

Cash and Income Needs at Death Financial Snapshot



The Financial Snapshot Series serves to help identify your financial needs and may be used in developing proposed solutions consistent with your needs and objectives. Other "needs analysis" programs may provide different results, depending on methodology, assumptions and/or input. While the included worksheet(s) can give you a general idea of your needs, you should consult with a licensed financial representative for complete details about specific products that may be used to meet your financial needs. See additional Important Information on the final page of this report, including assumptions used in the preparation of this report.

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Provided to:

Provided by:

Cash Needs at Death Snapshot for:

While this worksheet can give you a general idea of the cash needs that may exist if you died today, you should consult with your financial advisor before purchasing any insurance products.

Cash Needs at Death

(See page 5 for more information on the cash needs that may arise at your death.)

- Final Expense Fund:** Enter the amount you want to provide for each type of final expense.

Final Medical Expenses	\$	_____	
Funeral Expenses		_____	
Debt Liquidation		_____	
Estate Settlement Costs		_____	
Bequests		_____	
Total Final Expense Fund			\$ _____

- Housing Fund:** Enter any mortgage balance you want liquidated at your death or, alternatively, enter an amount for a rent payment fund. \$ _____

- Education Fund:** Enter a lump sum to be available for college or vocational education purposes. \$ _____

- Emergency Fund:** Enter the amount of any emergency fund you want to provide. \$ _____

- Personal Services Fund:** Enter the amount you want to provide for each type of personal services expense.

Child Care Expenses	\$	_____	
Household Duties		_____	
Home/Yard Maintenance Expenses		_____	
Total Personal Services Fund			\$ _____

Total Cash Needs at Death: \$ _____

Income Needs at Death Snapshot for:

While this worksheet can give you a general idea of the income needs that may exist if you died today, you should consult with your financial advisor before purchasing any insurance products.

Survivor Income Needs at Death

Current Monthly Income: Enter the amount of your current monthly income. \$ _____

Monthly Survivor Income Objective: How much of your current monthly income should be continued to your survivors in the event of your death? \$ _____

Sources of Survivor Income at Death

(See page 6 for more information on sources of income at death.)

Sources of Survivor Income: Enter the amount of monthly income you expect your survivors to receive at your death from each of the following sources:

Social Security Survivor Benefits	\$ _____
Survivor Income Benefit	_____
Investment Income	_____
Other Income ()	_____
Total Survivor Income at Death	\$ _____

Survivor Income Analysis

Monthly Survivor Income Shortage or (-) Surplus: \$ _____

Annual Survivor Income Shortage or (-) Surplus: \$ _____

If the Survivor Income Analysis results in a (-) Surplus, congratulations! You have met your survivor income objective and need not complete the balance of this worksheet.

Assumed Interest Rate: Enter the interest rate you feel is realistic to use for income-producing purposes over a period of years. While a lower interest rate requires a larger amount of capital to cover an income shortage, a somewhat conservative rate is generally recommended. **Note:** The interest rate must be entered in decimal form (e.g., 4% would be entered as .04). _____

Capital Required to Provide \$ _____ Annual Income Shortage: \$ _____

Cash and Income Needs at Death Summary Snapshot for:

Sources of Cash at Death

Liquid Assets: Bank and money market accounts, CDs, stocks, bonds, mutual funds, retirement savings, etc. available to meet cash and income needs at your death. Do **not** include the value of any investments assumed to provide income in Sources of Survivor Income on page 3.

\$ _____

Existing Life Insurance: All insurance currently in-force on your life, including group term life insurance.

\$ _____

Total Sources of Cash at Death

\$ _____

Cash and Income Needs Summary

Cash Needs at Your Death:

Final Expense Fund	\$	_____
Housing Fund		_____
Education Fund		_____
Emergency Fund		_____
Personal Services Fund		_____

Capital Required for Cash Needs

\$ _____

Income Needs at Your Death:

Monthly Survivor Income Objective	\$	_____
Total Monthly Survivor Income Available		_____
Monthly Survivor Income Surplus or (-) Shortage		_____
Annual Survivor Income Surplus or (-) Shortage		_____

Capital Required To Provide \$

Annual Income Shortage at Interest

\$ _____

Capital Needs Summary:

Total Capital Required for Cash and Income Needs

\$ _____

less: Liquid Assets and Life Insurance

\$ _____

Additional Capital Needed:

\$ _____

Additional Information: Cash Needs at Death

Will your family have the resources to pay for the cash needs that may arise at your death?

