey responses.
  - You will have an opportunity to change your and your Spouse's Social Security benefits within the Withdrawal Module. Any changes you make within the Withdrawal Module will be automatically updated within the Accumulation Module.
- iv. **Anticipated Retirement Dates:**
  - a. Review and update as necessary the age you expect to retire.
  - b. Review and update as necessary the age you expect your Spouse, if applicable, to retire.
  - c. Note: the projection module will assume you retire on the January 1st following the year you reach the retirement age selected.
    - For example, if your date of birth is March 3, 1953 and you select to retire at age 70, you will turn age 70 in the year 2023. The projection model will show 2024 as your retirement year - that is, January 1, 2024 is the January 1st following the year you turn age 70. The Accumulation Module will stop in 2023 and the Withdrawal Module will begin in year 2024.
- v. **Retirement Accounts:**
  - a. **Account balances:**
    - The account balance amounts represent the current balances in your pre-tax and after-tax savings accounts.
    - These amounts are projected to your retirement date and are one of the sources used to provide for your household's post-retirement income/expenses
      - 1. See the Pre-Retirement Assumption section below for details on selecting how much interest you expect your savings balances to earn each year until retirement.
    - Review the amounts presented for accuracy and update the information as necessary.

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b. Annual savings amounts:

- In addition to establishing your current savings account balances, you have the opportunity to select how much you expect to save each year in both your pre-tax and after-tax accounts and you have the opportunity to change your anticipated savings amounts in the future.
- The current Pre-tax Annual Contribution Amount and the current After-tax Annual Contribution Amount represent the amount you currently are saving into each account (and are pre-set based upon your survey responses). Review the amounts presented for accuracy and update the information as necessary.
  1. The calculator provides you with an opportunity to have your annual savings amounts remain level or increase at the same rate as your primary income. See the Pre-retirement Assumption section below regarding the selection of this option.
- The calculator also provides you an opportunity to change the amount of your annual pre-tax or after-tax savings amounts one time in the future. Input the year the annual pre-tax and/or after-tax savings amounts are expected to change and input the updated annual savings amount for both your pre-tax and after-tax savings accounts. Review the amounts presented for accuracy and update the information as necessary.
  1. If you select to have your savings amounts to increase at the same rate as your primary income, the projection will change your annual savings amount (in the year selected) to the amount you input and then assume it increases each year thereafter at the same rate your primary income is expected to increase.

vi. Pre-retirement Assumptions:

- a. A number of assumptions are required in order to be able to project your income and savings account balances to retirement. The assumptions listed have been pre-populated based on input from RBI. Review each assumption and update as you consider necessary.
- b. The Pre-tax and After-tax Savings Increase Rate is where you select whether or not you want the annual contributions to your pre-tax and after-tax savings accounts to remain level or increase at the same rate your primary income is expected to increase. Select an option from the drop down menu.
- c. Within the Accumulation Module, the inflation rate selected is used to establish the rate at which your Spouse's Social Security benefits will increase during the period between her retirement date and your retirement date, if your Spouse is expected to retire before you. The rate selected here is carried forward to the Withdrawal Module and impacts the rate at which your retirement expenses and Social Security benefits are expected to increase each year in retirement.

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- vii. Once you are satisfied with all of your inputs, scroll up to the top left corner of the page and click on the Calculate button and the Accumulation Module will complete the pre-retirement projections and a calculation of expected Social Security benefits for you and your Spouse, if applicable.
- viii. Proceed to the Withdrawal Module to complete the post-retirement projections.

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### **Part II: Withdrawal Module - Review and Set the Retirement Withdrawal Inputs**

Upon retirement, your sources of income will be provided through Social Security (if applicable), supplemental income sources, annuities provided from other retirement plans, life insurance and withdrawals from your savings accounts.

The Withdrawal Module of the calculator is designed to project when your sources of retirement income will no longer be sufficient to provide for your and/or your Spouse's retirement expenses.

Many of the inputs to the Withdrawal Module are the outputs from the Accumulation Module. In addition, where applicable, inputs have been pre-populated with data obtained from your responses to the Retirement Readiness Survey. Please review the inputs carefully for reasonableness as the survey responses are taken as given. Also, similar to the Accumulation Model, there are several items that you will be able to change.

