

TRAK-Online Help Manual



TRAK-Online

Answers for healthier retirements.

by The RetireReady Team

The Retirement Analysis Kit is about educating individuals about their retirement options. It allows them to see their retirement planning scenarios quickly and vividly.

When they become educated, they will appreciate the information the advisor has given them. They will trust them.

TRAK is the leading edge education tool for working with clients.

TRAK-Online Help Manual

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We appreciate the hard work and effort your job is. We strive to help you be more successful in educating your clients and be efficient in providing them meaningful information.

So keep on using TRAK, telling others about us, and letting us know what features you want We will do our best to keep you enjoying the product you are using.

*Sincerely,
Edward Dressel
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President
RetireReady Solutions®*

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Introduction

1 Introduction

Thank you for subscribing to TRAK-Online created by RetireReady Solutions! TRAK, or The Retirement Analysis Kit, provides answers for healthier retirements. TRAK allows you to quickly illustrate your client's retirement picture in a meaningful way and is all about educating individuals about their retirement options. This cloud-based software allows clients to see their retirement planning scenarios quickly and vividly. At RetireReady, we believe that when people become educated, they will appreciate the information the advisor has given them. They will trust them. TRAK is the leading edge education tool for working with clients.

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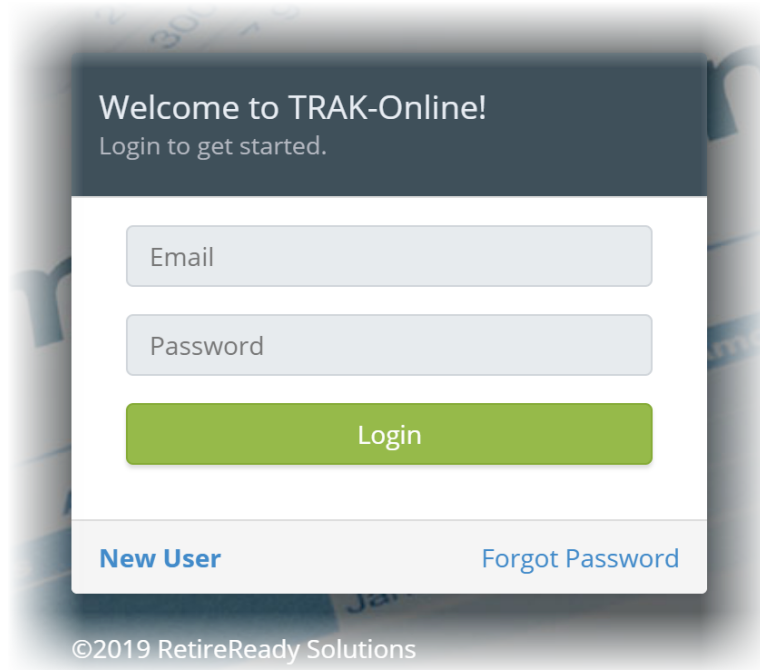
[Login Page](#)^[13]

[Welcome to TRAK-Online](#)^[14]

[Help & Support](#)^[14]

1.1 Login Page

Enter your username and password to login to TRAK-Online.



Welcome to TRAK-Online!
Login to get started.

Email

Password

Login

[New User](#) [Forgot Password](#)

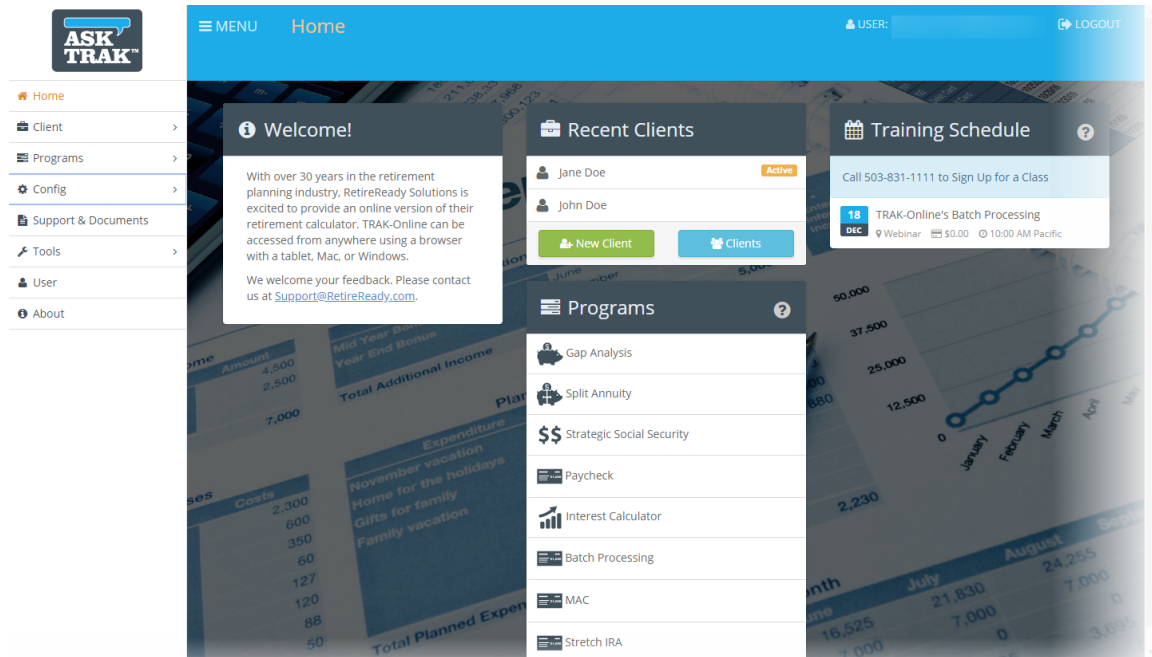
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If you are giving TRAK-Online a test drive, you can click on "New User" link and sign up for a 14 day demo account.

If you have forgotten your password, you can reset that by clicking on "Forgot Password" link.

1.2 Welcome to TRAK-Online!

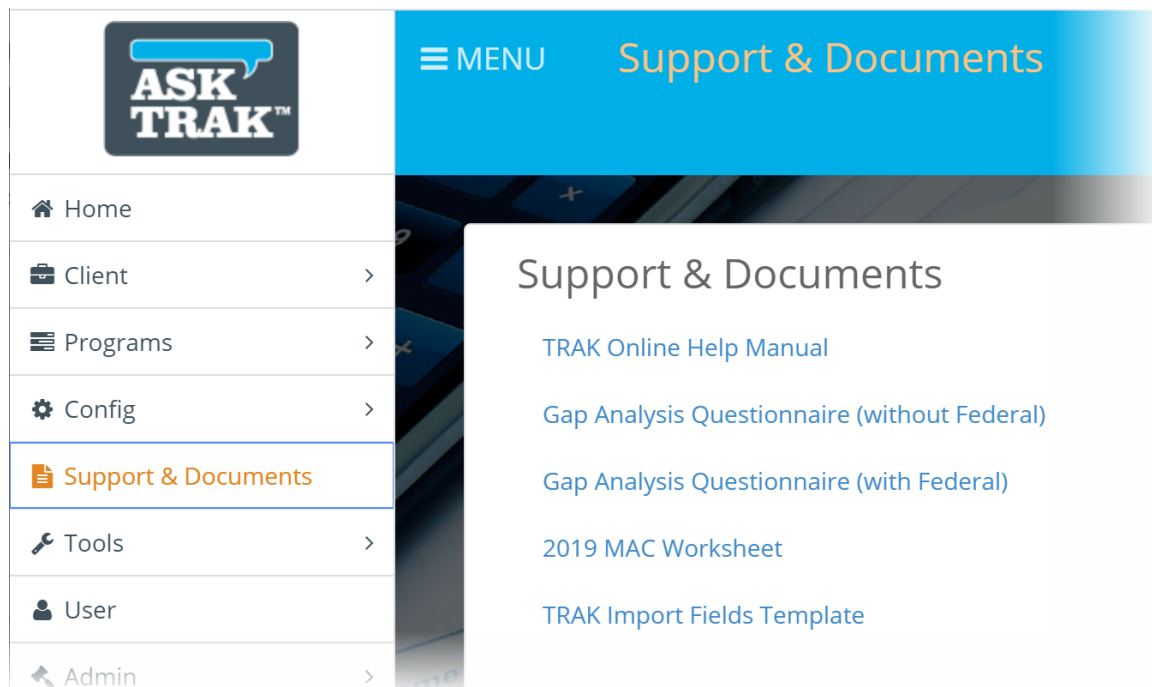
Once logged in, the [home page](#)^[18] for TRAK-Online will be displayed.




1.3 Help & Support

Support & Documents

To access our support documentation, click "Support & Documents" on the left menu.



Additional Options:

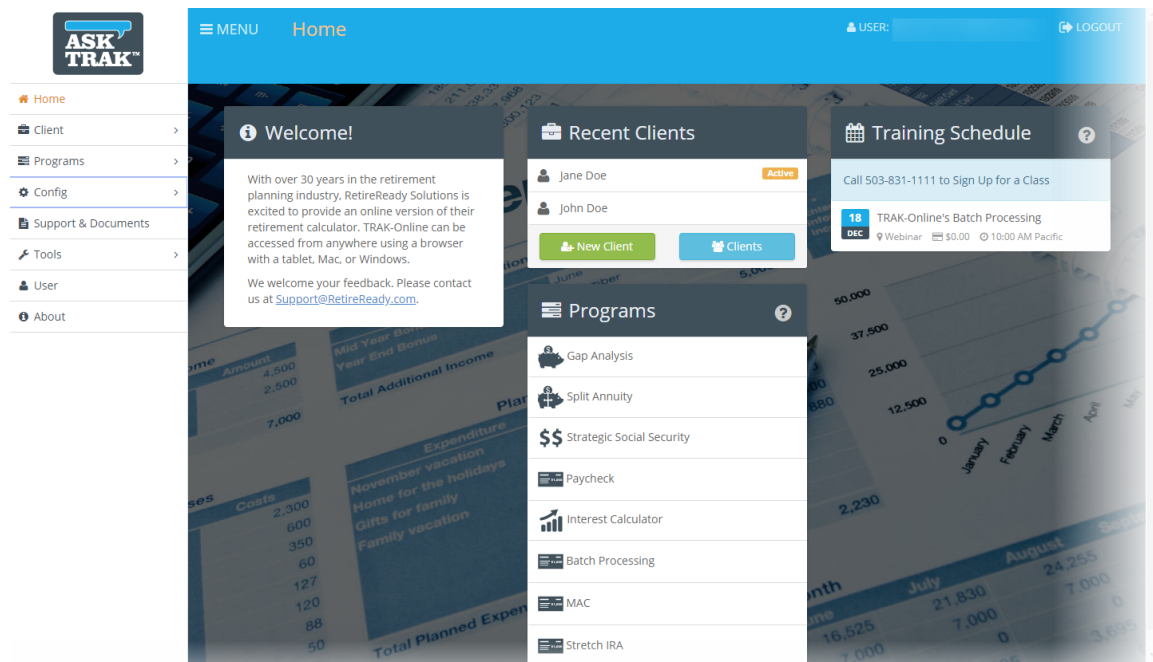
1. If you have technical support questions, please contact us at 503-831-1111 or send an email to: support@retireready.com
2. Also, please take advantage of our growing library of helpful videos on our website: www.retireready.com/training-video-links/
3. We also have some helpful [Frequently Asked Questions \(FAQs\)](#)  that may answer some of our common questions.
4. Finally, anywhere that a question mark appears (?), you can click on this for more detailed information!



The Home Page

2 The Home Page

This is the main page or screen that you will see immediately after successfully logging into TRAK-Online. The left menu can be toggled on and off by clicking on the MENU link on the top header section. This page has the left menu, the welcome message, the most recent clients, the programs that have been enabled by subscription and the training schedule on the right of the screen.



[Welcome Message](#) ¹⁹

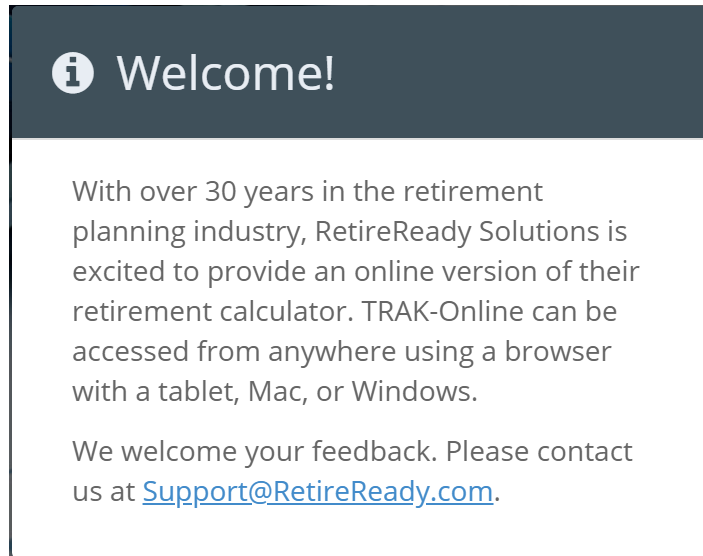
[Recent Clients](#) ¹⁹

[Programs](#) ²⁰

[Training Schedule](#) ²¹

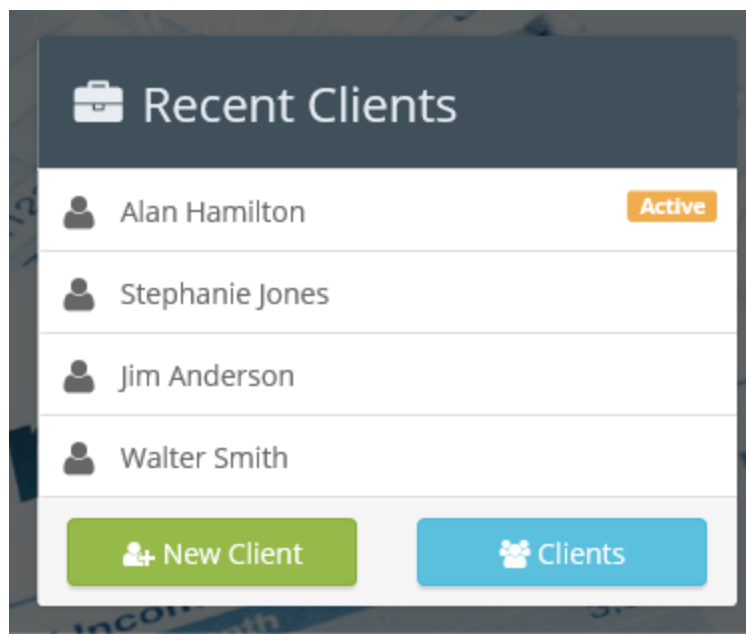
2.1 Welcome Message

This is a quick message area for any current system notes as well as a link to email our support team.



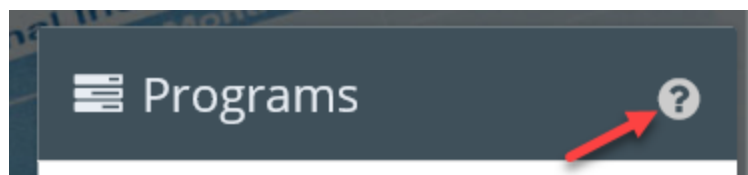
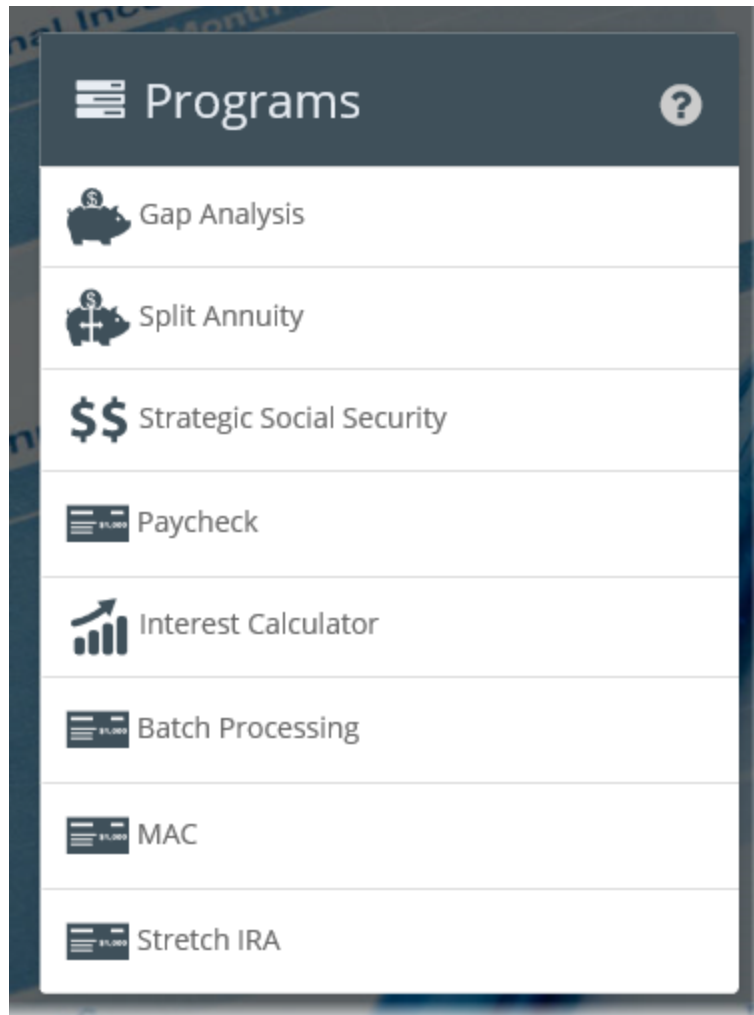
2.2 Recent Clients

This area of the home page lists up to 4 clients that have recently been accessed.



2.3 Programs

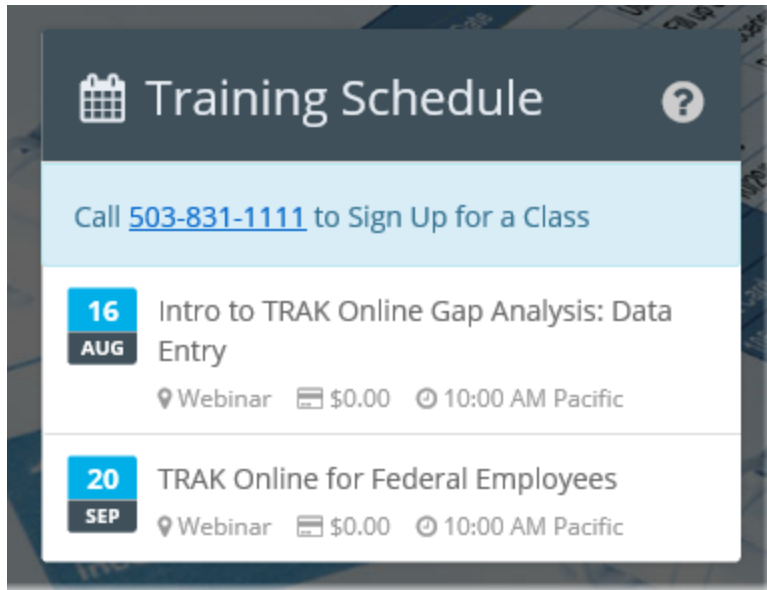
Currently there are 8 available programs that can be subscribed to with TRAK-Online. Depending upon the subscription, one or more programs will be listed here on the middle of the home page screen.



Note: Clicking on the "?" icon will display more detailed information.

2.4 Training Schedule

Upcoming live webinars are posted here to help maximize the software.



The screenshot shows a 'Training Schedule' widget. At the top, there is a dark blue header with a calendar icon, the text 'Training Schedule', and a help icon (a question mark in a circle). Below the header is a light blue banner with the text 'Call [503-831-1111](tel:503-831-1111) to Sign Up for a Class'. The main content area lists two webinars. The first webinar is on August 16th, titled 'Intro to TRAK Online Gap Analysis: Data Entry'. It is a 'Webinar' (indicated by a location pin icon), costs '\$0.00' (indicated by a wallet icon), and is scheduled for '10:00 AM Pacific' (indicated by a clock icon). The second webinar is on September 20th, titled 'TRAK Online for Federal Employees'. It is also a 'Webinar', costs '\$0.00', and is scheduled for '10:00 AM Pacific'.

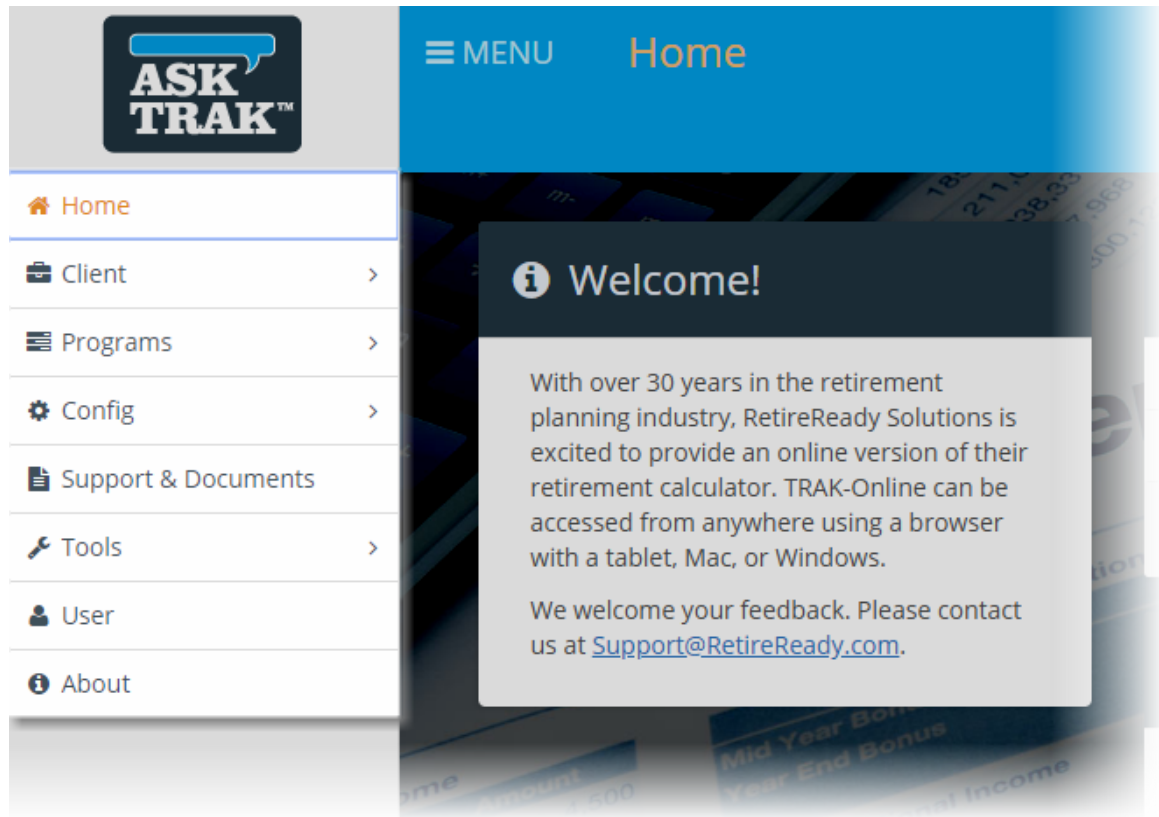
Date	Event Title	Type	Cost	Time
16 AUG	Intro to TRAK Online Gap Analysis: Data Entry	Webinar	\$0.00	10:00 AM Pacific
20 SEP	TRAK Online for Federal Employees	Webinar	\$0.00	10:00 AM Pacific



The Menu (on the left)

3 The Menu (on the left)

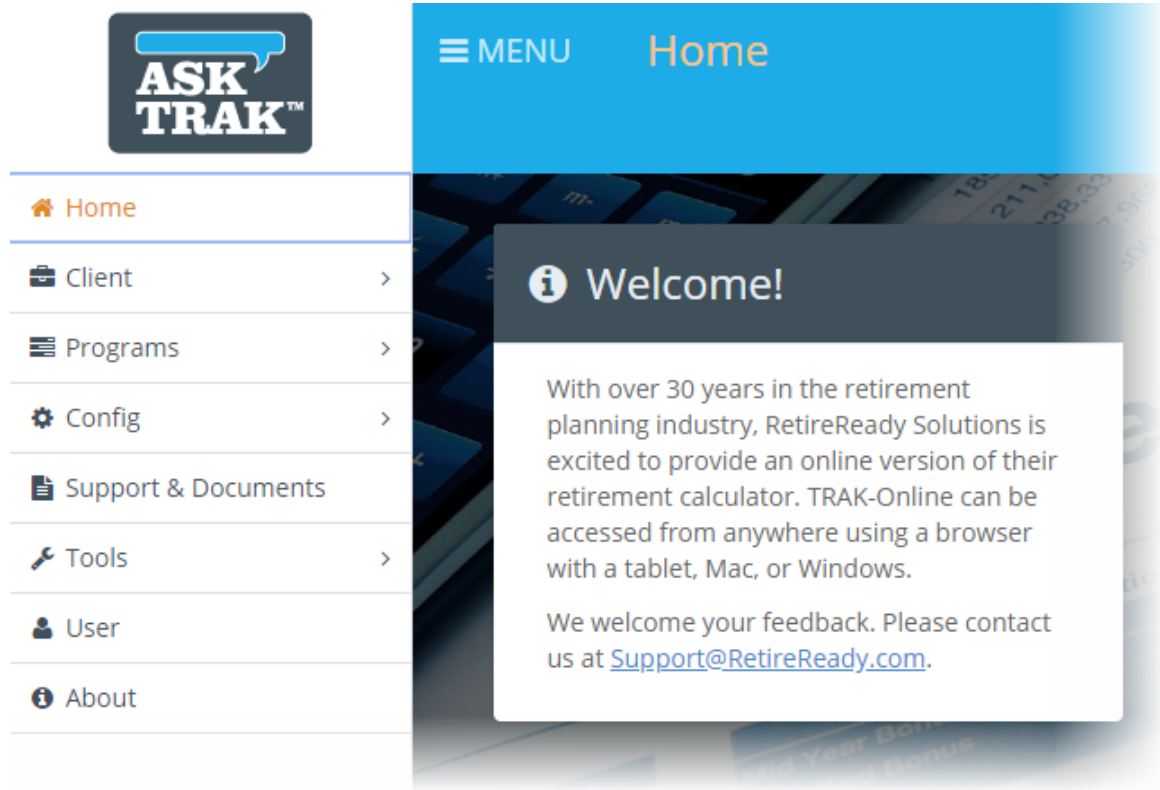
On the left side of the home page screen is the menu which allows full access to configuration and programs. To hide this menu, click on the "MENU" link on the upper header.



Home	25
Client	26
Programs	20
Config	30
Support & Documents	52
Tools	54
User	64
About	65

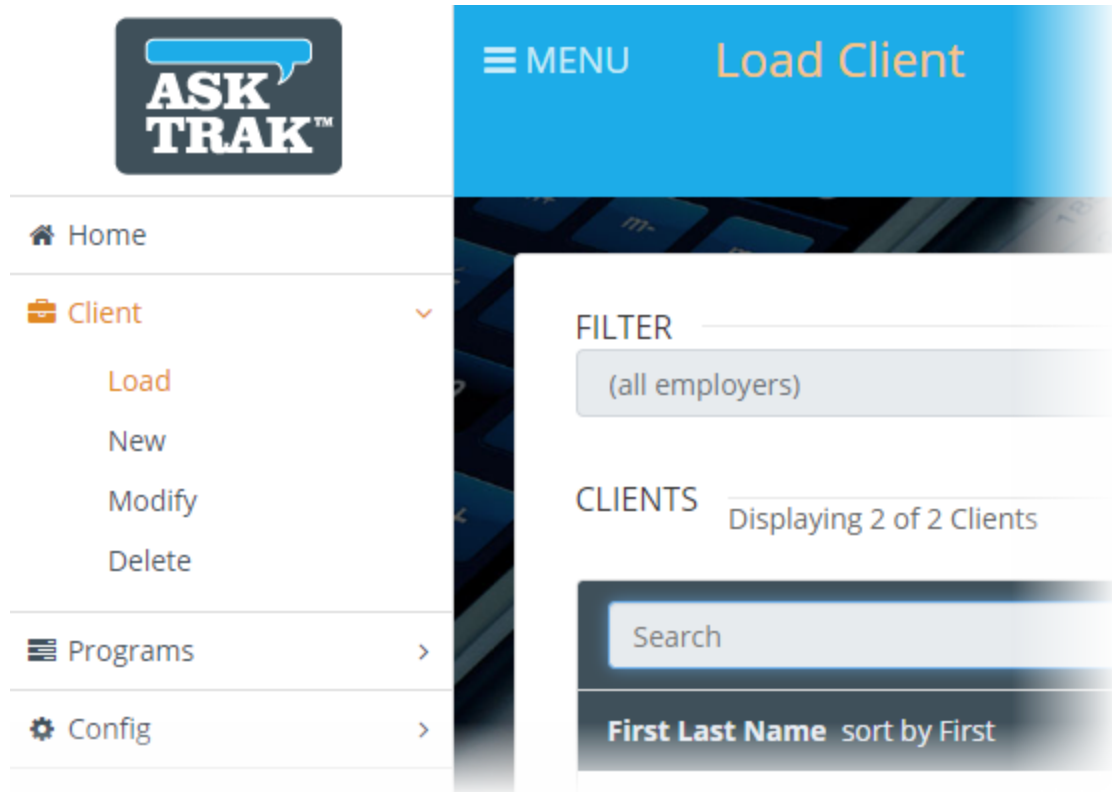
3.1 Home

Clicking on "Home" returns the software to the home page screen.



3.2 Client

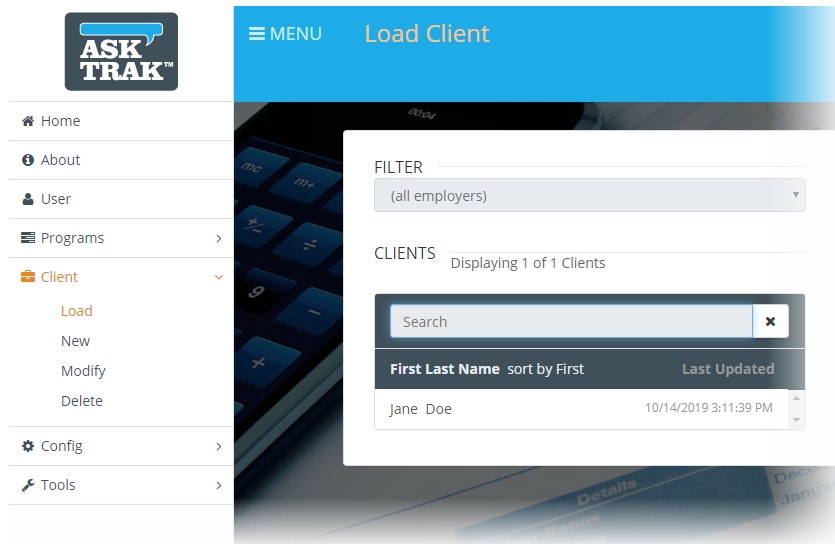
Clicking here accesses client related tools to load (make active) a client, or to create, modify or delete a client.



[Load](#)²⁷
[New](#)²⁷
[Modify](#)²⁸
[Delete](#)²⁸

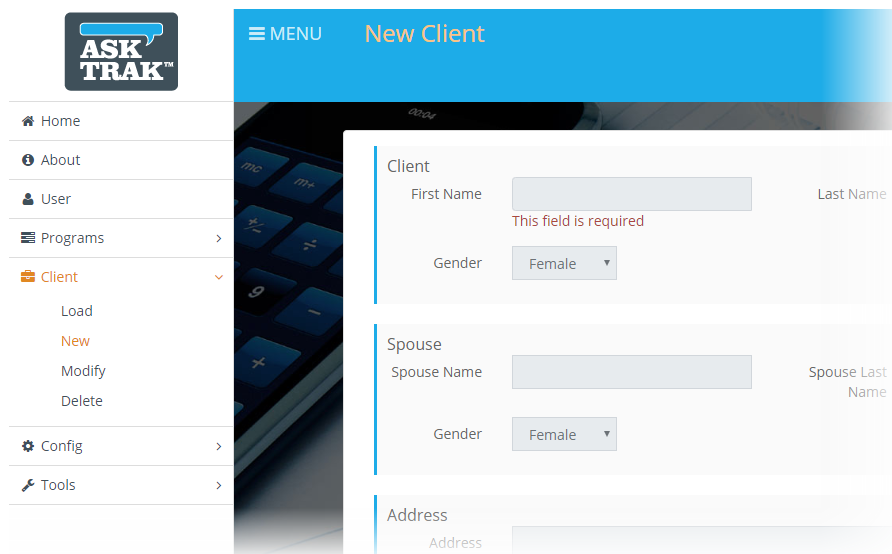
3.2.1 Load

Click here to load (make active) an existing client. Filters and sorting order options are available to assist in loading clients.



3.2.2 New

Clicking on "New" will allow for creation of new clients. Required fields will be the first and last name.



3.2.3 Modify

Click "Modify" to edit client information. If a client needs to be duplicated, that option is also available.

ASK TRAK™

MENU **Modify Active Client**

Home About User Programs Client Load New **Modify** Delete Config Tools

Client
 First Name: Jane Last Name: Doe
 Gender: Female

Spouse
 Spouse Name: Spouse Last Name:
 Gender: Female

Address
 Address: City: State:

Save Cancel Duplicate Client

3.2.4 Delete

To permanently remove a client from TRAK-Online, click on "Delete" and then select one or more clients to remove and click the red "Delete Clients" button.

ASK TRAK™

MENU **Delete Clients**

Home About User Programs Client Load New Modify **Delete** Config Tools

Displaying 1 of 1 Clients (Excluding active client)

Search x

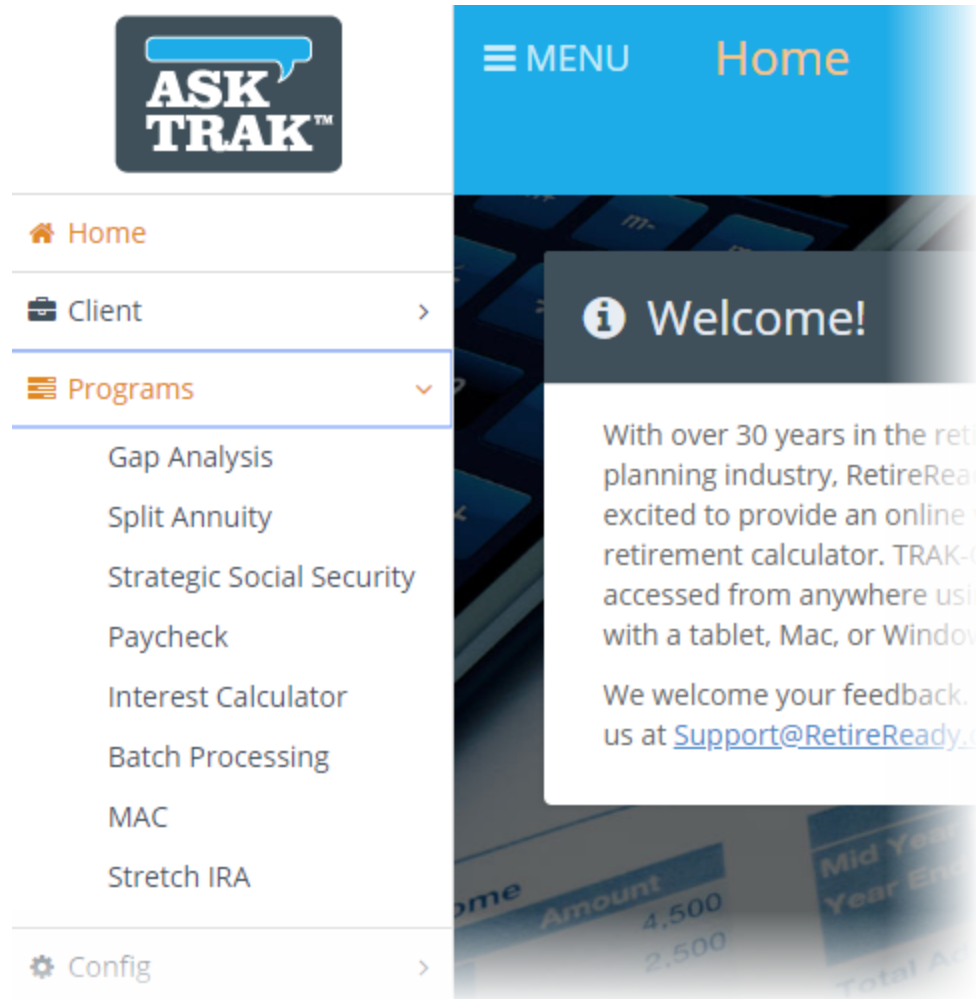
Name	Last Updated
Jane Doe	10/14/2019 3:11:39 PM

Clients to Delete

Delete Clients Cancel

3.3 Programs

This is a list of the programs or calculators to which the account is currently subscribed.



To jump to help file articles on each program, click below:

- [Gap Analysis](#) 68
- [Split Annuity](#) 156
- [Strategic Social Security](#) 172
- [Paycheck](#) 184
- [Interest Calculator](#) 208
- [Batch Processing](#) 244
- [MAC](#) 300

3.4 Config

The "Config" area allows for edits to agent information, default settings, client groups and printing options as well as creating custom retirement plans and adding employers (for the [Paycheck](#)^[184] and [Batch Processing](#)^[244] programs).

The screenshot shows the ASK TRAK web application interface. On the left is a sidebar menu with the following items: Home, Client, Programs, Config (selected), Agent, Defaults, Custom Plans, Employers, Groups, Glide Paths, Printing, Gap Analysis, and Support & Documents. The main content area has a blue header with 'MENU' and 'Agent Config'. Below this, the 'Agent Information' section contains fields for First Name (Ben), Last Name (Bauman), a checkbox for 'Use Company's Name in Place of Advisor's Name in Reports', Carrier (RetireReady, Inc.), and Designations (CFP®). The 'Contact Information' section contains an Address field (PO Box 1088, Dallas, OR 97338) and a partially visible City field.

[Agent](#)^[31]
[Defaults](#)^[36]
[Custom Plans](#)^[31]
[Employers](#)^[37]
[Groups](#)^[49]
[Glide Paths](#)^[48]
[Printing](#)^[52]
[Gap Analysis](#)^[47]

3.4.1 Agent

Click on "Agent" to modify agent information that will be printed on the cover page on reports. For the carrier or company name field, that can be used in place of the agent or advisor's name on reports by checking the "Use Company's Name in Place of Advisor's Name in Reports" box. The "Designations" field can be used for certification notation (CFP, etc.).

Note: The agent first and last name are from initial account creation and cannot be changed here.

3.4.2 Batch Processing

To configure disclaimer information for Batch Processing, the following options are available. To customize disclaimer text, toggle the option to "Yes" and enter the text.

3.4.3 Custom Plans

TRAK-Online has many different retirement plans and pensions built into the software. However, if there is a retirement plan that is more complex or nuanced, this is where that plan can be configured. For instance, if the plan is a Safe Harbor plan or has special employer matching or parameters on employee class, those are all configurable in this

area. First, name the custom plan ("Plan Name") and then select the appropriate "DC Plan Type" from the drop down list of options such as 401(k), or 403(b), etc.

Once created, the plan will be added to TRAK-Online's list of available retirement plans.

ASK TRAK™

MENU Custom Plan Config

Home About User Programs Client Config Agent Defaults Custom Plans Employers Groups Glide Paths Printing Tools

Generic 401k Plan New Plan Add New Plan

Create custom Defined Contribution plans that can be used in Galileo

Plan Name New Plan

DC Plan Type 401(k)

CONTRIBUTION LIMITS EMPLOYER CONTRIBUTIONS ROLLOVER

Years of Service Required for Plan Participation 0

Allow Elective Contributions Yes

Contributions are Mandatory No

Contributions are Pre-Tax Yes

There are four tabs for data entry:

1. [Contribution Limits](#)³¹
2. [Employer Contributions](#)³³
3. [Roth](#)³⁴
4. [Config](#)³⁴

3.4.3.1 Contribution Limits

If using the standard limits for the particular custom plan is not desired, toggle to "No" and fill in the desired data.

The screenshot shows the 'CONTRIBUTION LIMITS' tab with the following settings:

- Use Standard Limits for Plan:** Toggled to 'No'.
- Calendar Year for Limits:** 2018.
- Allow Employee Contributions:** Toggled to 'Yes'.
- Employee Contribution Limits:** \$18,500.
- Catch-Up Provision for Age 50 and Up:** \$6,000. A note states: "Note: Only Include The Additional Contribution the Employee may Contribute for the 'Catchup Provision for Age 50 & Above' Prompt."
- Employee Contributions Stop at Age 70½:** Toggled to 'No'.
- Allow Employer Contributions:** Toggled to 'Yes'.
- Employer Contribution has Annual Limit:** Toggled to 'No'.
- Combined Employee and Employer Contribution Limit:** \$55,000.

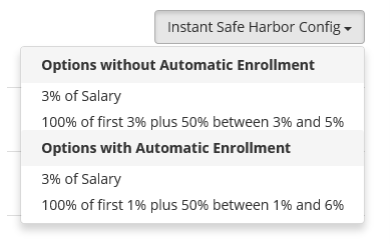
3.4.3.2 Employer Contributions

There are many options available for employer contributions (i.e. timing of deposits, matching and profit sharing, etc). Many of those options also have a "YOS to Qualify" field which can be full or partial years.

The screenshot shows the 'EMPLOYER CONTRIBUTIONS' tab with the following settings:

- Timing of Employer's Deposit:** With Employee's Contr.
- Contribution Rate is Editable with Client Data:** Toggled to 'No'.
- Instant Safe Harbor Config:** A button with a dropdown arrow.
- Percent Matching:** A dropdown menu.
- Percent of Salary:** A dropdown menu.
- Profit Sharing:** A dropdown menu.
- Dollar Contribution:** A dropdown menu.
- Conditional Matching:** A dropdown menu.
- Contribution Tiers:** A dropdown menu.

If the retirement plan is a Safe Harbor plan, TRAK-Online can quickly configure the type of plan by clicking on the "Instant Safe Harbor Config" button and selecting the appropriate option.

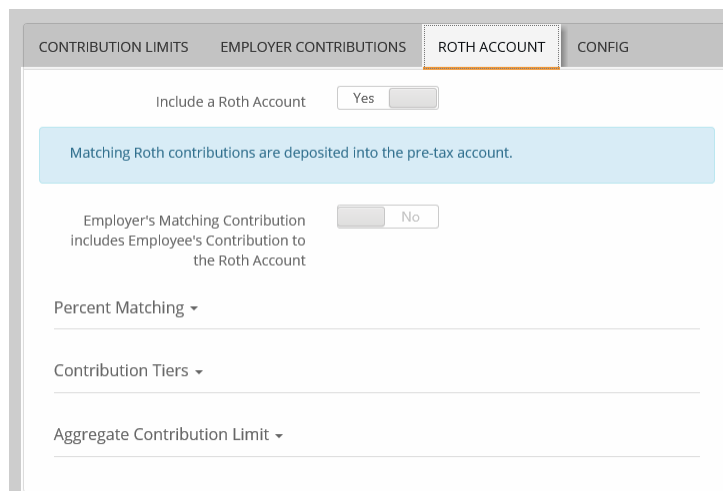


Instant Safe Harbor Config ▾

- Options without Automatic Enrollment**
 - 3% of Salary
 - 100% of first 3% plus 50% between 3% and 5%
- Options with Automatic Enrollment**
 - 3% of Salary
 - 100% of first 1% plus 50% between 1% and 6%

3.4.3.3 Roth

If the custom plan also has an after-tax investment account like a Roth, click and toggle the button to "Yes" and enter the details on this tab including any matching, contribution tiers or limits, etc.



CONTRIBUTION LIMITS EMPLOYER CONTRIBUTIONS **ROTH ACCOUNT** CONFIG

Include a Roth Account Yes ☒

Matching Roth contributions are deposited into the pre-tax account.

Employer's Matching Contribution includes Employee's Contribution to the Roth Account No ☐

Percent Matching ▾

Contribution Tiers ▾

Aggregate Contribution Limit ▾

3.4.3.4 Config

On this tab, configure additional custom plan and contribution settings. Mandatory contributions settings are on this tab as well.

CONTRIBUTION LIMITS

EMPLOYER CONTRIBUTIONS

ROTH ACCOUNT

CONFIG

Years of Service Required for Plan Participation

0

Employee Contributions

Mandatory

Elective

Mandatory

Mandatory Employee Contributions as a Percent of Pay

Contributions are Pre-Tax

Yes

3.4.4 Defaults

Enter any preferred default values that will populate fields to save time in data entry work when entering a new client

ASK TRAK™

MENU Defaults Config

- Home
- Client >
- Programs >
- Config**
 - Agent
 - Defaults**
 - Custom Plans
 - Employers
 - Groups
 - Glide Paths
 - Printing
 - Gap Analysis
- Support & Documents
- Tools >
- User

General

Date of Birth: 1/1/1920

Inflation: 2.50%

Retirement Age: 67

Retire Month: January

Gender: Male

Gap Calculator

Life Expectancy Method: IRS Tables

Pay per Year: 12

Annual Raise: 3.00%

NOTE: The field for "Percent of Calculated Value" for Social Security applies when the software generates a benefit. Although the best option is always to enter the value given by the client, the software can calculate a benefit based on a client's income and raises, age, etc, however, the percent may need to be adjusted up or down depending upon a client's age. For instance, if a client is younger (say in their 30's or 40's), set the percentage much lower than someone close to retirement.

SOCIAL SECURITY

Start Method: Age no penalty occurs

Calculation Method: Value at Retirement

Percent of Calculated Value: 100%

3.4.5 Employers

An "Employer" file is required to use the "[Paycheck](#)¹⁸⁴" and "[Batch Processing](#)²⁴⁴" programs. This screen will have several employer templates available to base a new employer on such as "12 Pay Monthly" or "26 Bi-Weekly Tables". To create a new employer file, choose a base template, then, accept or toggle the button to change the "DEFAULT FICA AND MEDICARE RATES" and click "Add Employer" to continue the employer file creation.

Note: Normally one employer file per employer will exist and be selected when working with a client's paycheck. In situations where employees are paid differently, more than one employer file may need to be created per employer. This would include when employees have different numbers of pay periods, or when some employees may pay FICA while others may not, etc.

Manage Employers

Note: Some Employers cannot be deleted as the Employer is being used by a paycheck.

Name	Pay per Year	State	
10 Pay Monthly	10	California	
10 Pay Monthly no FICA	10	California	
10 Pay P/R	10	California	
10 Pay P/R no FICA	10	California	
12 Pay Monthly	12	California	
12 Pay Monthly no FICA	12	California	
20 Pay Bi-Weekly Tables	20	California	
20 Pay P/R	20	California	
20 Pay Semi-Monthly Tables	20	California	
24 Semi-Monthly Tables	24	California	
24 Semi-Monthly Tables no FICA	24	California	

Defaults

Default Employer: 12 Pay Monthly

DEFAULT FICA AND MEDICARE RATES

Use Standard FICA and Medicare Rates: ☐ Yes

Standard FICA Rate: 6.20%

Standard Medicare Rate: 1.45%

Add Employer

Base Employer: 12 Pay Monthly

Add Employer

Create Initial Employers

Creates initial Employers if they don't already exist.

Note: If no employer templates are displayed, click on screen, click the "Create Initial Employers" button.

Create Initial Employers

Creates initial Employers if they don't already exist.

After selecting "Add Employer", the next screen will allow you to enter the employer name at the top (i.e. Sample Company, Inc.). Confirm the paychecks per year amount and then enter any expected raises. At least a minimum raise is needed for use with the

Batch Processing program. Next, select the check number the raise is to be annually implemented.

Manage Employers > Sample Company, Inc.

Name	Sample Company, Inc.	Advanced	Yes
Paychecks per Year	12	Additional Pay	Yes
Salary Increase	3.00%	Summer Pay	Yes
Typical Check Number During Calendar Year for Salary Increase	1	Section 125	Yes
		After Tax Deductions	Yes

PLANS TAXATION SUMMER PAY SECTION 125 ADDITIONAL PAY MISCELLANEOUS

Note: Simple provides the most typical features needed in many employers, while advanced allows for more complex scenarios. In advanced mode, there are 6 tabs to configure. If some of the tabs do not apply to this employer, toggle off the tabs one by one or, if the employer has a basic setup, toggle off "Advanced" to "No" and only 2 tabs to configure will remain. For more options (i.e. teacher's summer pay or additional pay like coaching, cafeteria 125, etc.), toggle the Advanced to display those tabs for data entry and configuration.

