

Financial Plan Summary

Prepared for

Jim & Jane Average

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CLIENT GOALS

- Prepare for Retirement (Age 62 for both) and maintain the current standard of living
- Evaluate optimal timing to take Social Security
- Plan for an extended LTC need

ASSUMPTIONS

Base Plan:

- Current Age(s): Jim (59) & Jane (59)
- Retirement Age: 62
- Planning Horizon: 100
- Using Federal and State (CA) tax assumptions
- Inflation Rate: 3%
- Blended Growth Rate (Investments): 4%
- Growth Rate (Cash): 0%
- Total Annual Expenses (not including taxes): \$5,500/month

Recommendations



RETIREMENT

On Track for Retirement

You are able to retire at age 62 and maintain your current standard of living assuming no adverse events happen in the plan. In order to build up assets to cover the risk of a bear market or an extended Long-Term Care need, it would be recommended for you both to work until age 65.

SOCIAL SECURITY

Social Security Timing Strategy

If you still choose to both retire at age 62, it would be recommended that Sari begins taking Social Security at age 62 (\$1,946/month) and Debbie delays until Full Retirement Age (age 67; \$2,882/month). This will allow Debbie's larger benefit to accrue more delay credits while Sari's benefit will provide supplemental income to reduce the Sequence of Return risk in the early years of retirement.

LONG TERM CARE

Sufficient Long Term Care Insurance

You currently have sufficient coverage to cover 5-years of Long-Term Care need. However, if you were to have an extended need for coverage, you do not currently have the assets or income to support LTC for more than 5-years.

*To determine which investment(s) may be appropriate for you, consult with your financial professional prior to investing. The information provided is not intended to be a substitute for specific individualized tax planning or legal advice. We suggest that you consult with a qualified tax or legal advisor.

There is no assurance that the recommendations provided will yield positive outcomes. The purchase of certain securities may be required to affect some of the strategies. Investing involves risks including possible loss of principle.

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