Follow the steps below to complete the Withdrawal Module:

- i. **Determination of Annual Income in Retirement:** This represents the amount of annual income you require upon retirement to provide for your household's expenses in retirement.
  - a. The withdrawal projection is designed to project what point in time your sources of retirement income will be less than your expected retirement expenses - that is, when will you no longer have enough savings (along with social security and other sources of retirement income) to fully provide for your retirement income/expense need. Thus, the amount of retirement income you input will impact how long it is expected that you will have sufficient sources of income to cover expenses for you and your Spouse.
  - b. **Total projected income:** The amount presented is your current income amount (both primary and other source income) projected to your selected retirement date based on the projection assumption you selected in the Accumulation Module and represents your primary income in the year prior to your year of retirement which is carried over from the amount projected in the Accumulation Model.
  - c. **Total Spouse's projected income:** The amount presented is your Spouse's (if applicable) current income amounts (both primary and other source income) projected to your selected retirement date if your Spouse is expected to retire the same year as you or is expected to retire anytime after you retire. This amount is carried over from the amount projected in the Accumulation Model.
    - If your spouse is expected to retire before you, the amount carried forward here is the amount of Social Security your spouse was expected to be receiving in the year prior to your retirement.
  - d. **Projected housing allowance:** The amount presented is your current housing allowance projected to your selected retirement date based on the projection assumption you selected in the Accumulation Module. Your housing allowance is treated as additional income to be replaced in retirement.

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- e. Total projected household income at retirement: This is the sum of items (b) - (d) and is used in determining your income/expenses in retirement (see the Income Determination section below).
  - f. Income determination: In determining the amount of retirement income to input, first select whether you want to have the income amount determined as a percentage of your total projected household income amount (select Replacement Ratio % from the drop down menu) or if you wish to input a dollar amount (select Dollar Amount per Year from the drop down menu).
    - If you select Replacement Ratio % then you must also select the percentage of income to be replaced. For example, if you select 80%, the final annual income amount will be equal to 80% of your total projected household income at retirement.
    - If you select Dollar Amount, input your expected retirement income/expense amount in the row labeled Annual Amount of Expenses.
    - Note that an 80% Replacement Ratio is the default selection.
  - g. Percentage of expenses due to death of Spouse or yourself (if married): This represents the amount of income/expenses needed after you or your Spouse passes away.
    - The amount of income needed to meet expenses is expected to decline as the surviving Spouse is expected to have less retirement expenses once the Spouse begins to provide for one life verses providing for two. For example, an input of 75% will result in a 25% decrease in retirement income/expenses upon the death of either you or your Spouse.
    - 75% is the default percentage.
- ii. Total Savings Balances Projected at Retirement:
- a. Total projected pre-tax savings: The amount presented is your current pre-tax savings amount projected to your selected retirement date based on the projection assumption and annual savings assumption you selected in the Accumulation Module and is carried forward from the Accumulation Module.
  - b. Total projected post-tax savings: The amount presented is your current post-tax savings amount projected to your selected retirement date based on the projection assumption and annual savings assumption you selected in the Accumulation Module and is carried forward from the Accumulation Module.
    - The projected amount is then grossed up to represent a pre-tax amount based on the Tax Rate assumption you select. See the note on taxes in Part V below regarding how the module incorporates taxes.
    - Review and update as necessary your expected post-retirement tax rate.