For more detail on each of the 6 tabs, click on a link below:

[PLANS](#) ³⁹

[TAXATION](#) ⁴¹

[SUMMER PAY](#) ⁴³

[SECTION 125](#) ⁴⁵

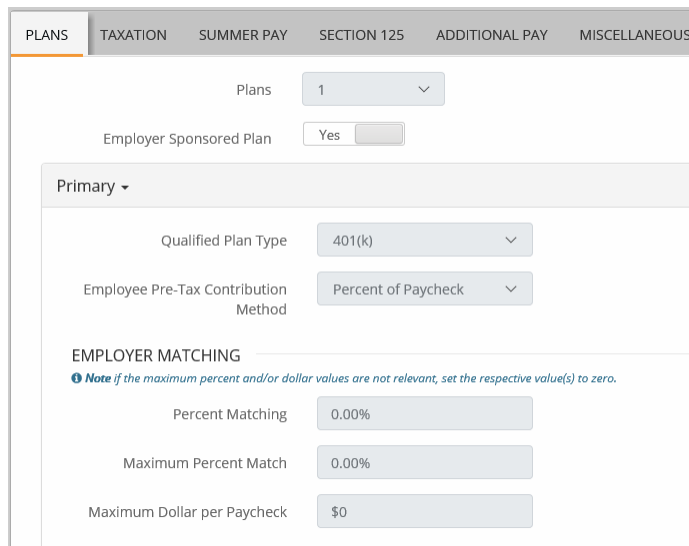
[ADDITIONAL PAY](#) ⁴⁵

[MISCELLANEOUS](#) ⁴⁶

3.4.5.1 PLANS

First, choose up to 2 qualified plans. If there is more than 1, the first will be noted as "Primary" and the second plan will be labeled "Secondary" and will have the same fields to configure as the "Primary" plan (i.e. a 403b and a 457, etc.). With "Advanced" toggled to "Yes", a pension or defined benefit plan can be configured by toggling the "Employer Sponsored Plan" to "Yes". Next, configure the "Primary" plan with type and contribution method (percent or dollar). Then, next to the field "Employee Pre-Tax Contribution Method", select either "Dollar Value" or "Percent of Pay". Basic employer matching and limits can be configured in these fields as well.

Note: If a custom retirement plan has been previously created, that is available to select that by first choosing the "Qualified Plan Type" as "Custom" and then select that particular custom plan.



PLANS TAXATION SUMMER PAY SECTION 125 ADDITIONAL PAY MISCELLANEOUS

Plans 1

Employer Sponsored Plan Yes

Primary

Qualified Plan Type 401(k)

Employee Pre-Tax Contribution Method Percent of Paycheck

EMPLOYER MATCHING

Note if the maximum percent and/or dollar values are not relevant, set the respective value(s) to zero.

Percent Matching 0.00%

Maximum Percent Match 0.00%

Maximum Dollar per Paycheck \$0

Scrolling down this page will show a few other configuration options such as employer contributions (unrelated to matching) and if there is a Roth account in addition to the primary plan and how those contributions are setup (either percent or dollar value).

EMPLOYER CONTRIBUTIONS

Percent Contribution

0.00%

Dollar Contribution per Paycheck

\$0

ROTH CONTRIBUTIONS

Include Roth

Yes

Employee Roth Contribution Method

Percent of Paycheck

PAYCHECK REDUCTIONS

Finally, if deductions only come from a select number of paychecks, click the down arrow to make those selections. This includes items such as additional income, section 125, TSA, 457, and Employer Sponsored Retirement Plans. If these are not part of each paycheck during the year, then click on the respective button to configure the pay schedule for the respective item.

PAYCHECK REDUCTIONS

click on individual check numbers to move to other list.

Included Checks

1

2

3

4

5

6

7

8

9

10

11

12

Excluded Checks

Move All

<<

>>

Move Odds

<

>

Move Evens

<

>

TRAK-Online Help Manual

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3.4.5.2 TAXATION

This tab determines how the paycheck values are taxed.

The screenshot shows the 'TAXATION' tab selected in a menu bar. Below the menu bar, there are several sections: 'Withholding Tax Table' with a dropdown menu set to 'Monthly', 'State Withholding Taxes' with a 'Yes' toggle, and 'Local Taxes' with a 'Yes' toggle. Below these are three expandable sections: 'FICA and Medicare', 'State Withholding Tax', and 'Local Taxes', each with a downward arrow indicating it can be expanded.

Enter the "Withholding Tax Table" appropriate to the client's paycheck. Enter the withholding table used by the employer. Normally this will correspond with the # of Paychecks/Year but, in some cases, it may be different. For example, an employer paying 13 times per year may use monthly tables (select Monthly), or they may annualize the 13 pay periods (select Payroll Periods).

This screenshot shows the 'Withholding Tax Table' dropdown menu expanded. The options listed are: Weekly, Bi-Weekly, Semi-Monthly, Quad-Weekly, Monthly (which is highlighted in blue), Annual, and Payroll Periods.

Next, choose "Yes" or "No" to input "State Withholding Taxes" and "Local Taxes".

This screenshot shows the 'State Withholding Taxes' and 'Local Taxes' sections. Each has a 'Yes' toggle button. The 'State Withholding Taxes' toggle is currently set to 'Yes', and the 'Local Taxes' toggle is also set to 'Yes'.

Choosing to setup those tax categories will require more detailed data entry. If local taxes are toggled to "Yes", this section will be enabled. Enter the number of local withholding taxes (e.g. county tax, worker's comp, etc.). A local tax will show in the Tax Configuration list for each local tax item.

State Withholding Tax ▾

State Withholding Tax Table

Oregon ▾

Round State Taxes to nearest Dollar

☐ No

STATE TAXES CALCULATED AFTER SUBTRACTING...

Section 125

Yes ☐

401(k)

Yes ☐

Local Taxes ▾

Local Tax

+

Add Local Tax

3.4.5.3 SUMMER PAY

Summer pay, also referred to as deferred pay, is income normally associated with teachers. It is not paychecks for teaching summer school. It is paid out to teachers from money that is withheld from regular paychecks during the school year. Under a summer pay (or deferred pay) arrangement, a portion of the money a teacher receives goes into a separate account during the regular paycheck schedule (often ten paychecks a year). They are then paid the withheld monies during the summer (often in two checks). If this is relevant to the client, toggle "Yes" to "Summer Pay" will prompt for setting up several options.

The screenshot displays the 'SUMMER PAY' configuration interface. At the top, there are input fields for 'Salary Increase' (0.00%), 'Typical Check Number During Calendar Year for Salary Increase' (1), and a 'Summer Pay' toggle set to 'Yes'. Below these are 'Section 125' and 'After Tax Deductions' toggles, both set to 'Yes'. A horizontal tab bar includes 'PLANS', 'TAXATION', 'SUMMER PAY' (highlighted), 'SECTION 125', 'ADDITIONAL PAY', and 'MISCELLANEOUS'. A 'PAYMENT INFORMATION' dropdown menu is open, showing 'Number of Summer Checks' (0) and 'Summer Pay Paid After Check #' (0).

Note: Talking to the payroll department may help understand how summer pay should be configured. Some questions to ask include:

1. What is subtracted before calculating a summer paycheck?
2. How are federal and state withholdings, FICA and Medicare taxes handled?
3. Are retirement system contributions withheld from summer pay? Section 125?

The screenshot shows the 'SUMMER PAY' menu with the following sections and options:

- PAYMENT INFORMATION**
 - Number of Summer Checks: 0
 - Summer Pay Paid After Check #: 0
- CALCULATED PAYCHECK WITHHOLDINGS**
 - Method of Subtracting Summer Pay: Percent of Paycheck
 - Amount Subtracted from Paycheck: 0.00%
- ITEMS WITHHELD FROM SUMMER PAYCHECKS**
 - Section 125: No
 - 401(k): No
- SUMMER PAY SUBTRACTED AND CALCULATED AFTER...**
 - Section 125: No
 - FICA and Medicare: No
 - 401(k): No
 - Federal and State Taxes: No
 - Local Taxes: No
 - After-Tax Deductions: No

For the data entry, enter the number of summer paychecks your client receives and the pay period number of the last regular paycheck before the first summer paycheck ("Summer Pay Paid After Check #"). If an employer has ten normal paychecks, the number of special summer paychecks is usually two. Also, for a ten pay employer, this would normally be six, where regular checks are paid January through June and September through December.

For the "Method of Subtracting Summer Pay", select the method for subtracting summer pay, either % of Paycheck or Constant \$.

For "Amount Subtracted from Paycheck", enter the amount (either as a percent or dollar, depending upon the prior prompt configuration) to be subtracted from the regular paycheck. Note that in typical ten pay periods with two summer paychecks, the normal percent withheld is 16.6667%.

Next, for "Items Withheld from Summer Paychecks", select one or both of the options (Section 125 and 401(k)).

For "Summer Pay Subtracted and Calculated After...", check the appropriate pre-tax deductions that are taken by this employer before summer pay is subtracted.

3.4.5.4 SECTION 125

On this tab, if toggled to "Yes", enter the value for a pre-tax 125 (cafeteria) plan. The total pre-tax 125 value may be entered, or an itemized list may be entered by clicking on the down arrow button to the right of the editor.

The screenshot shows the 'SECTION 125' tab selected in the top navigation bar. Above the tabs, there are input fields for 'Typical Check Number During Calendar Year for Salary Increase' (set to 1) and 'After Tax Deductions' (toggled to 'Yes'). The 'SECTION 125' tab is highlighted, and a dropdown menu labeled 'PAYCHECK REDUCTIONS' is visible below it.

If required, enter the specific checks that will reflect the Section 125 deductions.

The screenshot shows the 'PAYCHECK REDUCTIONS' dropdown menu expanded. It contains a list of 'Included Checks' numbered 1 through 12. To the right of this list are three sets of buttons: 'Move All' with left and right arrows, 'Move Odds' with left and right arrows, and 'Move Evens' with left and right arrows. The 'Excluded Checks' list is currently empty.

3.4.5.5 ADDITIONAL PAY

If additional pay is needed, toggling "Yes" will add the tab to configure the addition pay settings. Additional income may be handled differently than standard income. Enter how the additional pay is taxed.

The screenshot shows the 'ADDITIONAL PAY' tab selected in the top navigation bar. Above the tabs, there are input fields for 'Paychecks per Year' (set to 12), 'Salary Increase' (set to 0.00%), and 'Typical Check Number During Calendar Year for Salary Increase' (set to 1). To the right, there are three toggle switches: 'Additional Pay' (toggled to 'Yes'), 'Summer Pay' (toggled to 'Yes'), and 'Section 125' (toggled to 'Yes'). The 'ADDITIONAL PAY' tab is highlighted.

Note: Use the toggle buttons to switch on and off configuration options (i.e. if additional pay is subject to summer pay and/or retirement contribution parameters, etc.). At the bottom, if it applies, select the paychecks which will experience the reductions.

The screenshot shows the 'ADDITIONAL PAY' tab selected. It contains several toggle buttons for 'Subject to Summer Pay', 'Subject to Retirement Contributions', 'Subject to FICA and Medicare', and 'Subject to Federal, State and Local Taxes'. Below these are input fields for 'Federal Tax', 'State Tax', and 'Local Tax', all set to 0.00%. At the bottom, there is a 'PAYCHECK REDUCTIONS' section with a dropdown arrow and a link to 'click on individual check numbers to move to other list'. It features two columns: 'Included Checks' (a list of numbers 1 through 12) and 'Excluded Checks' (empty). Between the columns are three sets of move buttons: 'Move All' with left and right arrows, 'Move Odds' with left and right arrows, and 'Move Evens' with left and right arrows.

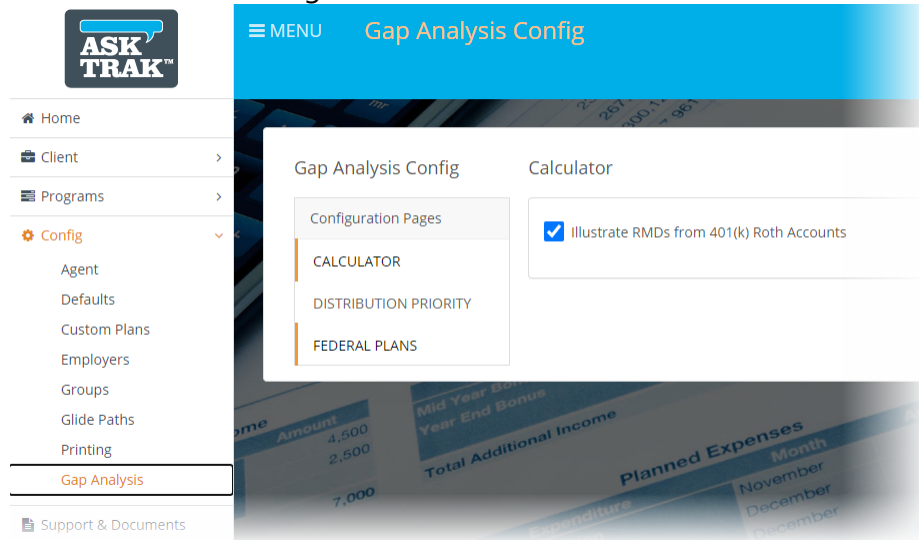
3.4.5.6 MISCELLANEOUS

On the final tab, if desired, enter more employer details. This may be helpful to differentiate between employer files. These are not required fields.

The screenshot shows the 'MISCELLANEOUS' tab selected. It contains a 'Contact Information' section with several input fields: 'Address' (a large text area), 'City', 'State', 'Zip', 'Contact Name', 'Phone', 'Extension', and 'Notes' (a large text area).

3.4.6 Gap Analysis

To configure specific settings for the Gap Analysis program, select the configuration page in the menu to make changes.



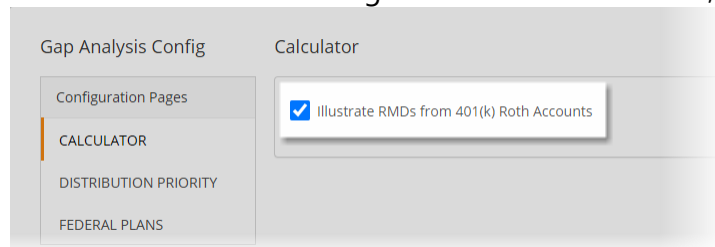
[Calculator](#) ⁴⁷

[Distribution Priority](#) ⁴⁷

[Federal Plans](#) ⁴⁸

3.4.6.1 Calculator

To enable or disable illustrating RMDs for Roth accounts, this can be configured here.



3.4.6.2 Distribution Priority

This section gives the ability to change or rank how accounts are distributed to give certain priorities to certain accounts.

Unselected Distribution Priority Items:

Select the items to use for distribution in retirement.

Distribution Priority Items and Order:

Use the arrow keys to change the order of the items selected.

3.4.6.3 Federal Plans

To enable or disable illustrating RMDs for TSP Roth accounts, this can be configured here. Additionally, to illustrate TPS Life Cycle funds, this option can be checked for analysis.

Note: Notice the warning note when electing to illustrate TSP Life Cycle funds.

3.4.7 Glide Paths

As a client approaches retirement, a client will often reduce their risk and at the same time reduce their rate of return earned on an account. Glide Paths allow for configuring changing rates of return as a person gets closer to retirement. A Glide Path may also optionally include a retirement rate of return. TRAK-Online is configured with default values ranging from more conservative to more aggressive rates of return that may be reconfigured, based on advisor preference.

Note: If including a retirement rate of return for a particular glide path is enabled, the rate of return under Account Distribution in [Gap Analysis](#) ⁶⁸ will not display.

Manage Glide Paths

Years from Retirement	Pre-Retire Rate of Return
99	7.0000%
20	6.0000%
10	4.0000%
5	3.0000%

Includes Retirement Rate of Return: ☒ Yes

Rate of Return during Retirement: 3.0000%

Create Default Glide Paths

3.4.8 Groups

Clients can be put into groups through the File Import tool or here in the groups section. This section allows for adding, editing or deleting groups.

ASK TRAK

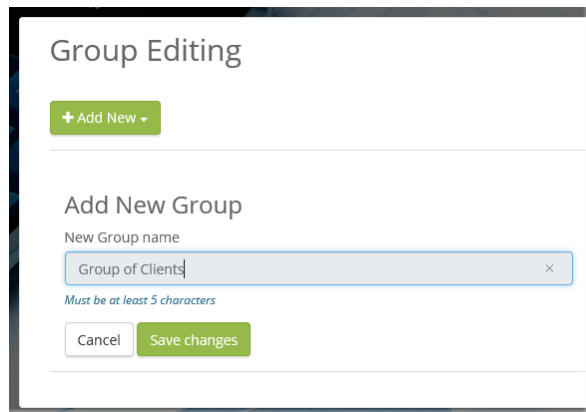
Home About User Programs Client Config Agent Defaults Custom Plans Employers Groups

Group Config

Group Editing

+ Add New

To add a new group, click the "+Add New" button and type in a group name then click on "Save Changes".



Group Editing

[+ Add New](#)

Add New Group

New Group name

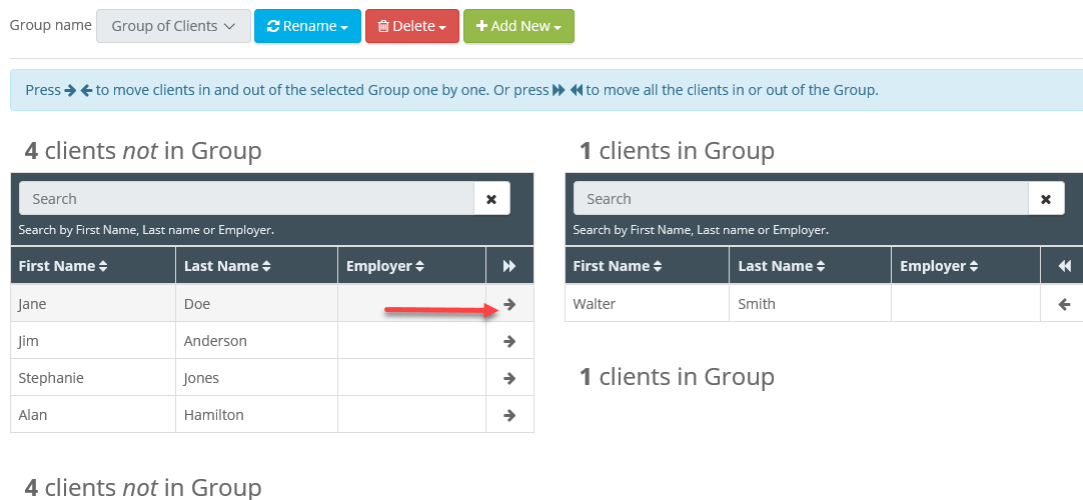
Must be at least 5 characters

[Cancel](#) [Save changes](#)

Once a group has been added, this is the main groups screen that will display. Clients can easily be moved into the new group or edited as needed. Groups can be searched in a variety of ways and sorted by different filters such as employers, etc. To delete, rename or add new groups, simply select the button needed.

To add clients to a particular group, click on the arrow to the right of the client's name to move into the group selected.

Group Editing



Group name [Rename](#) [Delete](#) [+ Add New](#)

Press → ← to move clients in and out of the selected Group one by one. Or press ⇨ ⇩ to move all the clients in or out of the Group.

4 clients *not* in Group

First Name	Last Name	Employer	
Jane	Doe		→
Jim	Anderson		→
Stephanie	Jones		→
Alan	Hamilton		→

1 clients in Group

First Name	Last Name	Employer	
Walter	Smith		←

1 clients in Group

To remove a client from a particular group, click on the arrow to the right of the client's name (now pointing left) to remove from the group.

4 clients *not* in Group

Search ✕			
Search by First Name, Last name or Employer.			
First Name ↕	Last Name ↕	Employer ↕	➡
Jane	Doe		➡
Jim	Anderson		➡
Stephanie	Jones		➡
Alan	Hamilton		➡

1 clients in Group

Search ✕			
Search by First Name, Last name or Employer.			
First Name ↕	Last Name ↕	Employer ↕	⬅
Walter	Smith		➡

1 clients in Group

4 clients *not* in Group

3.4.9 Printing

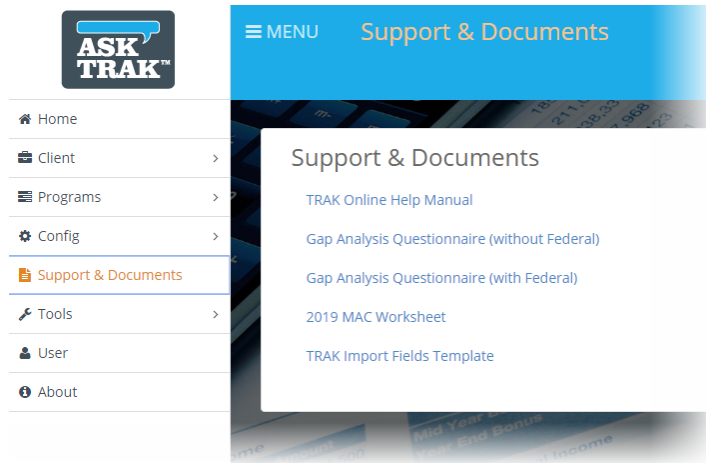
To customize reports using a logo, configure the options on this screen. Additionally, to use a customized disclaimer for report cover pages and/or for the main disclaimer page statement, enter the text in the boxes.

Note: Recommended size for logo is .5" high and 2" wide and will be stretched to fit the area but will maintain its aspect ratio.

To edit or customize footer notes, scrolling down reveals that those can be configured as below:

3.5 Support & Documents

This section includes helpful documentation and access to the help manual.



IMPORTANT Note: A previously configured employer file must be selected. Note that the employer selected is "Sample Company, Inc.". The employer file informs the software how to process the imported clients for accurate reporting.

DATA FORMATS

First Row of Data

2

Last Row of Data (Use "0" for All)

0

Field Name Row (Use "0" for None)

1

Number of Additional Accounts

0

Dates

Date Format

M/D/YYYY

Date Delimiter

/

Logical Values

Logical True

true

Logical False

false

Numbers

Decimal Separator

.

Thousand's Separator

,

Currency Symbol

\$

FIELD ASSOCIATIONS

Configure where breaks go in the data file to be imported.

Important: These items are a sample and not representative of the full import.

field	LASTNAME	FIRSTNAME	DOB	ANNUAL INCOME	FEDSTATUS	FEDALLOW	STSTATUS	STALLOW	PERCENT
DB field	Last Name	FirstName	DOB	Income	FederalStatus	FederalAllow	StateStatus	StateAllow	Qualif
1	Flores	Anna	6/14/1968	\$80,641.00	Married	0	Single	0	6.00%
2	Long	Doris	5/10/1972	\$55,537.00	Married	0	Single	0	0.00%

Configure the data import settings here. Often the first row of data will be the 2nd row with the field names on the first. The other fields are general defaults and can be altered if necessary.

Next, assign the "DB field" to match each column heading. For instance, for annual income (here field #4), choose "Income" and the DOB (here field #3), etc.

Note: Some other fields assignments frequently used are "Qualified Plan 1 Percent" for the client's current contribution to their plan and "Current Balance" for the client's current balance in their qualified plan (i.e. 401(k), etc.).

Note: For most states, StateStatus (Married, Single, etc.) and StateAllow are used for state taxation, however, in states such as Arizona, taxation is based on a percentage % of income. If that is the case, the field that contains the % taxation rate should be assigned and imported using the "StateStatus" field. When importing data for an employer that operates in a state that uses a specific % of income for taxation, and that % is populated in the census data file to be imported, assign that % with the "StateStatus". To import the rate, use the "StateStatus" field for importing the percent. No "%" sign needed. TRAK does some work at assigning the one that is closest/best match. (For example, there is a rate of 3.6%, I had a value of "36"--TRAK matched these and had the correct rate). Arizona has

specific rates that taxes can be withheld at--see here: <https://azdor.gov/businesses-arizona/withholding-tax>

FIELD ASSOCIATIONS

Configure where breaks go in the data file to be imported.

Important: These items are a sample and not representative of the full import.

Fed Allow.	Add Fed Tax	State H-W4 status (S/M?)	State Allow.	% Tax	\$ Tax	Pre Tax 125	Pre-Tax 401(k) % Contrib.	Pr
FederalAllow				StateStatus		Sec125	QualifiedPlan_1_Percent	Q
2				1.30%		\$200.00		\$5

Other fields that are available include:

DB Value - a set pension value expected for retirement income.

Employee Class - if a [custom retirement plan](#)³¹ includes configuration for employee class designations.

FIELD ASSOCIATIONS

Configure where breaks go in the data file to be imported.

Important: These items are a sample and not representative of the full import.

ie	DOB	Income	FederalStatus	FederalAllow	StateStatus	StateAllow	QualifiedPlan_1_Percent
	6/14/1968	\$80,641.00	Married	0	Single	0	6.00%
	5/10/1972	\$55,537.00	Married	0	Single	0	0.00%
	12/3/1953	\$57,206.00	Married	0	Single	0	0.00%
	2/2/1955	\$42,791.00	Married	0	Single	0	0.00%
	11/26/1966	\$28,155.00	Single	0	Single	0	0.00%

(Unassigned)

Required

- First Name
- Last Name

Calculation

- Additional Federal Tax
- Additional Income
- Additional State Tax
- After Tax Deduction

Current Balance

- DB Value
- DOB
- DOE
- Employee Class
- Federal Allowance
- Federal Status
- Gender
- Income
- Percent of Income
- Qualified Plan 1 Dollar
- Qualified Plan 1 Percent
- Qualified Plan 1 Roth Dollar
- Qualified Plan 1 Roth Percent
- Retire Age
- Retire Date
- Roth Act Balance

Next, continuing with the import process, enter the number of paychecks the income field represents (12, 24, 26, pay periods, etc.). Additionally, if the contribution field needs to be converted from a decimal value to a percentage value. If so, make that selection.

DATA CONVERSION

Convert the income to a per-paycheck income value and/or convert the qualified plan percent value.

Income

TRAK requires that the value for the paycheck income is an individual paycheck. Enter the number of paychecks that the value being imported to the "Income" field represents.

Qualified Plan Contribution

The qualified plan contribution needs to be a percentage of income (e.g. 5.00%). Some imported data may have the value as a fraction (e.g. 0.05). If so, it needs to be converted to a full percentage value. Should TRAK convert the qualified plan contribution value.

- ☒ Do not convert the value. the value is already correct.
☐ Convert the value. It needs to be multiplied by 100.

Next, select any default values for every participant. For instance, under the "Calculation" header, if a retirement age for everyone is 67, that can be set as a default for the group as well as the decision to use social security or not. Under the "Information" header, defaults can be set for the state, etc.

DEFAULT VALUES

Default values for unassigned fields may be entered here.

CALCULATION

Retire Age

67

Select a Default Calculation

Retire Age
Roth Act Balance
Section 125
State Additional Allowance
Use Social Security

INFORMATION

Select a Default Information

Next, review and make sure the data to import is configured properly and if desired, setup the group these clients will be included in either by creating a new group or adding the imported clients to an existing group.

PREVIEW DATA

Below is the data that is about to be imported into TRAK. Preview the data and be sure that it is correct.

LastName	FirstName	DOB	Income	FederalStatus	FederalAllow	StateStatus	StateAllow	QualifiedPlan_1
Flores	Anna	6/14/1968	\$80,641.00	Married	0	Single	0	6.00%
Lopez	Doris	5/10/1972	\$55,537.00	Married	0	Single	0	0.00%
Harrison	Frank	12/3/1953	\$57,206.00	Married	0	Single	0	0.00%

GROUP NAME

Associate the set of clients files to be imported in a group for later loading of data and/or batch processing as a group.

☒ Associate imported data with a group
☒ Create a new Group
 ☐ Import into an existing group

Important: Group Name **MUST** be filled out.

Now, choose the import plan for adding the clients into the software. Be aware that if clients are already in the database, consider carefully the options here to prevent any duplicate client records from being created unintentionally. Finally, after configuring the import plan, clicking on "Save Settings

Note: When selecting options other than "Add All Data to the TRAK Client Data File.", the conditions for defining if the client exists are enabled. Select the appropriate item from the list below.

IMPORT ACTION

Configure how the set of client data is to be imported.

Note: Data for other accounts will not be imported for clients that already exist.

IMPORT ACTION TYPE	RECORD EXISTS IF
<input type="radio"/> Add All Data to the TRAK Client Data File.	<input checked="" type="radio"/> First Name and Last Name match.
<input checked="" type="radio"/> If the client exists, update the record, otherwise add as a new client.	<input type="radio"/> First Name, Last Name and employer file match.
<input type="radio"/> If the client exists, update the record, otherwise DO NOT add as a new client.	
<input type="radio"/> If the client exists, do not update the record, otherwise add the record.	

DATA MERGE OPTIONS

Select which fields are updated when records are merged with existing data.

WHEN A RECORD EXISTS IN THE DATABASE

☒ Update All Fields when Data is Imported
☐ Update Only Selected Fields when Record Exists.

FINISHED

Click on the "Import Data" button to finish.

Finally, the import settings can be saved so that the options will be in the software ready for the next similar import. To save settings, click the box "Save Settings" and input a name for the settings. This may save time for future imports.

FINISHED

Click on the "Import Data" button to finish.

☒ Save Settings

Import settings name

☐ Overwrite Existing Import Settings if it exists

If there are any issues or problems related to the import, those will be displayed on screen for further review.

Data import log

Data was imported into the database.

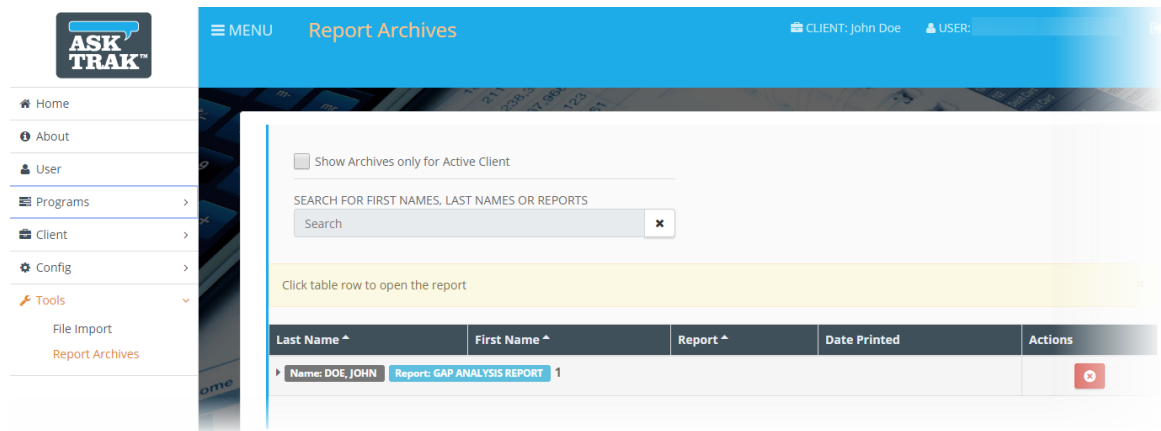
Show only records with messages ▼

Identification		Actions				
First Name	Last Name	Client	Person	Pension	Paycheck	Other Accounts

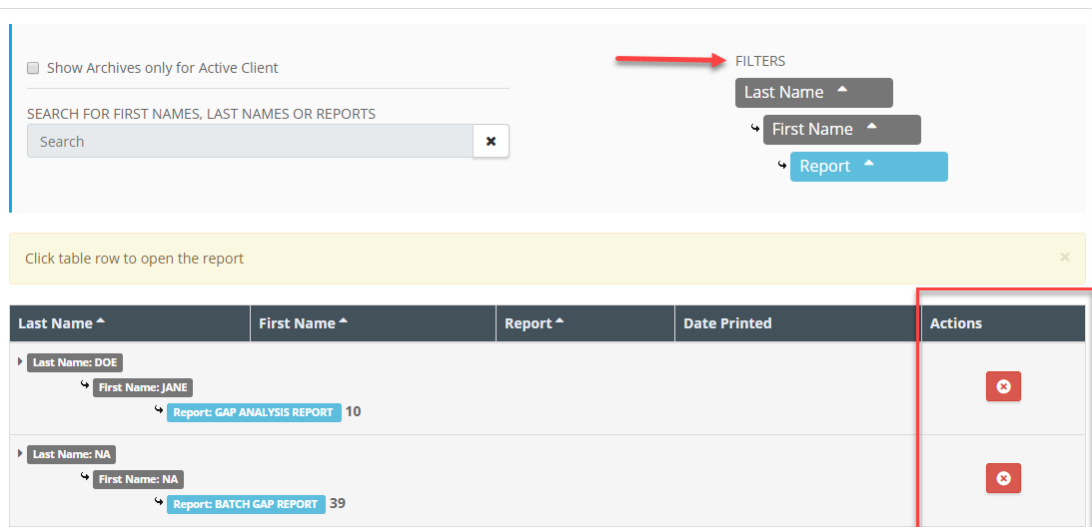
3.6.2 Report Archives

The report archive stores reports for a temporary period of time. These can be accessed for the period stated in the "REPORT ARCHIVING" section of the EULA which states, "Copies of generated reports create in TRAK-Online are currently archived. In order to maintain server accessibility, TRAK-Online does not indefinitely retain report copies in the report archive. Client Reports (reports generated in any calculators other than the Batch Processing tool) will be deleted from the report archives fourteen (14) days after being generated. Batch Processing reports will be deleted from the report archives three (3) days after being generated."

On this screen, the available report archives for the current active client are displayed. To view all report archives available for all clients, uncheck the "Show Archives Only for Active Client" box.



Note: Unchecking the box will display multiple client report archives that can be searched and sorted by filters such as last name, first name and report type.



Archives can also be deleted on the right side of the screen under "Actions".

Delete Reports

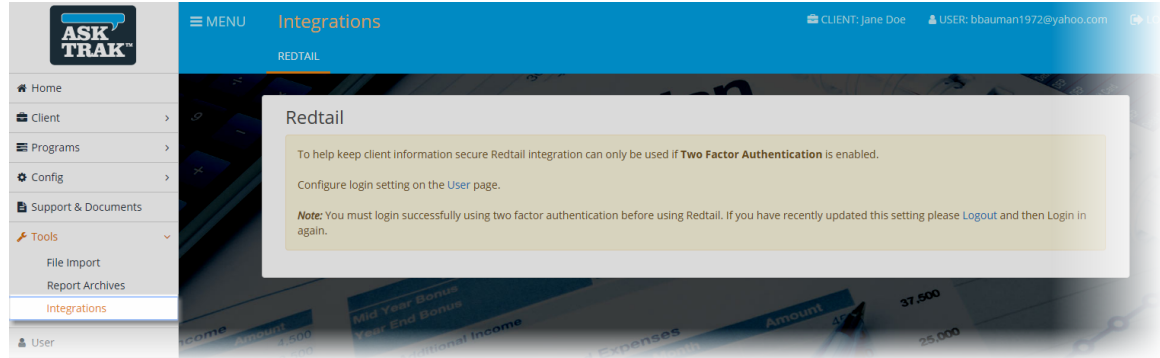
Are you sure you want to delete these Reports?

Yes

No

3.6.3 Integrations

To utilize this feature, two factor authentication must be enabled. This is enabled on the [User](#) ⁶⁴ section.



Once the authentication is configured, the next step is to enter the access token from the Redtail account:

Redtail

TRAK Online can connect with Redtail to access contacts and any accounts of those contacts.

To connect Redtail, TRAK Online first needs an access token from Redtail. To get the token follow these steps:

- Login to your [Redtail account](#)
- At the top right, click your name, then **Manage Your Integrations**
- Find **RetireReady** in the list of integrations
- Click the settings icon, then **Settings**
- Copy the displayed token **Example Token:** ABCDEFGH-1234-ABCD-1234-ABCDEFGH1234

Once you have copied the token please paste it below.

Access Token

Connect to Redtail

Once the connection is completed, select the contacts to import and those will be added to the database.

Select Contacts to Import

×

Include	Accounts	Name	Date of Birth	Already in TRAK Online
<input checked="" type="checkbox"/>	▼	Dashiell Parr	06/17/2004	
<input type="checkbox"/>	▲	Helen Parr	06/30/1971	
	No Accounts Found			
<input type="checkbox"/>	▼	John Parr	09/18/2013	
<input checked="" type="checkbox"/>	▼	Johnathan Investor	09/09/1980	
<input type="checkbox"/>	▼	Margaret Investor	04/11/1983	
<input checked="" type="checkbox"/>	▼	Peter Parker	01/01/1900	

If TRAK Online has a client with the same name

Update Existing Clients



Import and Update Contacts

Note: If the client(s) are already in the database (or clients with the same name), choose whether to update or to create new clients.

When completed, a report will be generated on screen:

Import Complete

- Contacts that are not in TRAK have been added.
- Any accounts have been added as savings account in the Gap Analysis program. If the account already existed the balance will be updated with the most recent values from Redtail.

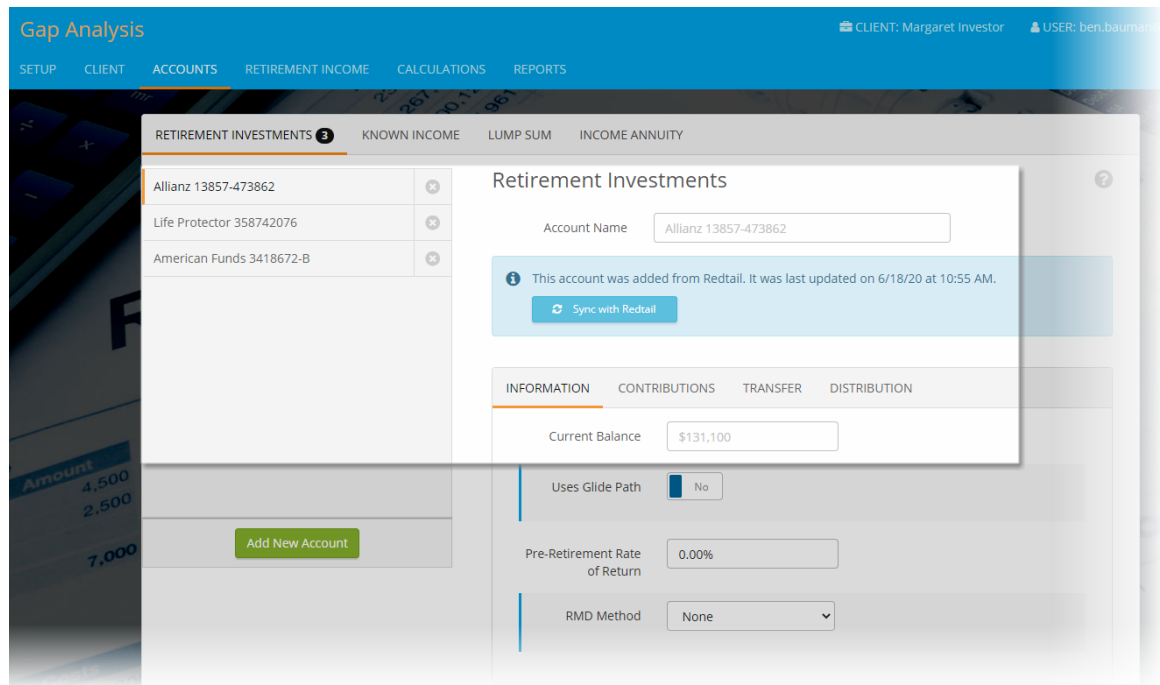
 Load a Client
 Continue Importing

Select Contacts to Import

✕

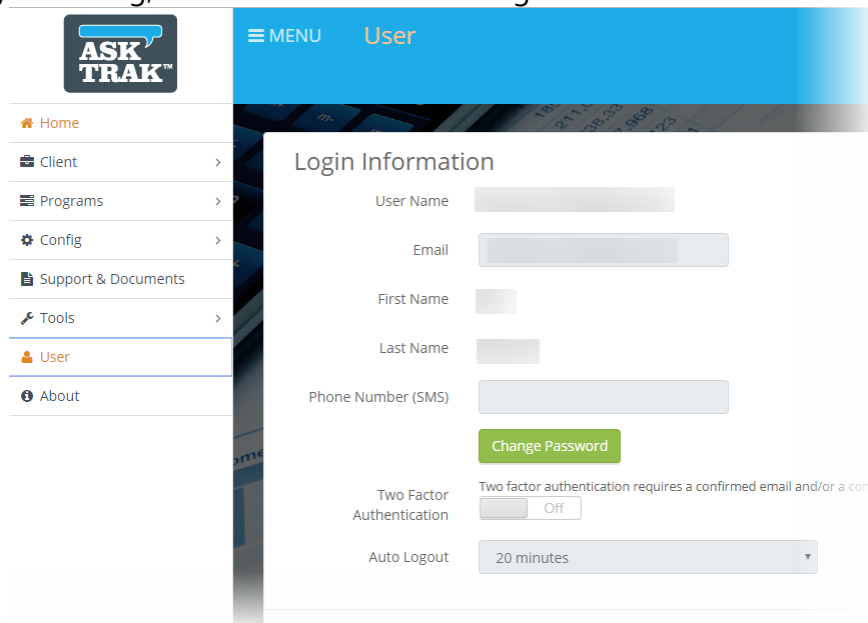
Include	Accounts	Name	Date of Birth	Already in TRAK Online
	▼	Dashiell Parr	06/17/2004	✓
	▼	Helen Parr	06/30/1971	
	▼	John Parr	09/18/2013	
	▼	Johnathan Investor	09/09/1980	✓
	▼	Margaret Investor	04/11/1983	✓
	▼	Peter Parker	01/01/1900	✓
	▼	Robert Parr	05/04/1965	

Note: Going into the [Client](#)²⁶ page, notice that the selected contact information is carried over. Edits may be needed for gross income or other information that was not already put into Redtail. Additionally, note that working with clients from Redtail in [Gap Analysis](#)⁶⁸ has some nuances that are visible in the [Accounts](#)⁹³ tab. Accounts that are outside the retirement plan are handled differently. For instance, current balances are not editable as this comes directly from Redtail. If this number is not correct or not current, sync with red tail to get the current balance. All other features are editable.



3.7 User

Clicking on "User" will show a page displaying the account email address, first and last name and some options to customize TRAK-Online screen preferences such as the theme. To enable additional security for login, enable "Two Factor Authentication". This will require a text message code to allow login. The code will be sent to the phone number entered next to the "Phone Number (SMS)" field. Finally, to change the automatic system logout setting, enter the value in "Auto Logout".



Additional options are available for personalizing the software here:

Personalize Stored with Browser

Theme

Light Blue

Background Image

On

Beep when auto logout occurs

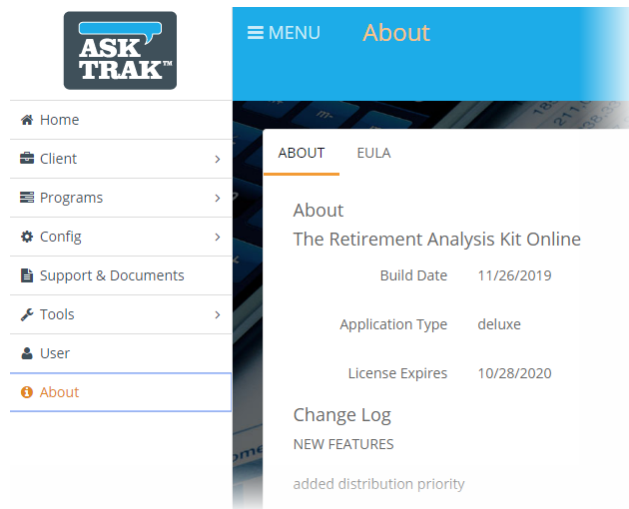
Off

Number of Recent Clients to Show

5

3.8 About

Clicking on "About" allows access to software notes and the EULA (End User License Agreement).

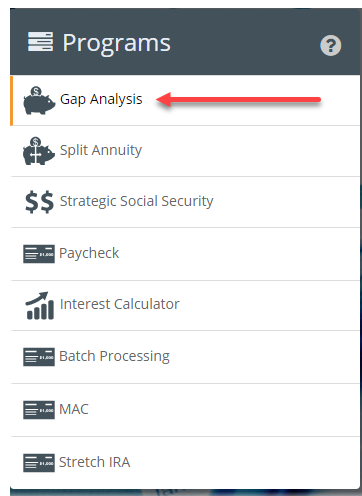




Gap Analysis

4 Gap Analysis

The Gap Analysis calculator gives a quick visual illustration of retirement income sources, needs analysis, and shortfall analysis. A comparison can quickly be made between projected income sources and income needed and, if there is a projected shortfall, the required savings.



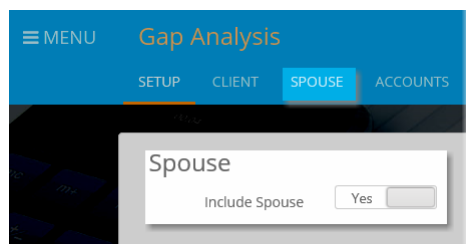
From the [Home Page](#)¹⁸ click on "Gap Analysis" under "Programs" or select it from the left [Menu](#)²⁴ under "Programs" to start using the program.

There are 4 main tabs in the Gap Analysis program for data entry. Additionally there is a tab dedicated to the program calculations and finally a tab for report generation and output. The details for each of the tabs can be accessed below:

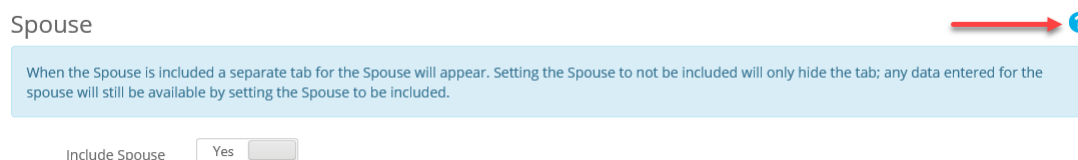
[SETUP](#)⁶⁹
[CLIENT](#)⁷²
[ACCOUNTS](#)⁹³
[RETIREMENT INCOME](#)¹⁰⁵
[CALCULATIONS](#)¹⁰⁷
[REPORTS](#)¹⁵²

4.1 SETUP

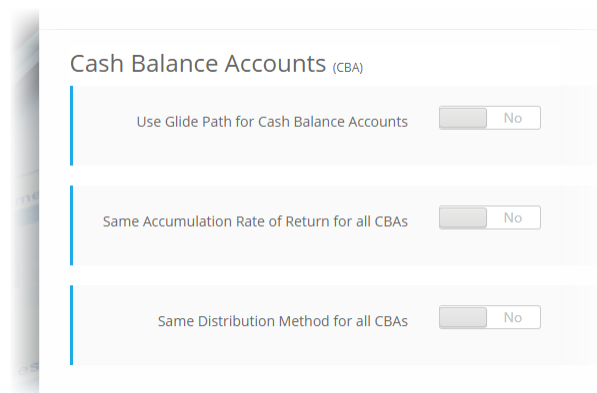
The first tab for configuration in the Gap Analysis is the setup tab. The first option is whether or not to include a spouse in the illustrations. If this is toggled to "Yes", an additional tab will display for entering the spouse's information.



Note: Wherever there is a "?" there is helpful information available by clicking on it.



Scrolling down to the next section for "Cash Balance Accounts", default accumulation rates, distribution methods, and distribution rates of return can be assigned for the cash accounts which includes 401(k) plans and retirement investments (under "[Accounts](#)⁹³"). This allows for easily changing the rates of return associated with the various cash balance accounts. If a [Glide Path](#)⁴⁸ is to be illustrated, select "Yes" on the toggle button and choose the appropriate path.



The next section to configure is for the "Side Fund / Additional Savings" and is a fund the software creates for funding that is above the client's need for retirement income. TRAK will calculate the additional savings needed for a client to meet their retirement goals. Any income distributed in retirement that is above the client's determined need is automatically deposited into the Side Fund account. This "extra" income may occur due to the sale of an asset, excess RMDs, etc. Additionally, if a [Glide Path](#)⁴⁸ is to be illustrated, select "Yes" on the toggle button and choose the appropriate path

When additional monthly savings are needed to solve a retirement gap, toggle the "Annually Increase Additional Monthly Savings with Client's Raises" if the monthly savings increases the same month the client's raise occurs.

Side Fund/Additional Savings

Use Glide Path ☐ No

Interest Rate Prior to Retirement 6.0000%

Interest Rate in Retirement 4.0000%

Annually Increase Additional Monthly Savings with Client's Raises ☒ Yes

For the "Distribution Method", TRAK has many different options beyond the default "Use Funds as Needed" selected here. For more information about the various distribution or payout methods, [click here](#).

on Method for all CBAs

Distribution Method

on Values for all CBAs

- Annuitize
- Retain Principal
- Use Funds as Needed
- Amortize, No Inflation
- Amortize with Inflation
- Percent of Account
- RMD only
- Dollar Value, No Inflation
- Dollar Value with Inflation

Finally, determine if funds distributed from an account can be accessed when a shortfall would otherwise occur. For example, with retirement savings accounts that have cash balances during retirement, a number of payout methods may be selected that restrict distribution to the account (e.g. "Amortize with Inflation"). If this box is checked, and there is an income shortfall, TRAK will override the restricted distribution and take money from the account.

Restricted Distributions

Enable Restricted Distributions ☒ Yes

4.1.1 DISTRIBUTION METHOD

There are various distribution methods for accounts with cash balances at retirement. The following is a list of the methods and brief descriptions. Be aware that all payout methods (except 'Annuitize') may be subject to RMD (Required Minimum Distribution), which may affect the goal of the selected method.

- Annuitize: This annuitizes the account over the life expectancy of the owner. The value entered is the payout in dollars per thousand per month. So, if the account at retirement is \$100,000, entering a rate of \$5 would yield a monthly value of \$500.
- Use Funds as Needed: Funds are distributed as needed.