Most people want to provide for these cash needs to assure that financial problems are not added to their family's sorrow:

Final Expense Fund

This fund is intended to cover the immediate expenses that arise at death, such as medical and funeral expenses, debt liquidation (credit cards, car loans, college loans, etc.), estate settlement costs, including legal fees and any taxes, and any special bequests.

According to *Funerals: A Consumer Guide*, a traditional funeral, including a casket and vault, costs about \$6,000, although "extras" like flowers, obituary notices, acknowledgment cards and limousines can add thousands of dollars to the bottom line. Many funerals run well over \$10,000 (Source: Federal Trade Commission, November 2009).

Housing Fund

This fund can enable your dependents to stay in their home by liquidating the mortgage or providing a rent payment fund.

According to the Mortgage Bankers Association, "A homeowner may face foreclosure for many reasons, but most commonly it is due to an extreme change in their life situation — job loss, death, divorce, prolonged illness."

Education Fund

Do you want your children to benefit from a college or vocational education?

In 2011-2012, the average annual cost for a four-year public college is estimated at \$17,131 and at \$38,589 for a private nonprofit college (Source: The College Board Trends in College Pricing 2011).

Emergency Fund

It can be difficult to pay for large unexpected expenses, such as auto or home repairs, from current income.

The best way to prepare for emergencies is to have quick access to additional money. Otherwise, your family may be forced to rely on credit cards or a loan, which could simply compound the problem.

Personal Services Fund

When a breadwinner dies, new expenses may be created, such as expenses related to child care, household duties and home and yard maintenance.

Child-care costs vary widely based on quality, age of the child, type of operator and region. Prices for child care centers ranged from more than \$3,900 to \$14,050 per year for a 4-year-old child and from more than \$4,650 to \$18,200 for an infant in 2010 (Source: Parents and the High Price of Child Care: 2011 Report, National Association of Child Care Resource and Referral Agencies).

Additional Information: Sources of Income at Death

If something happens to you, how will your earning power be replaced?

What sources of income may be available to your dependents if something happens to you? Evaluate these potential income sources as you decide how to provide an income for the support of your loved ones in the event of your death:

Social Security Survivor Benefits

When a person who has worked and paid Social Security taxes dies, certain family members may be eligible to receive survivor benefits. Your surviving spouse may be eligible to receive monthly payments if caring for your child who is under age 16, or of any age if disabled before age 22. Payments may also be made to surviving spouses beginning at their age 65 (60 if a reduced benefit is elected). In addition, monthly payments may be made to your children who are under age 18 (19 if in high school full time), or of any age if disabled before age 22. Finally, your mother and/or father, age 62 or over, may receive survivor benefits if, at the time of your death, either was dependent on you for at least 50% of his/her support.

In order to estimate the survivor benefits your family may be eligible to receive, visit the Social Security website where you'll find several calculators that can be used to estimate survivor benefits (<http://ssa.gov/planners/benefitcalculators.htm>).

Survivor Income Benefits

Will your surviving spouse and/or dependent children be eligible to receive survivor benefits from, for example, a retirement plan or an employer-provided survivor benefit?

Investment Income

Do you have investments that can provide a continuing source of income to your survivors, such as investment real estate? Keep in mind that this income source should not include any investments that may need to be liquidated at your death.

Other Sources of Income

Will any other sources of income be available at your death, such as trust fund income?

Important Information

The worksheet(s) in this report serve to help identify your financial needs and priorities and may be used in developing proposed solutions consistent with your needs and objectives. While the worksheet(s) can give you a general idea of certain financial needs, you should consult with your licensed financial representative on how specific products may work for you in your particular situation. Your licensed financial representative will also provide you with costs and complete details about any products recommended to meet your specific needs and financial objectives.

Cash Needs at Death Financial Snapshot Assumptions: The Cash Needs at Death Financial Snapshot assumes that death occurs today.

Income Needs at Death Financial Snapshot Assumptions: The Income Needs at Death Financial Snapshot uses the **capital retention method** to illustrate the capital needed at an assumed interest rate to provide survivor income assuming death occurs today. The capital retention method uses **interest only** to provide survivor income. Principal is not liquidated and remains available for the survivors. The assumed interest rate used has a direct effect on the illustrated amount of capital required to provide any annual income shortage...the higher the assumed interest rate, the less illustrated capital required to provide annual income. Remember that this is a hypothetical illustration only and is not indicative of any particular investment or performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments.

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