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- c. If you want to change the amount of the projected savings balances, go back to the Accumulation Module and change your annual savings amounts and/or change the assumption regarding interest earned on your accounts.
- iii. Anticipated Supplemental Income in Retirement:
  - a. Select the number of years you expect to receive supplemental retirement income. That is, income in addition to income from Social Security, annuities and savings.
  - b. Select the % of your projected income you expect your supplemental income to be and the amount of your supplemental retirement income will be calculated based on the % of your total projected income at retirement.
  - c. Also select the rate at which you expect your supplemental income to increase each year. The default rate is 3.00%.
  - d. Review and update the number of years, %, and increase rate as necessary.
- iv. Anticipated Significant Expenses in Retirement:
  - a. This represents the amount of significant expenses you expect to have in retirement on an annual basis in addition to the amount determined above in the Income Determination section. You input how many years you expect to have this extra expense. The calculator will treat this as additional expense in retirement (in addition to the income/expense amount discussed above) and it will also need to be provided by your sources of retirement income.
  - b. Review and update the amount and number of years as necessary.
- v. Social Security Benefits Summary:
  - a. Determining your Social Security benefit is a very complex process. The calculator initially determines your and your Spouse's Social Security benefits based on your survey responses regarding the years you have participated in Social Security and the years you expect to participate in Social Security in the future and based on your earnings progression as established in the Accumulation Module.
  - b. The calculator assumes you and/or your Spouse will commence Social Security upon retirement.
  - c. If you are married, you may receive a benefit based on your earnings or you may receive a benefit based on your Spouse's earnings, if she worked and contributed to Social Security. The calculator will select the larger of the two benefits when completing the withdrawal projection. If you change the amount of Social Security benefit payable to you (see below for how you can make such a change), it may also impact the amount of Social Security your Spouse is projected to have in her retirement and vice versa. The calculator will make adjustments as you change the benefits.

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- d. My Social Security commencement age: This is set to the retirement age you have selected in the Accumulation Model. If you wish to change your retirement age, go back to the Accumulation Module to change your retirement age and click the Calculation button.
- e. My annual Social Security benefit: This represents the amount of Social Security you may expect to receive starting at your selected retirement age. This is your Social Security benefit. If you can receive a larger benefit based on your Spouse's Social Security then this will be reflected below in the withdrawal projection section and is automatically determined by the calculator.
  - Review and update if you have a better estimate of your expected social security benefit (see the Social Security Over-ride section below if you wish to input a different Social Security Benefit). If you wish to change your retirement age, go back to the Accumulation Module to change your retirement age and click on the Calculate button.
- f. My Spouse's Social Security commencement age: This is set to the retirement age you have selected on the accumulation model for your Spouse. If you wish to change your Spouse's retirement age, go back to the Accumulation Module to change her retirement age and click on the Calculate button.
- g. My Spouse's annual Social Security benefit: This represents the amount of Social Security your Spouse, if applicable, is expected to receive starting on her selected retirement date. This is her Social Security benefit. If she can receive a larger benefit based on your Social Security then this will be reflected below in the withdrawal projection section and is automatically determined by the calculator.
  - Review and update if you have a better estimate of your Spouse's expected social security benefit (see the Social Security Over-ride section below if you wish to input a different Social Security Benefit). If you wish to change your Spouse's retirement age, go back to the Accumulation Module to change her retirement age and click on the Calculate button.
- vi. Social Security Over-rides: If you have a better estimate of the Social Security benefit you or your Spouse is expected to receive, you can over-ride the amount determined by the Projection Calculator and input the amount in this section.
  - a. In addition, you can go to the Social Security Administration website at [ssa.gov](https://ssa.gov) and use their benefit calculator to estimate your Social Security benefit. Your Social Security benefit is estimated based on your actual earnings history. Select the Estimate Your Retirement Benefits from the Top Services listed on the left hand side of the home page to begin.
- vii. Other Annuities (does not include Social Security):
  - a. Annual income from annuities: Review and update, if necessary, the amount you expect to receive as an annual annuity each year in retirement.

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- b. Spouse's annual income from annuities: Review and update, if necessary, the amount your Spouse, if applicable, expects to receive as an annual annuity each year in retirement.
- c. Annuity increase rate: Input the rate at which you and/or your Spouse's annual annuities are expected to increase, if any. Default rate is 0.00%.