Note: The following distribution methods are categorized as restrictive distribution methods. This means that funds are not available for distribution if the restrictions on distribution have already been met. For example, if the distribution method is set to "Retain Principal", the distributions are limited to reducing the cash balance of the account to the value it was at retirement.

- Retain Principal: This limits distributions to the interest earned .
- Amortize, no inflation: Equal payments are made over retirement years. The payment is calculated so that at life expectancy the account will be depleted.
- Amortize, with inflation: Equal payments over retirement that are annual adjusted by inflation. The payment is calculated so that at life expectancy the account will be depleted.
- Percent of Account: Allows for a specific percent of the account balance to be paid out each year during retirement. If the need is less than the calculated annual distribution, the distributions may be less than the specified percentage.
- RMD Only: Only Required Minimum Distributions are made from the account. Note that these are made on the last payment of the calendar year.
- Dollar Value, No Inflation: A specified dollar distribution per month over retirement. No adjustments are made to the distribution.
- Dollar Value with Inflation: A specified dollar distribution per month over retirement with annual inflation adjustments made to the distribution.

4.2 CLIENT

The Gap Analysis "Client" (and "Spouse" tab if enabled first on the "[Setup](#)"^[69] tab) are used for data input about the respective person. The data entry is identical for both client and spouse tabs.

For each client (and/or spouse), enter their "[Personal](#)"^[72] information. Then, move on to the "[Retirement Plan](#)"^[74] section for further configuration.

4.2.1 PERSONAL

Starting with the top section, enter the data at the prompts for the date of birth, gender (for life expectancy estimates) and the age (and month) for retirement. Once entered, TRAK will automatically update the age, the calendar year of retirement and how many years until retirement the dates represent. After this information is completed, the next step will be to configure the "[Retirement Plan](#)"^[74].

Gap Analysis CLIENT: Jane Doe

SETUP CLIENT ACCOUNTS RETIREMENT INCOME CALCULATIONS REPORTS

PERSONAL RETIREMENT PLAN

Personal Information

Date of Birth: 8/1/1965 Current Age: 53y

Gender: Female

RETIREMENT

Retire Age: 67 Retirement Age: 67y 10m

Retire Month: June Years until Retirement: 14y 10m

Retirement Date: 6/30/2033

Scrolling down to the next section, enter the gross income, paychecks per year and any raises expected.

Income

Monthly Income: \$4,500 Pay per Year: 12

RAISES

Annual Raise: 3.00% Month Raise Occurs: July

Raise Configuration: Every year

Moving down to the next section, select options for handling Social Security. If Social Security is to be included in the Gap Analysis, select one of 3 options of when to start

payments: at retirement or 62 (which ever comes last), at an age no benefit penalty will occur or, at a specified age. If "Specified Age" is chosen, enter the age in the field that displays.

Social Security

Start Payments

Do not Calculate

Retirement or 62 (latter of)

Age no penalty occurs

Specified Age

If Social Security is elected to be included, chose the "Calculation Method". If TRAK is to calculate the value, chose "Calculate" from the drop down menu. If the benefit amount is known or estimated, select either "Value at Retirement" or "Today's Value".

Calculation Method

Today's Value

Monthly Income

\$0

Note: If TRAK is configured to calculate the value, here is more detailed information on how TRAK calculates the benefit values, [click here](#)³¹².

Select the number of "Income Years for Social Security" from the drop down list. If the client is subject to the "Windfall Elimination Provision" (i.e. a client has less than 30 years of substantial income as defined by the Social Security Administration), select "Yes" and then select the number of "Years of substantial earnings at retirement" from the list. To view the values that the SSA (Social Security Administration) uses to define 'substantial earnings' and any WEP (Windfall Elimination Provision) reductions, [click here](#).

Finally, enter the desired percentage of TRAK's calculated Social Security benefit value to illustrate. For clients with substantial years until retirement (10-15 years or more), it is recommended that this value be set conservatively.

Social Security

Start Payments

Age no penalty occurs

Calculation Method

Calculate

Income years for Social Security

35 or more

Subject to Windfall Elimination Provision

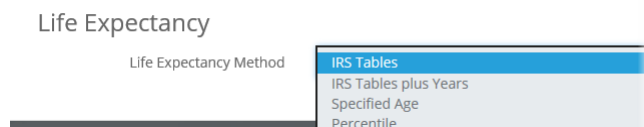
No

Percent of Calculated Value

50.00%

Finally, select the desired "Life Expectancy" of the client. There are four possible methods used to determine the life expectancy of the client (or spouse) at retirement including

using the "IRS Tables", "IRS Tables plus Years", "Specified Age" or "Percentile". Select an option from the drop down menu.



If "IRS Tables" is selected, this is the life expectancy of the client at retirement.

Note: If the retirement age changes, the life expectancy date of the client will also change.

If "IRS Life Tables plus Years" is selected, enter the number of years in the prompt to the right. Again, if the retirement age changes, the life expectancy date of the client will change.

If a "Specified Age" is selected, enter that value for the life expectancy for the client.

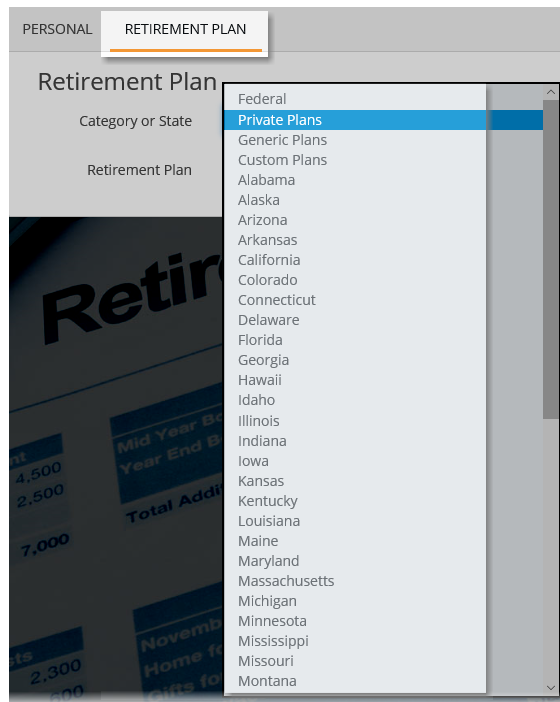
Finally, if "Percentile" is selected, enter the percentile of life expectancy the client will theoretically live to. For example, a value of "90" for percentile would indicate that at retirement they expect to outlive 90 percent of the population.

4.2.2 RETIREMENT PLAN

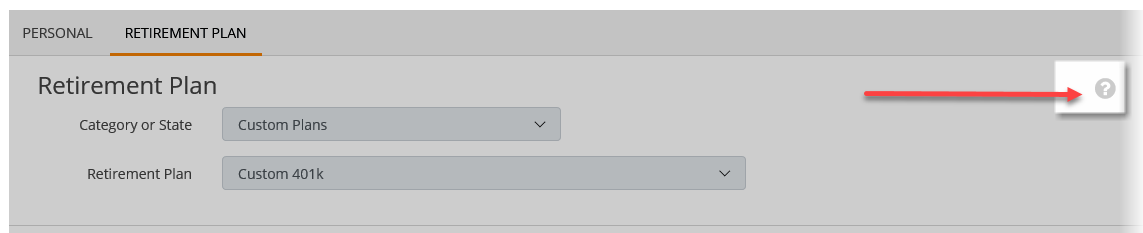
When finished with entering the "Personal"⁷² data, clicking here on "Retirement Plan" allows for configuring a number of different retirement plan options. Depending upon the plan chosen, new tabs may be displayed for further configuration (i.e. Federal plans such as FERS, etc.). Retirement plans fall into several categories and are available to configure in TRAK. They include:

- [Defined Contribution Plans](#)⁷⁶
- [Defined Benefit Plans](#)⁷⁹
- [State Pension Plans](#)⁸²
- [Federal Plans](#)⁸³ (CSRS, CSRS with Offset and FERS)
- [Private Pension Plans](#)⁹¹

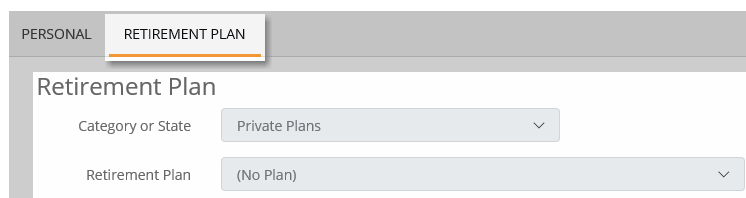
Note: Some retirement plans may require custom input. [Click here](#)⁹² for more information about additional prompts.



Click the "?" to the right of the screen for more details on the various plans built into TRAK. If a custom retirement plan has been created previously, it will be available and listed by selecting "Custom Plans" from the drop down list next to the "Category or State" prompt.



Note: TRAK can be configured for no selected retirement plan. For example, if a client is working and is currently in a retirement plan and a spouse has been included but the spouse is not in a plan, etc. To do this, select "Private Plans" in the drop down list next to the prompt for "Category or State", then select "(No Plan)" next to the "Retirement Plan" prompt.



4.2.2.1 Defined Contribution Plans

TRAK supports a number of different types of defined contribution plans:

State Plans

TRAK includes many of the state defined contribution plans (such as 'Texas ORP'). These plans may be selected from the list. (If you are working with a state retirement plan that is not listed, it can be added to the system by providing RetireReady™ with the plan document. Contact us at support@retireready.com for more information.)

Custom Plans

Custom defined contribution retirement plans may be added to the list of plans by [clicking here](#)^[31]. Custom plans allow for safe harbor matching with multiple tiers, and the plan to be named and displayed in reports.

Pre-defined Plans

There are a few pre-defined contribution plans. To view the list, select "Generic Plans" next to the prompt for "Category or State", then, click on the drop down menu. Here are there some generic 401(k) plans and a few [Defined Benefit Plans](#)^[79]. Additionally, selecting '401(k) - Custom' from the list allows for configuring a defined contribution plan with an employer match.

The screenshot shows the 'Retirement Plan' configuration screen. The 'Category or State' dropdown is open, displaying a list of pre-defined plans. The '401(k) Custom' option is highlighted in blue. Other options include various 401(k) plans with different match percentages and Generic DB plans with different crediting rates.

Category or State	Retirement Plan
401(k) 5% Employee Contribution with a 100% Match to 5%	
401(k) 5% Employee Contribution with a 50% Match to 5%	
401(k) Custom	
401(k) Employee Contribution with a 100% Match to 4%	
401(k) Employee Contribution with a 100% Match to 5%	
401(k) Employee Contribution with a 50% Match to 5%	
401(k) Employee Contribution without Matching	
Generic DB 1.5% Crediting with Catch-Up	
Generic DB 2% Crediting with Catch-Up	
Generic DB Nonprofit, 1% Crediting, & without Catch-Up	
Generic DB Nonprofit, 1.5% Crediting, & without Catch-Up	
Generic DB Nonprofit, 2% Crediting, & without Catch-Up	

Note: To see a list of more prompts for configuration for defined contribution plans, [click here](#)^[77].

4.2.2.1.1 Defined Contribution Prompts

Depending upon which defined contribution plan is selected, the data input fields available may change. Below is a list of the inputs that may be visible:

Data Input

Custom Plan Name - This is asked if the 401(k) - Custom plan is selected as the retirement plan. It allows for naming the retirement plan for use in the calculation pages. (This allows for the data to be less generic and more personalized for the client).

Date Entered Plan - This is the date that the client entered the retirement plan. It is only visible when the plan uses years of service as part of the employer contribution value.

Account Balance - Enter the current balance of the account.

Pre-retirement rate of return - Enter the hypothetical rate of return for the account.

Employee Class - This prompt will be displayed for custom defined contribution plans (defined in Setup/Retirement Plans) with Employee Class method of profit sharing. Select the class of employee for the applicable profit sharing rate.

Employer Contribution - These prompts allow for quickly configuring a simple employer match.

Employer Matching

Employer Percent Match - Enter the percent of the employee's contribution that the employer matches.

Maximum Percent Match - Enter the maximum percent of the paycheck that the employer will match.

Percent of Paycheck - If the employer contributes a percent of the employees paycheck, regardless of the employees contribution, enter the value here.

Contributions

Contribution Method - Select Percent of Pay, Dollar or Maximum for the contribution method.

Note: The Maximum method limits contributions based on the retirement plan type (e.g. for 2018 the 401(k) participant contributions are limited to \$18,500) but is not limited by earnings. The Maximum method is indexed to inflation.

Contribution(s) per Year - Enter the number of times a contribution is made per year. Note that if Percent of Pay is selected as the Contribution Method, this prompt will not be available.

Contribution Value - Enter the value of each contribution: for the deposit type "Dollar," enter the dollar contribution. For the deposit type "Percent of Pay," enter the percent of pay that the employee contributes.

Annual Increase Method - Select the method for increasing the client's contribution in future years. Each method is discussed below.

No Increase - Select this method if there is to be no future increase in the contribution value. Note if the Contribution Method for the client is Percent of Pay and the client (spouse) has a raise, the dollar value of the contribution will increase when the client receives a raise, but the percent of the client's (or spouse's) pay will remain the same.

Increase in Value - This method will increase the value of the client's contribution as a value. If the Contribution method is Dollar then the increase value will be in a dollar value, and will be per contribution. If the method is Percent of pay then the contribution will be an increase in the contribution percent. Contribution increases occur when the client receives a raise.

Examples:

If a client is currently contributing \$100 monthly and selects Increase in value with a \$25 increase, the future contributions will increase to \$125 per contribution the first year, \$150 the second year, \$175 the third year, etc.

If a client is currently contributing 5% per paycheck and selects Increase in value with a 1% increase, the future contributions will increase to 6% the first year, 7% the second year, 8% the third year, etc.

Percentage Increase - This method will increase the contribution by a specified percent. Increases occur when the client receives a raise.

Examples:

If a client is currently contributing \$100 monthly and selects Percentage Increase with a 10% increase in percentage, the future contributions will increase to \$110 per contribution the first year, \$121 the second year, \$133.10 the third year, etc.

If a client is current contribution 10% of their paycheck and selects Percentage Increase with a 10% increase in percentage, the future contributions will increase to 11%, 12.1%, 13.31%, 14.46%, etc.

Account Distributions

Method for Distribution - Select the method for distribution. For more information about payout methods, [click here](#)^[70].

Interest Rate or Annuity Rate - This prompt corresponds to the payout method and is the value in retirement for the account.

Annual Percent to Distribute - If the Method for Distribution is Percent Of Account, enter the percent of the account to payout each year.

Roth Account

Custom defined contribution plans can have Roth accounts included with them. Roth contributions can have matching employer contributions, with the matching contributions deposited to the employees pretax account. The prompts here are similar to what was discussed previously, except for the ability to increase contributions in future years.

4.2.2.2 Defined Benefit Plans

TRAK has a large number of defined benefit plans programmed into the software. These include:

State Pension plans

RetireReady™ actively maintains a list of over 600 [state public pension plans](#)^[82].

Federal Plans

CSRS and FERS are available for selection. When using a Federal Plan additional options for Federal specific settings are available, such as employment type, military service, and configuring the Pre-Tax and Roth Federal Savings Plan. [Click here](#)^[83] for more information on those plans.

Private Pension plans

Some Defined Benefit plans have been added into TRAK. If a plan is not listed, please contact support@retireready.com for information about adding plans into TRAK. For more on private pension plans, [click here](#)^[91].

Note: For a full list of available data entry prompts normally used for defined benefit plans, [click here](#) ⁸⁰.

4.2.2.2.1 Defined Benefit Prompts

The following prompts may appear for various defined benefit retirement plans:

Method to Calculate Years-of Service: Choose either the date of the client's employment (if known) or, select the option for years of service up through a known date

- Date Entered Plan: Enter the date the client or spouse started participating in the defined benefit plan.
- Years of Service Through: If the client or spouse has a known number of years in the plan by a certain date, enter those values.

Note: Some defined benefit plans have variable crediting options that prevent the option to calculate years of service through a certain date. For discussion about a particular plan's crediting setup, consult with the plan's documents or reach out to support@retireready.com.

Additional Funds - Enter additional funds to be added to the Final Average Salary. This may include items such as unused sick leave or unused vacation time. See the plan handbook for specific information.

Additional YOS - Enter additional years of service for the retirement plan. This may include military service creditable under the plan.

Spouse's DOB - This prompt will display in the Client's Retirement Plan tab if the illustration does not include the spouse.

Note: Clearing the spouse's date of birth will remove the survivor benefit options for the defined benefit plan.

Customized Cost of Living Adjustments (COLA) - This group of prompts will be displayed for defined benefit plans that do not have specific COLA options configured in the retirement system.

Warning: The COLA configuration may have a significant impact on additional savings required for a successful retirement. An incorrectly configured COLA can result in a significant difference of under-funding or over funding retirement.

Override internally configured COLA - Check this box to override the internally configured COLA.

Increase method - There are three methods to configure the DB plan's COLA:

1. Tied to inflation: Select this to tie the COLA to the retirement inflation rate (entered in the "Retirement Income" tab). Limits on the COLA can be configured below.
2. Compounded Fixed Rate: Select this if the COLA is a fixed compounded rate. The COLA is entered below and can occur irregularly (e.g. every other year) .
3. Simple Fixed Rate: Select this if the COLA is a simple COLA (not compounded). The COLA is entered below and can occur irregularly (e.g. every other year) .

Increase Frequency - Select the frequency the COLA occurs: Every Year, Every Other Year or Every Third Year.

Percent of inflation - This prompt is available if the Increase method is Tied to inflation. Enter the percent of inflation that the COLA matches.

Maximum COLA - This prompt is available if the Increase method is Tied to inflation. Enter the maximum COLA rate.

Fixed COLA rate - This prompt is available if the Increase method is either of the fixed methods. Enter the fixed compounding or simple (as selected) COLA rate.

Divorce Reduction Method - This allows for configuring a reduction to the pension due to a divorce. The options are:

1. None: No reduction occurs.
2. Percent: The method for reducing the pension is by a percentage. A new Percent Reduction prompt will be displayed. Enter the percent the pension is to be reduced. For example, a 25% reduction for a \$1,000 benefit would result in a \$750 payment for the client.
3. Dollars per Month: Enter the monthly dollar value to reduce the annuity for the client. A new Monthly Dollar Reduction prompt will be displayed. Enter the monthly reduction to the annuity.

4.2.2.3 State Pension Plans

RetireReady™ actively maintains a list of over 600 state pension plans with more being added each year. For example, here is pension from the state of Oregon. Notice the various prompts specific to this pension:

PERSONAL

RETIREMENT PLAN

Retirement Plan

Category or State

Oregon

Retirement Plan

Oregon OPSRP General Employees

Plan Option

Option 1

Option 1 provides the highest monthly income benefit from the plan. This is because the benefits are paid for the retiree's lifetime only. No benefit continues to a survivor after the retiree's death.

Date Entered Plan

1/1/2010

Spouse DOB

1/1/1965

Final Average Salary Calculation Method

Exact

Additional Funds

\$0

Additional Years of Service

0

Breaks In Service

Breaks in Service occur within the retirement plan

No

Divorce Reduction

Divorce Reduction Method

None

IAP Funding

Current Account Balance

\$25,000

Employee Contribution

6.0000%

Employer Contribution

0.0000%

Rate of Return

7.5000%

Retirement Distributions

Use Cash Balance for Retirement Income

Yes

Distribution Method

Use Funds as Needed

Interest Rate

4.00%

Scrolling down for more of the options for this pension reveals more details:

4.2.2.4 Federal Plans

When a client is in the federal retirement system, select "Federal" from the drop down list next to the "Category or State" prompt, then, choose either CSRS, CSRS with Offset, or FERS. Data input will vary slightly depending upon which of the 3 are selected. The prompts for data entry vary slightly depending upon which of the three federal systems are chosen. For more detail on CSRS and CSRS with Offset in TRAK, [click here](#)⁸⁹. Below are for clients in FERS.

FERS

On this screen, enter the "Plan Option", and the "Service Computation Date" (SCD), a spouse's date of birth (DOB) if applicable (necessary for TRAK to illustrate survivor options) and the "Final Average Salary Calculation Method" (either "Exact", "Rounding", or "Manual"). To have TRAK calculate the benefit, select "Exact". If "Rounding" is selected, the values will be calculated and rounded (as in the case of partial years, etc.) and, if "Manual" is selected, the value can be manually input if that is available from the client. Note that the SCD may not be the date the client entered federal employment.

The screenshot shows the "Retirement Plan" configuration screen in the TRAK system. The "RETIREMENT PLAN" tab is selected. The "Category or State" dropdown is set to "Federal". The "Retirement Plan" dropdown is set to "FERS". The "Plan Option" dropdown is set to "Unreduced Annuity". Below this dropdown, a note states: "The Life Income Annuity option provides the highest monthly income benefit from the plan. This is because the benefits are paid for the retiree's lifetime only. No benefit continues to a survivor after the retiree's death." The "Service Computation Date" field is set to "1/1/2000". The "Spouse DOB" field is set to "1/1/1965". The "Final Average Salary Calculation Method" dropdown is set to "Exact".

Next, scrolling down for further configuration, toggle "Yes" if there are future breaks in service planned for the client and enter those dates in the fields provided. Additionally, if there are any divorce reductions, enter the method (percent or dollars per month) and then fill in the reduction value.

Note: Breaks in service in the past would normally have been included in the current value for SCD.

Breaks In Service

Breaks in Service occur within the retirement plan ☒ Yes ☐ No

Date of Entry	12/31/1995	Retirement Date	1/31/2033
Percent Crediting	100.00%	Years of Service	37.09

[Add a Break in Service](#)

Total Years of Service **37.09**

Divorce Reduction

Divorce Reduction Method

FEDERAL INFORMATION TAB

Next, click on the "FEDERAL INFORMATION" tab to the right of the "RETIREMENT PLAN" tab and configure more federal employee options such as when to start retirement ("Start Retirement Distributions At"), the client's "Employment Type", and the "Retirement Type" if the default selections do not apply. If the client changed from CSRS to FERS, toggle "Yes" for "Member Transferred from CSRS to FERS" and enter the date which that occurred.

Federal Information

Start Retirement Distributions At

	Current Selection	Earliest with Income & No Penalty	Earliest Possible
Retirement Age	67y	57y 9m	57y
Retirement Date	11/30/2039	8/31/2030	11/30/2029
Qualifying Years of Service	40y 2m	30y 6m	29y 8m
Crediting Years of Service	40y 2m	30y 6m	29y 8m
Distribution Start Age	67y	57y 9m	57y
Distribution Start Date	11/30/2039	8/31/2030	11/30/2029
Value of Primary Option	\$5,697	\$2,991	\$2,148
Monthly Penalty	\$0	N/A	\$700

Employment Type

*When clients reach age 62 they are eligible for the full annuity (as long as other criteria met) so, the software locks the "Specific Age" option in "Start Retirement Distributions At" at 62.

FEDERAL SUPPLEMENT

In the next section, "FEDERAL SUPPLEMENT", if the client is eligible for the FERS Supplement, TRAK can automatically calculate the value or by choosing "Enter Age 62

Value" a value can be manually entered. If the supplement is not showing up in the calculations or reports for the client, verify that the client/spouse has the full amount of required years of service in the Calculations | Overview report under Retirement. From FERS documentation, retiring below age 60 the person needs 30 years or at age 60+ 20 years. It is specific to the month so, the YOS (SCD), age and desired retire at date are crucial here.

PERSONAL RETIREMENT PLAN **FEDERAL INFORMATION** FEDERAL SAVINGS PLAN

Federal Information

Start Retirement Distributions At No Penalty Age

Employment Type Regular

Retirement Type Regular

Member transferred from CSRS to FERS No

FEDERAL SUPPLEMENT

Method to determine Social Security at age 62 Calculate Value

Supplement has annual COLA No

In the last section, if the client desires to have TRAK's reports reflect any military time, both unpurchased and purchased, enter those values in the fields provided.

Note: This is only for reflecting military time served on the reports. If there is unpurchased military time entered as a value, this may reduce the retirement benefits since that time would have needed to have been bought back to count toward civilian service.

Finally, enter any "Unused Sick Leave at Retirement". This will potentially increase years of service values for retirement benefits. This is normally 4 hours per pay period. Any current accumulated time would show on the client's leave & earnings statement.

Military Service

Service Computation Date Includes Military Service

Yes ☐

Unpurchased Military Time in Service Computation Date

0

Purchased Military Time in Service Computation Date

0

Unused Sick Leave at Retirement

Calculator	
<input type="checkbox"/> FERS Employee is a Title 38 VA Nurse	
Average hours saved biweekly until retirement	0
Number of two-week periods until retirement	× 378
Hours to be Credited until retirement	0
Current accumulated sick leave hours saved	+ 0
Estimated sick leave hours at retirement	0
Hours per year	÷ 2087
Additional years of service credited at retirement	0.0000

DEPOSIT and REDEPOSIT

For federal employees that to ensure the highest possible retirement benefit but may have left federal service or withdrawn retirement funds, these may need to be accounted for to ensure the correct illustration. For DEPOSIT, this would relate to non-deduction years of service in the case where deductions were not made (say for part-time service). To have those years included, a deposit would be required. For clients needing to REDEPOSIT, this would apply in situations where there was federal service but then, for a period of time, the individual left federal service (such as working in the private sector) but then returned to federal employment. If the client, when first leaving, withdrew retirement contributions, those funds would need to be repaid to count toward their retirement benefit, thus a redeposit. If either option is selected, more data prompts will need to be entered.

FERS Deposit

Deposit Years of Service 0.0000

☐ Federal Service Includes Time when Deductions Were Not Withheld from Pay

FERS Redeposit

Redeposit Years of Service 0.0000

☐ FERS Participant Has Taken Distribution on Prior Deposits

FEDERAL SAVINGS PLAN OR FEDERAL TSP TAB

The final tab for configuration on federal retirement plans is the "FEDERAL SAVINGS PLAN" or "FEDERAL TSP" if this option was checking in the configuration for [Federal Plans](#)^[48]. If that option was selected, [additional configuration options are available](#)^[90]. Enter the client's values and select "Yes" if there is a ROTH account to include. Input the values for the "Pre-Tax Account" (balance in account, contribution percentage and rate of return), and then configure how those funds will be used in retirement under "Account Distribution". Finally, configure the "[Distribution Method](#)"^[70] and the interest rate during distribution and then configure the starting of those distributions from the options on the drop down list.

The screenshot shows the "FEDERAL SAVINGS PLAN" tab in a software interface. At the top, there are four tabs: "PERSONAL", "RETIREMENT PLAN", "FEDERAL INFORMATION", and "FEDERAL SAVINGS PLAN", with the last one being active. Below the tabs, the "Federal Savings Plan" section contains a "Contribution Method" dropdown set to "Percent of Income" and an "Include Roth Account" toggle set to "Yes". Below this is a sub-section with two tabs: "PRE-TAX ACCOUNT" (active) and "ROTH ACCOUNT". Under "PRE-TAX ACCOUNT", there are three input fields: "Current Balance" set to "\$0", "Contribution Per Paycheck" set to "0.00%", and "Pre-Retire Rate of Return" set to "6.00%". Below these is the "Account Distribution" section with three dropdowns: "Distribution Method" set to "Use Funds as Needed", "Interest Rate" set to "4.00%", and "Distribution Start Method" set to "At Retirement". At the bottom of the form, a small text note reads: "The agency will contribute 1% of pay, match 100% of the first 3% of the contribution, and match 50% of the next 2%."

To set "TSP Annuity" as the distribution method for illustration, select that option from the list and then select the type. This will be reflected on the "[TSP Account Summary](#)"^[149] in the "[Calculations](#)"^[107] section.

Account Distribution

Distribution Method: Use Funds as Needed

Rate of Return: 4.0000%

Distribution Start Method: At Retirement

The agency will contribute 1% of pay, match 100% of the first 3% of the contribution, and match 50% of the next 2%.

Note: If a Roth Account is included, toggle "Yes" and enter those values.

PRE-TAX ACCOUNT **ROTH ACCOUNT**

Current Balance: \$0

Contribution Per Paycheck: 0.00%

Pre-Retire Rate of Return: 6.00%

Account Distribution

Distribution Method: Use Funds as Needed

Interest Rate: 4.00%

Distribution Start Method: At Retirement

The agency will contribute 1% of pay, match 100% of the first 3% of the contribution, and match 50% of the next 2%.

4.2.2.4.1 CSRS and CSRS with Offset

If a client is in the CSRS or CSRS with Offset, TRAK will have different data entry prompts, such as, for both, there is a prompt to check the box to verify that the "Member has 40 quarters in Social Security by age 62" and if the client is a VA Employee or Postal worker (see below). Notice also that there is a benefit message specific to CSRS that is displayed regarding survivor benefits, "Each retiring employee, married or unmarried, may elect an annuity payable only during his or her lifetime with no survivor benefits. However, in the case of a married employee, this election may be made only if spousal consent is obtained or waived."

Note: There is a message with CSRS employees that states, "Warning! Retirement plan expects date of employment to be before 1/1/1984." which displays if the Service Computation Date (SCD) is after that date. However, even with this warning, the software will still produce the Gap Analysis.

PERSONAL RETIREMENT PLAN **FEDERAL INFORMATION** FEDERAL SAVINGS PLAN

Federal Information

Start Retirement Distributions At No Penalty Age

Employment Type Regular

Retirement Type Regular

Member will have 40 quarters in Social Security by age 62 ☐

Unused Sick Leave at Retirement

Calculator

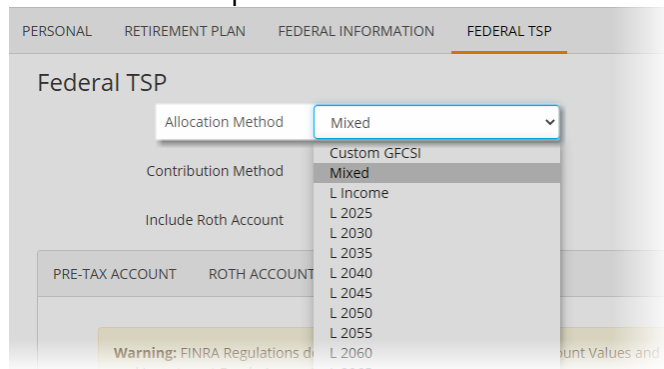
☐ CSRS Participant Is a VA Employee or Postal Worker

Average hours saved biweekly until retirement		0
Number of two-week periods until retirement	×	378
Hours to be Credited until retirement		0
Current accumulated sick leave hours saved	+	0
Estimated sick leave hours at retirement		0
Hours per year	÷	2087
Additional years of service credited at retirement		0.0000

If the client is a CSRS with Offset, TRAK needs to be configured for additional calculations for the Offset.

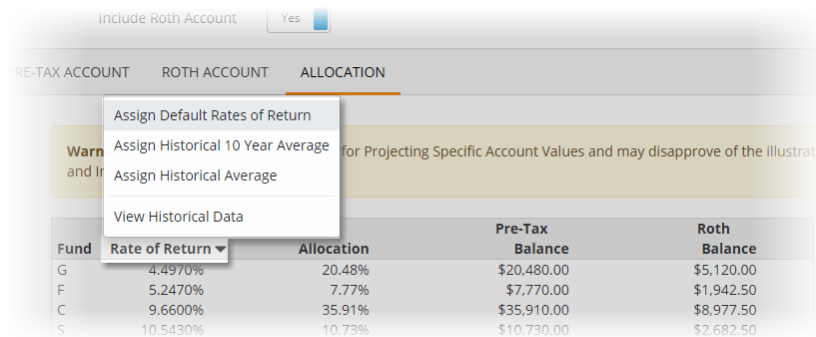
4.2.2.4.2 FEDERAL TSP

To configure these options, first select from the list of available allocations which include custom and mixed options:



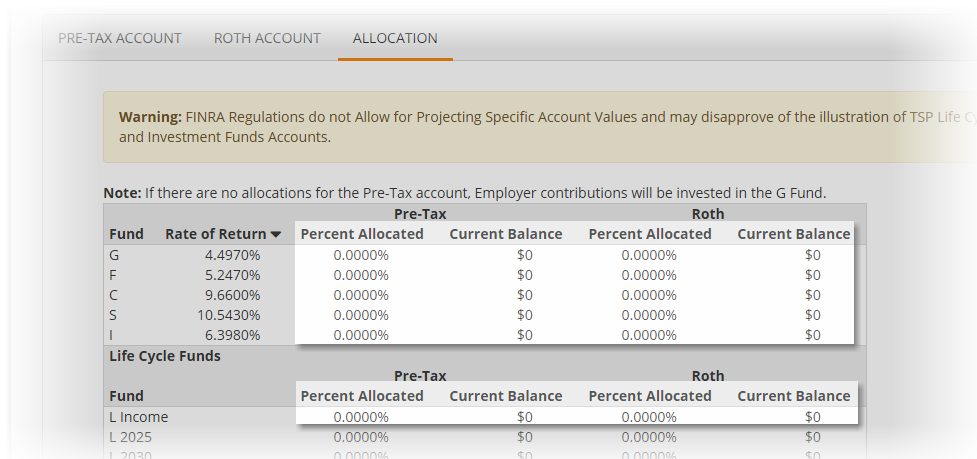
Selecting one of the L fund allocations will configure the account balances accordingly.

For the rates of return, select the option desired such as the default or 10 year historical, etc.:



Fund	Rate of Return	Allocation	Pre-Tax Balance	Roth Balance
G	4.4970%	20.48%	\$20,480.00	\$5,120.00
F	5.2470%	7.77%	\$7,770.00	\$1,942.50
C	9.6600%	35.91%	\$35,910.00	\$8,977.50
S	10.5430%	10.73%	\$10,730.00	\$2,682.50

NOTE: Choosing either the mixed or custom options for allocation will require manual percent and balance allocation configuration. To manually edit, click on the fields in the grid and enter the values.



Warning: FINRA Regulations do not Allow for Projecting Specific Account Values and may disapprove of the illustration of TSP Life Cycle and Investment Funds Accounts.					
Note: If there are no allocations for the Pre-Tax account, Employer contributions will be invested in the G Fund.					
		Pre-Tax		Roth	
Fund	Rate of Return	Percent Allocated	Current Balance	Percent Allocated	Current Balance
G	4.4970%	0.0000%	\$0	0.0000%	\$0
F	5.2470%	0.0000%	\$0	0.0000%	\$0
C	9.6600%	0.0000%	\$0	0.0000%	\$0
S	10.5430%	0.0000%	\$0	0.0000%	\$0
I	6.3980%	0.0000%	\$0	0.0000%	\$0
Life Cycle Funds					
		Pre-Tax		Roth	
Fund		Percent Allocated	Current Balance	Percent Allocated	Current Balance
L Income		0.0000%	\$0	0.0000%	\$0
L 2025		0.0000%	\$0	0.0000%	\$0
L 2030		0.0000%	\$0	0.0000%	\$0

4.2.2.5 Private Pension Plans

Private defined benefit plans (such as hospital pension plans) may be added to the system. Contact support@retireready.com for information. (A plan document describing how to perform the plan calculations must be provided).

The screenshot shows a web interface for selecting a retirement plan. At the top, there are two tabs: 'PERSONAL' and 'RETIREMENT PLAN', with 'RETIREMENT PLAN' being the active tab. Below the tabs, the heading 'Retirement Plan' is displayed. Under this heading, there are two labels: 'Category or State' and 'Retirement Plan'. The 'Category or State' dropdown menu is set to 'Private Plans'. The 'Retirement Plan' dropdown menu is open, showing a list of options. The first option is '(No Plan)'. The second option is 'Adventist Hospital Retirement Plan'. The third option is 'Deaconess Hospital Retirement Plan'. The fourth option is 'Diocese of Orange Lay Employee Pension Plan'. The fifth option is 'Florida City of Jacksonville Officer's Plan'. The sixth option is 'Good Samaritan Hospital Retirement Plan (hired after 12/31/2001)'. The seventh option is 'Good Samaritan Hospital Retirement Plan (hired before 1/1/2002)'. The eighth option is 'Mercy Advantage Retirement Plan'. The ninth option is 'Mercy Retirement Savings Plan'. The tenth option is 'New Mexico PERA State Police Plan 1 Tier 2'. The eleventh option is 'Nonprofit with Catch-Up (no retirement plan)'. The twelfth option is 'Nonprofit without Catch-Up (no retirement plan)'. The thirteenth option is 'Pontiac Osteopathic Hospital Retirement Plan'. The fourteenth option is 'Sisters of Mercy Retirement Plan'. The fifteenth option is 'St. John's Medical Center Employee Pension Plan'. The sixteenth option is 'Trinity Health Retirement Savings Plan'.

4.2.2.6 Special Retirement Plan Prompts

Some retirement plans may have prompts specific to the plan. For example, California STRS has a defined benefit supplement account that is included in the pension system which requires additional data entry to be made. TRAK will display the prompts below the other pension plan prompts.

PERSONAL

RETIREMENT PLAN

Retirement Plan

Category or StateCalifornia

Retirement PlanCalifornia STRS (hired before 1/1/2013)

Plan OptionMember-Only Benefit

The Member-Only Benefit is usually the highest monthly benefit available when you retire. It provides a monthly benefit for your lifetime, but the benefit stops after you die. Any contributions and interest remaining in your account at the time of your death, minus the total amount already paid to you, will be paid to your designated death benefit recipients.

Date Entered Plan1/1/2000

Note: As shown below, more details on specific custom plan field can be viewed by clicking on the "?" for help.

Defined Benefit Supplement

DBS Account Value at retirement\$0

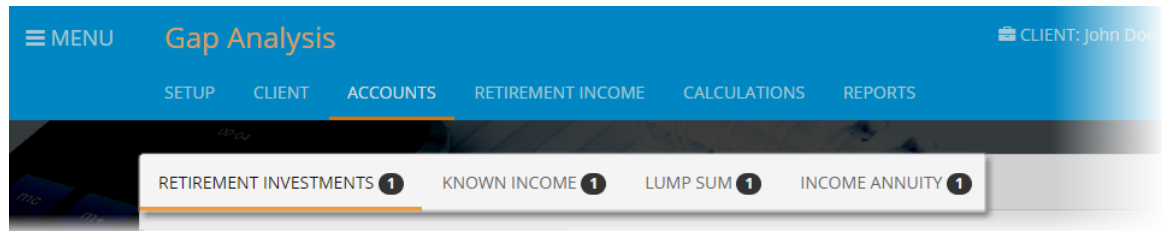
DBS Account Value at Retirement refers to the value of the Defined Benefit Supplement Account that may provide additional income for retirement.

Estimated DBS Account Value\$13,258

Estimated DBS Account Value at Retirement refers to a software estimated value of the Defined Benefit Supplement Account that will provide additional income for retirement.

4.3 ACCOUNTS

Beyond a primary retirement plan or pension, clients may have additional accounts with balances that can be used to fund their retirement. TRAK allows for many different types of accounts and assets to be configured for the Gap Analysis program.



Accounts are broken into 4 categories. Click on each link for more detailed information:

[RETIREMENT INVESTMENTS](#)  94

[KNOWN INCOME](#)  99

[LUMP SUM](#)  101

[INCOME ANNUITY](#)  102

4.3.1 RETIREMENT INVESTMENTS

Investments that are actively growing and possibly still being contributed to can be entered here. Those accounts might be Roth IRA or old 401(k) accounts, or any cash balance accounts. Click the green "Add New Account" button then enter the values in the 4 sections.

The screenshot shows a web application interface for managing retirement investments. At the top, there are four tabs: 'RETIREMENT INVESTMENTS 1', 'KNOWN INCOME 1', 'LUMP SUM 1', and 'INCOME ANNUITY 1'. The 'RETIREMENT INVESTMENTS 1' tab is selected. Below the tabs, there is a list of accounts on the left, with 'Roth IRA' selected. To the right of the list is a form titled 'Retirement Investments'. The form has four tabs: 'INFORMATION', 'CONTRIBUTIONS', 'TRANSFER', and 'DISTRIBUTION'. The 'INFORMATION' tab is active. It contains the following fields:

- Account Name: Roth IRA
- Current Balance: \$100,000
- Uses Glide Path: No
- Pre-Retirement Rate of Return: 6.00%
- RMD Method: None

At the bottom left of the form, there is a green button labeled 'Add New Account'.

INFORMATION

Enter the name of the account, any current balance, the rate of return before retirement and any "RMD Method" (required minimum distribution) applicable. [Glide Path](#)⁴⁸ configuration for altering the rate of return prior to retirement may also be available per investment account if this was not setup initially on the Gap Analysis [SETUP](#)⁶⁹ tab.

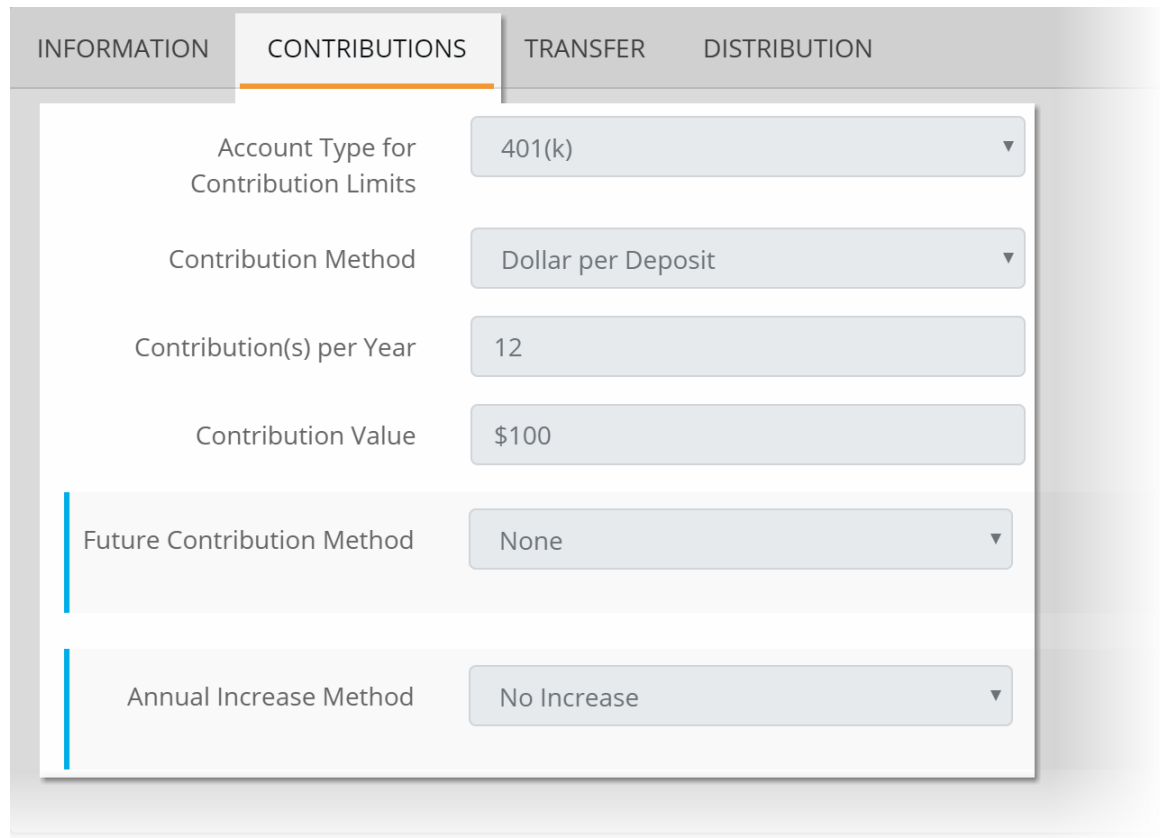
The screenshot displays the 'INFORMATION' tab of a software interface. It contains four input fields:

- Current Balance:** A text box containing '\$100,000'.
- Uses Glide Path:** A toggle switch currently set to 'No'.
- Pre-Retirement Rate of Return:** A text box containing '6.00%'.
- RMD Method:** A dropdown menu currently showing 'None'. A zoomed-in view of this dropdown is shown below the main form, revealing three options: 'None' (highlighted in blue), 'RMD at 72', and 'Inherited RMD'.

Note: If there is an RMD at age 72, select that option. If this account has an "Inherited RMD", then enter the year the account was inherited. This will allow the software to calculate the proper RMD.

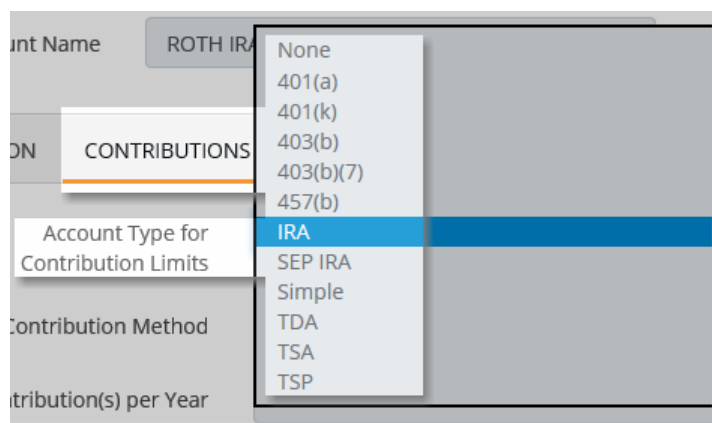
CONTRIBUTIONS

Moving on to the "CONTRIBUTIONS" tab, configure how contributions are made (if any) to the account.



INFORMATION	CONTRIBUTIONS	TRANSFER	DISTRIBUTION
Account Type for Contribution Limits	401(k)		
Contribution Method	Dollar per Deposit		
Contribution(s) per Year	12		
Contribution Value	\$100		
Future Contribution Method	None		
Annual Increase Method	No Increase		

There are several options available for "Account Type for Contribution Limits" on the drop down menu. Each account may have different limits per calendar year and any catch-up provisions, etc. In this illustration, IRA is selected.



Account Name	CONTRIBUTIONS
ROTH IRA	<div> None 401(a) 401(k) 403(b) 403(b)(7) 457(b) IRA SEP IRA Simple TDA TSA TSP </div>

On the "Contribution Method", select either a "Dollar per Deposit", "Percent of Pay" or "Maximum" for the maximum allowable contribution.

Contribution Method	<div>Percent of Pay</div> <div>Dollar per Deposit</div> <div>Maximum</div>
---------------------	--

Next, enter how many contributions (if any) that will be made in a year and what that amount will be (if contribution method other than "Maximum" was selected). And then, finally, if there are any planned increases to those contributions, configure that along with how many years that will be in effect.

Contribution Value	\$100
Annual Increase Method	<div>No Increase</div> <div>Increase in Value</div> <div>Percentage Increase</div>
Annual Dollar Increase in Each Deposit	\$0
Years to Increase the Contribution	0

Now, on the final tab under "RETIREMENT INVESTMENTS", configure how the funds will be used (distributed) for retirement income needs. First, configure the "Distribution Start Method" which can be set simply at "At Retirement" as show, or, one of the other options such as "Owner's Age", etc.

Distribution Start Method	<div>At Retirement</div> <div>Specific Date</div> <div>Owner's Age</div> <div>Years After Retirement</div> <div>59½</div>
---------------------------	---

TRANSFER

On this tab, if there will be any movement of funds between cash balance accounts, configure the transfer data. Transferring a portion or an entire balance is available as well as when the transfer occurs. Additionally, transfers can be configured to leave a balance, etc.

INFORMATION	CONTRIBUTIONS	TRANSFER	DISTRIBUTION
	Method	<div>Specific Balance ▼</div> <div>No Transfers</div> <div>Full Balance</div> <div>Percentage</div> <div>Specific Balance</div> <div>Leave Specific Balance</div>	
	From Account		
	Occurs		
	Balance to Transfer	\$0	
	Balance Transferred	\$0	

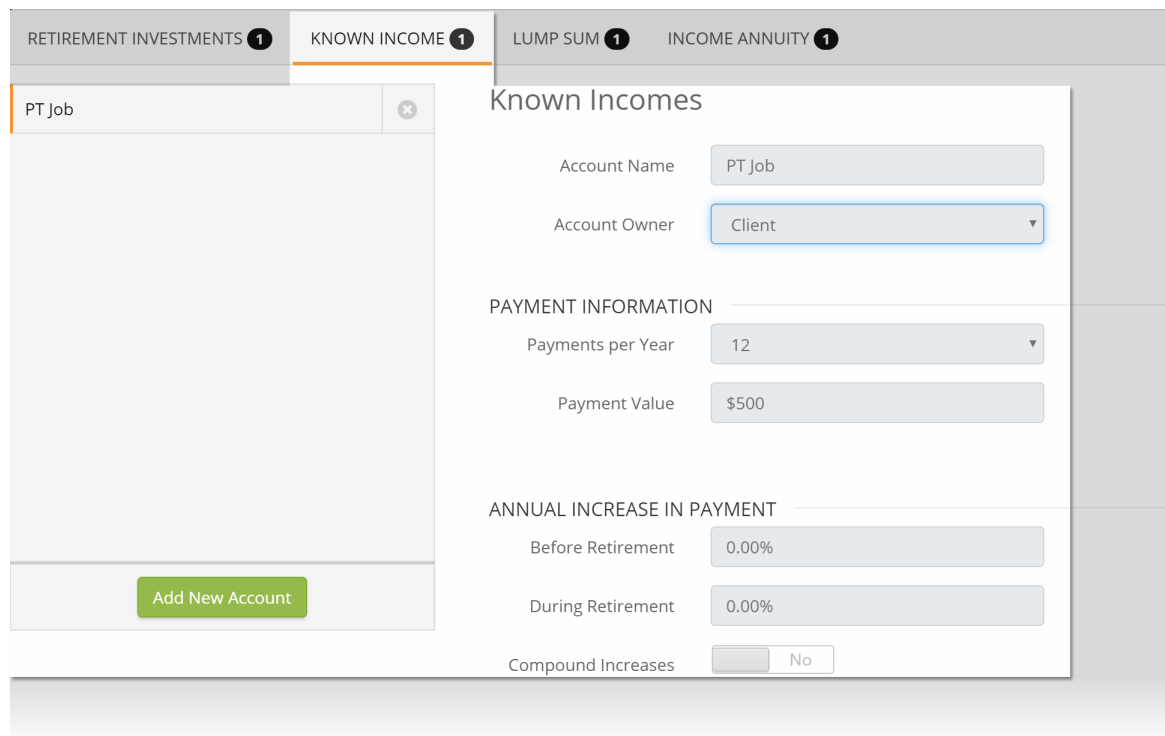
DISTRIBUTION

Finally, on this tab the "Distribution Method", if "Use Funds As Needed" is set, the software will freely utilize the account to handling retirement income needs without any restrictions. Other options include "Retain Principle" or various amortization options. Depending upon the option selected, more fields will display for further configuration.

