



WJL Financial Advisors, LLC

Initial Recommendations

John & Jane Doe

December 15, 2015

PLAN ASSUMPTIONS	
<ul style="list-style-type: none">• Plan runs until age 90 for John and 92 for Jane.• After tax spending in retirement of \$8,000 per month (in today's dollars). Inflation assumption is 2.5%.• College costs for Mike and Sara assumed to be \$37,000 per year for four years each.• John and Jane both file for social security at age 70.• John retires from corporate job at age 62 in 2024. He funds his 401K at max until then. The company match is 100% of the first 3%. John and Jane work part time jobs until John is 70 earning enough to cover half of projected \$8,000 per month of living expense.• 529 plans funded at \$250 per month for both Mike and Sara.• Three years of long term care expenses at current value of \$80,000 per year (2.5% inflation) to cover a portion of potential long term care expenses. Assumes you will eventually purchase a long term care policy to supplement.• Asset allocation – 60% Stocks, 40% Bonds	
Result	
<ul style="list-style-type: none">• 74% probability of meeting financial goals as is• \$2.1 million ending portfolio at Jane age 92.	

ACTION	Responsible Party
Meet with Estate Planning Attorney to update wills. Include provisions to create a trust for children in case you both were to die. Discuss need for a bypass trust given Minnesota's estate tax.	John/Jane
Update beneficiaries to be children instead of appointed custodians. Review all other beneficiary designations (401K, Life Insurance etc.)	John/Jane
In total I would recommend that John has at least \$1.4M of life insurance. Obtain Term Life Insurance quotes for \$400K of 20 Year Level Term and \$800K of 10 Year Level Term. Compare cost to \$1.2M of supplemental through employer. If cost is comparable I would recommend going with the private insurance. If employer is considerably less then purchase additional supplemental through them.	John
I would recommend a three year Long Term Care policy that pays \$6,000 per month with an elimination period of 90 days and shared care. This will generate a benefit pool of \$432,000 which is designed to cover half of potential expenses The other half would be accounted for in the plan.	John/Jane
Review umbrella liability insurance. Should be at least \$2 million	John/Jane
Open high yield online savings account (GE Capital. , Ally etc.) Rates are around 1.05%	John/Jane
Utilize home equity line for Emergency Funds	John/Jane
<p>Asset Allocation</p> <ul style="list-style-type: none"> 12% Large Cap US Equity Index 12% Mid Cap US Equity Index 12% Small Cap US Equity Index 12% International Equity Funds 12% Real Estate Index 30% Intermediate Treasury Bond Index 10% Inflation Protected Bond Index 	