### **viii. Life insurance:**

- a. Pre-retirement life insurance your Spouse receives upon your death: This represents the amount of pre-retirement life insurance you have and has been pre-populated based on your survey response. Please review and update if necessary.
  - It is expected that the amount of life insurance you will have at retirement will differ from the amount you currently have.
  - The withdrawal projection allows you to input your post-retirement life insurance amount as a percentage of your current pre-retirement life insurance amount. Select the percentage, the default is 50% - your post-retirement life insurance at retirement is expected to be a percentage of your pre-retirement life insurance amount.
  - Often times, post-retirement life insurance amounts decline as a person ages. Therefore, the calculator allows you to select the level of reduction expected in each year of retirement. The current default is 5% per year.
- b. Pre-retirement life insurance you receive upon your Spouse's death: This represents the amount of pre-retirement life insurance your have on your Spouse and has been pre-populated based on your survey response. Please review and update if necessary.
  - It is expected that the amount of life insurance your Spouse will have at retirement will differ from the amount she currently has.
  - The withdrawal projection allows you to input your Spouse's post-retirement life insurance amount as a percentage of her current pre-retirement life insurance amount. Please select the percentage, the default is 50%, your Spouse's post-retirement life insurance at retirement is expected to be a percentage of her pre-retirement life insurance amount.
  - Often times, post-retirement life insurance amounts decline as a person ages. Therefore, the calculator allows you to select the level of reduction expected in each year of retirement. The current default is 5% per year.
- ix. Additional Help Received: If you expect to receive assistance from family or church in any one year, please enter the lump sum amount expect to receive in column AA below for the year or years in which expect to receive such assistance (assumes payment received at end of the year).

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x. Post-retirement Assumptions:

- a. Life expectancy for you and your Spouse: This represents how long you expect to live and how long you expect your Spouse to live.
    - The default assumption is age 95 and will allow the projection to run through age 95 for both you and your Spouse, if applicable, so that you will be able to see at what point in time you are expected to exhaust all of your funds and not have enough sources of income to provide for you or your Spouse's expected expenses in retirement.
    - You can select earlier ages. For example, you can select age 75 for yourself (and leave your Spouse at age 95). This will allow you to model whether your Spouse will have sufficient funds upon your death.
  - b. Investment rate of return during retirement: This is the rate at which your savings accounts are expected to increase each year in retirement.
    - A rate of 4.74% was a rate selected by RBI based upon an assumption that your savings accounts are invested 20% equities and 80% fixed income, however, you can change the rate if you wish.
  - c. Inflation: This is carried forward from the rate you selected in the Accumulation Module. This impacts the rate at which your and your Spouse's annual Social Security benefits are expected to increase and the rate at which your annual income/expenses in retirement are expected to increase. If you wish to change this rate, go back to the Accumulation Module and change it there and click on the Calculate button.
- xi. Once you are satisfied with all of your Withdrawal Module inputs you can view your projection results. To print the projection results, scroll to the upper left corner of the page and click on the Print button and proceed to Part III of these instructions for guidance on understanding the results. Note, the use of the Reset button is explained in Part IV - Modeling Additional Scenarios or Modifying Results below.

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### Part III: Understanding the Results

The primary purpose of the calculator is to project when your sources of retirement income may no longer be sufficient to provide for you and/or your Spouse's expected expenses in retirement.

On the Summary tab of the worksheet or on the Summary pages of the results document you have printed out, two graphs are presented to quickly show you when your household's sources of income will no longer be sufficient to provide for your and/or your Spouse's expected expenses in retirement.

- On the first graph, as long as you have sufficient income to provide for your expenses the line will remain at zero. Once expenses exceed income sources (all savings exhausted and annual income sources less than expected expenses) the line will exceed zero. You can observe what year you will begin to have a shortfall based on the inputs and assumptions you selected.
  - Any large increases or dips in the line will mean either your supplemental income has elapsed, your significant expenses have elapsed or you or your Spouse has passed away resulting in less expenses and possibly less income which may be offset for a few years by the infusion of a lump sum life insurance payment into your savings account.
- On the second graph the red line represents your annual retirement expenses and the blue line represents your income. Once your income amounts fall below your expenses, you no longer have sufficient income to provide for your retirement expenses.

In addition, on the last page of the your summary results document or on the Withdrawal Module in column AE - labeled *Expenses Not Covered by Retirement Income*, you will be able to locate which year it is projected that your household's sources of income will no longer be sufficient to provide for your and/or your Spouse's expected expenses in retirement. If all the figures in this column are zero, it is projected that you will continue to have sufficient sources of income to provide for your retirement, based upon the inputs selected.

For a detailed description of each column presented in your summary results document or the columns visible when paging or scrolling down within the calculator, see Appendix A.