Distribution Method	<div>Annuitize</div> <div>Retain Principal</div> <div>Use Funds as Needed</div> <div>Amortize, No Inflation</div> <div>Amortize with Inflation</div> <div>Percent of Account</div> <div>RMD only</div> <div>Dollar Value, No Inflation</div> <div>Dollar Value with Inflation</div>
Interest Rate	

4.3.2 KNOWN INCOME

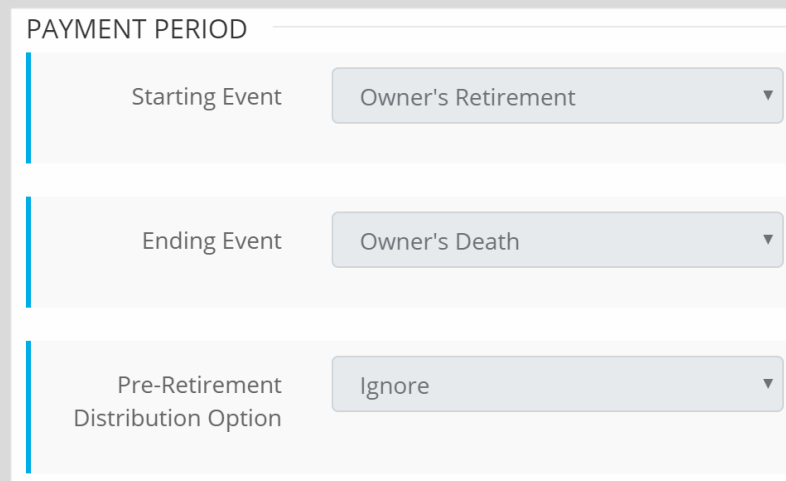
If a client has any cash flow income sources such as rental property, a part-time job, or an annuity, those can be configured here in the "KNOWN INCOME" tab. To add an account like this, click on "Add New Account" and entered the values. Additionally, each known income account can be configured for the client's ownership, the spouse's ownership, or both.



The screenshot shows the 'KNOWN INCOME' tab selected in the top navigation bar. On the left, there is a list of accounts with 'PT Job' visible. Below the list is a green 'Add New Account' button. On the right, the 'Known Incomes' form is open, containing the following fields:

- Account Name:** PT Job
- Account Owner:** Client (dropdown menu)
- PAYMENT INFORMATION:**
 - Payments per Year:** 12 (dropdown menu)
 - Payment Value:** \$500
- ANNUAL INCREASE IN PAYMENT:**
 - Before Retirement:** 0.00%
 - During Retirement:** 0.00%
 - Compound Increases:** No (checkbox)

First, name the account (i.e. "Non-Profit Job" or "Rental Property") and enter values for the payments amount and frequency. Further, configure any increases in those payments both before and during retirement (i.e. rent increases, etc.).



PAYMENT PERIOD

Starting Event	Owner's Retirement ▼
Ending Event	Owner's Death ▼
Pre-Retirement Distribution Option	Ignore ▼

Finally, configure the "PAYMENT PERIOD" with a "Starting Event", an "Ending Event" and any "Pre-Retirement Distribution Option" (if applicable). In short, If the known income stream starts before retirement, this determines what happens with the funds prior to retirement. One of two options may be selected:

Ignore: If the income starts before the stated retirement age, and is not being accumulated for retirement, select ignore. The payments will be considered as a source of retirement income based on the starting period selected.

Save for retirement: The current cash flow is saved for retirement. The cash will be accumulate using the rate of return for the Side Fund (Additional Savings), and the balance will be moved from the Knowin Income to the Side Fund at retirement.

4.3.3 LUMP SUM

If there are other assets to consider for retirement income needs (such as a sale of property, inheritance, etc.), enter those values on this tab.

The screenshot shows the 'LUMP SUM' tab selected in the top navigation bar. The main form area is titled 'Lump Sums'. It contains the following fields:

- Account Name:** Sale of Family Farm
- DISTRIBUTION EVENT:**
 - Event Type:** Client's Age (dropdown menu)
 - Client's Age:** 70
- DISTRIBUTION VALUE:**
 - Current Value:** \$10,000
 - Annual Increase:** 0.00%

At the bottom left of the form, there is a green button labeled 'Add New Account'.

Then, enter the "DISTRIBUTION EVENT" as either "Client's Age", a specific "Date", "Years After Client Retirement" or the life expectancy of either client or spouse (if applicable).

This screenshot shows the 'LUMP SUM' tab with the 'DISTRIBUTION EVENT' section expanded. The 'Event Type' dropdown menu is open, showing the following options:

- Client's Age
- Date
- Years After Client Retirement
- Client Life Expectancy
- Spouse Life Expectancy

The other fields in the form are:

- Account Name:** Family Farm
- Client's Age:** (empty field)
- DISTRIBUTION VALUE:**
 - Current Value:** \$50,000
 - Annual Increase:** 0.00%

Finally, enter the "Current Value" and any "Annual Increase" % to the lump sum's balance.

4.3.4 INCOME ANNUITY

The Income Annuity accounts allow for adding insured income accounts to retirement. While not all insured account scenarios are implemented, many have been.

The screenshot displays the 'Income Annuity' form within the TRAK-Online Help Manual. The top navigation bar shows four tabs: 'RETIREMENT INVESTMENTS 1', 'KNOWN INCOME 1', 'LUMP SUM 1', and 'INCOME ANNUITY 1', with the latter being the active tab. On the left, a list of accounts includes 'John's Annuity' with a plus icon to add more. Below this list is a green 'Add New Account' button. The main form area is titled 'Income Annuity' and contains the following fields:

- Account Name:** John's Annuity
- Annuity Type:** Lifetime Income Rider (dropdown menu)
- Current Account Balance:** \$25,000
- ACCUMULATION**
 - Accumulation Rate of Return:** 5.00%
 - Interest Accrual Frequency:** Monthly (dropdown menu)
- PAYOUT OPTIONS**
 - Annual Payout Percent:** 1.00%
 - Payout Frequency:** Monthly (dropdown menu)
 - Payments Begin:** Retirement (dropdown menu)
 - Allow Depletion of Account Balance During Payout:** Yes (checkbox)

To start, enter in the account name, annuity type and current account balance, then enter:

ACCUMULATION

Enter both the rate of return and the interest accrual frequency. This is not available if "Income Annuity (SPIA/SPDA)" is selected.

PAYOUT OPTIONS

For the payout options, enter the percent of the account balance that is paid out each year. This calculation is based on the entered account balance, and is not recalculated each year.

- **Annual Payout Percent** - Enter the annual payout percent of the account.
- **Payout Frequency** - Enter the payment frequency (either monthly, quarterly, semi-annually or annually).
- **Payments Begin** - Select the desired option (retirement, specific date or owner's age).
- **Allow Depletion of Account Balance During Payout** - for illustration of a lifetime income rider, this box will allow account depletion.

The screenshot shows a form titled "PAYOUT OPTIONS" with the following fields and values:

Field	Value
Annual Payout Percent	1.00%
Payout Frequency	Monthly
Payout Term	Single Life (dropdown menu open showing options: Single Life, Single Life, Period Certain, Joint Life, Period Certain)
Guarantees Return of Principal	
Payments Begin	Retirement
COLA Method	None

Payments Term - Select the term of the payment. Options are:

Single Life: Payments are for life of the owner.

Single Life, Term Certain: Payments are for the lifetime of the account owner with a minimum number of years payments will be made.

Joint Life: Payments are for the life of the client and spouse.

Period Certain: Payments are for a specific period of time.

Survivor Reduction - This prompt will appear if Payout Term is Joint Life and a spouse is included in the illustration. Enter the percent reduction after the first death.

Account Owner - This prompt is included if the spouse is included in the illustration and the Payout Term is either Single Life or Single Life, Term Certain. Select if the account is owned by the client or spouse.

Payout Years - This prompt is only displayed if the Payout Term is Single Life, Term Certain or Period Certain. Enter the number of years the payout is guaranteed.

Guaranteed Return of Principal - If the return of principal is guaranteed, check this box.

COLA Method - Select the COLA (cost of living adjustment) method for the payment. The options include None, Inflation, and Custom.

Annual COLA during Distribution - This prompt appears when Custom is selected for COLA Method. Enter the annual COLA increase.

4.4 RETIREMENT INCOME

Enter the amount needed for the client's desired retirement income. If a spouse was selected to be included, this would include both incomes. Next to "Retirement Income Need Calculation Method", this can be illustrated as a "Percentage of Income at Retirement" or "Value in Today's Dollars" or "Retire Budget".

If percent method is selected, enter the appropriate income replacement ration amount. If the dollar method is selected, enter the monthly need in current dollar value (i.e. \$5000 per month). Additionally, both methods allow need adjustments if preferred. For instance, if the percentage option is selected, choose an option from the drop down list next to "Select Method" as either "Percent of Income" or a "Custom Model". If "Custom Model" is selected, provide further configuration. For instance, in this case, the income needed is 50% at first person's retirement (as in a couple), and the need rises to 80% when both are retired. Events can easily be added or deleted.

Event	Client's Age	Years After Retirement	Percent of Income
First Retirement			50.00%
Both Retired			80.00%

+ Add Event

To change the "Cost of Living Adjustment" (COLA), enter the percentage values both before and during retirement. By adjusting these rates of inflation, the retirement income need will increase over time.

If any special retirement expenses are to be illustrated such as time in a nursing home or long term care insurance (LTCI), those can be configured here. In this example, a monthly

expense for 3 years in a nursing home facility (starting at age 75) is configured with an annual increase of 6%. This may show a retirement income 'shortfall' (funding gap) at age 75 that needs to be planned for, etc.

Special Retirement Expenses

Nursing Home

+

Add New Expense

EXPENSE SETUP

Name

Nursing Home

Start Event

Age

Start Age

75

EXPENSE DISTRIBUTION

Distribution Method

Monthly

Months

36

Value

\$6,000

Annual Increase

6.00%

If a retirement budget is preferred, add budget items in the available categories.

Retirement Budget

▲ Housing

1 Item

Essential

Important

Discretionary

\$0

\$0

\$0

▲ Mortgage/Rent

Item

Mortgage/Rent

Expense Has Custom Start

No

Expense Has Custom End

No

Customize COLA

No

Essential

Important

Discretionary

\$0

\$0

\$0

Frequency

Monthly

Remove Item

Add New Budget Item

▼ Meals

▼ Personal

▼ Health Care

Additionally, if budget line items have a timed designation (by either date or client age, etc.), that can be configured by clicking on the wheel button on the right of the screen. Budget category columns can be added or removed to designate the level of priority as well.

Retirement Budget

Housing 1 Item

Mortgage/Rent

Essential \$0 Important \$0 Discretionary \$0

Item Mortgage/Rent

Essential \$0 Important \$0 Discretionary \$0

Frequency Monthly

Expense Has Custom Start No

Expense Has Custom End No

Customize COLA No

Retirement Event Method

Person's Age

Date

Visible Columns

Important

Discretionary

4.5 CALCULATIONS

Now that all the data entry has been configured for a client and/or spouse, the "CALCULATIONS" tab displays the graphs, charts and illustrations that will be reflected in the printed (or PDF file) reports.

MENU Gap Analysis

CLIENT: John Doe

SETUP CLIENT ACCOUNTS RETIREMENT INCOME CALCULATIONS REPORTS

General ?

John Doe Client ?

Retirement Plan

Overview

Retirement Years

Retirement Solutions

General Values

Average Values

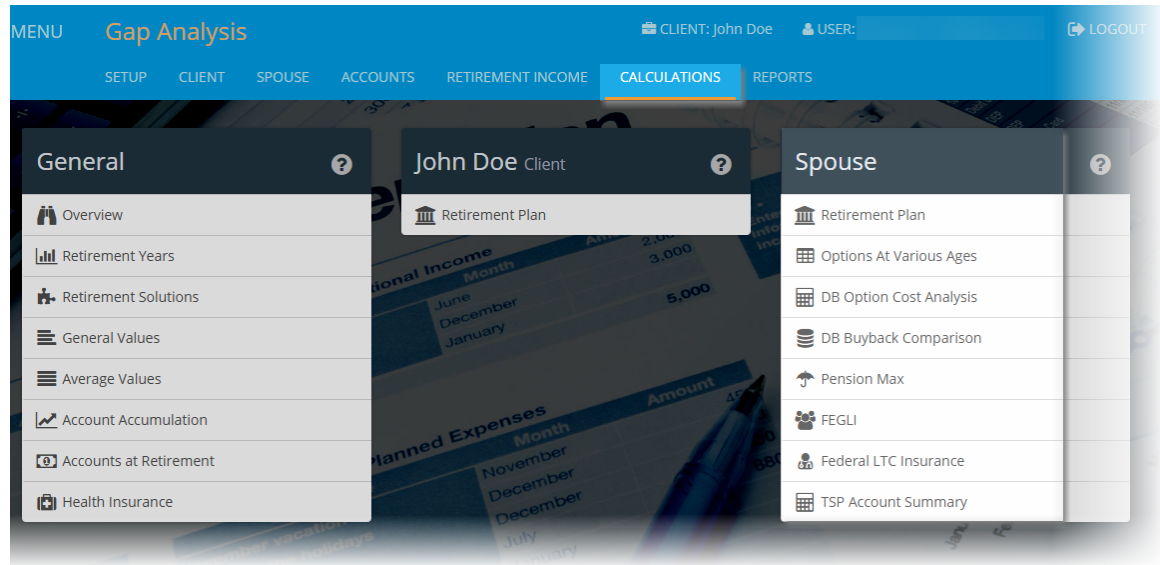
Account Accumulation

Accounts at Retirement

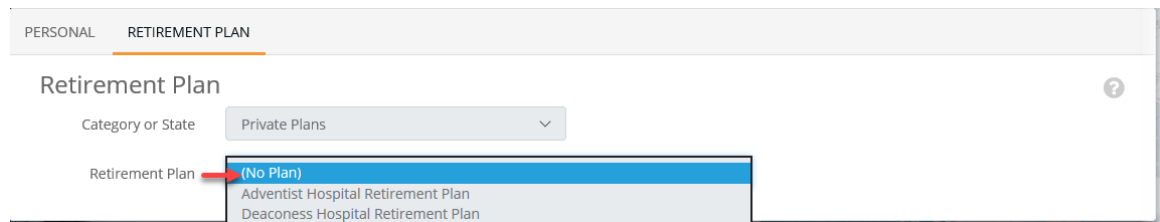
Health Insurance

Note: The client's retirement plan information will be summarized to the right of the "General" header. If there is a spouse included, there will be a summary for their plan to the right of the client's plan. If either the client or spouse is in a pension or defined benefit system, more information will be displayed.

In this example, Mary Doe, the spouse, is a FERS federal employee. Additional information specific to federal plans is displayed.

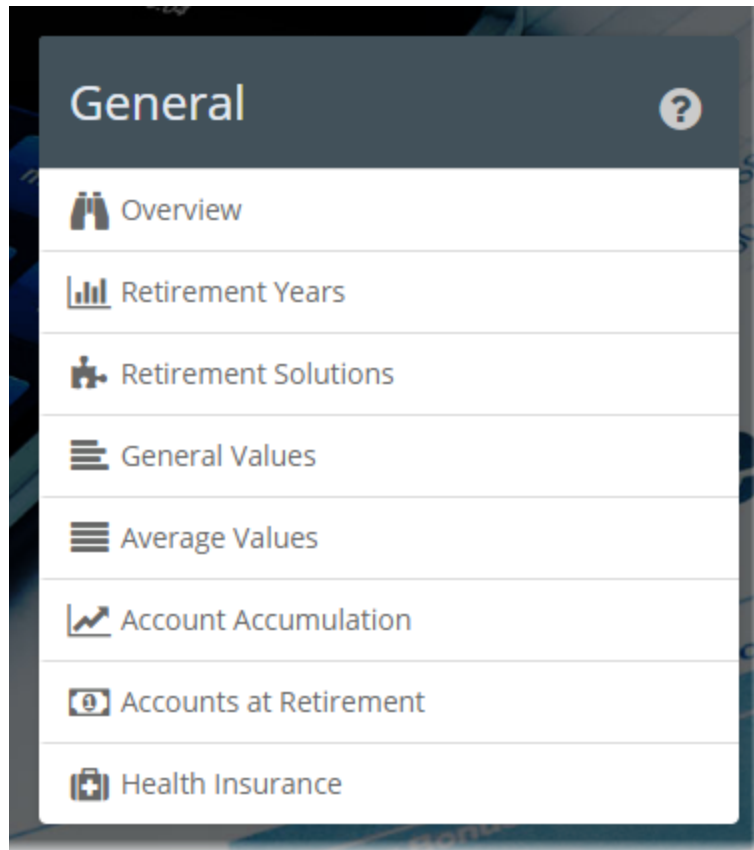


Note: Both the client and the spouse can participate in the same or different pension systems. Additionally, a spouse can be illustrated while not in any retirement plan. To choose no plan, select "Private Plans" and then select the top option "No Plan".



4.5.1 General

This area contains several calculations made from the data entered in the tabs. These are the illustrations on screen which are available to print or create PDF files in the "Reports" tab to the right of the top "Gap Analysis" menu.



Click below for quick access to each area:

[Overview](#) 

[Retirement Years](#) 

[Retirement Solutions](#) 

[General Values](#) 

[Average Values](#) 

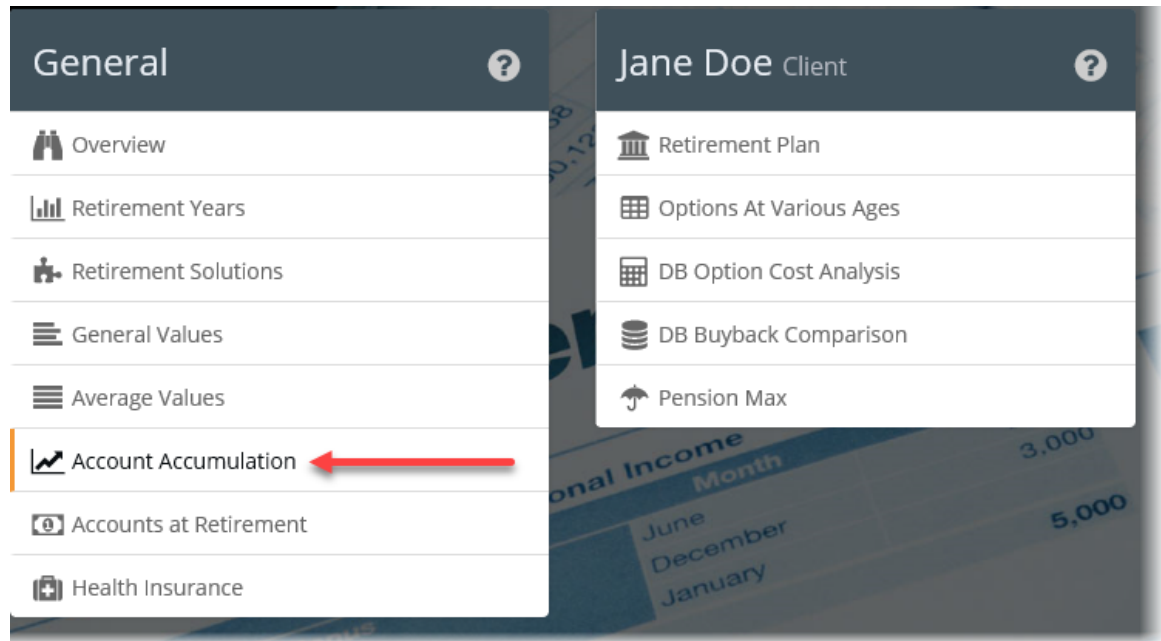
[Account Accumulation](#) 

[Accounts at Retirement](#) 

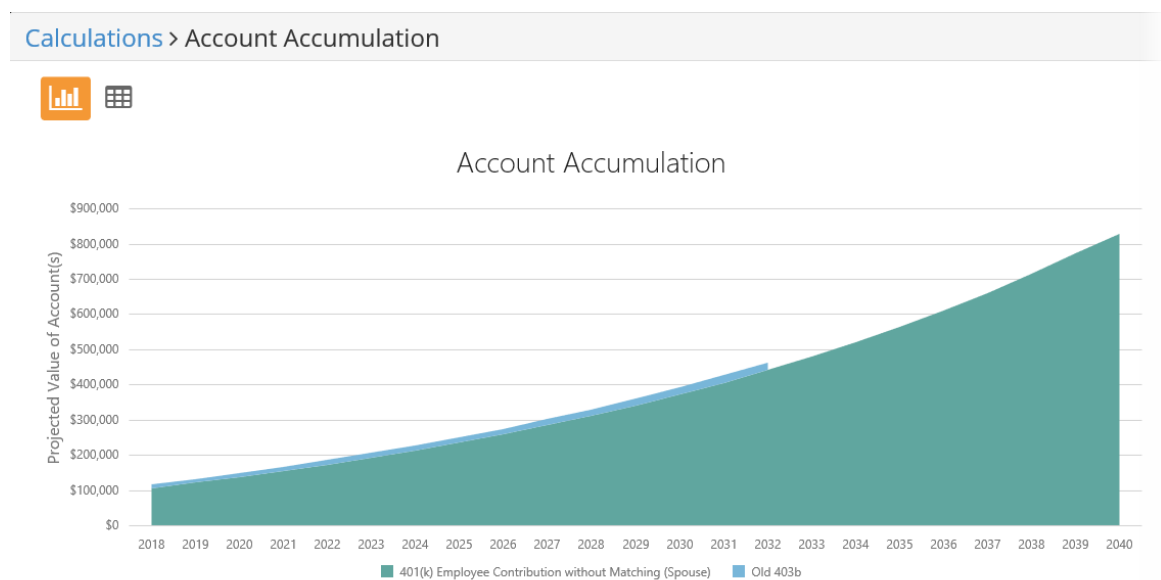
[Health Insurance](#) 

4.5.1.1 Account Accumulation

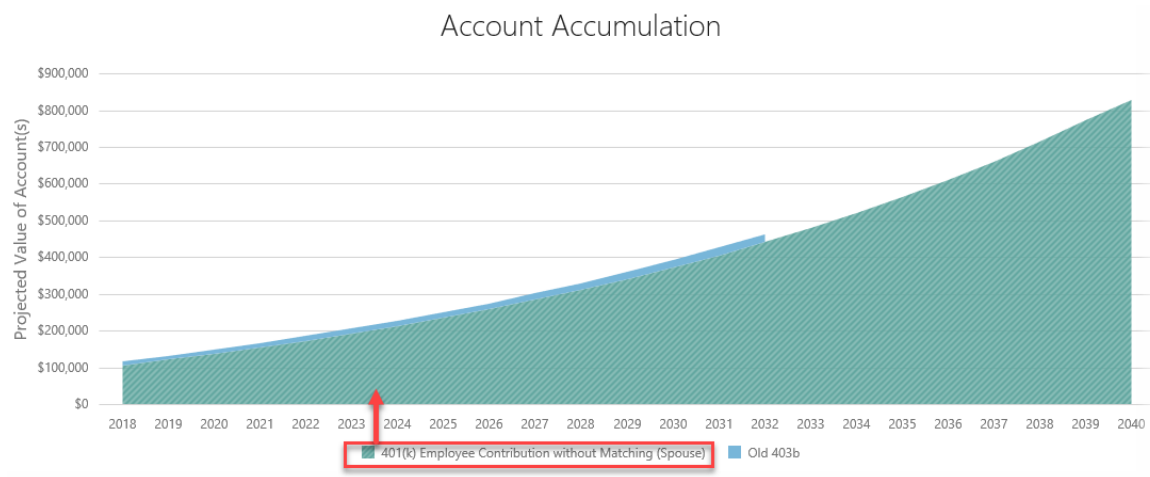
This illustrates the accumulation of retirement accounts prior to retirement in both a chart and grid view. The illustration will show each retirement investment account (cash balance accounts) added as well as any custom or generic retirement plan accounts.



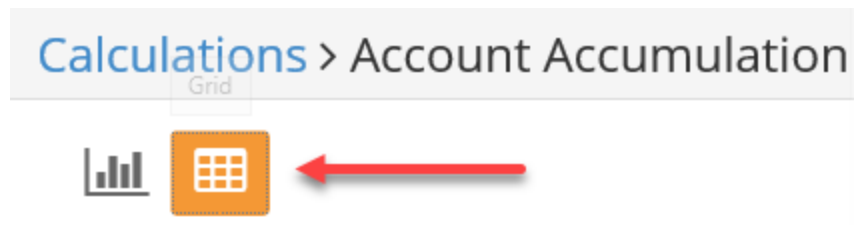
Note: Pension plans or defined benefit plans are not illustrated in these calculations.



Note: Moving the mouse over the accounts listed at the bottom will highlight a particular account on the chart.



By clicking on the grid icon, a more spreadsheet version will be illustrated on screen.



For each account selected by the drop down menu (if more than 1 account is configured), a basic and more detailed view is available. To view more details, toggle the lower button "Show detailed Account Balance columns" to "Yes".



Account Selection

401(k) Employee Contribution without Match ▾

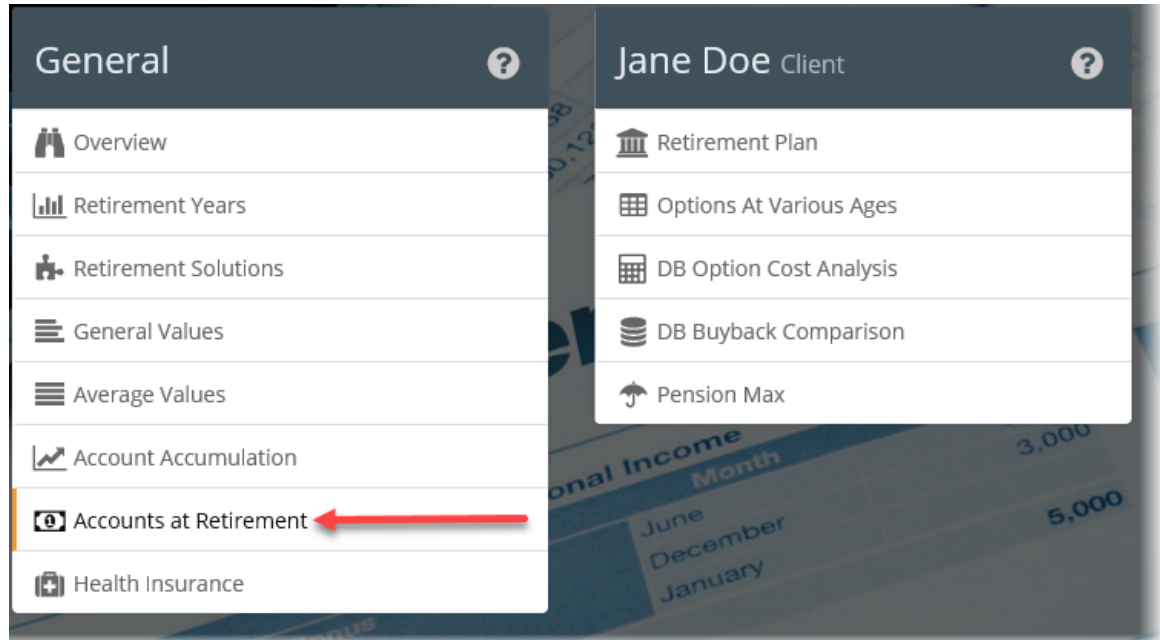


Date	Annual Contributions			Balances				Total Balance
	Employee	Employer	Total	Employee	Employer	Balance Accumulation		
12/31/2018	\$3,000	\$0	\$3,000	\$3,034	\$0	\$102,858		\$105,892
12/31/2019	\$7,200	\$0	\$7,200	\$10,676	\$0	\$110,058		\$120,734
12/31/2020	\$7,200	\$0	\$7,200	\$18,852	\$0	\$117,762		\$136,614
12/31/2021	\$7,200	\$0	\$7,200	\$27,601	\$0	\$126,005		\$153,606
12/31/2022	\$7,200	\$0	\$7,200	\$36,962	\$0	\$134,825		\$171,788
12/31/2023	\$7,200	\$0	\$7,200	\$46,979	\$0	\$144,263		\$191,242
12/31/2024	\$7,200	\$0	\$7,200	\$57,697	\$0	\$154,362		\$212,058
12/31/2025	\$7,200	\$0	\$7,200	\$69,165	\$0	\$165,167		\$234,331
12/31/2026	\$7,200	\$0	\$7,200	\$81,435	\$0	\$176,729		\$258,164
12/31/2027	\$7,200	\$0	\$7,200	\$94,565	\$0	\$189,100		\$283,665
12/31/2028	\$7,200	\$0	\$7,200	\$108,614	\$0	\$202,337		\$310,950
12/31/2029	\$7,200	\$0	\$7,200	\$123,646	\$0	\$216,500		\$340,146
12/31/2030	\$7,200	\$0	\$7,200	\$139,730	\$0	\$231,655		\$371,385
12/31/2031	\$7,200	\$0	\$7,200	\$156,941	\$0	\$247,871		\$404,812
12/31/2032	\$7,200	\$0	\$7,200	\$175,355	\$0	\$265,222		\$440,577
12/31/2033	\$7,200	\$0	\$7,200	\$195,059	\$0	\$283,787		\$478,847
12/31/2034	\$7,200	\$0	\$7,200	\$216,143	\$0	\$303,653		\$519,795
12/31/2035	\$7,200	\$0	\$7,200	\$238,702	\$0	\$324,908		\$563,610
12/31/2036	\$7,200	\$0	\$7,200	\$262,840	\$0	\$347,652		\$610,492
12/31/2037	\$7,200	\$0	\$7,200	\$288,668	\$0	\$371,987		\$660,656
12/31/2038	\$7,200	\$0	\$7,200	\$316,304	\$0	\$398,027		\$714,331
12/31/2039	\$7,200	\$0	\$7,200	\$345,875	\$0	\$425,888		\$771,763
11/30/2040	\$6,600	\$0	\$6,600	\$374,761	\$0	\$453,097		\$827,858

Show detailed Account Balance columns Yes ☐

4.5.1.2 Accounts at Retirement

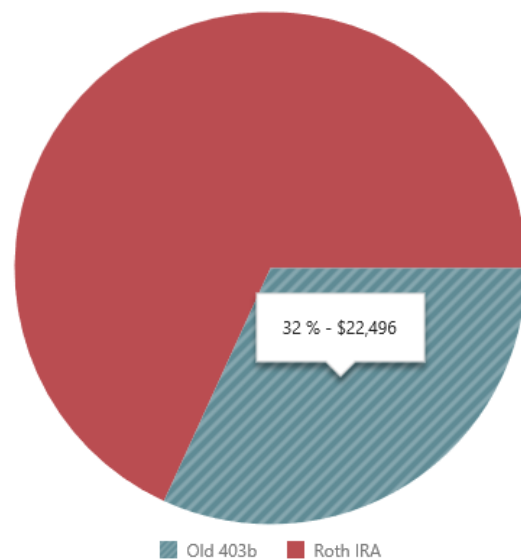
This illustrates accounts with cash balances at retirement input under "Accounts" in a pie chart.



Note: Moving the mouse over the chart will show more detail.

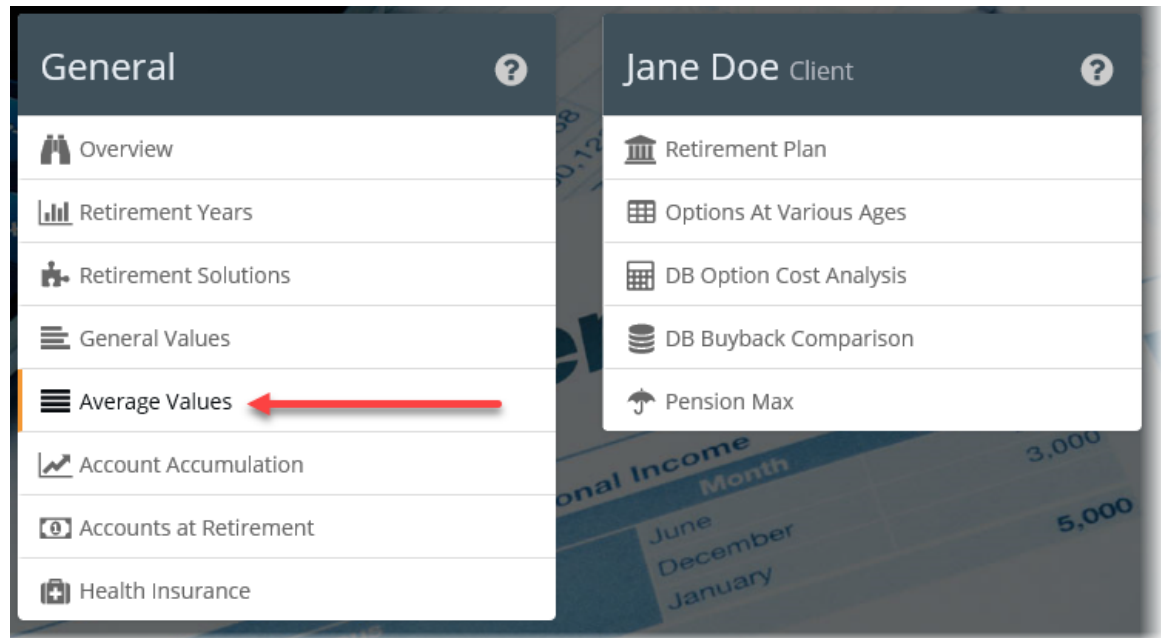
[Calculations](#) > Accounts at Retirement

Account Balances at Retirement



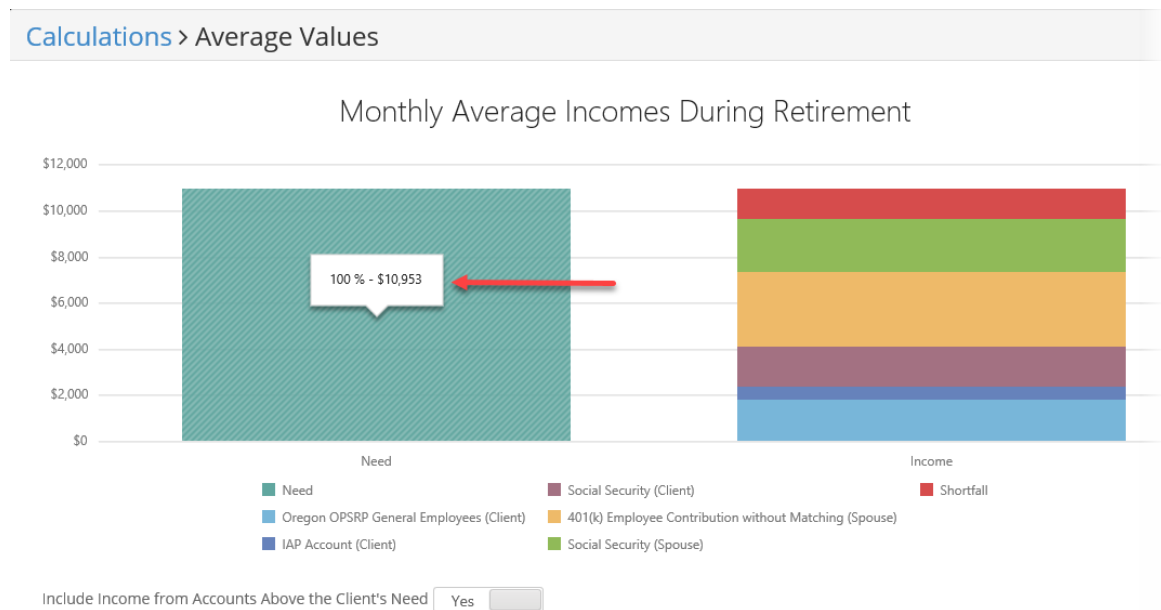
4.5.1.3 Average Values

This illustrates the client's (and spouse's if applicable) average retirement needs, incomes and shortfall.



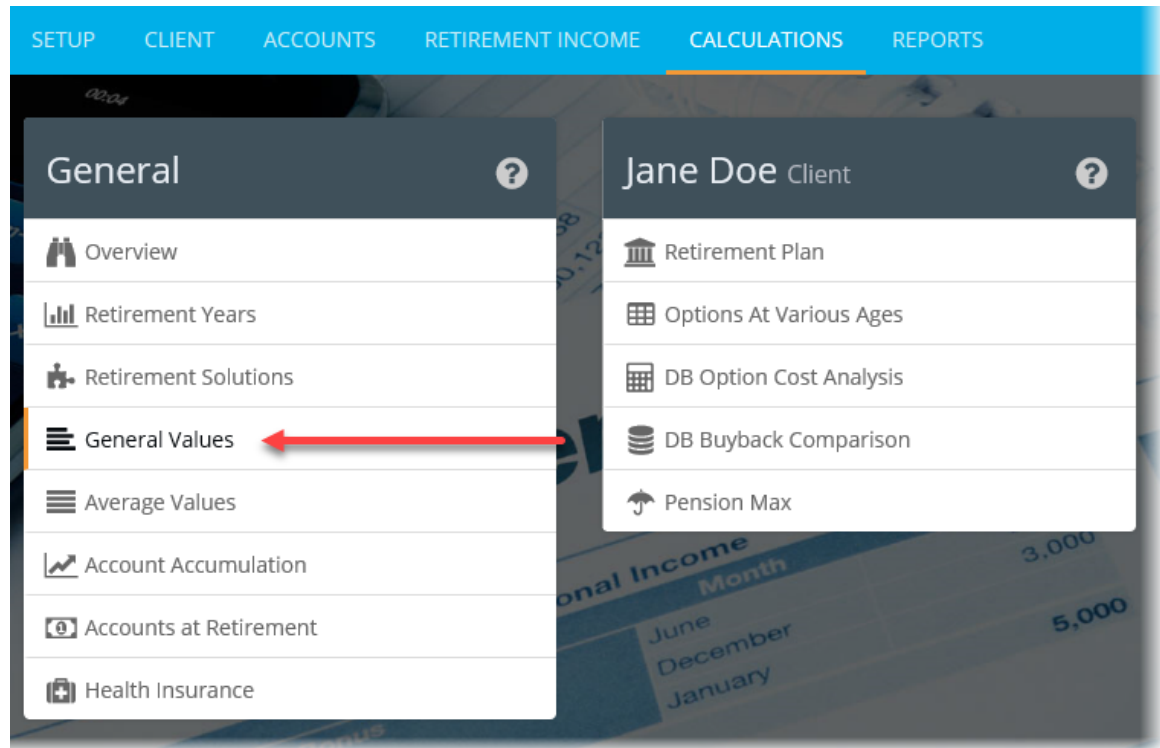
To illustrate income above the stated retirement income needed, toggle the button to "Yes".

Note: Moving the mouse over the graph will provide more information.



4.5.1.4 General Values

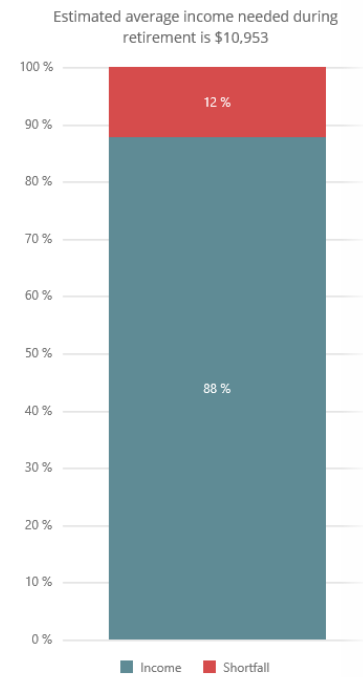
This provides an illustration of average values of all incomes over retirement as well as any additional savings needed to account for a shortfall. If a spouse is included in the data, the illustration will show both sets of values.



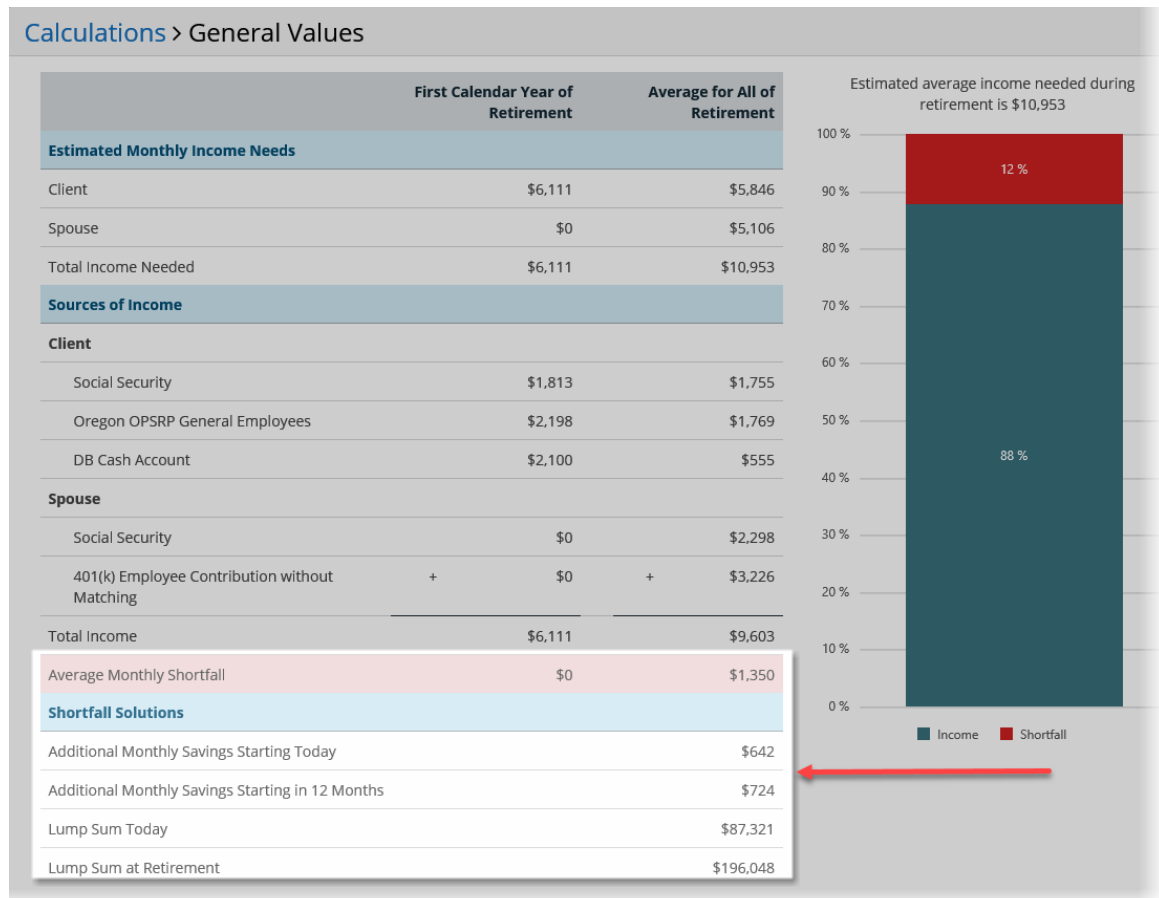
Note: The value for the average need for all of retirement is an average for all retirement years which grows with inflation.

Calculations > General Values

	First Calendar Year of Retirement	Average for All of Retirement
Estimated Monthly Income Needs		
Client	\$6,111	\$5,846
Spouse	\$0	\$5,106
Total Income Needed	\$6,111	\$10,953
Sources of Income		
Client		
Social Security	\$1,813	\$1,755
Oregon OPSRP General Employees	\$2,198	\$1,769
DB Cash Account	\$2,100	\$555
Spouse		
Social Security	\$0	\$2,298
401(k) Employee Contribution without Matching	+ \$0	+ \$3,226
Total Income	\$6,111	\$9,603
Average Monthly Shortfall	\$0	\$1,350
Shortfall Solutions		
Additional Monthly Savings Starting Today		\$642
Additional Monthly Savings Starting in 12 Months		\$724
Lump Sum Today		\$87,321
Lump Sum at Retirement		\$196,048

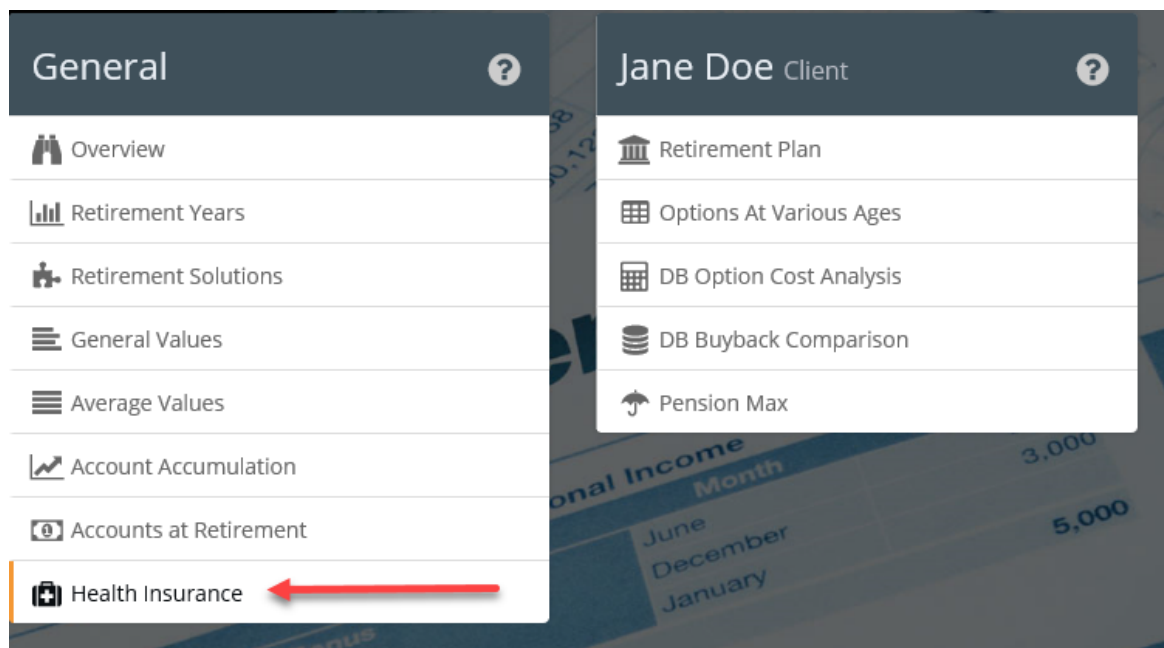


Note: TRAK will provide some solutions to handle a retirement income need shortfall at the bottom of the screen.



4.5.1.5 Health Insurance

To illustrate health insurance premium expenses over time, input the current premium and then configure the frequency of those premiums and the increase in premiums.



This will provide a grid view illustration of the increasing health care cost.

Calculations > Health Insurance

Current Premium: \$300

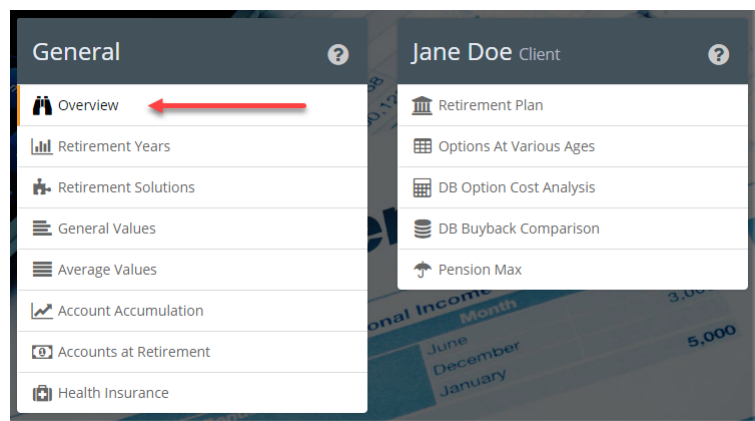
Premium Frequency: Monthly

Annual Increase In Premium: 6.00%

Age	Premium			Accumulated Cost	Annual Premium Change
	Bi-Weekly	Monthly	Annually		
53/45	\$138	\$300	\$3,600	\$3,600	\$0
54/46	\$147	\$318	\$3,816	\$7,416	\$216
55/47	\$156	\$337	\$4,045	\$11,461	\$229
56/48	\$165	\$357	\$4,288	\$15,749	\$243
57/49	\$175	\$379	\$4,545	\$20,294	\$257
58/50	\$185	\$401	\$4,818	\$25,111	\$273
59/51	\$196	\$426	\$5,107	\$30,218	\$289
60/52	\$208	\$451	\$5,413	\$35,631	\$306
61/53	\$221	\$478	\$5,738	\$41,369	\$325
62/54	\$234	\$507	\$6,082	\$47,451	\$344
63/55	\$248	\$537	\$6,447	\$53,898	\$365

4.5.1.6 Overview

The first on the "Calculations" tab menu is the "Overview".



This is a snapshot overview of various dates and ages.

[Calculations](#) > Overview

Current Information

	Client	Spouse
Age	53y	47y 8m
Life Expectancy	34y 3m	36y 11m
Years of Service	18y 7m	7y 7m
Years of Service from Sick Leave	0	N/A

Retirement

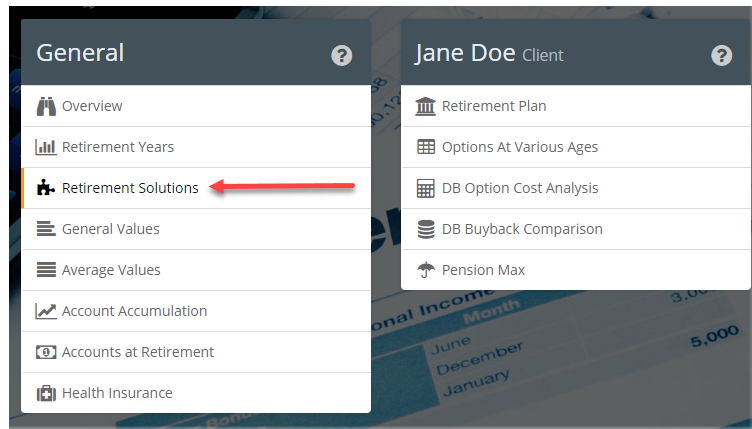
	Client	Spouse
Date	6/30/2033	11/30/2025
Age	67y 10m	55y
Life Expectancy	19y 5m	29y 8m
Years of Service	33y 5m	14y 11m
Years of Service from Sick Leave	0	N/A

Social Security

	Client	Spouse
Start Age	67y 10m	67y
Start Date	6/30/2033	11/27/2037
Initial Monthly Benefit	\$1,961	\$2,474

4.5.1.7 Retirement Solutions

When there is a shortfall or retirement income funding 'gap', TRAK illustrates various solutions for clients to consider. The first default illustration is the "Cost to Wait" which shows clients the effect of delaying any changes their retirement savings.



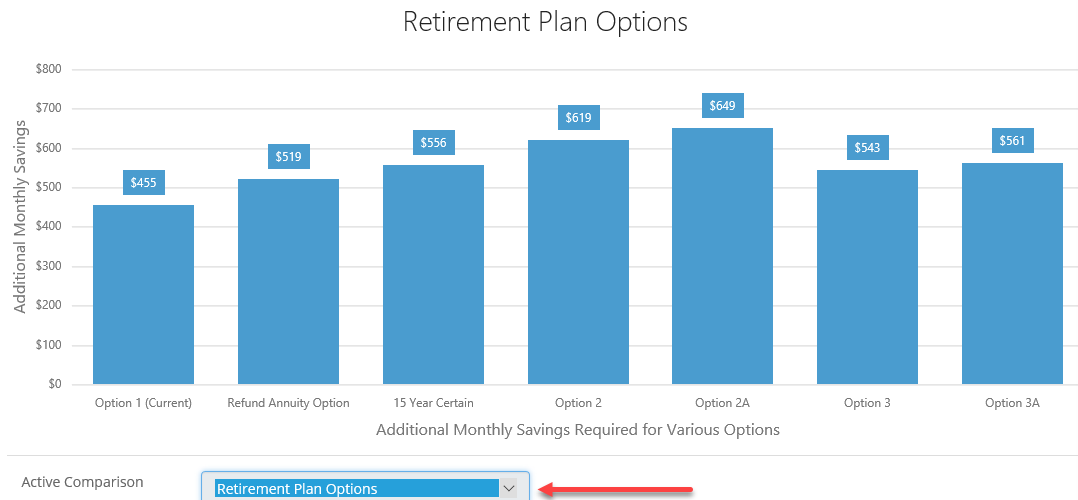
To select which of this comparisons will print with the report generation, check the box beside the comparison(s) desired.

Calculations > Retirement Solutions



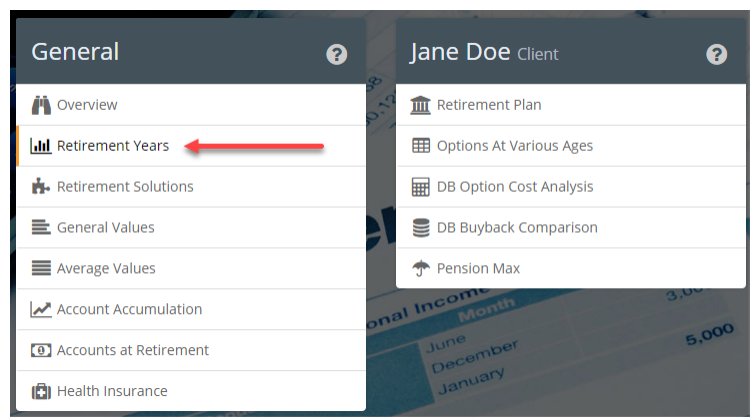
Note: If the client or spouse is in a defined benefit (DB) or pension plan, an additional illustration for plan options is provided in the drop down list.

[Calculations](#) > Retirement Solutions



4.5.1.8 Retirement Years

All the various forms of income for funding retirement needs are displayed in both chart and grid view. Clicking on "Retirement Years" on the menu will bring up this key area.

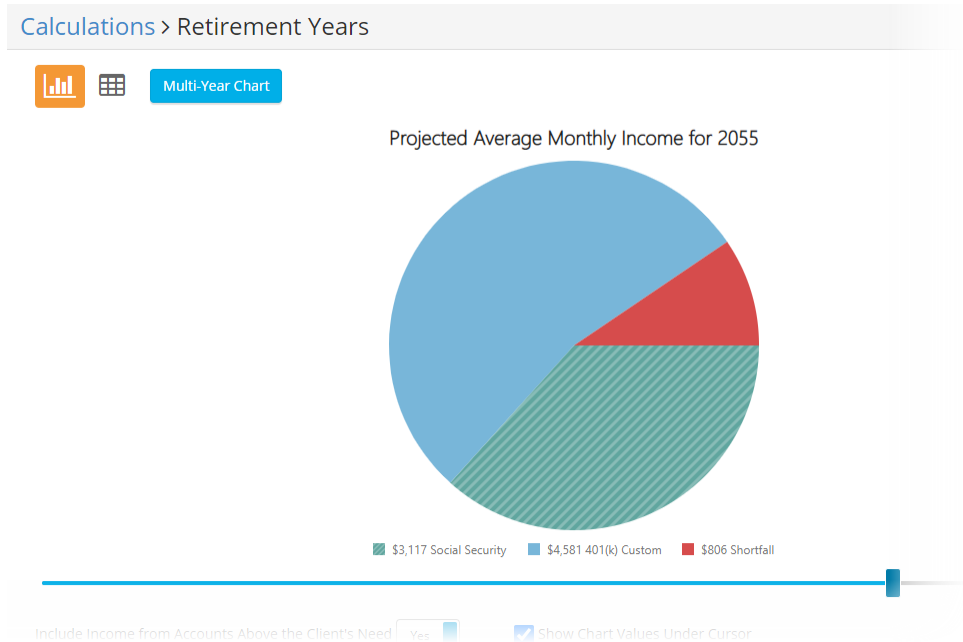


Note: The chart illustrates a more graphical display while the grid view displays a more spreadsheet format.

Chart



Note: Moving the mouse cursor over a particular year will produce a pop-up display giving a breakdown of that year and the annual need. Clicking on a single year in retirement will advance to a pie-chart view breakdown. Additionally, there is a slider bar to move through the various years of retirement below the pie-chart. To return to multiple year view, click the "Multi-Year Chart" button.



Include Income from Accounts About the Client's Need - If there is income above the client's stated need for retirement, and the "Include Income from Accounts Above the Client's Need" is toggled to "Yes", the chart will display amounts above the "Need" line.

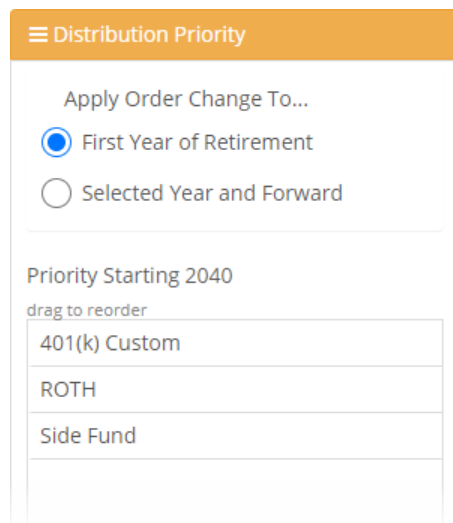
Show Chart Values Under Cursor - to allow the software to display summary values for each year as the mouse is dragged over the chart, check this box.

Horizontal Axis - To change the lower chart labels to "Calendar Year" or "Client/Spouse Age", make the selection by clicking the button.

Chart Values - To switch the view from "Incomes" to "Balances", click on Balances.

Distribution Priority

To change the order of the distribution for retirement accounts (such as cash balance), click on the far right menu and drag and drop to set a client's priority distribution in retirement. Additionally, the priority can be applied to first year of retirement or the selected year forward.



The screenshot shows a software interface for setting distribution priority. At the top is an orange header bar with a hamburger menu icon and the text "Distribution Priority". Below this is a section titled "Apply Order Change To..." with two radio button options: "First Year of Retirement" (which is selected) and "Selected Year and Forward". A horizontal line separates this from the next section, "Priority Starting 2040". Below this section is a list of retirement accounts: "401(k) Custom", "ROTH", and "Side Fund". Above the list is the text "drag to reorder". The list is contained within a light gray bordered box.

Grid

This view allows a more spreadsheet layout with the ability to view by years (default) or, by clicking on the down arrow to the left of the year, a monthly view.

[Calculations](#) > Retirement Years



	Year	Age	Average Monthly Need	Client				Shortfall
				Social Security	Oregon OPSRP General Employees	IAP Account		
						Income	Balance	
▲	2033	68	\$5,595	\$1,961	\$2,365	\$1,269	\$171,136	
	Jun	67y 10m					\$175,314	
	Jul	67y 11m	\$5,595	\$1,961	\$2,365	\$1,269	\$174,630	
	Aug	68y	\$5,595	\$1,961	\$2,365	\$1,269	\$173,943	
	Sep	68y 1m	\$5,595	\$1,961	\$2,365	\$1,269	\$173,235	
	Oct	68y 2m	\$5,595	\$1,961	\$2,365	\$1,269	\$172,544	
	Nov	68y 3m	\$5,595	\$1,961	\$2,365	\$1,269	\$171,832	
	Dec	68y 4m	\$5,595	\$1,961	\$2,365	\$1,269	\$171,136	
▼	2034	69	\$5,693	\$2,020	\$2,380	\$1,294	\$162,180	
▼	2035	70	\$5,864	\$2,080	\$2,409	\$1,374	\$151,884	
▼	2036	71	\$6,040	\$2,143	\$2,440	\$1,458	\$140,158	
▼	2037	72	\$6,221	\$2,207	\$2,470	\$1,544	\$126,907	
▼	2038	73	\$6,407	\$2,273	\$2,501	\$1,634	\$112,032	

Note: Scrolling to the bottom allows for viewing the grid in monthly averages or annual values as well as showing income above the client's need.

2059 86 \$37,391 \$13,764

Include Income from Accounts Above the Client's Need Yes ☐

Grid Values

Monthly Averages Annual Totals

4.5.2 Retirement Plan Calculations

For the client (and/or spouse if applicable), there will be a header with more calculation illustrations. Depending upon the plan, more illustrations will be displayed on screen. In this scenario, the client (Jane Doe) is a teacher in a defined benefit (DB or pension plan) for the state of Oregon and her spouse is in a simple 401(k) plan.

RETIREMENT INCOME CALCULATIONS REPORTS




Jane Doe Client ?

- Retirement Plan
- Options At Various Ages
- DB Option Cost Analysis
- DB Buyback Comparison
- Pension Max

Spouse ?

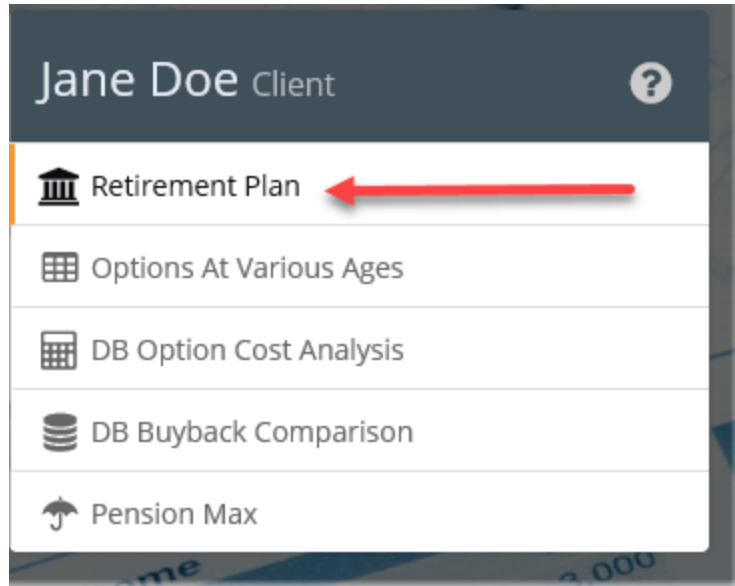
- Retirement Plan

Note: For federal employees, more options will be displayed such as FEGLI, Federal LTCI, and the TSP Account Summary.

	FEGLI
	Federal LTC Insurance
	TSP Account Summary

4.5.2.1 Retirement Plan

Clicking on the top item in the menu "Retirement Plan" will show the values for the particular plan the client (or spouse) is currently in as their primary plan.



Since Jane is in a defined benefit plan, a "Primary Option Calculation" displays at the top which highlights the "Final Average Salary", the "Percent Crediting", the "Years of Service" and what that "Annual Value" of her benefit will be in retirement. In addition, her retirement plan shows the calculations for the retirement benefit with several options. These options have to do with survivor benefits. The highest or top option is usually the benefit that would not guarantee any income for a spouse as a survivor.

Note: Check the box or boxes on the lower screen to hide or add columns to the grid.

Calculations > Retirement Plan Client

Primary Option Calculation

Final Average Salary	Percent Crediting	Years of Service	Annual Value
\$94,717	x 1.5%	x 29.4986	= \$41,910

Plan Options

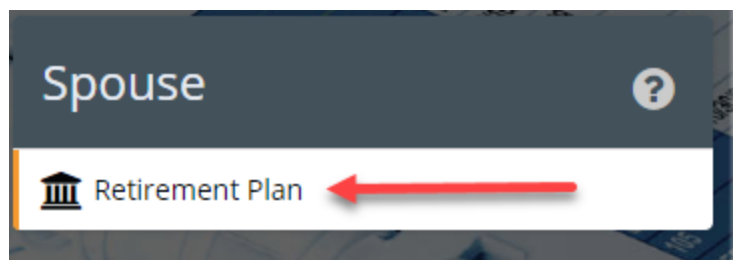
	Both Alive		Client as Survivor		Spouse as Survivor	
Name	Monthly Income	Percent of Primary	Monthly Income	Percent of Option	Monthly Income	Percent of Option
Option 1	\$3,493	100.00%	\$3,493	100.00%	\$0	0.00%
Refund Annuity Option	\$3,311	94.81%	\$3,311	100.00%	\$0	0.00%
15 Year Certain	\$3,209	91.87%	\$3,209	100.00%	\$0	0.00%
Option 2	\$2,977	85.24%	\$2,977	100.00%	\$2,977	100.00%
Option 2A	\$2,900	83.04%	\$3,493	Pop-up	\$2,900	100.00%
Option 3	\$3,212	91.97%	\$3,212	100.00%	\$1,606	50.00%
Option 3A	\$3,168	90.70%	\$3,493	Pop-up	\$1,584	50.00%

Calculation Notes:

Warning: When electing a retirement option with no survivor benefit, the survivor may lose benefits if the participant dies first. Consult the plan document for more information.

Savings Needed	Both Alive	Client as Survivor	Spouse as Survivor
<input type="checkbox"/> Monthly Savings Needed Today	<input checked="" type="checkbox"/> Income	<input checked="" type="checkbox"/> Income	<input checked="" type="checkbox"/> Income
<input type="checkbox"/> Savings in 12 Months	<input checked="" type="checkbox"/> Percent of Primary	<input checked="" type="checkbox"/> Percent of Option	<input checked="" type="checkbox"/> Percent of Option
	<input type="checkbox"/> Initial Monthly Cost		
	<input type="checkbox"/> Est. Lifetime Cost		

If there is a spouse that has a "Retirement Plan", that will display under their own section on screen. A spouse can be in the same retirement system as the client or many other systems. In this case, the spouse is in a basic 401(k) plan.



This screen will show the values from the spouse's pre-tax account and any suggested additional savings to meet any retirement need shortfall.

Calculations > Retirement Plan Spouse

Retirement Account

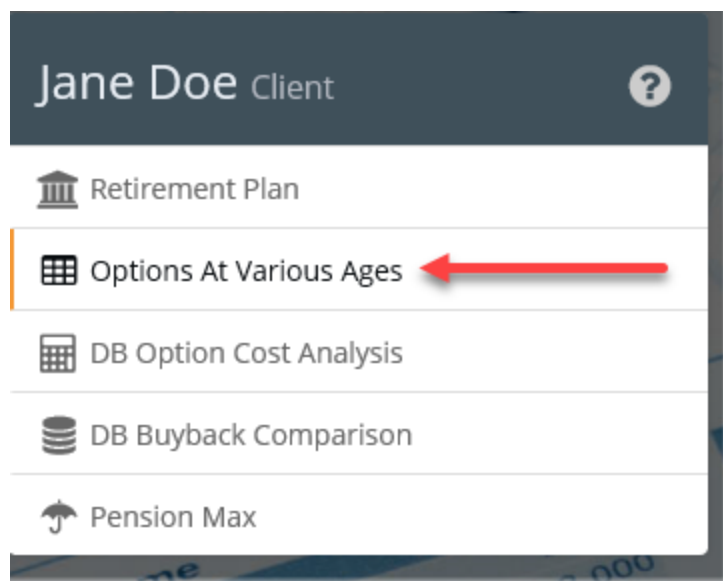
	Pre-Tax Account
Balance at Retirement	\$827,858
Average Retirement Monthly Payout	\$3,036
Balance at Life Expectancy	\$718,536

Additional Savings

Monthly Savings Starting Today	Savings in 12 Months	Lump Sum Today	Lump Sum Today
\$0	\$0	\$0	\$0

4.5.2.2 Options At Various Ages

Clicking on this illustration will show the retirement benefit at different ages.



The first (usually the highest benefit value) is displayed by default, however, other retirement options can be select and will vary depending upon the defined benefit plan configured. In this illustration, if Jane works for an additional 3 years, her "Option 1" benefit will grow by over 20%. Near the bottom of the screen, the displayed values by month or annually (or both).

Note: By default, 5 years for "Delayed Retirement" is illustrated. This can be configured up to 8 years by selecting the number desired at the bottom right down arrow menu.

[Calculations](#) > Options At Various Ages Client

Planned Retirement		Delayed Retirement				
Years to Wait	Current	1 Year	2 Years	3 Years	4 Years	5 Years
Calculations ▾						
Age	67y 7m	68y 7m	69y 7m	70y 7m	71y 7m	72y 7m
Years of Service	29y 5m	30y 6m	31y 5m	32y 5m	33y 5m	34y 6m
Final Average Salary	\$94,717	\$97,558	\$100,485	\$103,500	\$106,604	\$109,803
Percent Crediting	44.25%	45.75%	47.25%	48.75%	50.25%	51.75%
Pre-Penalty Value	\$41,910	\$44,633	\$47,477	\$50,454	\$53,567	\$56,823
Early Retirement Penalty	\$0	\$0	\$0	\$0	\$0	\$0
Option 1 ▾						
Initial Annual Annuity	\$41,910	\$44,633	\$47,477	\$50,454	\$53,567	\$56,823
Annual Change	N/A	\$2,723	\$5,567	\$8,544	\$11,656	\$14,913
Percent Change	0%	6.50%	13.28%	20.39%	27.81%	35.58%
Initial Monthly Annuity	\$3,493	\$3,719	\$3,956	\$4,204	\$4,464	\$4,735
Monthly Change	N/A	\$227	\$464	\$712	\$971	\$1,243
Refund Annuity Option ▾						
15 Year Certain ▾						
Option 2 ▾						
Option 2A ▾						
Option 3 ▾						
Option 3A ▾						

Display Values

☒ Monthly and Annual
☐ Annual
☐ Monthly

☒ Show Option Calculation Values
☒ Show Values for Alternative Options

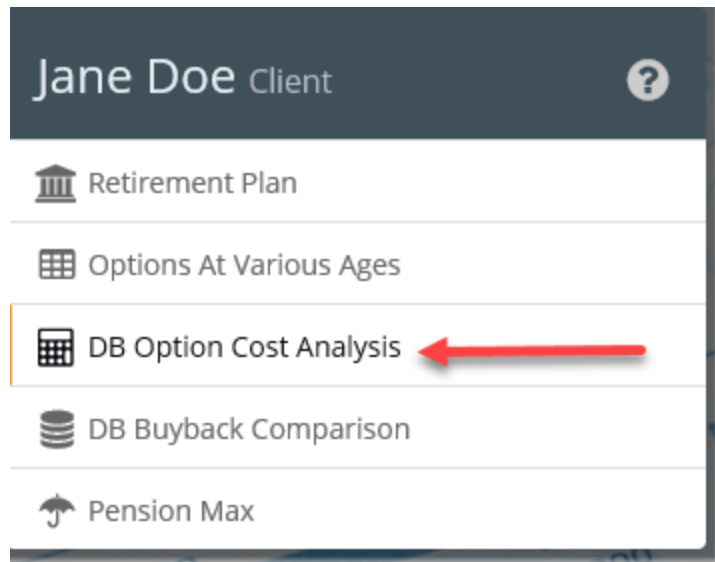
Years to Show After Retirement: 5 ▾

Finally, check the boxes for the desired for showing the values on calculations and/or values for the alternative benefit options. This will eliminate unnecessary items from being displayed on screen.

☒ Show Option Calculation Values
☒ Show Values for Alternative Options

4.5.2.3 DB Option Cost Analysis

This will illustrate what each option will cost the client and provides a quick comparison between the incomes provided to the primary beneficiary between two options. For this screen to be available, the current client must have a defined benefit plan with at least two options visible. This can be helpful in contrasting different benefit options for the client. Taking a lower benefit to guarantee a surviving spouse an income may be more expensive in the longer term, so, this can help analyze the options.



Here, configure which primary option (often the higher income option) and the secondary option to compare. Then, to show the value difference of the options growing over time, select to toggle "Yes" on the "Include Accumulated Difference with Interest" and select a "Rate of Return" for the money.

Calculations > DB Option Cost Analysis Client

Primary Option: Option 1

Secondary Option: Refund Annuity Option

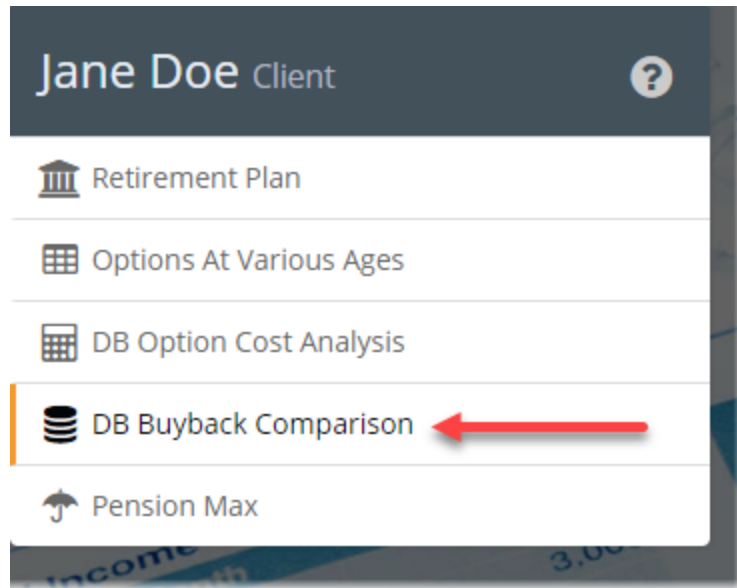
Include Accumulated Difference with Interest: Yes ☒

Rate of Return: 2.00%

		Monthly Annuity Income							
		Primary Option		Secondary Option		Difference in Income			
Year	Age	Client	Spouse	Client	Spouse	Monthly	Annual	Accumulated	Accumulated with Interest
1	67	\$3,545	\$0	\$3,361	\$0	\$184	\$2,208	\$2,208	\$2,228
2	68	\$3,589	\$0	\$3,403	\$0	\$186	\$2,235	\$4,443	\$4,528
3	69	\$3,634	\$0	\$3,445	\$0	\$189	\$2,263	\$6,706	\$6,903
4	70	\$3,680	\$0	\$3,489	\$0	\$191	\$2,292	\$8,998	\$9,353
5	71	\$3,726	\$0	\$3,532	\$0	\$193	\$2,320	\$11,318	\$11,882
6	72	\$3,772	\$0	\$3,576	\$0	\$196	\$2,349	\$13,668	\$14,490
7	73	\$3,811	\$0	\$3,613	\$0	\$198	\$2,373	\$16,041	\$17,175
8	74	\$3,858	\$0	\$3,658	\$0	\$200	\$2,403	\$18,443	\$19,943
9	75	\$3,906	\$0	\$3,704	\$0	\$203	\$2,433	\$20,876	\$22,798
10	76	\$3,955	\$0	\$3,750	\$0	\$205	\$2,463	\$23,340	\$25,740
11	77	\$4,005	\$0	\$3,797	\$0	\$208	\$2,494	\$25,834	\$28,771
12	78	\$4,055	\$0	\$3,844	\$0	\$210	\$2,525	\$28,359	\$31,895
13	79	\$4,105	\$0	\$3,892	\$0	\$213	\$2,557	\$30,916	\$35,115
14	80	\$4,157	\$0	\$3,941	\$0	\$216	\$2,589	\$33,505	\$38,429
15	81	\$4,209	\$0	\$3,990	\$0	\$218	\$2,621	\$36,126	\$41,843
16	82	\$4,261	\$0	\$4,040	\$0	\$221	\$2,654	\$38,780	\$45,358
17	83	\$4,315	\$0	\$4,091	\$0	\$224	\$2,687	\$41,467	\$48,980

4.5.2.4 DB Buyback Comparison

This calculation page performs a quick cost analysis on purchasing back years of service from a retirement plan.



There are 2 tabs:

[SETUP](#)¹³²
[CALCULATIONS](#)¹³³

4.5.2.4.1 SETUP

On the setup tab, configure the following:

Years of service to buyback - Enter the years of service to purchase back.

Additional life expectancy years - This prompt allows for illustrating the effects of longer life expectancy.

Payment Method - Select the method of payment, and enter the value associated with the required payment.

Calculations > DB Buyback Comparison Client

SETUP **CALCULATIONS**

The DB Buyback Comparison performs a quick cost analysis on purchasing back years of service (YOS) from a retirement plan.

YOS To Purchase

Additional Life Expectancy Years

PAYMENT OPTIONS

Payment Method

Payment Occurs

Lump Sum Payment

4.5.2.4.2 CALCULATIONS

The calculations will now be displayed on this tab in an overview and a more detailed view.

Calculations > DB Buyback Comparison Client

SETUP **CALCULATIONS**

Calculation Overview
Comparison of Calculations based on Life Expectancy

	Less 5 Years	Current	Add 5 Years
Life Expectancy Age	82y	87y	92y
Life Expectancy Date	11/30/2053	11/30/2058	11/30/2063
Total Additional Income for Purchasing YOS	\$112,988	\$157,056	\$203,275
Effective Rate of Return from Purchasing Additional YOS	9.20%	9.78%	10.09%

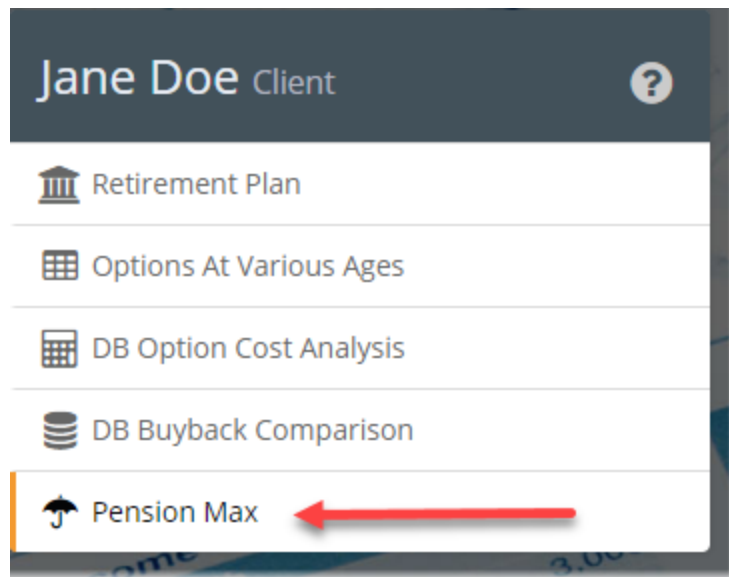
Detail Calculations

	Without Additional YOS	With Additional YOS	Difference
Monthly Income at Retirement	\$3,493	\$4,085	\$592
Monthly Income at Life Expectancy	\$4,478	\$5,234	\$755
Total Income Over Life Expectancy	\$926,866	\$1,083,922	\$157,056

4.5.2.5 Pension Max

This tool will help to illustrate how to utilize life insurance so that a maximum pension benefit option can be selected. The "Pension Max" calculator provides a powerful illustration for clients taking a higher income option from a defined benefit plan and purchasing life insurance. The life insurance proceeds are used to provide their spouse (or

other beneficiary) an income in lieu of selecting a lower income option for the client that provides the spouse an income.



How it works

The steps for "Pension Max" are:

1. Today a client takes a higher income option, and purchases life insurance to provide income for a surviving spouse.
2. When the client passes away, the spouse invests the life insurance proceeds conservatively to provide him or herself an income stream for the remainder of life.

Note: If the retirement plan has additional benefits to the spouse besides income (such as health insurance), TRAK allows for the client to take the second highest income option (having a smaller spouse benefit). Thus, providing a higher level of income to the spouse than the option would have otherwise provided.

"Pension Max" assumes two things:

1. The client dies soon after retiring, and;
2. The life insurance proceeds are used to provide income to the spouse.

Click one the following links for more detail on the 5 "Pension Max" tabs:

[SETUP](#) ¹³⁵

[OVERVIEW](#) ¹³⁷

[CASH FLOW ANALYSIS](#) ¹³⁸

[COST OF OPTION](#) ¹⁴⁰

[LIFE INSURANCE VALUES](#) ¹⁴¹

4.5.2.5.1 SETUP

First, select the "Primary Option" and the "Option to Be Replaced" and then how configure the "Payout Method" and the rate. The "Payout Method" here pertains to how the life insurance money is paid when the client passes away.

Note: If it is set to "Annuitize", enter the value in the "Annuity Rate" field. To determine the rate to use, contact the insurance company placing the policy regarding the rate of a 10 year/life annuity. To be conservative, consider reducing their 10 year/life annuity rate by 15% to 20%.

Calculations > Pension Max Client	
SETUP	OVERVIEW CASH FLOW ANALYSIS COST OF OPTION LIFE INSURANCE VALUES
Primary Option	Option 1
Option to be Replaced	Option 2
Payout Method	Annuitize
Side Fund's Balance at Spouse's Life Expectancy	\$100,000
Side Fund's Rate of Return	6.00%
Marginal Tax Bracket	25.00%

Additionally, enter an amount money available in the "Side Fund" balance at the death of the spouse. This may be for end of life expenses or for inheritance purposes. Additionally, the side fund balance at the spouse's life expectancy can act as a buffer if the spouse out-lives their life expectancy. Enter the dollar amount in the "Side Fund's Balance at Spouse's Life Expectancy" field.

Finally, enter values for the "Side Fund's Rate of Return" and the client's "Marginal Tax Bracket" in the respective fields. The tax rate during the years the spouse is the survivor will allow providing an apples-to-apples comparison between the after-tax income of the pension plan and the after-tax income from the life insurance proceeds as life insurance is not taxable.

Note: It may seem like a good idea to invest the proceeds rather than annuitize them. If, however, the individual lives past normal life expectancy, they will be out of money. The investment return is not guaranteed. If the investment does not perform as expected, the client might not have enough money to last to life expectancy.

Understanding the Function of the Side Fund

The purpose of the side fund must be understood to determine what rate of return will be used. It is used slightly different, depending upon the payout method of the life insurance proceeds. Each is explained below.

Interest Bearing - if an interest bearing payment is chosen, the life insurance proceeds are deposited into the "side fund", earning at the entered interest rate. Payments from the account may be increased each year to match the retirement plan's COLA.

Annuitize - if the client opts to annuitize the money, the side fund plays a key role.

Note: Many defined benefit plans have an annual cost of living adjustment (COLA). This COLA must be duplicated when the money from the life insurance is paid out to determine the life insurance needed. Annuities typically do not include a COLA. If the account is annuitized, the side fund acts as an investment fund so that the income from the annuity and side fund will match the pension plan proceeds, including any COLA included in the pension plan. In other words, the side fund makes up the difference between the ever increasing pension plan benefit and the level annuity payment.

This calculation can be performed one of two ways:

1. Over-funding the annuity. In the early years the income of the annuity will have a greater after-tax income than the pension plan. This income is deposited in to the "Side Fund". Then in later years, distribution can occur from the side fund investment to make up the shortfall in income because of the pension plan's COLA.
2. Excess life insurance. Not all of the distributions from the life insurance will be annuitized. Rather, a part of the life insurance proceeds are deposited into the "side fund". This balance will grow to the desired value at the spouse's life expectancy - TRAK will calculate both methods and use the method with the lower life insurance required.

Note: In either case, (Interest Bearing or Annuitize) the interest rate on the side fund should be conservative. The higher the side fund rate, the less insurance is needed; but, higher investment results come with increased risk.

4.5.2.5.2 OVERVIEW

For this example, this tab now shows the life insurance required to provide the income that the "Option 2" would have provided for the spouse if the client with the pension benefit dies first (in this case, just under \$500,000). A client taking the reduced option will result in substantially less income per month. If enough life insurance can be provided to meet the need for less than what they would have to give up per month (in this case, \$516), those savings will then be available in a "Side Fund" to mitigate inflation (COLA) rate increases.

Note: In this example, the monthly income that the insurance would replace is \$2,977 (for Option 2) under "Spouse as Survivor" column.

Calculations > Pension Max Client

SETUPOVERVIEWCASH FLOW ANALYSISCOST OF OPTIONLIFE INSURANCE VALUES

Primary Option Values

	Monthly	Annual
Client Income	\$3,493	\$41,910
Spouse Survivor Income	\$0	\$0

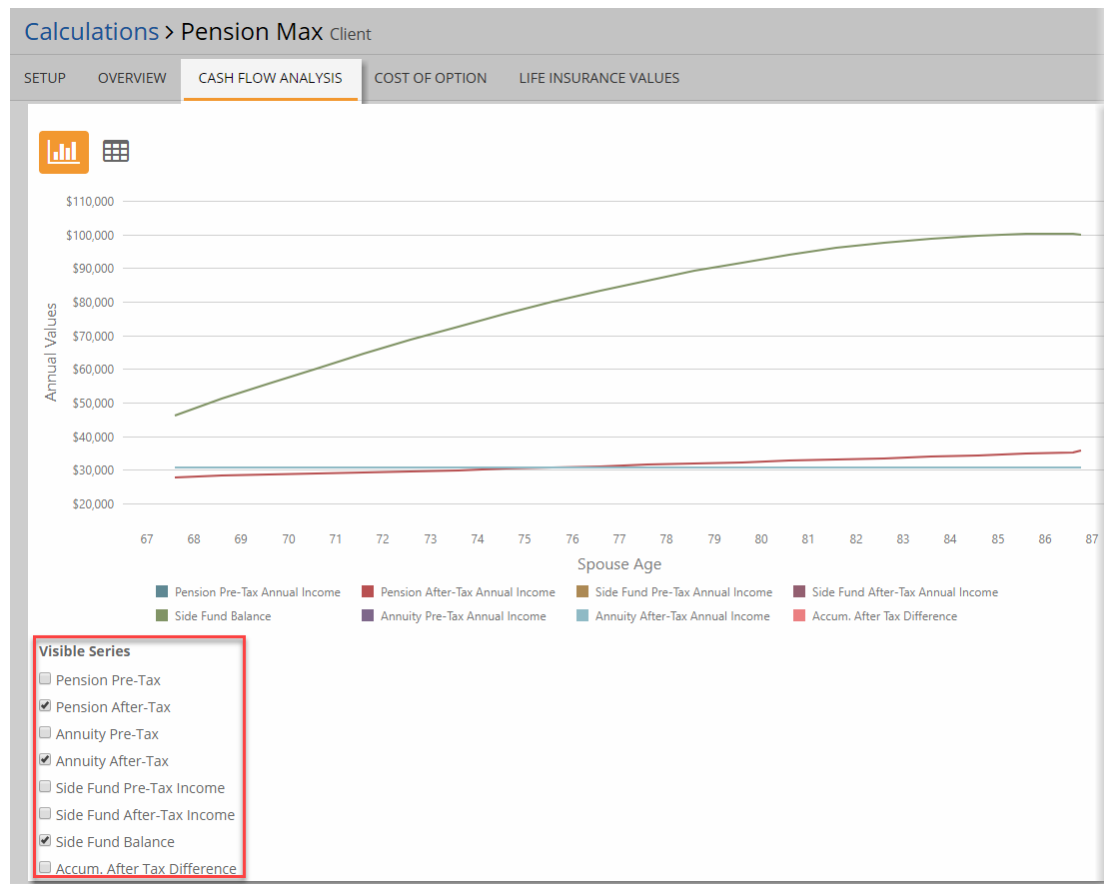
Alternate Option Values

	Both Alive			Spouse as Survivor	
Option Name	Monthly Income	Initial Monthly Cost	Lifetime Cost	Income	Life Insurance
Option 2	\$2,977	\$516	\$136,808	\$2,977	\$495,115
Option 2A	\$2,900	\$592	\$157,199	\$2,900	\$483,406
Option 3	\$3,212	\$280	\$74,431	\$1,606	\$286,418
Option 3A	\$3,168	\$325	\$86,199	\$1,584	\$283,032

4.5.2.5.3 CASH FLOW ANALYSIS

Both a chart view and a grid view (below) are available for illustration.

Chart



The red line represents the after-tax income the spouse would receive if they selected to take the pension plan's alternative option. The income may increase as the spouse ages because of the retirement plan's COLA. The light blue line is the income the spouse would receive if the client passed away at retirement, and the life insurance account was annuitized.

Note: In the early years, the income from the annuity will exceed what the retirement plan option would have provided. The excess income should be put in a side fund for later years. The green line is the side fund. Its monies are deposited from the annuity in the early years, to be withdrawn in later years as the cost of living increases. To enable more value illustrations, check the desired box near the value under the "Visible Series" heading.

Grid

The grid view option gives a spreadsheet style illustration of the values year by year.

Calculations > Pension Max Client

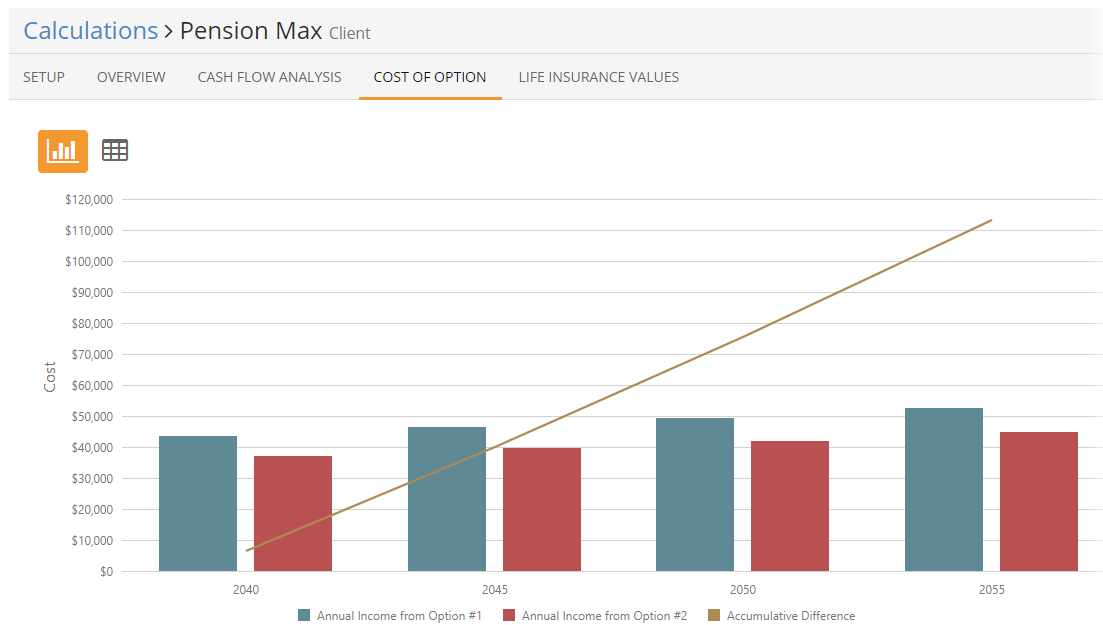
SETUPOVERVIEWCASH FLOW ANALYSISCOST OF OPTIONLIFE INSURANCE VALUES

Date	Spouse's Age	Spouse's Income from Pension Account		Pension-Max Incomes					After-Tax Difference Between Pension and Annuity	
		Option 2		Annuity		Side Fund				
		Pre-Tax	After-Tax	Pre-Tax	After-Tax	Pre-Tax	After-Tax	Balance	Annual	Accumulative
6/30/2040	68	\$37,167	\$27,875	\$33,485	\$30,869	\$27,895	\$27,875	\$46,304	\$2,994	\$2,994
6/30/2041	69	\$37,631	\$28,224	\$33,485	\$30,869	\$28,287	\$28,224	\$51,070	\$2,646	\$5,640
6/30/2042	70	\$38,102	\$28,576	\$33,485	\$30,869	\$28,679	\$28,576	\$55,692	\$2,293	\$7,933
6/30/2043	71	\$38,578	\$28,933	\$33,485	\$30,869	\$29,073	\$28,933	\$60,156	\$1,936	\$9,869
6/30/2044	72	\$39,060	\$29,295	\$33,485	\$30,869	\$29,468	\$29,295	\$64,455	\$1,574	\$11,443
6/30/2045	73	\$39,549	\$29,661	\$33,485	\$30,869	\$29,862	\$29,661	\$68,564	\$1,208	\$12,651
6/30/2046	74	\$39,951	\$29,964	\$33,485	\$30,869	\$30,189	\$29,964	\$72,553	\$906	\$13,557
6/30/2047	75	\$40,451	\$30,338	\$33,485	\$30,869	\$30,585	\$30,338	\$76,338	\$531	\$14,088
6/30/2048	76	\$40,956	\$30,717	\$33,485	\$30,869	\$30,981	\$30,717	\$79,910	\$152	\$14,240
6/30/2049	77	\$41,468	\$31,101	\$33,485	\$30,869	\$31,376	\$31,101	\$83,240	(\$232)	\$14,008
6/30/2050	78	\$41,987	\$31,490	\$33,485	\$30,869	\$31,771	\$31,490	\$86,328	(\$621)	\$13,387
6/30/2051	79	\$42,512	\$31,884	\$33,485	\$30,869	\$32,165	\$31,884	\$89,151	(\$1,014)	\$12,373
6/30/2052	80	\$43,043	\$32,282	\$33,485	\$30,869	\$32,559	\$32,282	\$91,700	(\$1,413)	\$10,960
6/30/2053	81	\$43,581	\$32,686	\$33,485	\$30,869	\$32,950	\$32,686	\$93,940	(\$1,817)	\$9,143
6/30/2054	82	\$44,126	\$33,094	\$33,485	\$30,869	\$33,341	\$33,094	\$95,869	(\$2,225)	\$6,918
6/30/2055	83	\$44,677	\$33,508	\$33,485	\$30,869	\$33,730	\$33,508	\$97,462	(\$2,639)	\$4,279

4.5.2.5.4 COST OF OPTION

Both a chart view and a grid view (below) are available to illustrate the "Cost of Option" - both graphically compare the higher and lower incomes of both options on an annual and on an accumulative basis.

Chart



Grid

Calculations > Pension Max Client

SETUP OVERVIEW CASH FLOW ANALYSIS **COST OF OPTION** LIFE INSURANCE VALUES

Year	Date	Annual Income		Difference	
		Option #1	Option #2	Annual	Accumulative
2040	6/30/2040	\$43,602	\$37,167	\$6,436	\$6,436
2041	6/30/2041	\$44,147	\$37,631	\$6,516	\$12,952
2042	6/30/2042	\$44,699	\$38,102	\$6,598	\$19,549
2043	6/30/2043	\$45,258	\$38,578	\$6,680	\$26,229
2044	6/30/2044	\$45,824	\$39,060	\$6,763	\$32,993
2045	6/30/2045	\$46,396	\$39,549	\$6,848	\$39,841
2046	6/30/2046	\$46,869	\$39,951	\$6,918	\$46,758
2047	6/30/2047	\$47,455	\$40,451	\$7,004	\$53,763
2048	6/30/2048	\$48,048	\$40,956	\$7,092	\$60,854
2049	6/30/2049	\$48,649	\$41,468	\$7,180	\$68,034
2050	6/30/2050	\$49,257	\$41,987	\$7,270	\$75,304
2051	6/30/2051	\$49,872	\$42,512	\$7,361	\$82,665
2052	6/30/2052	\$50,496	\$43,043	\$7,453	\$90,118
2053	6/30/2053	\$51,127	\$43,581	\$7,546	\$97,664
2054	6/30/2054	\$51,766	\$44,126	\$7,640	\$105,304

4.5.2.5.5 LIFE INSURANCE VALUES

This screen is used to input values taken from the client's insurance company ledger sheet. Run a life insurance ledger with the client's insurance company software, and use that ledger sheet as the source for the values on this screen. The values transcribed will appear in the reports.

Calculations > Pension Max Client

SETUP OVERVIEW CASH FLOW ANALYSIS COST OF OPTION **LIFE INSURANCE VALUES**

Note: Enter these values prior to printing the document. Values will be reset when changes are made to any of the values.

☒ Print Life Insurance Values in Report

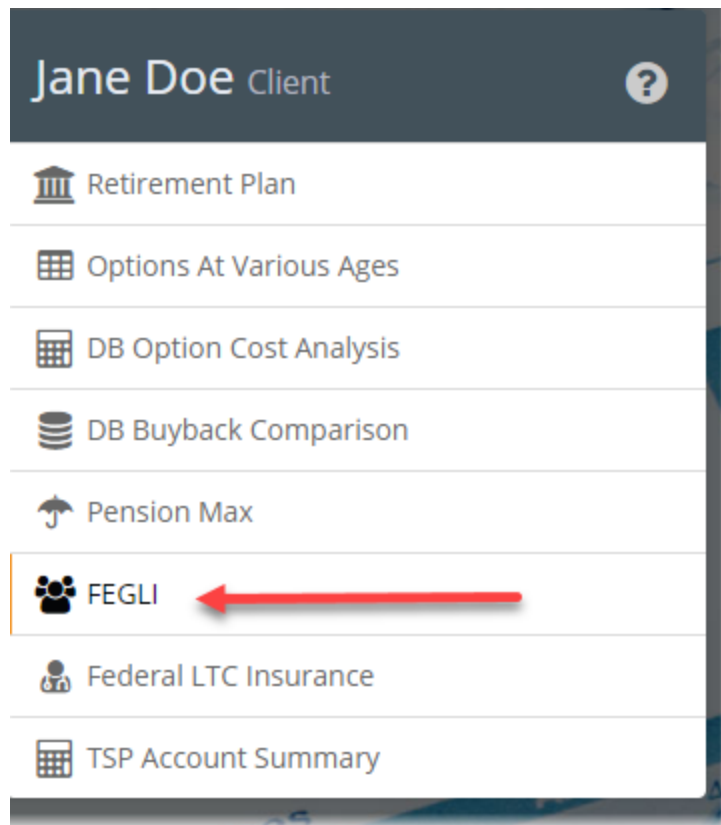
Pre-Retirement Monthly Cost	<input type="text" value="\$0"/>
Current Insurance Available	<input type="text" value="\$0"/>
Monthly Cost at Retirement	<input type="text" value="\$0"/>
Number of Years to Pay at Retirement	<input type="text" value="0"/>
Cash Value at Retirement	<input type="text" value="\$0"/>
Cash Value 10 Years After Retirement	<input type="text" value="\$0"/>
Life Expectancy Cost	<input type="text" value="\$0"/>
Cash Value at Life Expectancy	<input type="text" value="\$0"/>

4.5.2.6 FEGLI

To configure "FEGLI" (a.k.a. Federal Employee Group Life Insurance), chose that from the menu. The FEGLI calculation screen illustrates the cost of insurance through the federal government. More information on the FEGLI program can be obtained here:

<https://www.opm.gov/healthcare-insurance/life-insurance/>

Note: This is only available if the client is a federal employee configured on the client's "Retirement Plan" tab.