Continue to Part IV - Modeling What If Scenarios or Modifying Results below for details on how to process additional projection scenarios to modify your results. Increases in pre-retirement savings or decreases in your annual retirement expenses will impact how long you will have sufficient sources of income to provide for your retirement expenses.

### Part IV: Modeling What If Scenarios or Modifying Results

If you wish to model additional *What If* projection scenarios, you can change any of the inputs you previously set in the Accumulation and/or Withdrawal Modules.

- i. If you make changes to the inputs on the Accumulation Module, be sure and click on the Calculate button before making any changes to your inputs on the Withdrawal Module. If you only make changes to your inputs on the Withdrawal Module, you are not required to click on the Calculate button as your changes are automatically processed.

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- ii. Note that items colored red indicate information initially carried over from your survey responses and inputs colored in blue represent assumptions you select. You can change any of these inputs. On the Withdrawal Module, any items colored in green have been carried forward from the Accumulation Module results. If you wish to change any of these items, you will need to go back to the Accumulation Model and change your inputs.
- iii. If you wish to start completely over, you can have all of the inputs reset back to the information originally provided to you. To reset results, within the Withdrawal Module scroll to the upper left hand corner and click on the Reset button.

Unless you modify the results (as described below), the calculator will complete the projection assuming the inputs you select continue unchanged throughout the projection. For example, if you select to have your primary income to increase at a rate of 4%, the calculator will assume your primary income increases 4% per year until your selected retirement age. However, the calculator will allow you to modify the results and make changes in any of the years to retirement in the Accumulation Module and in any of the years to the end of the projection in the Withdrawal Module.

- i. To make specific changes in the Accumulation Module, you can change any of the figures in cells that are highlighted in light blue (starting with cell D41).
  - a. For example, if you wish to change the assumption for increasing your primary income you can change the percentage amount in any cell of column D and your primary income will increase at that rate for that year. Alternatively, you could change your primary income amount in any year.
  - b. You cannot make any changes to cells that are highlighted in green as this information is taken from the inputs you select. If you wish to change any of these figures, change the inputs you have selected. Nor can you change the information in any column highlighted in dark blue as these items are calculated from the other inputs.
  - c. After you make changes to any cell within the Accumulation Module, be sure and click on the Calculate button before making any changes to your inputs on the Withdrawal Module as Social Security benefits, which are carried forward to the Withdrawal Module, will need to be recalculated.
- ii. To make changes in the Withdrawal Module, you can change any of the figures in cells that are highlighted in light blue (starting with cell F65).
  - a. For example, if you wish to change the assumption for increasing your Social Security benefit you can change the percentage amount in any cell of column K and your Social Security benefit will increase at that rate for that year.
  - b. You cannot make any changes to cells that are highlighted in green as this information is taken from the inputs you select. If you wish to change any of these figures, change the inputs you have selected. Nor can you change the information in any column highlighted in dark blue as these items are calculated from the other inputs.

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## **Instruction Manual**

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### **Part V: Treatment of Taxes**

It is assumed that your income/expense need in retirement includes amounts required to pay for taxes on your income, if applicable, and to pay for taxes on withdrawal from your pre-tax savings accounts. Since you are not generally required to pay taxes on withdrawals from your after-tax accounts, the amount you have saved in the after-tax accounts are considered more valuable than your pre-tax savings accounts. Therefore, to reflect the additional value of your after-tax accounts, the balance is grossed up based on the tax rate you have selected and the withdrawal module projects all items on a pre-tax basis.