There are 4 tabs in this calculation. Click on the link below for more information on each tab.

- [SETUP](#) ¹⁴³
- [SUMMARY](#) ¹⁴⁵
- [DETAILS](#) ¹⁴⁶
- [CHART](#) ¹⁴⁷

4.5.2.6.1 SETUP

On this first tab, review the "Personal Information" and select how many "Years to Display After Retirement" from the drop down menu.

The screenshot shows the 'Calculations > FEGLI Client' interface. The 'SETUP' tab is selected. The 'Personal Information' section contains the following fields:

Field	Value
Date of Birth	11/3/1971
Retire Age	67
Retire Month	June
Pay Per Year	12
Raises	3%
Income Per Pay Period	\$4,500
Years To Display After Retirement	20

The 'Years To Display After Retirement' field is highlighted with a red box. Below this is the 'FEGLI Insurance Coverage' section, which includes a 'FEGLI Codes' dropdown menu and a 'Basic Coverage' toggle switch set to 'No'.

Next, enter the client's FEGLI code by clicking on the down arrow next to "FEGLI Codes" then click the button to "Apply FEGLI Code". The list of codes can be also be reviewed manually by scrolling through the list or filtered by code.

FEGLI Insurance Coverage

FEGLI Codes ▾

Search

E5	Basic + Option C (5x)
F1	Basic + Option A + Option C (1x)
F2	Basic + Option A + Option C (2x)
F3	Basic + Option A + Option C (3x)
F4	Basic + Option A + Option C (4x)
F5	Basic + Option A + Option C (5x)
G0	Basic + Option B (1x)
H0	Basic + Option B (1x) + Option A
I1	Basic + Option B (1x) + Option C (1x)
I2	Basic + Option B (1x) + Option C (2x)
I3	Basic + Option B (1x) + Option C (3x)

Apply FEGLI Code

Basic Coverage ☐ No

If a client simply has just "Basic Coverage" without options, toggle that option to "Yes" and then configure any other settings that apply to the client.

Note: If the client is a Postal Employee, the basic coverage is provided, so, toggle that to "Yes" if applicable.

FEGLI Insurance Coverage

FEGLI Codes ▾

Basic Coverage ☒ Yes

Postal Employee ☐ No

Reduction At Age 65 None ▾

Option A (\$10,000) ☐ No

Option B ☐ No

Option C ☐ No

4.5.2.6.2 SUMMARY

On the "SUMMARY" tab, review the retirement values and then select either "Detail" or "Short" from the display options in the drop down list next to "Summary Display" then, review the "CURRENT PREMIUM" values.

Note: These values will be different depending upon the client's FEGLI code selected.

Calculations > FEGLI Client

SETUP SUMMARY DETAILS CHART

Years Until Retirement 20y 10m

Retirement Date 6/30/2039

Retirement Age 67y 7m

Select summary display for the reports

Summary Display Detail ▼

CURRENT PREMIUM AVERAGE PREMIUMS UNTIL RETIREMENT

	Bi-Weekly	Monthly	Annually*
Basic	\$8.40	\$18.20	\$218.40
Option A	\$0.00	\$0.00	\$0.00
Option B	\$0.00	\$0.00	\$0.00
Option C	+	\$0.00	+
Total	\$8.40	\$18.20	\$218.40

*The Annual Values may include an increase in the premiums not reflected in the Bi-Weekly or Monthly Values.

To view the "AVERAGE PREMIUMS UNTIL RETIREMENT", select that tab. These values will be higher due premium increases over time and averaged until retirement.

Select summary display for the reports

Summary Display Detail ▼

CURRENT PREMIUM AVERAGE PREMIUMS UNTIL RETIREMENT

	Bi-Weekly	Monthly	Annually
Basic	\$11.74	\$25.53	\$306.30
Option A	\$0.00	\$0.00	\$0.00
Option B	\$0.00	\$0.00	\$0.00
Option C	+	\$0.00	+
Total	\$11.74	\$25.53	\$306.30

4.5.2.6.3 DETAILS

The "DETAILS" tab displays a grid view of the life insurance values. Options can be checked such as "Show Coverage Details", etc.

Calculations > FEGLI Client

SETUP SUMMARY **DETAILS** CHART

Each Year ☐ Show Premium Details ☒ Show Coverage Details

#	Date	Age	Salary	Premium		Life Insurance Coverage		Total Insurance
				Annual	Accumulated	Basic		
1	7/31/2018	46.73	\$18,405	\$75		\$75	\$56,000	\$56,000
2	11/30/2018	47.07	\$55,898	\$228		\$302	\$58,000	\$58,000
3	11/30/2019	48.07	\$57,575	\$235		\$538	\$60,000	\$60,000
4	11/30/2020	49.07	\$59,302	\$242		\$780	\$62,000	\$62,000
5	11/30/2021	50.07	\$61,081	\$247		\$1,027	\$63,000	\$63,000
6	11/30/2022	51.07	\$62,914	\$255		\$1,282	\$65,000	\$65,000
7	11/30/2023	52.07	\$64,801	\$263		\$1,544	\$67,000	\$67,000
8	11/30/2024	53.07	\$66,745	\$270		\$1,815	\$69,000	\$69,000
9	11/30/2025	54.07	\$68,748	\$278		\$2,093	\$71,000	\$71,000
10	11/30/2026	55.07	\$70,810	\$286		\$2,379	\$73,000	\$73,000
11	11/30/2027	56.07	\$72,934	\$294		\$2,673	\$75,000	\$75,000

To switch the view to display only key years (such as every 5 years), select "Key Years" from the drop down menu.

Calculations > FEGLI Client

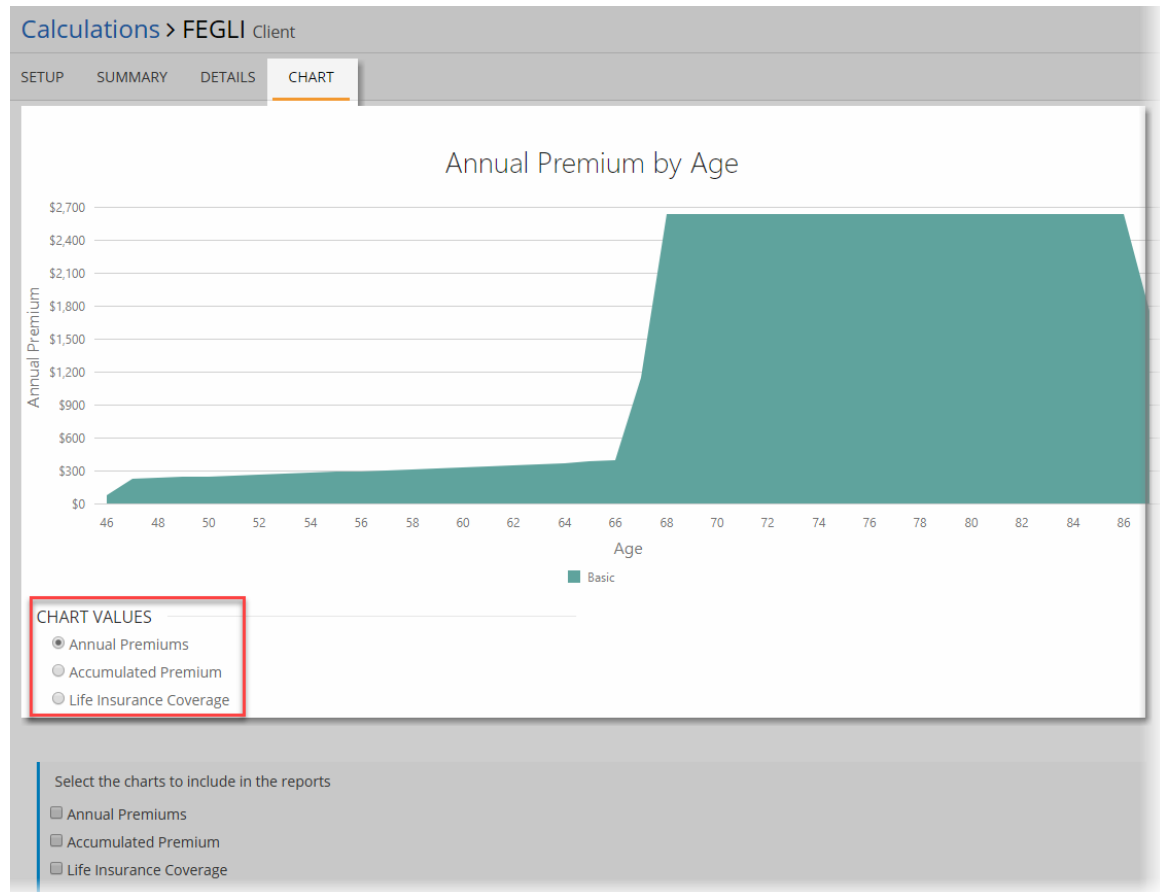
SETUP SUMMARY **DETAILS** CHART

Key Years ☒ Show Premium Details ☐ Show Coverage Details

#	Date	Age	Salary	Premium		Life Insurance Coverage		Total Insurance
				Annual	Basic	Accumulated		
1	11/30/2018	47.07	\$55,898	\$228		\$227.50	\$302	\$58,000
2	11/30/2021	50.07	\$61,081	\$247		\$246.94	\$1,027	\$63,000
3	11/30/2026	55.07	\$70,810	\$286		\$285.96	\$2,379	\$73,000
4	11/30/2031	60.07	\$82,088	\$330		\$329.56	\$3,935	\$84,000
5	11/30/2036	65.07	\$95,163	\$380		\$380.30	\$5,734	\$97,000
6	11/30/2038	67.07	\$66,970	\$1,145		\$1,145.40	\$7,271	\$103,000

4.5.2.6.4 CHART

For a more graphical view of the life insurance coverage and values, this tab will allow illustrations of the "Annual Premiums", "Accumulated Premiums" and the "Life Insurance Coverage" by selecting the appropriate option.



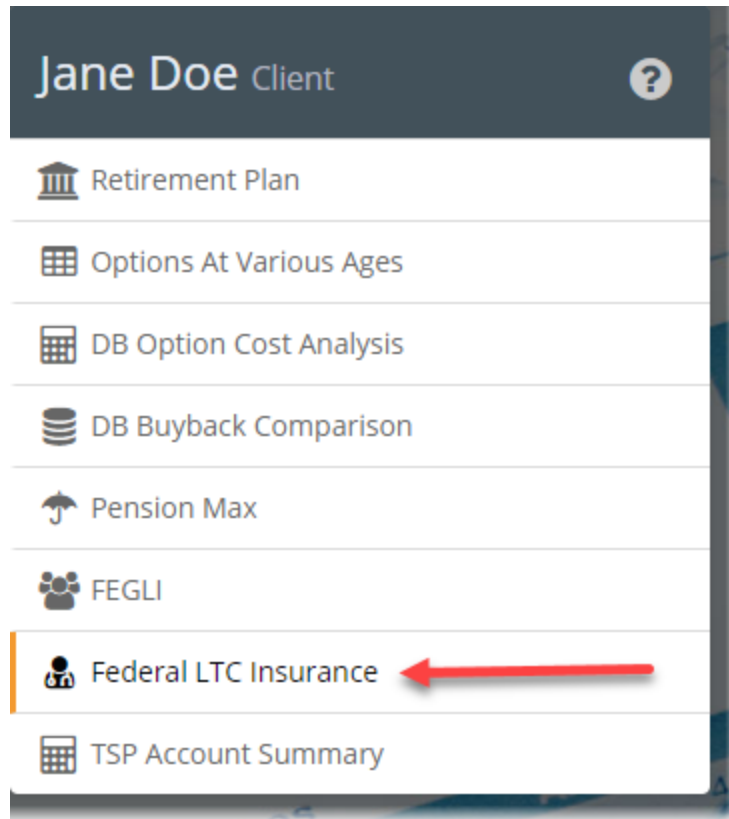
Additionally, select which chart or charts to be included and available in the reports.

Select the charts to include in the reports

- ☐ Annual Premiums
- ☐ Accumulated Premium
- ☐ Life Insurance Coverage

4.5.2.7 Federal LTC Insurance

This calculation quickly compares various options available to a federal employee through the Long Term Care Insurance program. More information on the Federal LTC Insurance program can be obtained here: <https://www.ltcfeds.com>



To compare options, click "Add Illustration" and entering values such as the daily benefit amount, period, inflation protection and premium frequency.

[Calculations](#) > Federal LTC Insurance Client

Illustration #1

Add Illustration

PLAN OPTIONS

Illustration #1

Current Age

47

Daily Benefit Amount

\$200/Day

Benefit Period

5 Years

Waiting Period

90 Days

Inflation Protection

ACI 3%

Premium Frequency

Bi-Weekly

FPO: Future Purchase Option; ACIO: Automatic Compound Inflation Option

CALCULATIONS

Premium Payment

\$91.57

Maximum Lifetime Benefit

\$365,000

4.5.2.8 TSP Account Summary

To review options for the pre-tax "Thrift Savings Plan", select this calculation page to display the values.

The screenshot shows a client dashboard for Jane Doe. The dashboard has a dark header with the client's name and a help icon. Below the header is a list of calculation options, each with an icon and a label. The options are: Retirement Plan (bank icon), Options At Various Ages (calendar icon), DB Option Cost Analysis (calculator icon), DB Buyback Comparison (stack of coins icon), Pension Max (umbrella icon), FEGLI (group of people icon), Federal LTC Insurance (person icon), and TSP Account Summary (calculator icon). The 'TSP Account Summary' option is highlighted with a red arrow pointing to it.

TRAK-Online Help Manual

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Here, select the "Purchase Annuity At" option - either on the retirement date (default) or enter a custom date. Additionally, select "TSP Account Balance used to Purchase Annuity" - either the "Projected Retire Balance" (default) or enter a "Custom Balance". These will change the "ANNUITY OPTIONS" values on screen and for the reports.

[Calculations](#) > TSP Account Summary Client

PRE-TAX ACCOUNT

DATA FOR CALCULATIONS

Purchase Annuity At	Retirement ▼	6/30/2039
Client's Age	67	
Spouse's Age	66	
Current Annuity Interest Rate	3.000%	
Note: The TSP Annuity Interest Rate from August, 2018.		
TSP Account Balance used to Purchase Annuity	Projected Retire Balance ▼	\$500,318
Retire COLA	3%	

Note: The "Projected Retire Balance" values are generated from the federal client's configuration in the "Federal Savings Plan" tab (see below).

PERSONAL RETIREMENT PLAN FEDERAL INFORMATION **FEDERAL SAVINGS PLAN**

Federal Savings Plan

Contribution Method Percent of Income ▼

Include Roth Account ☐ No

Pre-Tax Account

Current Balance	\$75,000
Contribution Per Paycheck	4.00%
Pre-Retire Rate of Return	6.00%

Account Distribution

Distribution Method	Use Funds as Needed ▼
Interest Rate	4.00%
Distribution Start Method	At Retirement ▼

The agency will contribute 1% of pay, match 100% of the first 3% of the contribution, and match 50% of the next 2%.

The "ANNUITY OPTIONS" display multiple options with notes at the bottom for further assistance.

ANNUITY OPTIONS

	Level Payments		Increasing Payments	
	Monthly Income	Break Even Time	Initial Monthly Income	Break Even Time
Single Life Annuity				
Standard Annuity	\$3,146	13 years, 4 months	\$2,277	14 years, 10 months
Cash Refund Option	\$2,865	14 years, 7 months	\$2,028	16 years, 4 months
10 Years Certain	\$3,037	13 years, 9 months	\$2,202	15 years, 3 months
Joint Life with Spouse				
Standard Annuities				
100% Survivor Annuity	\$2,573	16 years, 3 months	\$1,762	18 years, 2 months
50% Survivor Annuity	\$3,091	13 years, 6 months	\$2,213	15 years, 2 months
Cash Refund Annuities				
100% Survivor Annuity	\$2,545	16 years, 5 months	\$1,728	18 years, 6 months
50% Survivor Annuity	\$2,968	14 years, 1 month	\$2,081	16 years, 0 months
Joint Life with Other Survivor				
Standard Annuities				
100% Survivor Annuity	\$2,573	16 years, 3 months		
50% Survivor Annuity	\$3,091	13 years, 6 months		
Cash Refund Annuities				
100% Survivor Annuity	\$2,545	16 years, 5 months		
50% Survivor Annuity	\$2,968	14 years, 1 month		

The "Break Even Time" is how long it takes for the annuity to return the initial principal. For annuities with 50% survivor benefit, the calculation assumes both individuals live to the break even period.

Note on Increasing Payment Options

The amount of the monthly annuity payment can change each year on the anniversary date of the first payment. The amount of the change is based on the change in inflation, as measured by the consumer price index. Increases cannot exceed 3% per year, but monthly annuity payments cannot decrease. When annuity payments start, they are smaller than they would have been if you had selected level payments. Increasing payments can be combined with either the single life annuity or the joint life annuity with spouse. You cannot choose increasing payments when the joint annuitant is not your spouse.

4.6 REPORTS

When the data has been entered and the calculation pages are setup as needed, the final step in running the "Gap Analysis" is to create reports for printing and/or saving as a PDF (portable document format).

The screenshot displays the "Gap Analysis Reports" interface. At the top, a blue navigation bar includes the title "Gap Analysis" and user information: "CLIENT: Jane Doe" and "USER:". Below this, a horizontal menu shows tabs for "SETUP", "CLIENT", "SPOUSE", "ACCOUNTS", "RETIREMENT INCOME", "CALCULATIONS", and "REPORTS", with "REPORTS" currently selected.

The main content area is titled "Gap Analysis Reports" and is divided into four sections:

- AVAILABLE REPORTS:** A list of report categories with a "Click to select groups or items" instruction. The list includes:
 - Cover Page (select one)
 - Disclaimer (select one)
 - General Reports
 - Pension Maximization
 Each item has a dropdown arrow and a pushpin icon.
- CURRENT ORDER:** A section with a "Drag & drop items to reorder" instruction. It currently shows "There are no reports selected." and a "Generate Report" button.
- REPORT SETS:** A section for managing report sets. It includes:
 - A "Load a Report Set" section with a dropdown menu (currently showing "(select)") and a "Delete" button.
 - A "Create a New Report Set" section with a text input field and a "Create New" button.
- CONFIGURATION OPTIONS:** A section for settings, currently showing a "COLOR SCHEME" dropdown menu set to "Blue".

There are sections under the "AVAILABLE REPORTS" header where reports can be added to the "CURRENT ORDER". Those reports can then be saved into "REPORT SETS". Additionally, there are 6 "COLOR SCHEME" options under the "CONFIGURATION OPTIONS" header.

To select reports, click on the down arrow beside the report categories such as "Cover Page", "Disclaimer", etc and then use the arrow icon to move them into the "CURRENT ORDER" area. Certain reports can be rearranged (ones not marked with the push pin icon).

Gap Analysis Reports

The screenshot shows the 'Gap Analysis Reports' interface. On the left, under 'AVAILABLE REPORTS', there are three categories: 'Cover Page (select one)', 'Disclaimer (select one)', and 'General Reports'. The 'General Reports' category is expanded, showing 'Options (with Descriptions)' and 'Option Values at Various Ages - Grid'. Red arrows point to the right arrow icon next to 'Cover Page' and the right arrow icon next to 'Options (with Descriptions)'. On the right, under 'CURRENT ORDER', the reports are listed in a box: 'Basic' (Cover Page), 'Disclaimer' (Disclaimer), and 'Client Data and Calculation Overview' (General Reports). There is a 'CLEAR' button and a 'Generate Report' button. Below this is a 'REPORT SETS' section with a 'Load a Report Set' button.

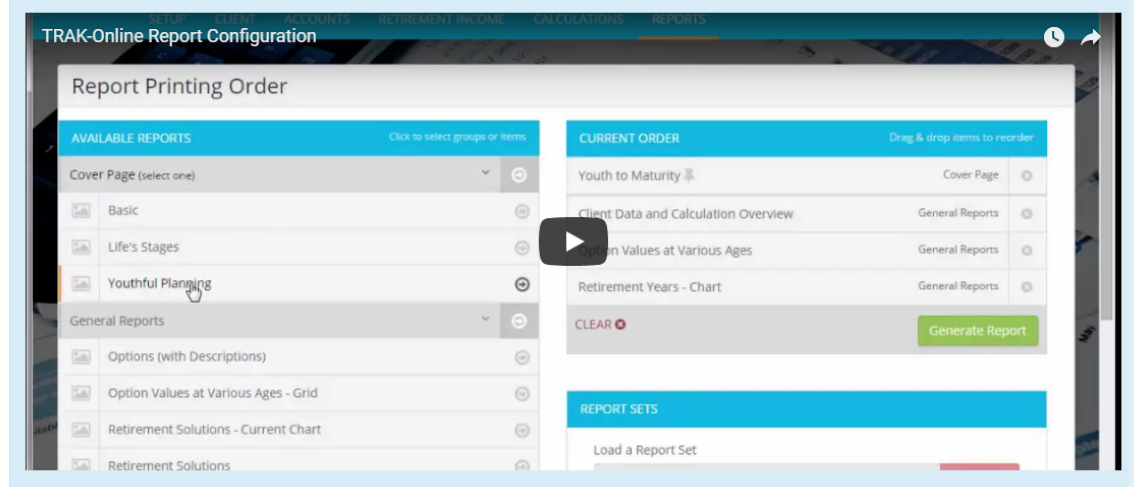
If a client and/or spouse is in a defined benefit or pension system, an additional report category will be available called "PENSION MAXIMIZATION". These reports reflect the data in the ["Pension Max"](#) ¹³³ calculation page.

The screenshot shows the 'General Reports' category expanded. A red box highlights the 'Pension Maximization' category at the top of the list. Below it are several report items: 'Cover', 'Overview', 'Advantages', 'Disadvantages', 'Understanding Pension Max', 'Detail Cost Analysis', 'Calculations of Retirement Benefits', 'Summary Cost Analysis', 'Cash Flow Analysis - Grid', 'Cash Flow Analysis - Chart', and 'Disclaimer'. Each item has a right arrow icon.

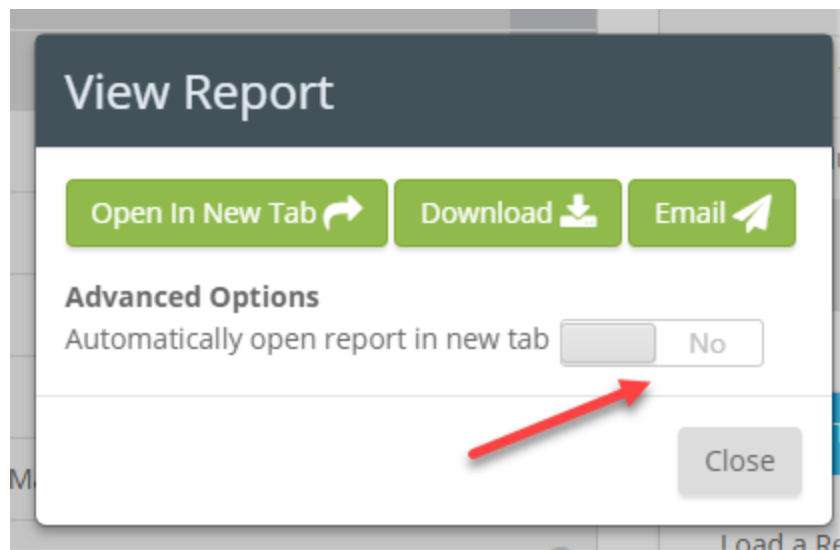
Note: To learn more about creating sets of reports for easy selection, click on the top right "?" for a short video.

Gap Analysis Reports

Generating reports in TRAK Online is quick and easy.



To print or create PDF files of the selected reports, click on "Generate Report" and click which option is best. To view the report in the web browser, click on "Open in New Tab" button. To download the PDF file of the report, click on "Download", or to have the file emailed to the address connected with the TRAK user account, click on "Email" and it will be sent. Additionally, if the "Automatically open report in new tab" under "ADVANCED OPTIONS" is toggled to "Yes", the report generation will bring up the report in a new tab in the browser by default.



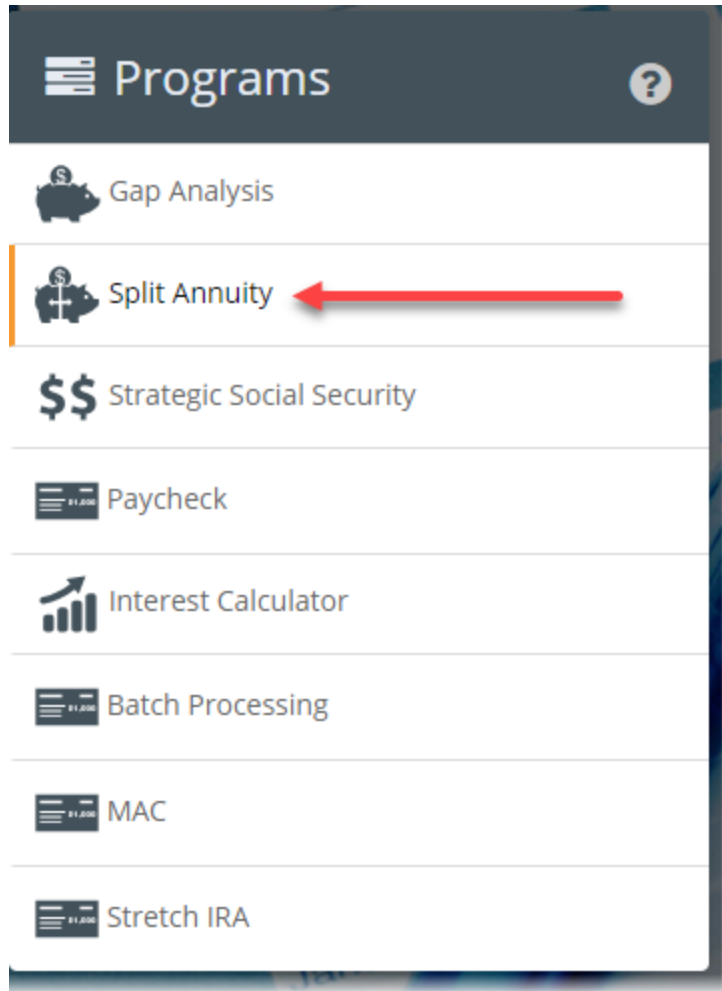
Note: It is recommended to store each report generated (PDF file) on a local computer for archiving and retrieval purposes. As is stated in the EULA, data storage is limited. For more detail on report archiving, [click here](#).



Split Annuity

5 Split Annuity

This program allows for illustrating a 2-5 allocation (tier) split annuity.



The "Split Annuity" program provides the flexibility of either a quick and simple illustration, or, if more detailed information is required, it can be configured to have additional fields for importing data. The allocations (a.k.a. "tiers") can be labeled and each may include a premium bonus. Inflation can be configured for the period of time or customized for each time period. Additionally, the final allocation can include a typical account balance, a defined ending balance or an income rider account.

To configure this program, there are 4 tabs:

[SETUP](#) ¹⁵⁷

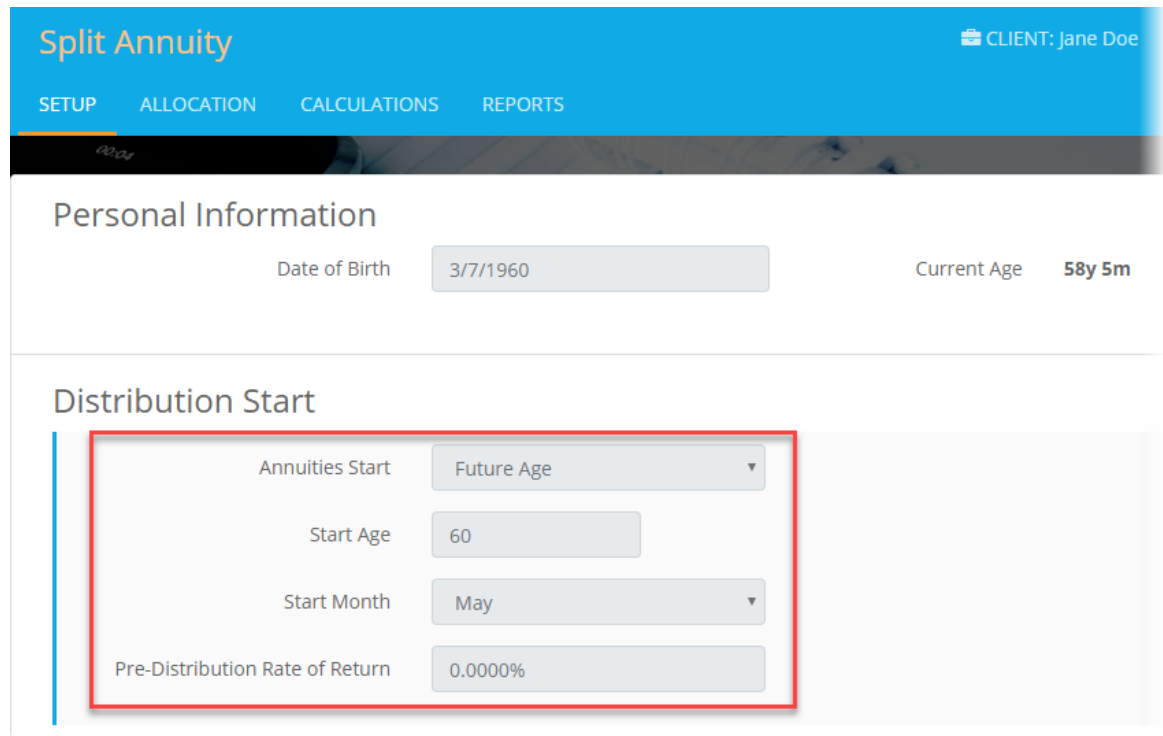
[ALLOCATION](#) ¹⁶¹

[CALCULATION](#) ¹⁶⁶

[REPORTS](#) ¹⁶⁹

5.1 SETUP

On the "Setup" tab, enter details such as the client's date of birth and when the distributions are to start ("Immediately" or at a "Future Age"). If a "Future Age" is selected, additional prompts will be displayed such as "Start Age" (the age of the client to start the illustration) and "Start Month" (exact month to start) and "Pre-Distribution Rate of Return" (the rate of return on the principle between now and when the illustration is to start).

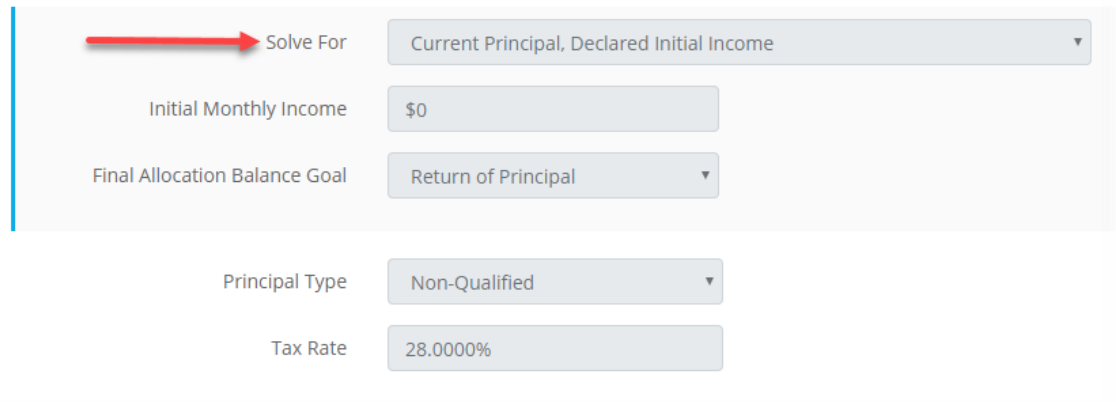


The screenshot shows the "Split Annuity" application interface. At the top, there is a blue header with the title "Split Annuity" and a client identifier "CLIENT: Jane Doe". Below the header is a navigation bar with tabs: "SETUP", "ALLOCATION", "CALCULATIONS", and "REPORTS". The "SETUP" tab is currently selected. The main content area is divided into two sections. The first section, "Personal Information", contains a "Date of Birth" field with the value "3/7/1960" and a "Current Age" field with the value "58y 5m". The second section, "Distribution Start", contains four fields: "Annuities Start" with a dropdown menu set to "Future Age", "Start Age" with a text input field containing "60", "Start Month" with a dropdown menu set to "May", and "Pre-Distribution Rate of Return" with a text input field containing "0.0000%". A red rectangular box highlights the "Annuities Start", "Start Age", "Start Month", and "Pre-Distribution Rate of Return" fields.

Account Setup

For the field "Solve for", select how the calculation for the final allocation is determined. There are several options available.

Account Setup



Solve For	Current Principal, Declared Initial Income ▼
Initial Monthly Income	\$0
Final Allocation Balance Goal	Return of Principal ▼
Principal Type	Non-Qualified ▼
Tax Rate	28.0000%

Monthly Income with Return of Principal: the final allocation's principal will return to the original value.

Defined Ending Balance: the final allocation's principal will calculate.

Lifetime Income Rider: the final allocation's balance will be calculated to provide income from a lifetime income rider account. The income will be equal to the income from the other allocations, adjusted by inflation.

Final Allocation Balance, Declared Initial Income allows the initial allocation's income to be entered. The income for the other allocations will be calculated using the inflation rate(s) (setup in the "Advanced Settings" area). Inflation will be applied to incomes for non-immediate annuities.

Final Allocation Balance, All Incomes Declared allows the income for each allocation to be entered in the grid near the bottom of the page. When this option is selected, a "Required Income" column will be displayed in the grid. Inflation is not applied to the value entered for in Required Income column.

Current Principal, Declared Initial Income: allows for calculating the current principle where the initial income is declared, and the income of any future allocations, if any, is calculated by the inflation rates.

Current Principal, Declared All Incomes: allows for calculating the current principle when the income for all allocations is calculated.

Note: The remainder of the prompts in the Account Setup section may depend upon the selection of the "Solve-For" prompt (and other prompts found in this section).

Initial Monthly Income: Enter the initial income required (desired) for the illustration

Principal Amount: Enter the total principal amount for the multi-tier annuity illustration.

Final Allocation Balance Goal: Select one of two values here - either "Return of Principal" or "Stated Value". The first will provide a return of the initial cash value, while the second will allow for a custom value to be entered. This value will be entered in the Final Tier's distribution section discussed on the "[ALLOCATION](#)¹⁶¹" tab.

Principal Type: Select if the Principal Amount is either "Non-qualified" or "Qualified money".

Advanced Settings

In this section, choose whether or not to apply the same inflation entered in the "Inflation" field for "all Allocations" by toggling the button to "Yes". Additionally, configure the "Distribution Method" by clicking the drop down menu to either "Annuity Rate" or "Interest Rate" and the bonus field "Allow for Premium Payout Bonus in Allocations" by toggling the button to "Yes". This will add that field to each allocation configured on the ["ALLOCATION" ¹⁶¹](#) tab.

Advanced Settings

Same Inflation for all Allocations

Yes ☐


Inflation

3.00%

Distribution Method

Annuity Rate

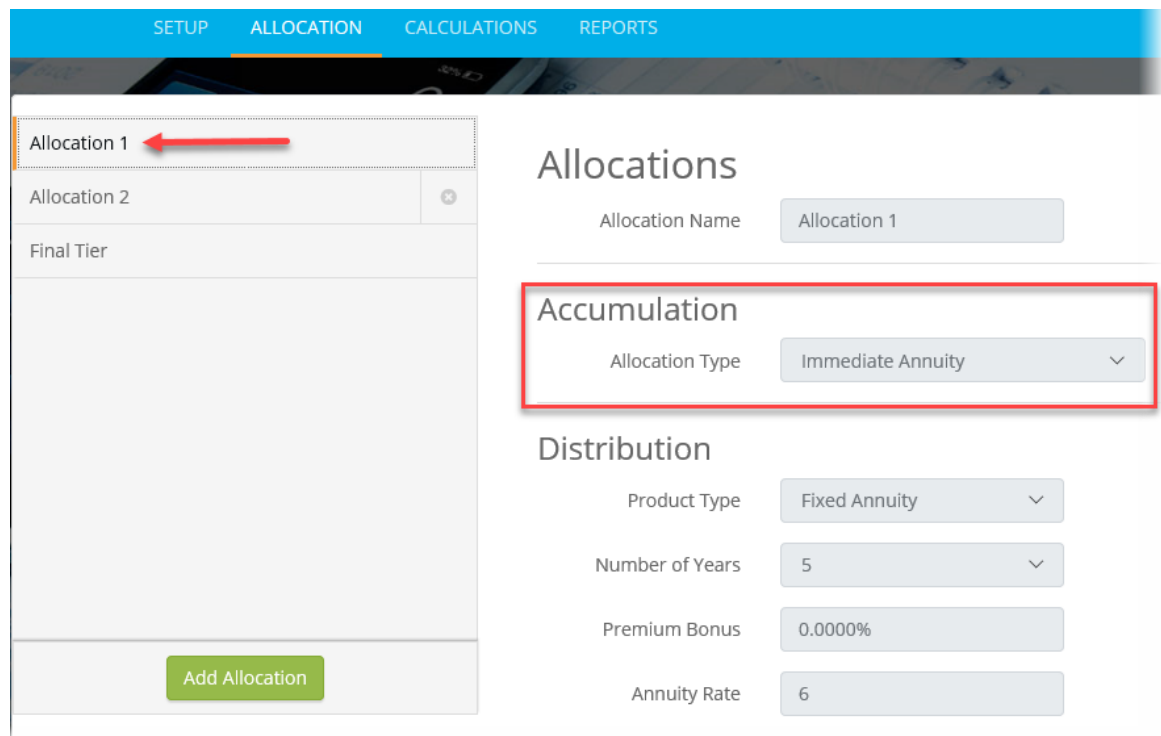
Allow for Premium Payout Bonus in Allocations

Yes ☐ 

5.2 ALLOCATION

Create between 2 and 5 allocations to illustrate (inclusive). Only the first allocation can be configured for either an "Immediate Annuity" or a "Deferred Annuity" in the "Allocation Type" field. If "Immediate Annuity" is selected, enter the values for "[Distribution](#)¹⁶⁴" next. If "Deferred Annuity" is selected, click here for more detailed information on those "[Accumulation](#)¹⁶²" specific prompts.

Additional allocations can be added and named by clicking on the "Add Allocation" button.



SETUP ALLOCATION CALCULATIONS REPORTS

Allocation 1 ←

Allocation 2

Final Tier

Add Allocation

Allocations

Allocation Name Allocation 1

Accumulation

Allocation Type Immediate Annuity

Distribution

Product Type Fixed Annuity

Number of Years 5

Premium Bonus 0.0000%

Annuity Rate 6

5.2.1 ACCUMULATION

Number of Years to Defer: This prompt is visible only if this is the initial allocation and if "Deferred Annuity" is selected as the the "Allocation Type".

If the initial annuity is a deferred annuity, enter the number of years to defer the initial annuity. The delay in deferring will occur beyond the "Start Age" entered on the "[SETUP](#)"¹⁵⁷ tab.

Accumulation

Allocation Type	Deferred Annuity
-----------------	------------------

Number of Years to Defer	5
--------------------------	---

Annuity Type	Fixed
--------------	-------

Rate of Return	6.0000%
----------------	---------

Annual Dollar Fee	\$0.00
-------------------	--------

Annual Percent Fee	0.0000%
--------------------	---------

Surrender Fee Method	No Fees
----------------------	---------

With "Deferred Annuity" selected, other prompts for this option are described below.

Annuity Type: Select "Fixed", "Fixed-Indexed" or "Variable".

Note: If a Variable annuity is selected anywhere in the illustration, additional calculations and reports are automatically created for regulation requirements. These include a 0% rates of return illustration. Additionally, the printed report will automatically include descriptions of only the different types of annuities included in this illustration.

Rate of Return: Enter the rate of return associated with this allocation.

Annual Fee (\$): Enter the annual dollar fee, if any.

Annual Fee (%): Enter the annual fee as a percent that the account is charged.

Beyond the first initial allocation, there is an additional prompt for the the "Surrender Fee Method" including the final allocation.

Surrender Fee Method	<div>No Fees</div> <div>Decreasing Fixed Rate</div> <div>Comma Separated Values</div>
----------------------	---

Surrender Fee Method: Select the surrender fee for the account from the following methods. The options are:

No Fees: No surrender fees are associated with the account.

Decreasing Fixed Rate: The surrender fee starts as a specific rate and steps down by the same value for a specific number of years. An example of this would be starting at 10% and stepping down at 1% per year for 5 years.

Comma Separated Values: Use this method when the surrender fee steps down in an irregular method. An example of this would be 10% the first year, 9.5% the second, 9% the third, 8% the fourth and 7% the fifth.

Number of Years Surrender Fee Last: This prompt is visible if there is a surrender fee. Enter the number of years the account has a surrender fee.

Note: These prompts are visible only if the Surrender Fee Method is "Decreasing Fixed Rate":

Surrender Fee Method	<div>No Fees</div> <div>Decreasing Fixed Rate</div> <div>Comma Separated Values</div>
Number of Years Surrender Fee Lasts	1
Initial Surrender Fee	0.00%
Annual Decrease in Surrender Fee	0.00%
Max. Annual Distribution without Fee	0.00%

Initial Surrender Fee: Enter the initial year's surrender fee.

Annual Decreases in Surrender Fee: Enter the annual decrease in the surrender fee (e.g. from the example above, the value would be 1%). After the Number of Years Surrender Fee Last has been met, the surrender fee drops to zero.

Max. Annual Distribution without Fee: Enter maximum annual distribution, as a percentage, that may occur from the account with out a withdrawal penalty or fee.

Note: The following prompts are visible only if the Surrender Fee Method is "Comma Separated Values":

Surrender Fee Method

- No Fees
- Decreasing Fixed Rate
- Comma Separated Values**

Number of Years Surrender Fee Lasts: 1

Annual Fees (Comma-Separated Values): 10,9,8,7,6,5,4

Max. Annual Distribution without Fee: 0.00%

Annual Fees (Comma-Separated Values): Enter the annual surrender fees, starting with the first year, with each value separated by commas. The number of values must match the value entered for Number of Years Surrender Fees Last, or an error message will occur.

5.2.2 DISTRIBUTIONS

After configuration of the "Accumulation" settings, enter the values for distribution allocation in the "Distribution" section.

Distribution

Product Type: Fixed Annuity

Number of Years: 5

Premium Bonus: 0.0000%

Annuity Rate: 6

See below for more information on each field.

Product Type: Select if the product type is a Fixed Annuity or a SPIA (single premium immediate annuity).

Number of Years: Enter the number of years for distribution.

Premium Bonus: Enter the premium bonus for the allocation.

Note: This column is only visible if "Allow for Premium Payout Bonus in Allocations" is enabled on the "[SETUP](#)¹⁵⁷" tab.

Annuity Rate: Enter the payout rate (either annuity rate or interest rate, as set on the "[SETUP](#)¹⁵⁷" tab).

Distribution

Product Type	Fixed Annuity
Number of Years	5
Income Required	\$0
Annuity Rate	6
→ Inflation	3.0000%

Income Required: Enter the income required for the allocation.

Note: This field is only visible if "Final Allocation Balance, All Incomes Declared" or "Current Principal, Declared All Incomes" is selected in the "Solve For" prompt on the "[SETUP](#)¹⁵⁷" tab. In either case, no inflation will be applied to the value entered.

Inflation: Enter the estimated inflation to be illustrated during this time period.

Note: This is visible if "Same Inflation for all Allocations" is set "No" on "[SETUP](#)¹⁵⁷" tab.

5.3 CALCULATION

After configuring the allocations, there are three options to illustrate the data which are:

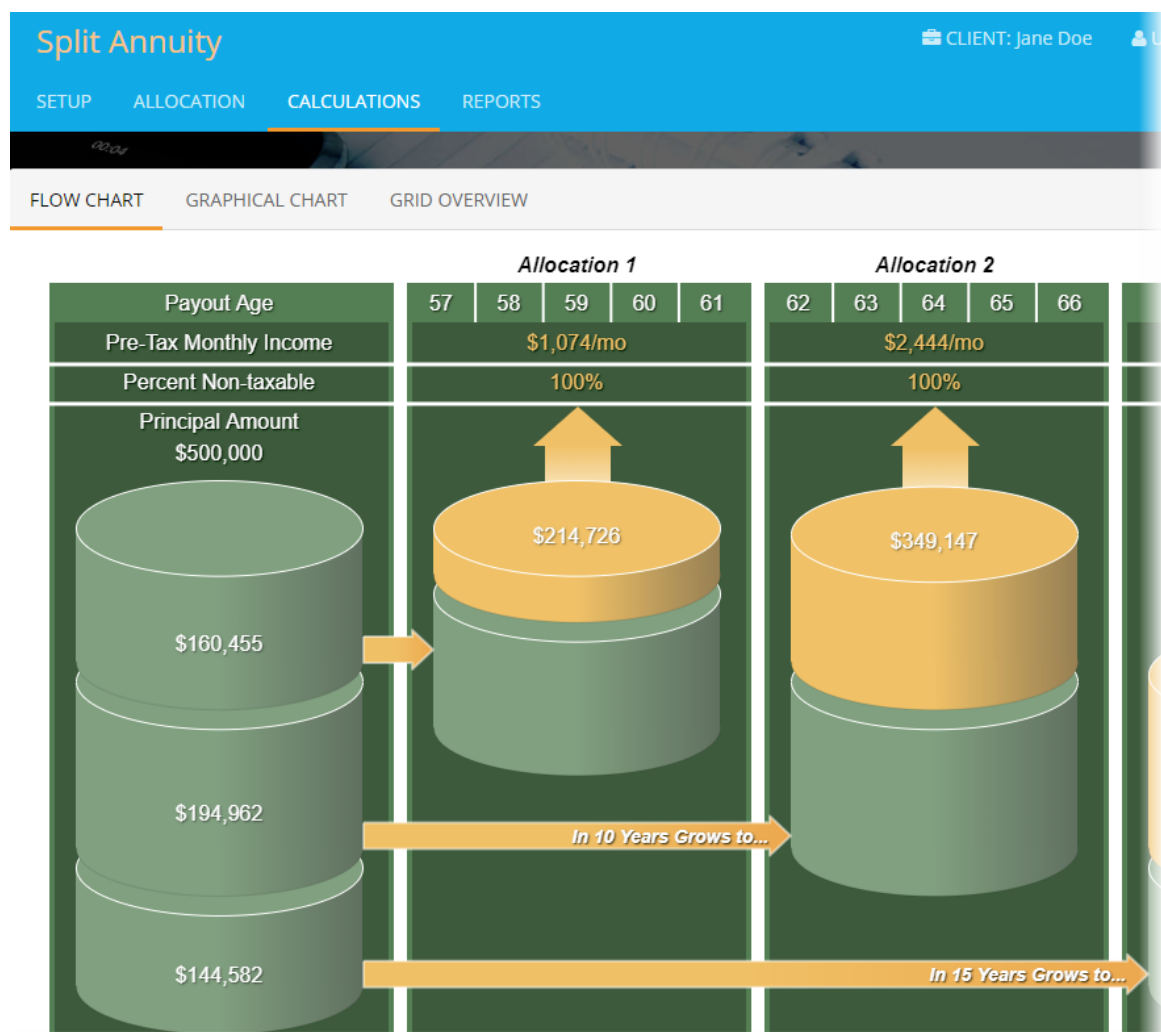
[FLOW CHART](#) ¹⁶⁶

[GRAPHICAL CHART](#) ¹⁶⁷

[GRID OVERVIEW](#) ¹⁶⁸

5.3.1 FLOW CHART

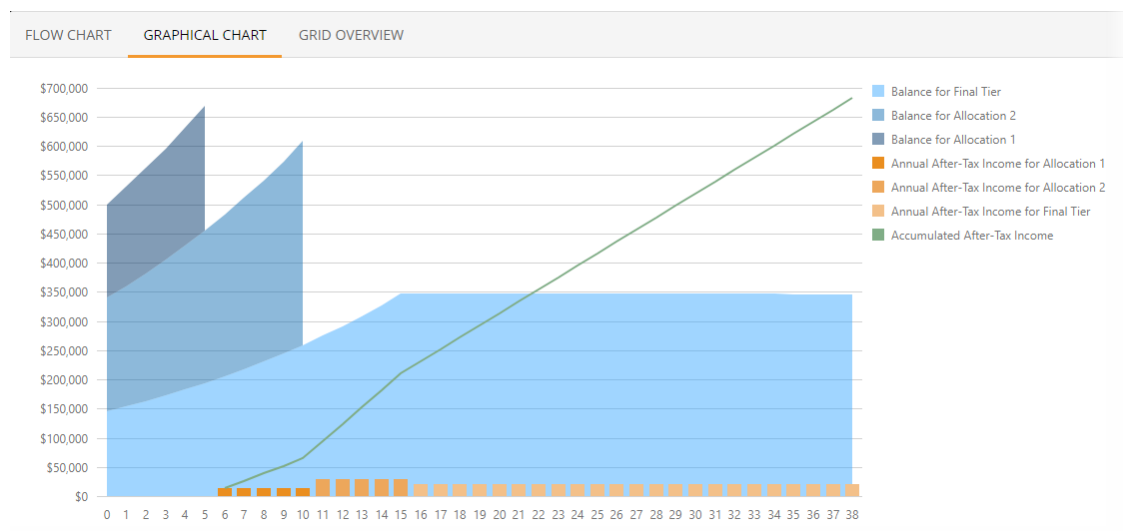
This chart provides an clear and attractive flow chart method for helping a client understand how their money is being handled.



The far left column shows how the lump sum is divided between the various allocations. Moving right, each column displays the information for an allocation, including (starting from the top moving down):

1. The pre-tax monthly income.
2. The percent of the income that is not taxable (for illustrations using non-qualified money only), and
3. How much the account will grow to (only if the allocation includes a deferred annuity).

5.3.2 GRAPHICAL CHART

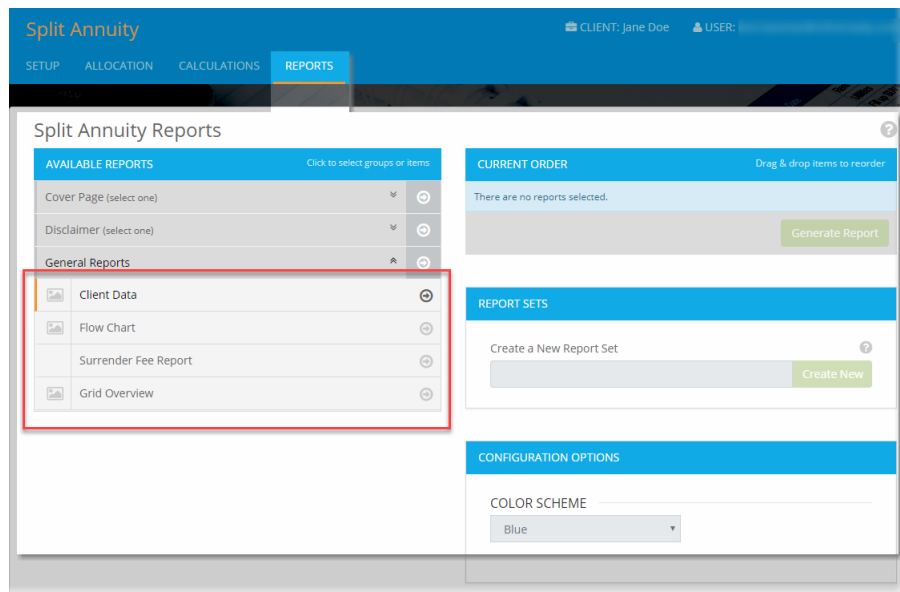


5.3.3 GRID OVERVIEW

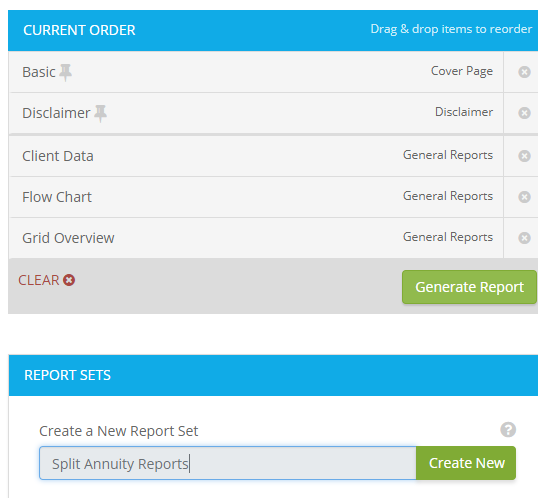
<div> <div>FLOW CHART</div> <div>GRAPHICAL CHART</div> <div>GRID OVERVIEW</div> </div>									
Year	Allocation 1			Allocation 2			Final Tier		
	Balance	Pre-Tax Income	After-Tax Income	Balance	Pre-Tax Income	After-Tax Income	Balance	Pre-Tax Income	After-Tax Income
1	\$170,083			\$206,660			\$153,257		
2	\$180,288			\$219,059			\$162,453		
3	\$191,105			\$232,203			\$172,200		
4	\$202,571			\$246,135			\$182,532		
5	\$214,726			\$260,903			\$193,484		
6		\$12,884	\$12,884	\$276,557			\$205,093		
7		\$12,884	\$12,884	\$293,151			\$217,399		
8		\$12,884	\$12,884	\$310,740			\$230,442		
9		\$12,884	\$12,884	\$329,384			\$244,269		
10		\$12,884	\$12,884	\$349,147			\$258,925		
11					\$29,328	\$29,328	\$274,461		
12					\$29,328	\$29,328	\$290,928		
13					\$29,328	\$29,328	\$308,384		
14					\$29,328	\$29,328	\$326,887		
15					\$29,328	\$29,328	\$346,500		
16							\$346,488	\$24,948	\$20,469
17							\$346,475	\$24,948	\$20,469
18							\$346,463	\$24,948	\$20,469
19							\$346,450	\$24,948	\$20,469
20							\$346,438	\$24,948	\$20,469
21							\$346,425	\$24,948	\$20,469

5.4 REPORTS

Here the illustrations can be printed or PDF files can be created. Click on the arrow icon to select from the various cover pages, disclaimer and general reports.



Note: Report pages in the "CURRENT ORDER" can be saved as a "REPORT SET" by entering a name in the "Create a New Report Set" field and clicking on "Create New" for later selection.



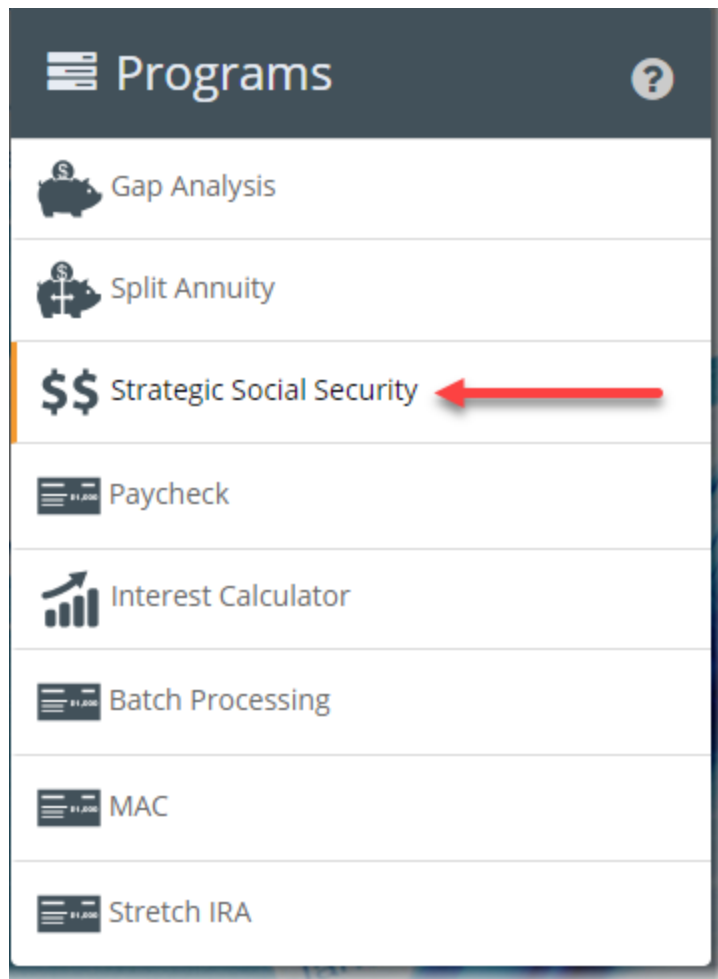


Strategic Social Security

6 Strategic Social Security

Select this program from "[The Home Page](#)^[18]" to create scenarios for maximizing the benefits of social security in retirement.

Note: These strategies are selectable in the [Gap Analysis](#)^[68] program once created in this program.



The Strategic Social Security calculator provides an efficient and effective method for determining the best alternatives for planning a client and their spouses' options for starting their income from Social Security .

Features include:

- Quickly determine the total income received from various filing options.
- Optionally include the current lump-sum real-dollar-value or investment needed for the estimated cash flow.
- Easily filter out options that do not work for your client's situation.
- Provide a comprehensive report for your client to take home.

- Integrate any selected illustrations with a retirement needs analysis (in the [Gap Analysis](#)⁶⁸ program).

With an amazing few data entry points, TRAK-Online may provide many different scenarios for a client and spouse, quickly providing for them their options for taking income from Social Security.

The program is broken up into 4 tabs. If a spouse is to be included, toggling "Yes" next to "Include Spouse" will create an additional tab with the same data entry fields as the client contains.

[SETUP](#)¹⁷⁴

[CLIENT](#)¹⁷⁴

[SCENARIOS](#)¹⁷⁸

[REPORTS](#)¹⁸¹

6.1 SETUP

On this tab, enable or disable including a spouse and then select a preferred cost of living increase (COLA) from the drop down arrow menu (the 10, 20, or 30 year average, custom, or no inflation).

The screenshot displays the 'Strategic Social Security' application interface. At the top, a blue header bar contains the title 'Strategic Social Security' and the client name 'CLIENT: Jane Doe'. Below the header, a navigation bar shows four tabs: 'SETUP', 'CLIENT', 'SCENARIOS', and 'REPORTS'. The 'SETUP' tab is currently selected. The main content area is divided into three sections. The first section, 'Spouse', includes a toggle switch for 'Include Spouse' which is currently set to 'No'. The second section, 'Social Security Cost of Living Adjustment', features a dropdown menu for 'COLA Method' set to '20 Year Average' and a display for 'Calculated COLA' at '2.12%'. The third section, 'Additional Calculation Analysis', includes a text prompt: 'The total income for each scenario is always calculated. To perform additional calculations select an option below:', followed by a dropdown menu for 'Additional Calculation' set to 'No Additional Analysis'.

Under the "Additional Calculation Analysis" heading, select any additional calculations to include. If none are to be included, select "No Additional Analysis" next to the "Additional Calculation" field. There are 2 "Additional Calculation Analysis" options. These options will illustrate on the "COMPARE" tab from the "[SCENARIOS](#)"¹⁷⁶ tab. The 2 options are:

Time Value of Money: This is value of income in today's dollars. When this is selected, a "Cost of Living Adjustment (COLA)" prompt will be displayed.

Lump Sum Investment - This determines the lump sum required today for the illustrated cash flow. When this is selected, a "Rate of Return" will also be displayed.

6.2 CLIENT

On this tab enter the "Date of Birth" (DOB) and the age of life expectancy. The DOB must be late enough that the Client (or Spouse) is below age 70. Clients over 70 are assumed to have already started Social Security Benefits. Note that the life expectancy will greatly impact the analysis. Additionally, enter the client's current income and annual salary increases (raises).

Strategic Social Security

CLIENT: Jane Doe

SETUP CLIENT SCENARIOS REPORTS

Client

Date of Birth 1/1/1965

Life Expectancy 87

Retirement

Retirement Age 67

Retire Month January

Income

Pay per Year 12

Paycheck Value \$5,000

Annual Raises 3.00%

Social Security Benefits

For accuracy, the client provides the projected benefits from Social Security (either their published document or from their website). The Social Security benefit* values should be provided by SSA's estimates to provide the best estimates and strategies.

Social Security Benefits

Benefit Method Projected Benefit

Full Retirement Age (FRA) 67y

FRA Income in Today's Dollars \$2,000

Age 62 Income \$1,400

Age 70 Income \$2,480

There are 4 options for the "Benefit Method":

- **Projected Benefit:** This is the value the client provides from their* Social Security benefit estimate.
- **Historical Income:** Allows for manual entry of annual incomes of previous years for the illustration. If this is selected, addition values will need to be input including the income starting year and ending year and any annual increase, etc.
- **Currently Receiving Benefits:** Person has reached age age 62 and is receiving benefit payments. Enter that payment value here.
- **No Benefit:** This is only an option if there is a spouse included that has benefits due for calculating scenarios.

***Warning:** As stated on the SSA website, it is not legal for anyone other than the individual to access the projection from the Social Security website. More information is available on the Social Security Administration's (SSA) website. <https://www.ssa.gov>

WEP and GPO

If these specific situations apply to a client, the values can change benefits in retirement. To learn more about these special circumstances, click on the "?" mark for expanded detail.

WEP and GPO-

The **Windfall Elimination Provision** may affect retirees who both earn a pension from an employer who didn't withhold Social Security taxes and who qualify for Social Security retirement or disability benefits from work in other jobs for which they didn't pay taxes. For more information on who is eligible and how WEP is calculated please read the [Social Security factsheet about WEP](#).

Subject to Windfall Elimination Provision (WEP)

No

The **Government Pension Offset** applies if the retiree receives a pension from a federal, state or local government based on work where they did not pay Social Security taxes. If applicable, the spouse's benefits may be reduced by two-thirds of the retiree's government pension. For a more details please read the [Social Security's factsheet about GPO](#).

If either the client and/or spouse will have less than 30 years of substantial earnings reported to the Social Security Administration at retirement, select "Yes" on the "Subject to Windfall Elimination Provision (WEP)" and enter how many years reported. This will adjust the benefit depending upon the number selected.

In this example, the client will have 25 years at retirement, so, the benefit was reduced from \$2,000 to \$1,703.

FRA Income in Today's Dollars \$2,000

Age 62 Income \$1,400

Age 70 Income \$2,480

To ensure as precise results as possible use the FRA Income as calculated by the [Social Security Administration](#).

WEP and GPO-

Subject to Windfall Elimination Provision (WEP)

Yes


Years of Substantial Earnings at Retirement

25

WEP Adjusted FRA Income \$1,703

If the client is subject to GPO (Government Pension Offset), toggle the "Subject to Government Pension Offset (GPO)" to "Yes" and enter the values for the start age and month, the \$ value and any annual pension increase.

Note: If a % value is input for "Annual Pension Increase", an additional field will be available to determine if the value is compounded.

Subject to Government Pension Offset (GPO) ☒ Yes 

PENSION

Pension Start Age

Pension Start Month

Monthly Pension at Start Age

Annual Pension Increase

Pension Increase is Compounded ☐ No

The final 2 configuration considerations to make on the "CLIENT" tab is in regards to any benefits expected to be received in situations of divorce or widow scenarios. If either apply, toggle "Yes" to the respective situation and input the FRA \$ amount in the income field.

Divorce/Ex-Spouse Benefits

Has Benefits from Ex-Spouse ☒ Yes

To receive benefits from an ex-spouse an individual needs to have been married at least 10 years and must be unmarried. The ex-spouse must be entitled to Social Security benefits. Other requirements apply.

Ex-Spouse FRA Income

Widow Benefits

Eligible for Widow Benefits ☒ Yes

Widow benefits are available for those who have been married at least 9 months and do not remarry before age 60, or a surviving ex-spouse who was married at least 10 years. Other restrictions apply.

Deceased Spouse FRA Income

6.3 SCENARIOS

Once the configuration is completed on the "[SETUP](#)" and "[CLIENT](#)" (and "SPOUSE" if selected), this tab shows multiple scenarios on the left (under "AVAILABLE SCENARIOS"). Up to 5 scenarios can be compared. In this example, there are 20 scenarios available that can be filtered by client or spouse's ages, and the other column headers (i.e. "Client Actions", etc.). To remove columns, click "No" next to the appropriate column label under the "Visible Columns" heading.

The screenshot displays the 'Strategic Social Security' application interface. At the top, the 'SCENARIOS' tab is selected. Below the navigation bar, the 'SELECT SCENARIOS' section is active. On the left, under 'AVAILABLE SCENARIOS' (20), there is a 'Group By' dropdown set to 'None' and a table of scenarios. The table has columns: Info, Client Actions, Lifetime Income, and Income Start Date. The scenarios listed are:

Info	Client Actions	Lifetime Income	Income Start Date
70y file		\$864,357	1/10/2035
69y 11m file		\$863,161	12/13/2034
69y 10m file		\$861,927	11/8/2034
69y 9m file		\$860,656	10/11/2034
69y 8m file		\$859,347	9/13/2034
69y 7m file		\$858,001	8/9/2034
69y 6m file		\$856,618	7/12/2034

On the right, the 'COMPARE' section (max 5) shows 'There are no scenarios selected.' and a 'Compare Scenarios' button. Below this, the 'Visible Columns' section has toggle switches for 'Income Start Date' and 'Scenario Actions', both currently set to 'Yes'.

Select up to 5 desired scenarios to compare, or, use the "Quick Select" button for common scenarios, then click compare scenarios.

This screenshot shows the 'Quick Select' dropdown menu open, listing the following options:

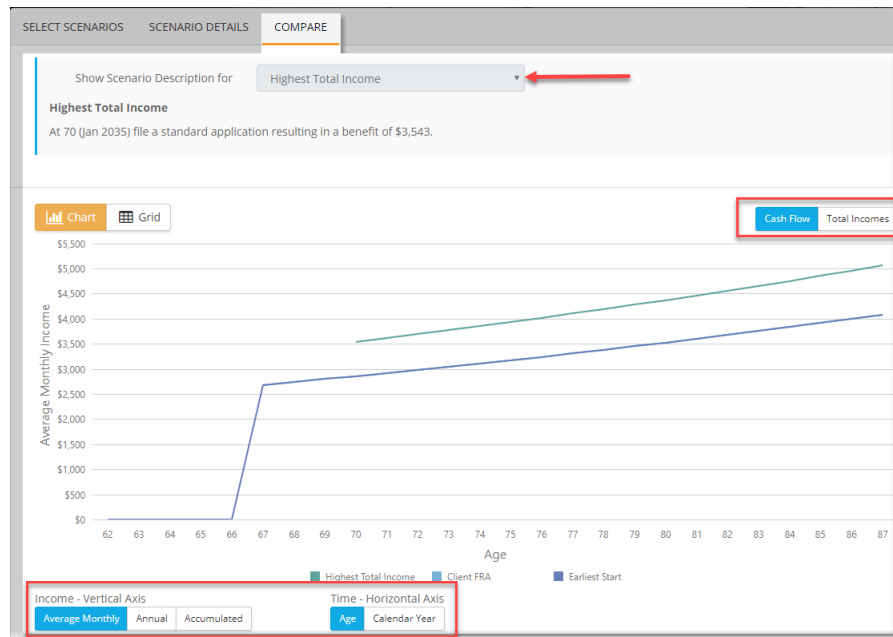
- ☒ Earliest Start
- ☒ Latest Start
- ☒ Highest Total Income
- ☒ Lowest Total Income
- ☒ Client FRA

The 'COMPARE' section on the right now displays 3 selected scenarios:

Info	Description	Client Actions	Lifetime Income	Income Start Date
1	Highest Total Income	70y file	\$864,357	1/10/2035
1	Client FRA	67y file	\$795,703	1/14/2032
1	Earliest Start	62y file	\$795,703	1/13/2027

A red arrow points to the 'Compare Scenarios' button at the bottom right of the 'COMPARE' section.

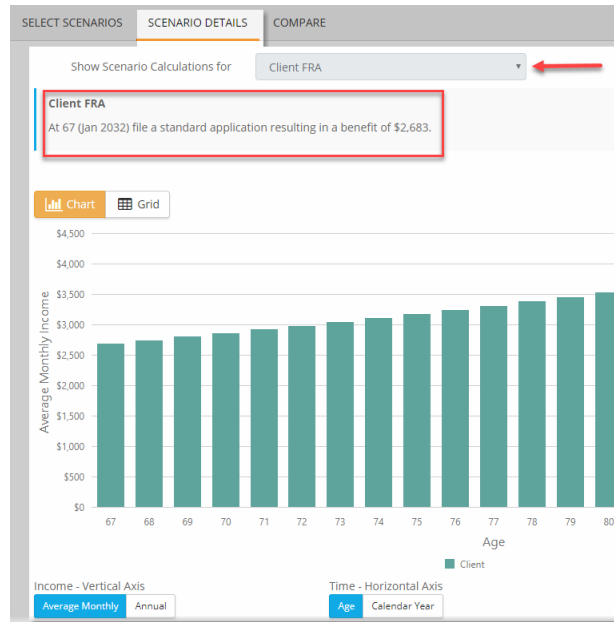
On the "COMPARE" tab, either by chart or grid view format, scenarios can be compared. Both view formats have multiple options for illustration. The "Show Scenario Description for" drop down menu displays more description for each scenario. Additionally, the illustrations can show "Cash Flow" or "Total Incomes", and the options for how both display "Axis" can be configured for income and time.



The grid format can also be configured with regard to income and time. In this example, the scenario description has been changed to "Earliest Start".

		Highest Total Income	Client FRA	Earliest Start
Year	Age	Client	Client	Client
2027	62y 11m			
2028	63y 11m			
2029	64y 11m			
2030	65y 11m			
2031	66y 11m			
2032	67y 11m			\$32,193
2033	68y 11m			\$32,876
2034	69y 11m			\$33,573
2035	70y 11m		\$42,513	\$34,284

The "SCENARIO DETAILS" tab allows for multiple display and configuration options. In this example, the "Show Scenario Calculations for" has been set at "Client FRA" and the bar chart shows "Average Monthly" income according to the client's age.



6.4 REPORTS

Here the "Strategic Social Security" scenarios can be printed or PDF files can be created.



Click on the icon to select from the various cover pages, disclaimer and general reports.

Finally, as is the case with most of TRAK's programs, report sets can be created and saved.

Strategic Social Security Reports

CLIENT: Jane Doe USER:

SETUP CLIENT SCENARIOS **REPORTS**

Click to select groups or items

AVAILABLE REPORTS

Cover Page (select one)

- Life's Stages
- Youthful Planning
- Youth to Maturity

Disclaimer (select one)

- Disclaimer

General Reports

- Understanding Social Security Strategies**
- Social Security Strategy Overview
- Social Security Distribution & Taxation
- Social Security Accumulated Income
- Terms and Definitions
- Disclosure

CURRENT ORDER Drag & drop items to reorder

Basic Cover Page

Client Data General Reports

Social Security Strategy Comparison General Reports

Social Security Annual Income General Reports

CLEAR Generate Report

REPORT SETS

Create a New Report Set

Create New

CONFIGURATION OPTIONS

COLOR SCHEME

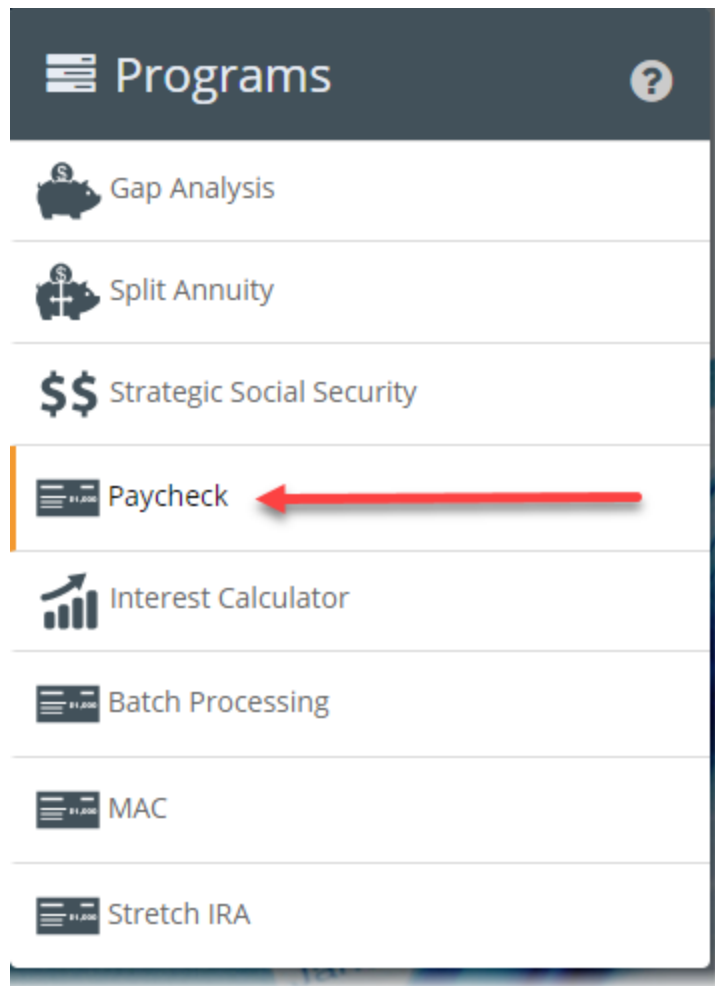
Blue



Paycheck

7 Paycheck

The "Paycheck" program is a tool that can help make the abstract world of retirement planning more concrete. It helps clients connect with what is being communicated by starting with their take home pay — something most everyone can connect to. This provides a gateway for discussing with the client the need for increased deferrals and help them manage their other assets.



This program is really a suite of 3 tools working together to help educate clients about retirement. Entering pay stub data into the client (and/or spouse) tab is the baseline for which other analysis is provided. It helps connect personally with clients and provide a quick analysis for them on the effects of increasing the deferral on their take home pay. It is the key for working with either of the other calculators.

The "1040 Analysis" can help clients increase their contributions by quickly illustrating for them how to move some or all of the projected federal refund into their qualified plan. It

may also help determine if the client has money in low interest CDs or bonds that may otherwise be invested in retirement.

The "Projection" component can help a client see the effects of the deferrals accumulating to retirement and distribution in retirement, illustrate the cost-to-wait and help advisors find out through education if the client has any unmanaged retirement monies that they may need additional assistance with.

"Paycheck" quickly and easily illustrates the effects of various qualified plan contributions on take-home pay. It allows for quick analysis of hypothetical growth projections into retirement and payout values during retirement. It also allows for automatically moving a Federal 1040 return into a qualified plan with no change in take-home pay.


This calculator can work with different types of qualified plans (e.g. 401(k), 403(b), 457, etc.) and may be configured to work with multiple plans (e.g. the client may have a 403(b) plan, a 457 plan, and a state sponsored retirement plan). The detail in this help file interchanges the usage of the various plan types for illustrations.

Below are a few enlightening scenarios of what the "Paycheck" is well equipped to do:

- Present the changes in a qualified plan contribution by setting specific values to take home pay.

Net Take-Home Pay	\$3,447.55	\$3,357.51
Change in Take-Home Pay	N/A	(\$90.04)

Note: To keep the bottom row displaying the "Net Take-Home Pay" values visible while scrolling, click to enable the pin icon.

Additional Tax	\$0.00	\$0.00
Federal Taxation	\$339.75	\$292.25
 Net Take-Home Pay	\$3,738.09	\$3,752.56
Change in Take-Home Pay	N/A	\$14.47

- Portray the effect a client's next raise may make on take home pay.

- Demonstrate the effect of changes in filing status, withholding allowances or federal deductions and additional tax.

Federal			
Status	Married	Married	
Allowances	2	4	
Additional Tax	\$0.00	\$0.00	
Federal Taxation	\$324.75	\$235.75	

Oregon			
Status	Married	Married	
Allowances	2	4	
Additional Tax	\$0.00	\$0.00	
State Taxation	\$279.76	\$249.77	

Other Taxation			
Local Tax	\$0.00	\$0.00	
Marginal Tax Bracket	12.00%	12.00%	
Total Taxation	\$977.45	\$858.46	

AFTER TAX			
401(k) Roth	2.00%	3.00%	
	\$100.00	\$150.00	
After-Tax Deductions	\$100.00	\$100.00	
Total After-Tax Deductions	\$100.00	\$100.00	

Net Take-Home Pay	\$3,447.55	\$3,466.54	
Change in Take-Home Pay	N/A	\$18.99	

- Create additional investment dollars by showing how Section 125 deferrals can increase the client's spendable income.
- Calculate the reduction in the client's take home pay that results from putting a specific amount into their 403(b) account.
- Move savings deposited into a credit union to a qualified plan.

"Paycheck" links to the various tabs:

[SETUP](#) ¹⁸⁷

[CLIENT](#) ¹⁸⁷

[1040 ANALYSIS](#) ¹⁹⁰

[PROJECTIONS](#) ¹⁹⁸

[REPORTS](#) ²⁰⁴

7.1 SETUP

On this first tab, select whether or not to include a spouse in the illustrations. To do so, toggle "Yes" next to "Include Spouse" - this will add a "SPOUSE" tab. Finally, choose whether or not to display federal tax bracket values (on the "[1040 Analysis](#)"^[190]s" "Calculations" tab) by toggling "Yes" to "Show Federal 1040 Bracket Calculations".

The screenshot shows the "Paycheck" application interface with the "SETUP" tab selected. A modal window is open with the following options:

- Spouse**: "Include Spouse" toggle set to "No".
- Federal 1040 Analysis Options**: "Show Federal 1040 Bracket Calculations" toggle set to "Yes".

7.2 CLIENT

The foundation of the "Paycheck" feature is an [employer file](#)^[37]. A properly configured employer file is essential to a correctly calculated paycheck. To help your clients better connect with what is being communicated in the paycheck calculator, add a new employer file for each employer. For example, if you are working in "ABC, Inc.", create an employer file named "ABC, Inc." (see the [Employer File Editor](#)^[37] for details on creating an employer file).

The screenshot shows the "Paycheck" application interface with the "CLIENT" tab selected. The "Employer" dropdown is set to "ABC, Inc." and the "Date of Birth" is "1/1/1965". A red arrow points to the "Edit Employer" button. Below the form is a table showing the calculation results.

SCENARIO	CURRENT	Proposed #1	Reset	Remove	+ Add
INCOMES					
Gross Income Per Paycheck	\$5,000.00	\$5,000.00			
Total Income	\$5,000.00	\$5,000.00			
PRE-TAX CONTRIBUTIONS					
401(k)	5.00%	6.00%			
	\$250.00	\$300.00			
Total Pre-Tax	\$250.00	\$300.00			
Net Taxable	\$4,750.00	\$4,700.00			
WITHHOLDING TAXES					
FICA	\$310.00	\$310.00			
Medicare	\$72.50	\$72.50			

Next, determine the federal W-4 type. If the client's W-4 is prior to 2020, check the box "Use Pre-2020 Form W-4". For clients with W-4 forms that are 2020, unchecking this box will eliminate allowances and update to the "Additional Deduction" format. If the client has more than one job or if a spouse works, check the option "Multiple Jobs or Spouse Works".

The left screenshot shows the 'Federal' section with the 'Use Pre-2020 Form W-4' checkbox checked. Below it, the 'Status' is 'Married', 'Allowances' is '2', 'Additional Tax' is '\$0.00', and 'Federal Taxation' is '\$432.88'. The right screenshot shows the 'Use Pre-2020 Form W-4' checkbox unchecked and the 'Multiple Jobs or Spouse Works' checkbox checked. Below it, the 'Status' is 'Married', 'Additional Deduction' is '\$0.00', 'Additional Tax' is '\$0.00', and 'Federal Taxation' is '\$309.88'.

The third step is to enter all the client data here. The field values needed will be different depending upon the setup of the employer (i.e. Section 125, Roth account, Summer Pay, the state listed for taxation, etc.)

SCENARIO	CURRENT
INCOMES	
Gross Income Per Paycheck	\$5,000.00
Total Income	\$5,000.00
PRE-TAX CONTRIBUTIONS	
401(k)	5.00% <input checked="" type="checkbox"/>
	\$250.00
Total Pre-Tax	\$250.00
Net Taxable	\$4,750.00
WITHHOLDING TAXES	
FICA	\$310.00
Medicare	\$72.50
Federal	
Status	Married
Allowances	2
Additional Tax	\$0.00
Federal Taxation	\$339.75
Oregon	
Status	Married
Allowances	2
Additional Tax	\$0.00
State Taxation	\$0.00

Finally, work with the calculation data on the right hand side to show various scenarios where values have been changes such as the pre-tax contributions, withholding, etc..

SCENARIO	CURRENT	Proposed #1	Proposed #2
INCOMES			
Gross Income Per Paycheck	\$6,000.00	\$6,000.00	\$6,000.00
Total Income	\$6,000.00	\$6,000.00	\$6,000.00
PRE-TAX CONTRIBUTIONS			
401(k)	6.00%	8.00%	10.00%
Employer Contribution	\$360.00	\$480.00	\$600.00
Total Pre-Tax	\$360.00	\$480.00	\$600.00
Net Taxable	\$5,640.00	\$5,520.00	\$5,400.00
WITHHOLDING TAXES			
	\$1,224.57	\$1,200.93	\$1,177.29
Net Take-Home Pay	\$4,415.43	\$4,319.07	\$4,222.71
Change in Take-Home Pay	N/A	(\$96.36)	(\$192.72)

Note: The contribution methods will be drawn from the employer file setup, however, to change that method in the "Paycheck" program, click on the notepad icon under the "CURRENT" header to change the method.

PRE-TAX CONTRIBUTIONS

401(k) 5.00%

Total Pre-Tax \$250.00

Net Taxable \$4,750.00

Contribution Method

- Use Employer Method
- Percent of Paycheck
- Dollar Value

To propose a scenario for a client contributing the maximum allowable contribution, choose "Quick Max" which will set the contributions to the highest amount according to the plan type, client's age, etc.

Quick Max

Quick Max

Proposed #2

\$5,000.00

\$5,000.00

40.83%

\$2,041.67

\$2,041.67

\$2,958.33

7.3 1040 ANALYSIS

The 1040 Analysis can illustrate moving a Federal 1040 return into a qualified plan by changing the withholding allowances. Paycheck Federal 1040 calculator provides a method for increased deferrals to a qualified plan without any change in take home pay. It illustrates money moving from an anticipated federal 1040 return to the qualified plan without any change in take home pay.

This allows:

- Satisfying or reducing a possible shortfall in retirement.
- Increase in sales.

Q: Why Use the 1040 Refund for Retirement Planning?

There are several reasons a client may want to reduce (or eliminate) their 1040 refund:

- The federal government does not provide any interest on the money, making it the equivalent of a free loan.
- Many retirement plans have hardship clauses that allow access to funds in an emergency.
- Often when people receive their federal refund they do not invest the money--this provides the opportunity to invest some or all of the money into their retirement.

How it Works

The Federal 1040 calculator illustrates how to increase deferrals by:

- Increasing the number of withholding allowances being claimed; the federal return is then decreased.
- The increase in pay is then reduced to the original value by increasing the qualified plan contributions.

Sales Note: Before moving to the 1040 calculator, have the client commit to a salary reduction. The 1040 calculator can be used to increase this reduction by moving their federal 1040 refund to their qualified plan.

Additional Features:

- Determine what can be done to maximize voluntary retirement deposits at any date through the end of the year.
- Change any paycheck variable and instantly see the effects on the paycheck and projected Federal 1040 calculations.
- Evaluate a client's tax bracket information for better strategic planning of Roth contributions.

- Calculate balloon contributions for the balance of the year, or level TSA contributions for the entire year.

Note: A spouse's paycheck, when relevant, should be included in the illustration.

Each section is discussed below:

[DATA INPUT](#) ¹⁹¹

[CALCULATIONS](#) ¹⁹⁶

7.3.1 DATA INPUT

Year-to-date information allows for manual data entry for income and contributions made year-to-date. TRAK makes an attempt, based on the data entered, to calculate the correct values. However, changes in income or contribution values may have a significant effect on projections, especially later in the calendar year.

The screenshot displays the 'Paycheck' software interface. The top navigation bar includes 'SETUP', 'CLIENT', '1040 ANALYSIS', 'PROJECTIONS', and 'REPORTS'. The '1040 ANALYSIS' tab is active, and the 'DATA INPUT' sub-tab is selected. The main content area is divided into two panels: 'Paycheck Year to Date Values' and 'Annual Values'.

Paycheck Year to Date Values

CLIENT

Through Check Number: 0

Manual Year-to-Date Data: ☐ No

Gross Income: \$0

401(k): \$0

Federal Taxes: \$0

State Taxes: \$0

Federal 1040 Information

Federal Status: Married

Federal Exemptions: 2

Annual Values

CLIENT **SPOUSE**

Include Additional Annual Values for Income: ☐ No ☐ No

Federal Tax Credits

Limited by Taxation: \$0

Not Limited by Taxation: \$0

Total Quarterly Payments: \$0

To manually enter values, toggle "Yes" to "Manual Year-to-Date Data" and input the values for "Gross Income", 401(k) contributions, etc.

DATA INPUT CALCULATIONS

Paycheck Year to Date Values ?

CLIENT

Through Check Number 7

Manual Year-to-Date Data Yes ☐

Gross Income \$0

401(k) \$0

Federal Taxes \$0

State Taxes \$0

Reset

Client's (and Spouse's - if applicable) Year-to-Date Values

DATA INPUT CALCULATIONS

Paycheck Year to Date Values ?

CLIENT	SPOUSE
Through Check Number 7	Through Check Number 7
Manual Year-to-Date Data Yes <input type="checkbox"/>	Manual Year-to-Date Data Yes <input type="checkbox"/>
Gross Income \$0	\$0
401(k) \$0	
401(k)	\$0
Federal Taxes \$0	\$0
State Taxes \$0	\$0
Reset	Reset

Note: The column for the spouse's year-to-date values is only displayed if a spouse's paycheck was created for the Paycheck Calculator.

Through Check # - Enter the last check number paid. TRAK will then calculate taxes withheld based on this number. Calculations can then be made to change the withholding allowances both for the remaining year and for the whole year.

Manual Year-To-Date Data - If the calculated year-to-date data does not match that listed on the paycheck, check the Manual Year-To-Date check-box. This allows the exact values to be entered directly from the paycheck stub. The accuracy of the year-to-date values may

significantly affect the accuracy of the 1040 projections for this year. If year-to-date values are manually entered, the program does not have to make assumptions about the values.

Year-to-date prompts - The prompts will be enabled if the Manual Year-To-Date Data check box is checked. The list of prompts will depend upon the configuration of the Employer File Visible Fields tab.

Reset button - This button will restore the values to the calculated values.

Annual Values

If the client (or spouse) has income outside of the illustrated paycheck, or if the spouse's paycheck was not entered in in the Paycheck section, the values can be entered in "Annual Values" data entry section.

Annual Values ?

	CLIENT	SPOUSE
Include Additional Annual Values for Income	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Net Taxable Income	\$0	\$0
Federal Taxes	\$0	\$0
State Taxes	\$0	\$0

Federal 1040 Information

This section allows data entry of 1040 tax information.

Federal 1040 Information ?

Federal Status	Married	▼
Federal Exemptions	2	▼

Federal Tax Credits	
Limited by Taxation	\$0
Not Limited by Taxation	\$0
Total Quarterly Payments	\$0

ADDITIONAL INCOME ▼	\$0
ADJUSTMENTS TO INCOME ▼	\$0
SCHEDULE A ▼	\$24,000

The prompts are as follows:

Filing Status - Select the federal 1040 filing status.

Federal Exemptions - Enter the number of exemptions the client will claim on their federal 1040 this year.

Federal Tax Credits - There are two types of tax credits: one limited by taxation (nonrefundable tax credit), the other not limited by taxation (refundable tax credits). For more information visit <http://www.1040.com/federal-taxes/credits>. (We do not make any guarantees to the accuracy of the information provided on third party website).

Total Quarterly Payments - Enter the total quarterly federal tax payments that will be made.


Additional Income - Accessed by clicking on the arrow to the right of the value.

ADDITIONAL INCOME ▾	\$0
Taxable Interest Income	\$0
Dividend Income	\$0
Taxable refunds of State/Local Taxes	\$0
Alimony Received	\$0
Business Income or Loss	\$0
Capital Gain or Loss	\$0
Capital Gain or Distribution not Reported	\$0
Total IRA Distribution	\$0
Total Pension and Annuities	\$0
Rents, Royalties, Partnerships	\$0
Other Income	\$0
TOTAL	\$0

Adjustments to Income - Accessed by clicking on the arrow to the right of the value.

ADDITIONAL INCOME ▾	\$0
ADJUSTMENTS TO INCOME ▾	\$0
IRA	\$0
Student Loan Interest	\$0
Medical Savings Account	\$0
Moving Expenses	\$0
50% of Self-Employment Tax	\$0
Self-Employment Insurance Deduction	\$0
Self-Employment SEP, Simple and Qualified Plan Contributions	\$0
Penalty(s) on Early Withdraw of Savings	\$0
Alimony Paid	\$0
Teacher Related Job Expenses (Max \$250 per Teacher)	\$0
TOTAL	\$0

Schedule A - Accessed by clicking on the calculator button to the right of the value.

ADDITIONAL INCOME ▾	\$0
ADJUSTMENTS TO INCOME ▾	\$0
SCHEDULE A ▾ 	\$24,000
Medical and Dental	<input type="text" value="\$0"/>
State and Local Income Taxes	Calculated <small>Note: "State and Local Income Taxes" will be calculated</small>
Real Estate Taxes	<input type="text" value="\$0"/>
Other Taxes Paid	<input type="text" value="\$0"/>
Home Mortgage Interest	<input type="text" value="\$0"/>
Other Home Mortgage Interest	<input type="text" value="\$0"/>
Deductible Points	<input type="text" value="\$0"/>
Deductible Investment Interest	<input type="text" value="\$0"/>
Other Deductible Interest	<input type="text" value="\$0"/>
Total Gifts to Charity	<input type="text" value="\$0"/>
Casualty/Theft Loss(es)	<input type="text" value="\$0"/>
Job Expenses/Other Misc	<input type="text" value="\$0"/>
Other Misc. Deductions	<input type="text" value="\$0"/>
TOTAL	\$0

7.3.2 CALCULATIONS

The 1040 Analysis "Calculations" screen is divided into two sections. The left side of the screen is the current paycheck and an additional scenario, and, on the right the federal returns.

Section **Refund/Payment of Federal 1040 Calculations** will highlight the items (in all sections) that change value when Refund/Payment value is focused.

Client

SCENARIO	CURRENT	Proposed #1
INCOME		
Gross Income Per Paycheck	\$5,000.00	\$5,000.00
Pre-Tax Withdrawals		
401(k)	5.00% \$250.00	6.00% \$300.00
Net Taxable	\$4,750.00	\$4,700.00
WITHHOLDING TAXES		
Federal Status/Allowance	M/2	M
Additional Federal Tax	\$0.00	\$0.00
Federal Taxation	\$339.75	\$292.25
State Status/Allowances	M/2	M
Additional State Tax	\$0.00	\$0.00
State Taxation	\$289.66	\$272.69
FICA	\$310.00	\$310.00
Medicare	\$72.50	\$72.50
Marginal Tax Bracket	12.00%	12.00%
Total Taxation	\$1,011.91	\$947.44
Net Take-Home Pay	\$3,738.09	\$3,752.56
Change in Take-Home Pay	N/A	\$14.47

Federal 1040 Calculations

	CURRENT	PROPOSED #1
<input type="checkbox"/> Use YTD Values in the 1040 Calculations		
Federal Status/Exemptions	Married/2	Married/2
Client Net Income	\$57,000	\$56,400
Spouse Net Income	\$0	\$0
Total Wages	\$57,000	\$56,400
Exemptions	\$0	\$0
Additional Income	\$0	\$0
Adjustments to Income	\$0	\$0
Schedule A	\$24,000	\$24,000
Calculated State and Local Taxes included in Schedule A's Value	\$3,476	\$3,272
Net Taxable	\$33,000	\$32,400
Tax Withheld	\$4,077	\$3,507
Tax Due	\$3,579	\$3,507
Tax Credit	\$200	\$200
Credit for Qualified Retirement Savings Contributions (IRS Form 8880)	\$200	\$200
Refund/(Payment)	\$698	\$200
Change in Refund		(\$498)

The left screen presents the paycheck information (showing the current paycheck and one other scenario) and federal 1040 calculation (showing the current 1040 return and another scenario associated with the alternative paycheck scenario). The paycheck information on the left is very similar to what is shown in the opening paycheck calculator, and only the difference (initial Scenario prompt) will be discussed.

Scenario

This allows for selecting which paycheck to illustrate the effects of changing values. The first three are the same paycheck calculations from the front screen. Here are the options available:

Quick Max: This illustrates the maximum allowable contribution over the whole year. It does not take into consideration year to date information.

Proposed #1 and Proposed #2: Illustrates alternative paychecks and federal returns for the client (and spouse).

Whole Year: Illustrate how changes to the paycheck may effect the federal return over the whole calendar year.

Partial Year: The factors the refund only for the paychecks remaining in the current year. Review the discussion and warning below on using this option.

Note: If year to date values were configured, and those are to be used on the calculations tab, check the box next to "Use YTD Values in the 1040 Calculations".

The last two scenarios (Whole Year and Partial Year) automatically illustrate factoring of the federal refund over the whole year or remainder of the year (when year-to-date data was entered), by increasing the number of allowances. (In the example above, the federal and state allowances were increased from 0 to 9.) The increase in pay is automatically deposited to their qualified plan.

Note: The initial Take Home Pay calculated for the Whole Year and Partial Year paychecks will be taken from the active paycheck when the 1040 data input screen was opened. The Whole Year scenario factors the projected federal refund to the qualified plan over all of the paychecks in the calendar year. If the changes the client will make to their paycheck withholding options are not early in the year, and year-to-date information was entered, TRAK also calculates what the allowances may be changed to for the remainder of the year (Partial Year). Partial Year is a more aggressive approach.

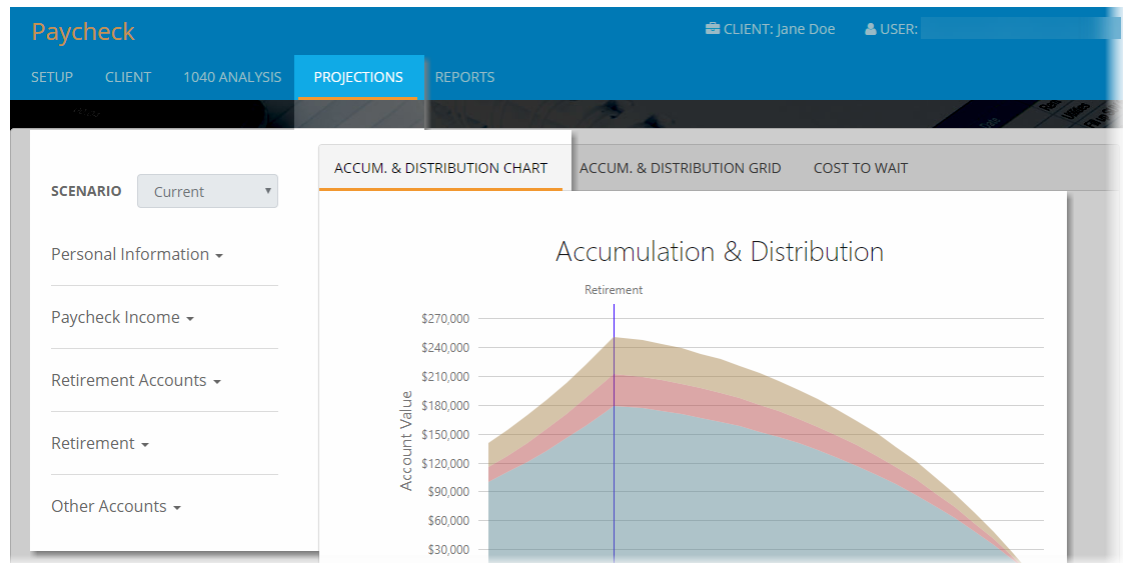
Warning: If a client elects to use a more aggressive Partial Year election, they will need to change their W-4 filing at the end of the current calendar year. Otherwise, they may have a severe tax bill due at the end of the following year.

Because of the problems that could be created when working with the Partial Year election, the following steps are strongly recommended:

1. Have the client fill out a salary reduction agreement and a new W-4 to increase the number of withholding allowances to the Partial Year values. Send this to the payroll department.
2. Also, have the client fill out a salary reduction agreement and W-4 that goes into effect January 1st of the following tax year, reducing the qualified plan contribution to the Whole Year recommended values.
3. Set up a file for the forms to be mailed in January.
4. Depending on the cutoff date for payroll, send the January forms (salary reduction agreement and new W-4) to the payroll office to be processed.
5. Send a letter to the client, along with a business reply envelope, asking them to check the first paycheck in January to confirm that the payroll office correctly processed the paperwork. Request that a copy of the paycheck stub be sent to you.
6. If you do not receive a copy of the paycheck stub by the next payroll cycle, call the client to confirm that the change has taken place.

7.4 PROJECTIONS

The accumulation and distribution of the retirement plan (including the Roth account contributions and assets from outside accounts) may be illustrated here on the "Projections" tab. "Projections" quickly illustrates hypothetical account accumulations to retirement and distributions during retirement and provides the ability to educate a client about how contributions may effect retirement and the benefits of increasing distributions today.