# RETIREMENT WEALTH ACCUMULATION and RETIREMENT WITHDRAWAL CALCULATOR

## Appendix A

### Accumulation Module Mapping

Column	Description
Year	Year selected: Projections start from January 1st of the year selected.
Age	Your age calculated based on date of birth and rounded down to whole year.
Spouse Age	Spouse's age calculated based on date of birth and rounded down to whole year.
<b><i>My Compensation</i></b>	
Primary Employer Annual Income	Your Primary income.
Primary Employer Increase Rate	Rate at which Primary Income is expected to increase.
Annual Income From Other Sources	Annual income you expect to receive from other sources.
Other Income Sources Increase Rate	Rate at which Other Source Income is expected to increase.
<b><i>My Housing Allowance</i></b>	
My Annual Housing Allowance	Annual housing allowance you receive.
My Annual Housing Increase Rate	Rate at which Housing Allowance is expected to increase.
<b><i>My Spouse's Compensation</i></b>	
Spouse's Primary Employer Annual Income	Primary income of your Spouse.
Spouse's Primary Employer Increase Rate	Rate at which Primary Income for your Spouse is expected to increase.
Spouse's Annual Income From Other Sources	Annual income your Spouse expects to receive from other sources. If your Spouse retires before you, this amount changes to your Spouse's Social Security benefit.
Spouse's Other Income Sources Increase Rate	Rate at which your Spouse's Other Source Income is expected to increase.
<b><i>Retirement Savings</i></b>	
Total Household Income	Total of you and your Spouse's Primary Income plus your Other Source Income plus Housing Allowance plus your Spouse's Other Source Income.
Pre-Tax Balance (beginning of the year)	Value input is assumed to be the balance on January 1st of the year selected.  Investment income earned on the balance is based on the rate input.
Pre-Tax Additions	Annual contribution expected to be made to the pre-tax account.  Can also select, via input, to have this amount change and select the year in which it is expected to change.
Pre-Tax Addition Increase Rate	Rate at which annual contribution expected to increase each year.  Can select to have annual contribution remain steady or to increase at the same rate as Primary Income is expected to increase.

# RETIREMENT WEALTH ACCUMULATION and RETIREMENT WITHDRAWAL CALCULATOR

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Column	Description
Pre-Tax Rate of Return	Earnings on the pre-tax savings balances are calculated assuming a full year's interest on the opening balance plus a half year's interest on annual savings amount based upon the earning's rate input.
Pre-Tax Investment Earnings	This is the expected investment earnings rate.
Post-Tax Balance (beginning of the year)	Value input is assumed to be the balance on January 1st of the year selected.  Investment income earned on the balance is based on the rate input.
Post-Tax Additions	Annual contribution expected to be made to the post-tax account.  Can also select, via input, to have this amount change and select the year in which it is expected to change.
Post-Tax Addition Increase Rate	Rate at which annual contribution expected to increase each year.  Can select to have annual contribution remain steady or to increase at the same rate as Primary Income is expected to increase.
Post-Tax Rate of Return	Earnings on the post-tax savings balances are calculated assuming a full year's interest on the opening balance plus a half year's interest on annual savings amount based upon the earnings rate input.
Post-Tax Investment Earnings	This is the expected investment earnings rate - input.
Total Retirement Savings (beginning of the year)	Total savings account balances set equal to the sum of the pre-tax savings account plus the post-tax savings account.

# RETIREMENT WEALTH ACCUMULATION and RETIREMENT WITHDRAWAL CALCULATOR

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## Withdrawal Module Mapping

Column	Description
Year	Year selected: Projections start from January 1st of the year selected.
Age	Your age calculated based on date of birth and rounded down to whole year.
Spouse Age	Spouse's age calculated based on date of birth and rounded down to whole year.
<b>Assets</b>	
Pre-Tax Account Balance	Value input is assumed to be the balance on January 1st of the year selected.  Investment income earned on the balance is based on the rate input.
Post-Tax Account Balance	Value input is assumed to be the balance on January 1st of the year selected.  Investment income earned on the balance is based on the rate input.
<b>Income</b>	
Supplemental Income	This is the amount of supplemental income you expect to have during retirement.  The user inputs the % of primary income the supplemental income will be or inputs a \$ amount.  Assumed to have this income for the number of years input or until death, if earlier.  Select the rate at which you expect this supplemental income to increase each year.
Supplemental Income Increase Rate	This rate is input and represents the rate of increase expected for the supplemental income.
Spouse Total Income Prior to Retirement	If your Spouse's expected retirement age is later than your retirement age and your Spouse is working outside the home, this will be her projected income the household is expected to receive during her remaining employment years.
<b>Social Security</b>	
My Income from Social Security	This is the Social Security benefit you are expected to receive.  Future values increase at the same rate as inflation and may increase if the benefit payable to you based on your Spouse's Social Security benefit is greater than your expected Social Security benefit.
My Spouse's Income from Social Security	This is the Social Security benefit your Spouse is expected to receive.  Future values increase at the same rate as inflation and may increase if the benefit payable to your Spouse based on your Social Security benefit is greater than her expected Social Security benefit.

# RETIREMENT WEALTH ACCUMULATION and RETIREMENT WITHDRAWAL CALCULATOR

Column	Description
Social Security Increase Rate	Social Security benefits are expected to increase at the same rate as inflation.
<b>Other Annuities</b>	
My Income from Other Annuities	The opening value is set equal to the amount input and represents additional income in retirement attributable to other monthly annuities payable to you.  Amount of annuity increases at the rate input.
My Spouse's Income from Other Annuities	The opening value is set equal to the amount input and represents additional income in retirement attributable to other monthly annuities payable to your Spouse.  Amount of annuity increases at the rate input.
Annuity Increase Rate	Rate at which annuities are expected to increase each year - based on rate input.
<b>Expenses</b>	
Annual Recurring Expenses	This is the amount of household income/expenses expected to be needed upon retirement each year. The opening value is based upon the amount input which can be a % of total household income or input as a \$ amount.
Rate at which Expenses Increase (CPI)	Rate at which expenses are expected to increase each year - based on inflation rate input.
Annual Significant Expenses	The opening value is based on the amount of significant expenses input and represents expenses have in retirement in addition to regular expense/income needs.
Rate at Which Significant Expenses Increase	Rate at which significant expenses are expected to increase each year - based on inflation rate input.
<b>Account Draw Down</b>	
Total Annual Expenses	Sum of annual recurring income/expenses plus significant expenses.
Annual Expenses Not Covered by Supplemental and Spouse Income	This is set equal to the Total Annual Expenses less Supplemental Income less Spouse's Pre-retirement Income.
Annual Expenses Not Covered by Social Security and Other Annuities	This is set equal to the Annual Expenses Not Covered by Supplemental and Spouse's Income less your Social Security less your Spouse's Social Security less income received from other annuities for both you and your Spouse.
Expenses Not Covered by Annuities - Withdrawn from Pre-Tax Account	If retirement expenses are not covered by supplemental income, your Spouse's pre-retirement income, Social Security, or annuities then amounts will first be withdrawn from pre-tax savings accounts.
Expenses Not Covered by Annuities - Withdrawn from Post-Tax Account	If retirement expenses are not covered by supplemental income, your Spouse's pre-retirement income, Social Security, or annuities and pre-tax savings accounts, then amounts will withdrawn from post-tax savings accounts.

# RETIREMENT WEALTH ACCUMULATION and RETIREMENT WITHDRAWAL CALCULATOR

Column	Description
<b>Retirement Savings Adjustments</b>	
Pre-Tax Investment Earnings	Earnings on the pre-tax savings balances are calculated assuming a full year's interest on the opening balance less a half year's interest on the amount expected to be withdrawn from the account.  The earning's rate is input.
Post Tax Investment Earnings	Earnings on the post-tax savings balances are calculated assuming a full year's interest on the opening balance less a half year's interest on the amount expected to be withdrawn from the account.  The earning's rate is input.
<b>Miscellaneous Income</b>	
Life Insurance Income	This is the amount of life insurance payable as of your or your Spouse's death.  It is expected that this amount is paid at the end of the year of death.
Additional Support	If expect you will have additional support from family or other sources, this amount is input directly into column AA in the year(s) where expect to receive the support.
Excess Income in Retirement (if any) added to Post Tax Account Balance	This represents any excess income during retirement and is expected to be added to the post-tax account at the end of the year.  Thus, if all sources of income exceed annual income/expenses plus significant expenses the excess income is added to the post-tax account balance.
<b>Final Account Balance</b>	
Total Pre-Tax Account Balance (end of year)	Sum of the opening pre-tax balance less amounts withdrawn to cover expenses plus income.
Total Post Tax Account Balance (end of year)	Sum of the opening post-tax balance less amounts withdrawn to cover expenses plus income plus excess income.
<b>Results</b>	
Expenses Not Covered by Retirement Income	Indicates where and by how much expected retirement expenses exceed all sources of income.