Click on a section below for more information on how to configure "Projections":

[Data Input](#)¹⁹⁸ (the left menu drop down sections)

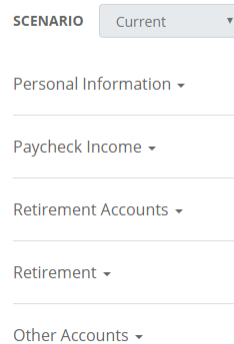
[Accumulation & Distribution Charts](#)²⁰²

[Accumulation & Distribution Grids](#)²⁰³

[Cost to Wait](#)²⁰⁴

7.4.1 Data Input

The left menu shows several sections to verify client values and further input options. Changing the "SCENARIO" to display will change the values in the chart and grid views.



SCENARIO Current ▾

Personal Information ▾

Paycheck Income ▾

Retirement Accounts ▾

Retirement ▾

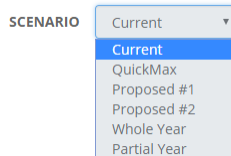
Other Accounts ▾

The data input for Paycheck's "Projection" module is divided into two time periods: Accumulation Values and Distribution Values. Each section is described below:

Accumulation Values

The values entered here deal with the time period from now until retirement. Each is explained in more detail:

Scenario: This is the scenario to illustrate from the Paycheck or 1040 Analysis calculators (i.e. Current, Quick Max, etc.).

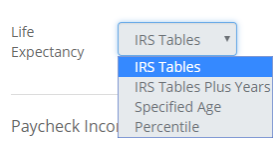


SCENARIO

- Current ▾
- Current
- QuickMax
- Proposed #1
- Proposed #2
- Whole Year
- Partial Year

Notes: If the Projections calculator was opened right after working in the 1040 Analysis calculator, the Whole Year and Partial Year scenarios will be available in the drop down dialog. Also, not all values are editable when working with the Current or Quick Max scenarios.

Personal Information: Verify date of birth (this is for display only and to confirm the value entered on client tab) and then configure the retirement age and month of expected retirement. The retirement date will be the end of the month following the date they turn their retirement age. Finally, verify the life expectancy settings. To change the default setting "Use IRS Tables", select one of the other options from the drop down menu. If "Percentile" is selected, enter the percentile of life expectancy the client will theoretically live to. For example, a value of "90" for percentile indicates they expect to outlive 90% of the population.



The image shows a software interface with a label "Life Expectancy" on the left and a dropdown menu on the right. The dropdown menu is open, showing four options: "IRS Tables" (selected and highlighted in blue), "IRS Tables Plus Years", "Specified Age", and "Percentile". Below the dropdown, the text "Paycheck Income" is partially visible.

Paycheck Income: Verify income, raises and review the net take-home pay. Note that changing the value of anticipated raises will alter the illustrations.

Retirement Accounts: Here current account balances can be input for a client's qualified plan (or plans) and Roth account (if applicable) as well as an anticipated pre-retirement rate of return for accumulation. The account type is configured in the [Employer File Editor](#)³⁷ (retirement plans tab).

Review the "Deposit" value - this displays the previously configured per paycheck contribution in either a percentage or dollar amount. If a [Glide Path](#)^[48] is to be illustrated, select "Yes" on the toggle button and choose the appropriate path.

Retirement Accounts ▾

Use Glide Path ☐

Accumulation Rate 7.00%

401(k)

Balance \$110,000

Deposit 0.00%

401(k) Roth

Balance \$5,000

Deposit 0.00%

Note: If the retirement account in the [Employer File](#)^[37] was configured to have a Roth account, the input fields will be listed here. Additionally, if a secondary qualified plan is visible in the Employer File Editor, the input fields associated with that retirement account will be displayed here.

Retirement: Clicking the down arrow next to "Retirement" allows configuration of a rate of return for the retirement years as well as a field to enter the estimated cost of living adjustment (COLA) or inflation rate.

Retirement ▾

Rate on Return 4.00%

Cost of Living Adjustments 3.00%

Other Accounts ▾

+ ADD

Old 403b

Balance \$25,000

Retirement \$38,598

Balances are synchronized with Retirement Investments (in the "Other Accounts" tab) in Gap Analysis Calculator

Other Accounts: If there are other balances from other accounts to be illustrated, those values can be added in this section. These accounts will be displayed on the charts and grids. To add an account, click on the [+ADD](#) button

Distribution

Once the accumulation values have been input, TRAK will generate a distribution scenario on using those funds over a period of years providing a monthly income. The values will be displayed in both a chart and a grid view with multiple options for illustration purposes.

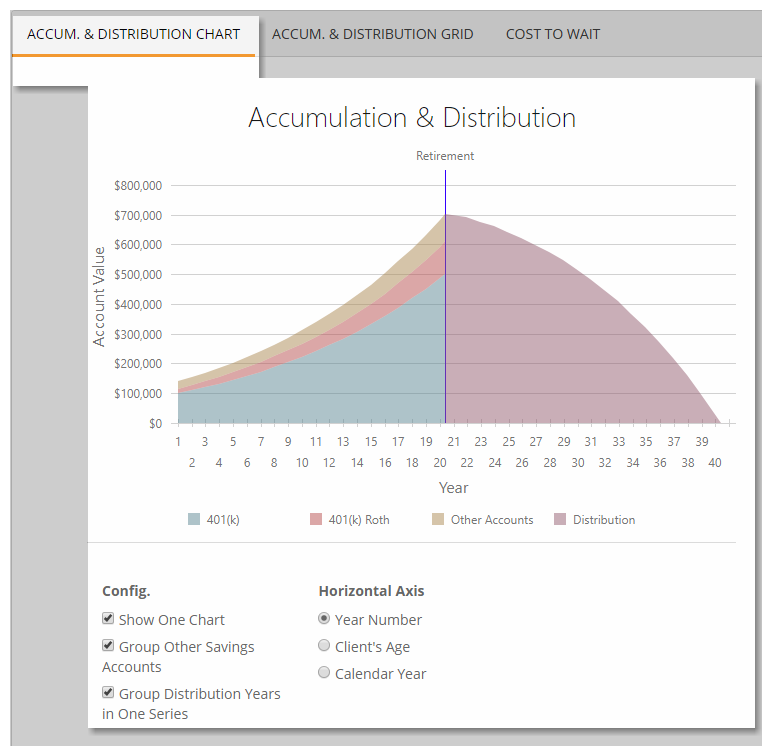
Options are also available for displaying either client age, year number or calendar year on the bottom X-axis.

To view the "ACCUM. & DISTRIBUTION CHART" [click here](#) ²⁰²

To view the "ACCUM. & DISTRIBUTION GRID" [click here](#) ²⁰³

7.4.2 Accumulation and Distribution Charts

Below is the chart version:



7.4.3 Accumulation and Distribution Grids

The grid version (the next tab) shows more details on the values in a spreadsheet format. Below the 2 grids there are further options for illustration which include either a detail or summary view, grid footers and, if there is an employer match, those values can be separated for review.

ACCUM. & DISTRIBUTION CHART
ACCUM. & DISTRIBUTION GRID
COST TO WAIT

Hypothetical Accumulation

End of Calendar Year		Contributions		End of Year Balances			
End of Year	Age	401(k)	401(k) Roth	401(k)	401(k) Roth	Other Account(s) Balance	Total Value
Now	47	\$0	\$0	\$100,000	\$15,000	\$25,000	\$140,000
5	48	\$3,949	\$1,316	\$162,720	\$28,527	\$35,064	\$226,310
10	49	\$4,360	\$1,453	\$253,042	\$48,281	\$49,182	\$350,504
15	50	\$4,813	\$1,605	\$382,267	\$76,840	\$68,976	\$528,083
20	51	\$2,194	\$731	\$541,505	\$112,292	\$93,014	\$746,811
		\$85,516	\$28,505				

Hypothetical Payout

End of Calendar Year		Monthly Distributions				End of Year Balances			
End of Year	Age	401(k)	401(k) Roth	Other Account(s) Dist	Total Monthly	401(k)	401(k) Roth	Other Account(s) Balance	Total Value
Retirement	67	\$0	\$0	\$0	\$0	\$541,505	\$112,292	\$93,014	\$746,811
5	68	\$2,908	\$603	\$499	\$4,010	\$478,602	\$99,261	\$82,214	\$660,078
10	69	\$3,371	\$699	\$579	\$4,649	\$372,274	\$77,231	\$63,957	\$513,462
15	70	\$3,908	\$810	\$671	\$5,390	\$209,459	\$43,493	\$36,000	\$288,953
20	71	\$4,531	\$939	\$778	\$6,248	\$0	\$86	\$33	\$120
		\$69,430	\$14,393		\$95,746				

Config.

☐ Detail View (Every Year)
 ☒ Summary View

Show Grid Footers
☐ Yes
☒ No

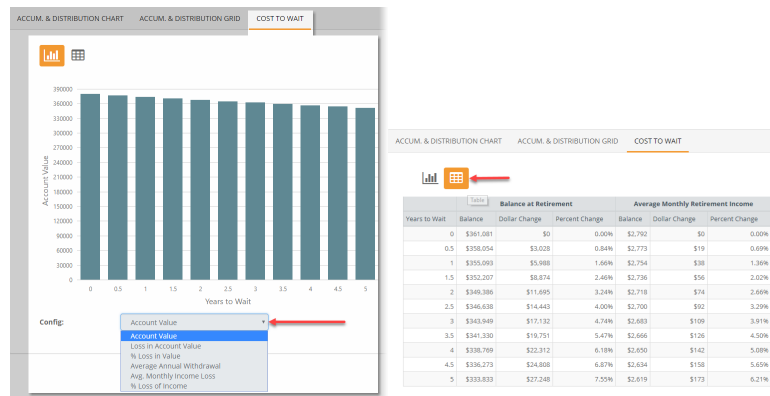
Show Employee and Employer Deposits Separately
☐ Yes
☒ No

7.4.4 Cost to Wait

TRAK now illustrates the values for the cost of waiting on contribution increases to retirement accounts in both a chart and a grid view.

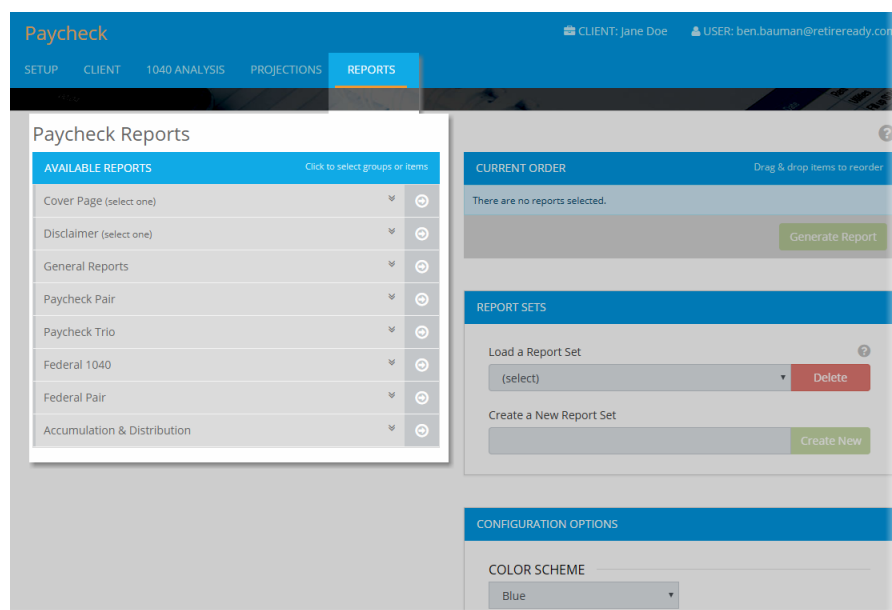
Chart & Grid

There are several options for configuration on the chart and grid views such as account values, loss, and withdrawal values:



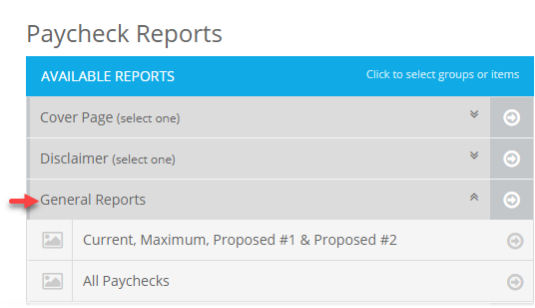
7.5 REPORTS

There are several reports available with in "Paycheck". As with all reports tabs, select the desired report page on the left that will be added to the print order:



There are several reports unique to Paycheck and are described below:

General Reports



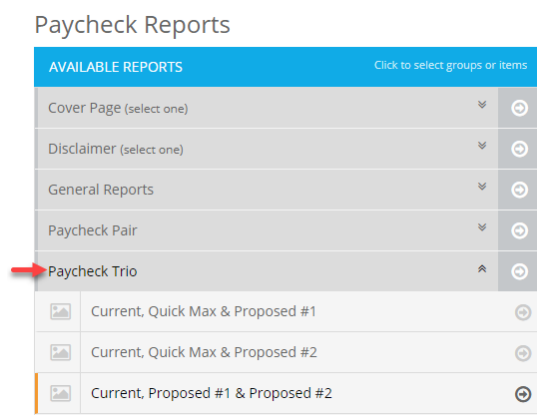
- Here select one or both options:
- Current, Maximum, Proposed #1 & Proposed #2 - selects all scenarios for a 1 page report
 - All Paychecks - puts all scenarios plus values for whole and partial years

Paycheck Pair



This breaks down the reports to illustrate just 2 scenarios for a set as labeled.

Paycheck Trio



Much like the "Pair" section, this allows selection of 3 paycheck scenarios to print.

Federal 1040



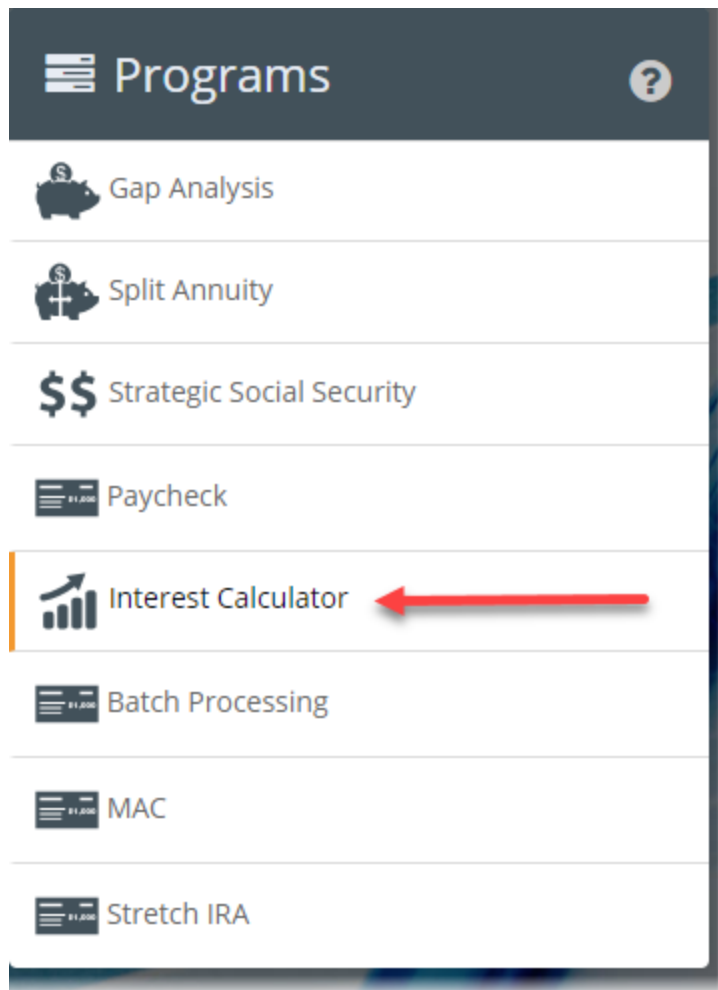
To print out all scenarios in the 1040 illustration, select the first report. The other 2 reports are federal forms for "W-4 2017" adjustments and the "Earned Income Tax Credit."



Interest Calculator

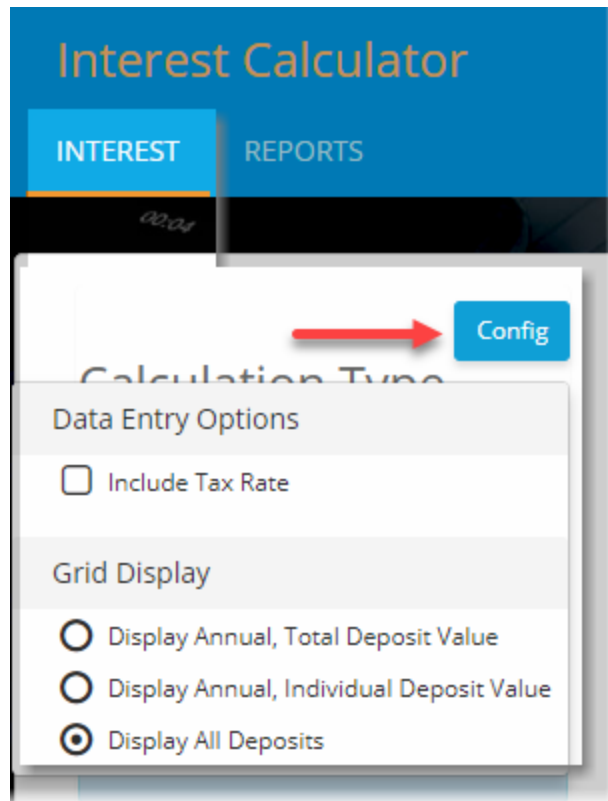
8 Interest Calculator

25The Interest Calculator is a simple calculator to use but provides the power and functionality for complex calculations. It will calculate unknown values for projected values (accumulations), distributions and loan values, and cost to wait. Both "CHART" or "GRID" view of the active calculation will be available to print via the [REPORTS](#)²³⁹ tab.



Getting Started

The first button "Config" allows some display customization on inclusion of tax rate, and grid options.



To begin to use the calculator, select the desired "Calculation Type". In this example, the type is set to illustrate "Accumulation" and is also set to calculate a "Projected Value". The projected account value of \$502, 283.48 below ("GRID" view) results from the values that were input in the "ACCUMULATION VALUES" section and the "DEPOSITS" section.

MENU

Interest Calculator

CLIENT: John Doe

USER:

INTEREST

REPORTS

Config

Calculation Type

Accumulation

Calculate

Projected Value

ACCUMULATION VALUES

Account Value

\$20,000.00

Interest Rate

7.0000%

Number of Years

25

DEPOSITS

Deposits Per Year

12

Deposit Amount

\$500.00

Type of Deposit

Level Depo

Deposits made at

Beginning

Calculated Projected Value:

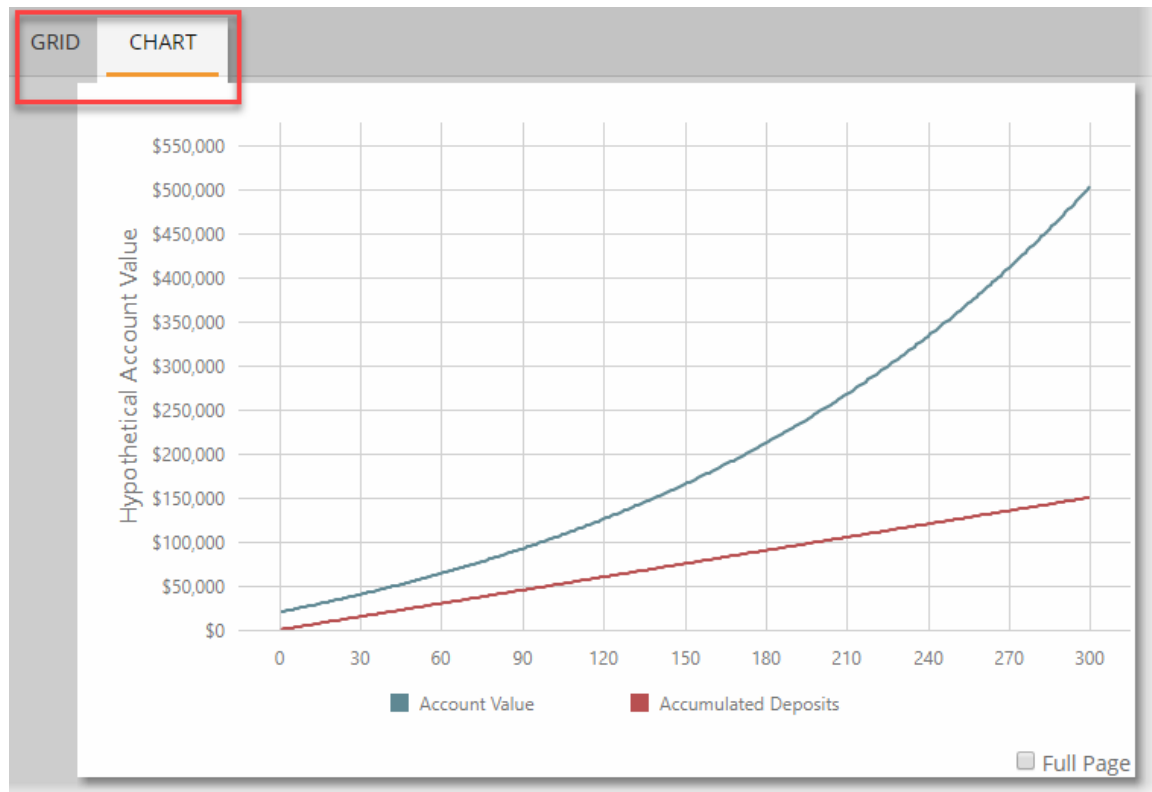
\$502,283.48

GRID

CHART

Deposits	Interest Rate	Deposit Amount	Accumulate Deposits	Account Value
1	7.0000%	\$500.00	\$500.00	\$20,615.91
2	7.0000%	\$500.00	\$1,000.00	\$21,235.30
3	7.0000%	\$500.00	\$1,500.00	\$21,858.19
4	7.0000%	\$500.00	\$2,000.00	\$22,484.61
5	7.0000%	\$500.00	\$2,500.00	\$23,114.57
6	7.0000%	\$500.00	\$3,000.00	\$23,748.09
7	7.0000%	\$500.00	\$3,500.00	\$24,385.19
8	7.0000%	\$500.00	\$4,000.00	\$25,025.89
9	7.0000%	\$500.00	\$4,500.00	\$25,670.22
10	7.0000%	\$500.00	\$5,000.00	\$26,318.19
11	7.0000%	\$500.00	\$5,500.00	\$26,969.82
12	7.0000%	\$500.00	\$6,000.00	\$27,625.14
13	7.0000%	\$500.00	\$6,500.00	\$28,284.16
14	7.0000%	\$500.00	\$7,000.00	\$28,946.91
15	7.0000%	\$500.00	\$7,500.00	\$29,613.41
16	7.0000%	\$500.00	\$8,000.00	\$30,283.68
17	7.0000%	\$500.00	\$8,500.00	\$30,957.74
18	7.0000%	\$500.00	\$9,000.00	\$31,635.61
19	7.0000%	\$500.00	\$9,500.00	\$32,317.31
20	7.0000%	\$500.00	\$10,000.00	\$33,002.86

Note: Here is the "CHART" view. Both "GRID" and "CHART" options are available in this program by clicking on the desired tab.



This program provides for four different types of calculation types:

1. [Accumulation](#)²¹³ (illustrated above)
2. [Distribution](#)²²¹
3. [Loan](#)²²⁹
4. [Accum. & Dist.](#)²³⁷

Note: The prompts will change based on the type of calculation selected. Additionally, for the first three calculation types listed above, the "Calculate" prompt will be displayed, however, for the last type "Accum. & Dist.", the prompt will disappear. The grid display options at the bottom allow for further configuration when available by one of two checkboxes:

19	7.0000%	\$6,000.00	\$114,000.00	\$305,020.28
20	7.0000%	\$6,000.00	\$120,000.00	\$332,596.85

☐ Carry Values Down Column
 ☐ Full Page

Full Page

For the first 3 calculation types, checking the box "Full Page" will show additional grid space and add another account that can be configured with different values for onscreen

comparison according to the type chosen. In this case, the deposit amounts can be changed in both accounts on screen for review:

GRID CHART									
Deposits	Account 1				Interest Rate	Account 2			
	Interest Rate	Deposit Amount	Accumulate Deposits	Account Value		Deposit Amount	Accumulate Deposits	Account Value	Account1 Gain
1	7.0000%	\$600.00	\$600.00	\$101,165.41	7.0000%	\$650.00	\$650.00	\$101,215.41	\$50.00
2	7.0000%	\$600.00	\$1,200.00	\$102,337.41	7.0000%	\$600.00	\$1,250.00	\$102,387.70	\$50.29
3	7.0000%	\$600.00	\$1,800.00	\$103,516.04	7.0000%	\$600.00	\$1,850.00	\$103,566.61	\$50.57
4	7.0000%	\$600.00	\$2,400.00	\$104,701.33	7.0000%	\$600.00	\$2,450.00	\$104,752.19	\$50.86
5	7.0000%	\$600.00	\$3,000.00	\$105,893.33	7.0000%	\$600.00	\$3,050.00	\$105,944.47	\$51.14
6	7.0000%	\$600.00	\$3,600.00	\$107,092.07	7.0000%	\$600.00	\$3,650.00	\$107,143.50	\$51.43
7	7.0000%	\$600.00	\$4,200.00	\$108,297.58	7.0000%	\$600.00	\$4,250.00	\$108,349.30	\$51.72
8	7.0000%	\$600.00	\$4,800.00	\$109,509.91	7.0000%	\$600.00	\$4,850.00	\$109,561.92	\$52.01
9	7.0000%	\$600.00	\$5,400.00	\$110,729.09	7.0000%	\$600.00	\$5,450.00	\$110,781.40	\$52.31
10	7.0000%	\$600.00	\$6,000.00	\$111,955.17	7.0000%	\$600.00	\$6,050.00	\$112,007.77	\$52.60
11	7.0000%	\$600.00	\$6,600.00	\$113,188.18	7.0000%	\$600.00	\$6,650.00	\$113,241.08	\$52.90
12	7.0000%	\$600.00	\$7,200.00	\$114,428.16	7.0000%	\$600.00	\$7,250.00	\$114,481.36	\$53.20
13	7.0000%	\$600.00	\$7,800.00	\$115,675.15	7.0000%	\$600.00	\$7,850.00	\$115,728.65	\$53.50
14	7.0000%	\$600.00	\$8,400.00	\$116,929.19	7.0000%	\$600.00	\$8,450.00	\$116,983.00	\$53.81
15	7.0000%	\$600.00	\$9,000.00	\$118,190.32	7.0000%	\$600.00	\$9,050.00	\$118,244.44	\$54.12
16	7.0000%	\$600.00	\$9,600.00	\$119,458.59	7.0000%	\$600.00	\$9,650.00	\$119,513.01	\$54.42
17	7.0000%	\$600.00	\$10,200.00	\$120,734.03	7.0000%	\$600.00	\$10,250.00	\$120,788.75	\$54.72
18	7.0000%	\$600.00	\$10,800.00	\$122,016.68	7.0000%	\$600.00	\$10,850.00	\$122,071.71	\$55.03

☐ Carry Values Down Column
 ☒ Full Page

Carry Values Down Column

Selecting this will lock the values header column while scrolling down the grid values for easier data recognition:

GRID		CHART		
Deposits	Interest Rate	Deposit Amount	Accumulate Deposits	Account Value
1	7.0000%	\$600.00	\$600.00	\$101,165.41
2	7.0000%	\$600.00	\$1,200.00	\$102,337.41
3	7.0000%	\$600.00	\$1,800.00	\$103,516.04
4	7.0000%	\$600.00	\$2,400.00	\$104,701.33
5	7.0000%	\$600.00	\$3,000.00	\$105,893.33
6	7.0000%	\$600.00	\$3,600.00	\$107,092.07
7	7.0000%	\$600.00	\$4,200.00	\$108,297.58
8	7.0000%	\$600.00	\$4,800.00	\$109,509.91
9	7.0000%	\$600.00	\$5,400.00	\$110,729.09
10	7.0000%	\$600.00	\$6,000.00	\$111,955.17
11	7.0000%	\$600.00	\$6,600.00	\$113,188.18
12	7.0000%	\$600.00	\$7,200.00	\$114,428.16
13	7.0000%	\$600.00	\$7,800.00	\$115,675.15
14	7.0000%	\$600.00	\$8,400.00	\$116,929.19
15	7.0000%	\$600.00	\$9,000.00	\$118,190.32
16	7.0000%	\$600.00	\$9,600.00	\$119,458.59
17	7.0000%	\$600.00	\$10,200.00	\$120,734.03
18	7.0000%	\$600.00	\$10,800.00	\$122,016.68
19	7.0000%	\$600.00	\$11,400.00	\$123,306.58
20	7.0000%	\$600.00	\$12,000.00	\$124,603.77

☒ Carry Values Down Column
 ☐ Full Page

8.1 Accumulation

The program's "Accumulation" illustrator can calculate several values. For instance, what interest rate, years or deposits are needed to achieve a desired account value. Once entered, both "CHART" and "GRID" tabs will display the values and be available for printing via the "[REPORTS](#)"²³⁹ tab.

The screenshot shows a web-based interest calculator interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu currently set to 'Accumulation'. Underneath is the 'Calculate' section, which has a dropdown menu open. The dropdown menu lists several options: 'Current Value' (which is highlighted in blue), 'Interest Rate', 'Number of Years', 'Projected Value', 'Deposits Per Year', and 'Deposit Amount'. Below the dropdown menu, the text 'Number of Years' is visible next to a text input field containing the number '10'.

Current Value (present value) - see example below

Other values to 'solve for' can be accessed here for more detail:

[Interest Rate](#)²¹⁶

[Number of Years](#)²¹⁷

[Projected Value](#)²¹⁸

[Deposits per Year](#)²¹⁹

[Deposit Amount](#)²²⁰

After selecting the calculation type, enter the other data. The calculated value will then be displayed at the bottom. In this example, to find the "Current Value" needed to achieve \$500,000 in 25 years with level monthly deposits of \$500 with an interest rate of 6% would be \$37,712.10.

Config

Calculation Type

Accumulation

Calculate

Current Value

ACCUMULATION VALUES

Interest Rate6.0000%

Number of Years25

DEPOSITS

Deposits Per Year12

Deposit Amount\$500.00

Type of DepositLevel Depc

Deposits made atEnd of Per

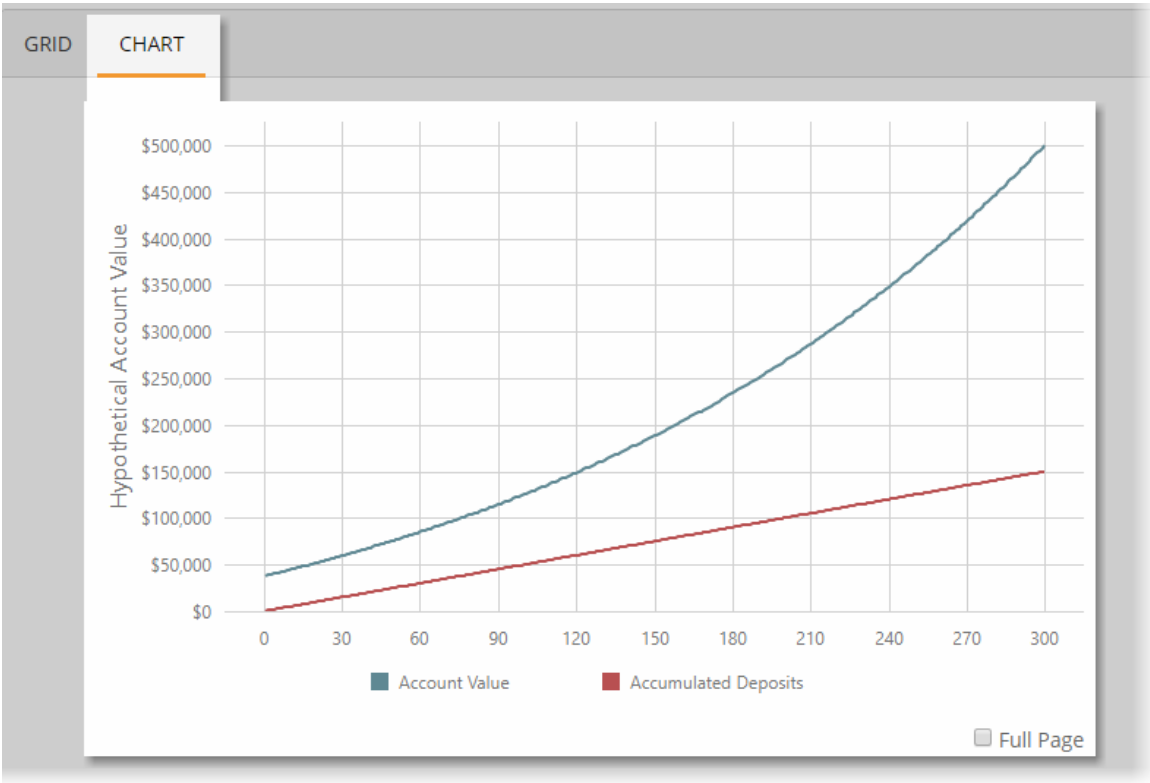
Future Value\$500,000.03

Calculated Current Value:
\$37,712.10

GRIDCHART

281	6.0000%	\$500.00	\$140,500.00	\$446,881.54
282	6.0000%	\$500.00	\$141,000.00	\$449,556.76
283	6.0000%	\$500.00	\$141,500.00	\$452,245.00
284	6.0000%	\$500.00	\$142,000.00	\$454,946.33
285	6.0000%	\$500.00	\$142,500.00	\$457,660.80
286	6.0000%	\$500.00	\$143,000.00	\$460,388.49
287	6.0000%	\$500.00	\$143,500.00	\$463,129.45
288	6.0000%	\$500.00	\$144,000.00	\$465,883.76
289	6.0000%	\$500.00	\$144,500.00	\$468,651.47
290	6.0000%	\$500.00	\$145,000.00	\$471,432.65
291	6.0000%	\$500.00	\$145,500.00	\$474,227.37
292	6.0000%	\$500.00	\$146,000.00	\$477,035.70
293	6.0000%	\$500.00	\$146,500.00	\$479,857.70
294	6.0000%	\$500.00	\$147,000.00	\$482,693.43
295	6.0000%	\$500.00	\$147,500.00	\$485,542.96
296	6.0000%	\$500.00	\$148,000.00	\$488,406.36
297	6.0000%	\$500.00	\$148,500.00	\$491,283.70
298	6.0000%	\$500.00	\$149,000.00	\$494,175.05
299	6.0000%	\$500.00	\$149,500.00	\$497,080.47
300	6.0000%	\$500.00	\$150,000.00	\$500,000.03

Here is the "CHART" view:



Deposits

There are a few options with regard to deposits or contributions. Click on the down arrow and select the type of deposits. The selections include:

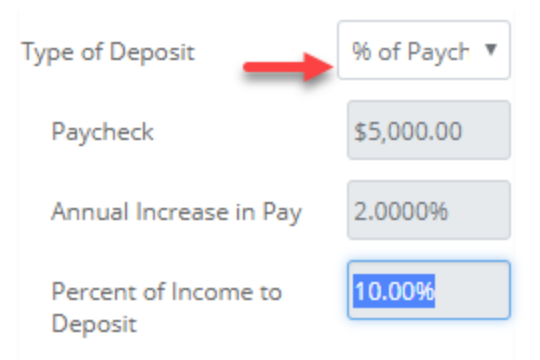
Level Deposits: Deposits to the account are the same for all years.

Annually Increase by Percent: Deposits increase by a percent each year.

Annually Increase by Dollar: Deposits increase by a dollar value each year.

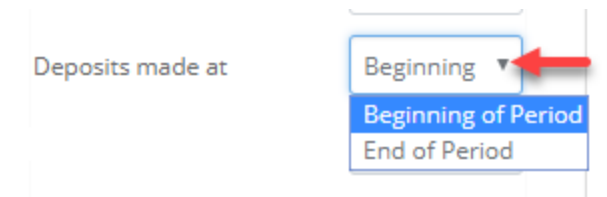
Percent of Paycheck: This will change the prompts below to ask for the current paycheck value and the annual raises.

Note: When the "Percent of Paycheck" method is selected as the deposit type, the prompts will appear differently than what is discussed below. However, the calculation is similar in nature, and the prompts are self explanatory. The value to enter in the "Paycheck" field would be the gross income per paycheck, etc.



The screenshot shows a form with the label "Type of Deposit" on the left. To its right is a dropdown menu currently displaying "% of Paych" with a downward arrow. A red arrow points from the text "Type of Deposit" to the dropdown menu. Below the dropdown are three input fields: "Paycheck" with a value of "\$5,000.00", "Annual Increase in Pay" with a value of "2.0000%", and "Percent of Income to Deposit" with a value of "10.00%".

Deposits made at: This can be set for "Beginning of Period" or "End of Period". For example, on a 12 pay, select whether the distributions/payments are made at the beginning or end of the month.



The screenshot shows a form with the label "Deposits made at" on the left. To its right is a dropdown menu currently displaying "Beginning" with a downward arrow. A red arrow points from the text "Deposits made at" to the dropdown menu. The dropdown menu is open, showing three options: "Beginning", "Beginning of Period", and "End of Period".

8.1.1 Interest Rate

In this example, to find out what rate of return would be needed to achieve roughly \$1,000,000 future value in 20 years with a starting balance (current value) of \$10,000 and 12 deposits per year of \$500, the interest rate would need to be 16.4177%.

Config

Calculation Type

Accumulation ▼

Calculate

Interest Rate ▼

ACCUMULATION VALUES

Account Value

\$10,000.00

Number of Years

20

DEPOSITS

Deposits Per Year

12

Deposit Amount

\$500.00

Type of Deposit

Level Depc ▼

Deposits made at

Beginning ▼

Future Value

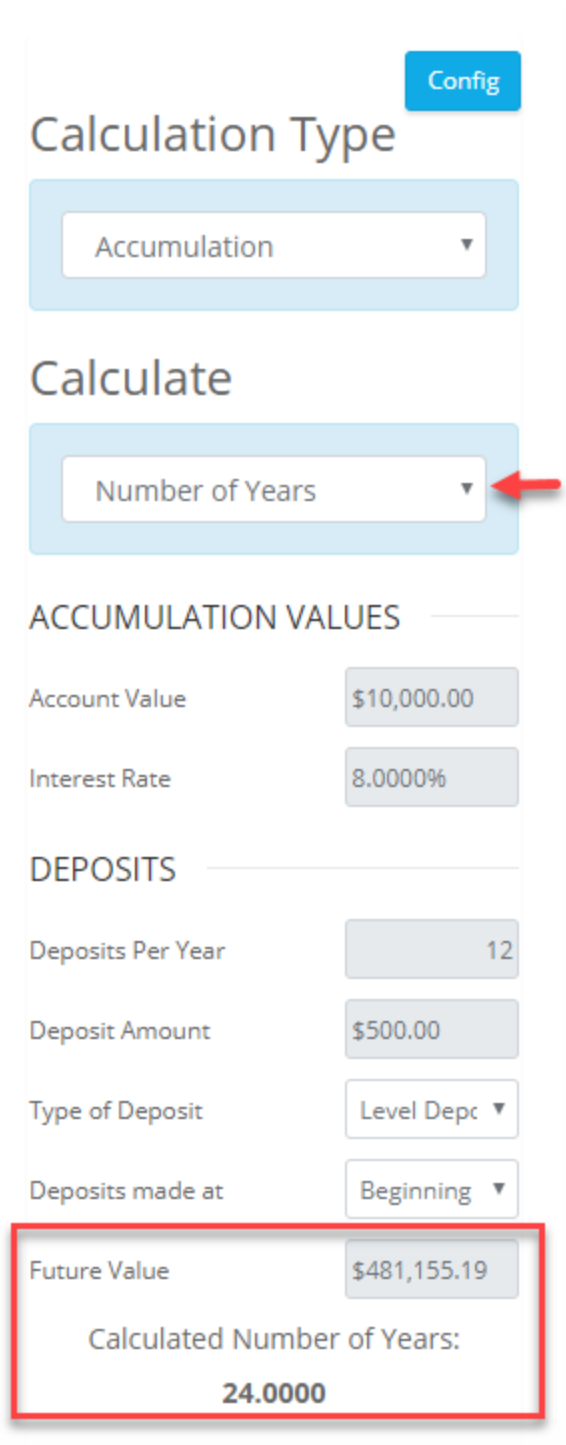
\$999,997.03

Calculated Interest Rate:

16.4177%

8.1.2 Number of Years

In this example, to find out how many years would be needed to achieve roughly \$500,000 (\$481,155.19) in future value with a starting balance (current value) of \$10,000 and 12 deposits per year of \$500 with the interest rate of 8%, it would take 24 years to achieve that goal.



The screenshot shows an 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu set to 'Accumulation'. The 'Calculate' section features a dropdown menu set to 'Number of Years', which is highlighted with a red box and a red arrow points to it. Below these are sections for 'ACCUMULATION VALUES' and 'DEPOSITS'. The 'ACCUMULATION VALUES' section includes 'Account Value' (\$10,000.00) and 'Interest Rate' (8.0000%). The 'DEPOSITS' section includes 'Deposits Per Year' (12), 'Deposit Amount' (\$500.00), 'Type of Deposit' (Level Depc), and 'Deposits made at' (Beginning). At the bottom, a red box highlights the 'Future Value' (\$481,155.19) and the 'Calculated Number of Years: 24.0000'.

ACCUMULATION VALUES	
Account Value	\$10,000.00
Interest Rate	8.0000%

DEPOSITS	
Deposits Per Year	12
Deposit Amount	\$500.00
Type of Deposit	Level Depc
Deposits made at	Beginning

Future Value	\$481,155.19
Calculated Number of Years: 24.0000	

8.1.3 Projected Value

To find out what final account value could be achieved at a given point in the future, select this option. In this example, a projected value of \$936,477.96 could be achieved with a starting balance (current value) of \$100,000 with 12 deposits per year of \$500 for 25 years and an interest rate of 7%.

Config

Calculation Type

Accumulation ▼

Calculate

Projected Value ▼

ACCUMULATION VALUES

Account Value

\$100,000.00

Interest Rate

7.0000%

Number of Years

25

DEPOSITS

Deposits Per Year

12

Deposit Amount

\$500.00

Type of Deposit

Level Depc ▼

Deposits made at

Beginning ▼

Calculated Projected Value:

\$936,477.96

8.1.4 Deposits Per Year

To find out how many deposits per year at a given amount would be required to achieve a desired future value, select "Deposits Per Year". In this example, to achieve about \$1.5 million in future value, 38 deposits of \$500 over 25 years at an interest rate of 6% would be required assuming a starting balance or current account value at \$100,000.

Config

Calculation Type

Accumulation ▼

Calculate

Deposits Per Year ▼

ACCUMULATION VALUES

Account Value

\$100,000.00

Interest Rate

6.0000%

Number of Years

25

DEPOSITS

Deposit Amount

\$500.00

Type of Deposit

Level Depc ▼

Deposits made at

Beginning ▼

Future Value

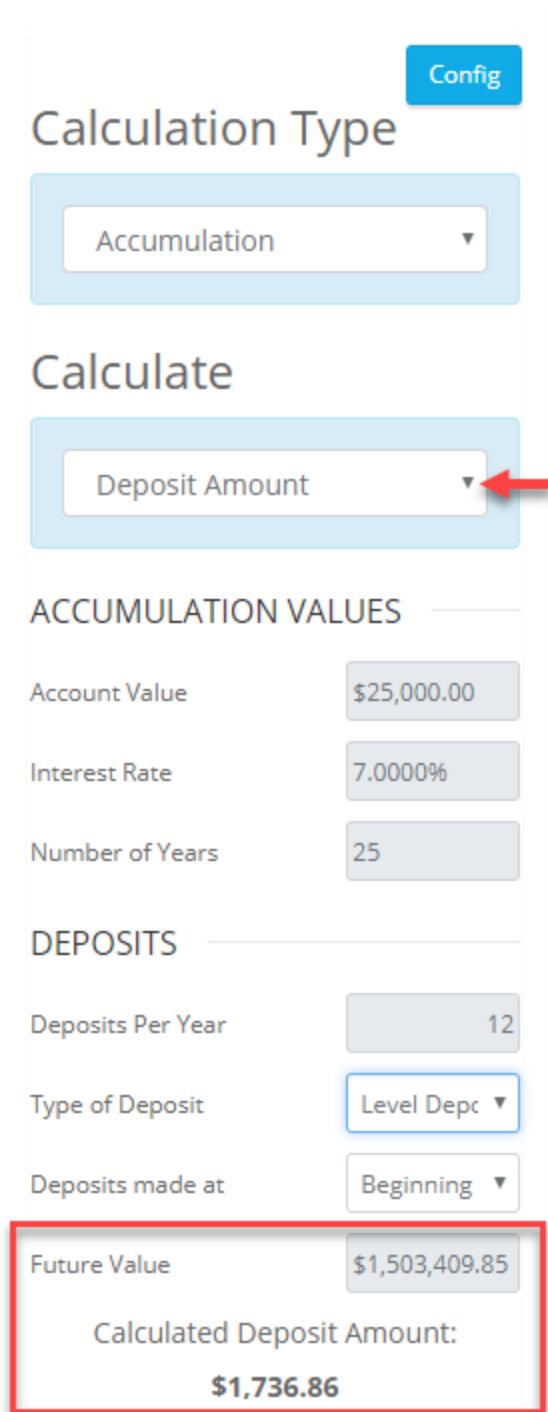
\$1,503,404.80

Calculated Deposits Per Year:

38

8.1.5 Deposit Amount

To find out how much each deposit would need to be to achieve a desired future value, select "Deposits Amount". In this example, to achieve about \$1.5 million in future value in 25 years, 12 deposits of \$1,736.86 at an interest rate of 7% would be needed (assuming a starting balance or current account value at \$25,000).



The screenshot shows the 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu set to 'Accumulation'. The 'Calculate' section has a dropdown menu set to 'Deposit Amount', which is highlighted with a red box and a red arrow pointing to it. Below these are three input fields: 'Account Value' (\$25,000.00), 'Interest Rate' (7.0000%), and 'Number of Years' (25). The 'DEPOSITS' section has three input fields: 'Deposits Per Year' (12), 'Type of Deposit' (Level Depc), and 'Deposits made at' (Beginning). At the bottom, a red box highlights the 'Future Value' (\$1,503,409.85) and the 'Calculated Deposit Amount: \$1,736.86'.

Config

Calculation Type

Accumulation ▼

Calculate

Deposit Amount ▼

ACCUMULATION VALUES

Account Value \$25,000.00

Interest Rate 7.0000%

Number of Years 25

DEPOSITS

Deposits Per Year 12

Type of Deposit Level Depc ▼

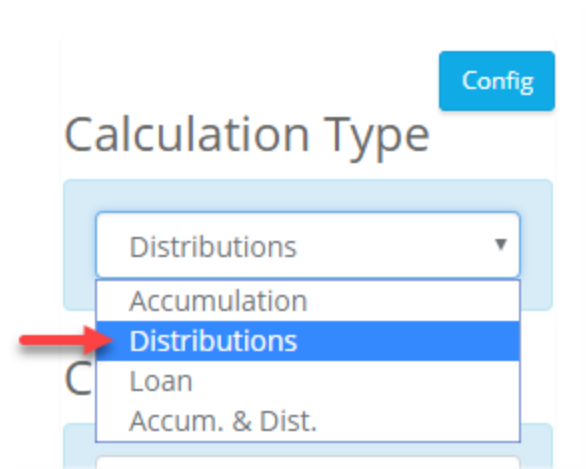
Deposits made at Beginning ▼

Future Value \$1,503,409.85

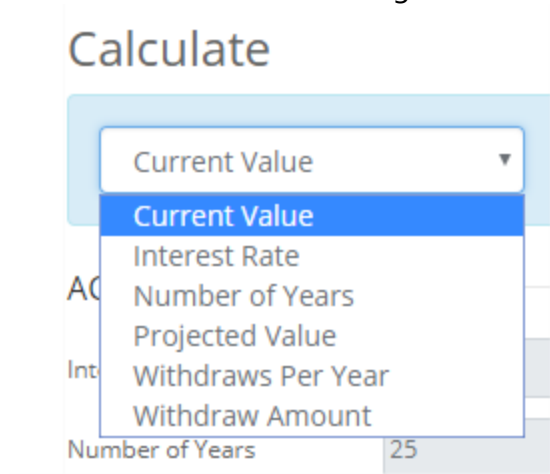
Calculated Deposit Amount:
\$1,736.86

8.2 Distribution

To illustrate many different distribution values (rather than the accumulation illustrations), changing the "Calculation Type" to "Distributions" will offer more ways to solve for certain values. Once entered, both "CHART" and "GRID" tabs will display the values and be available for printing via the [REPORTS](#) ²³⁸ tab.



Then, choose one of the following values to be illustrated:



Click on the "Calculate" links below for more detailed information:

[Current Value](#) ²²²

[Interest Rate](#) ²²³

[Number of Years](#) ²²⁴

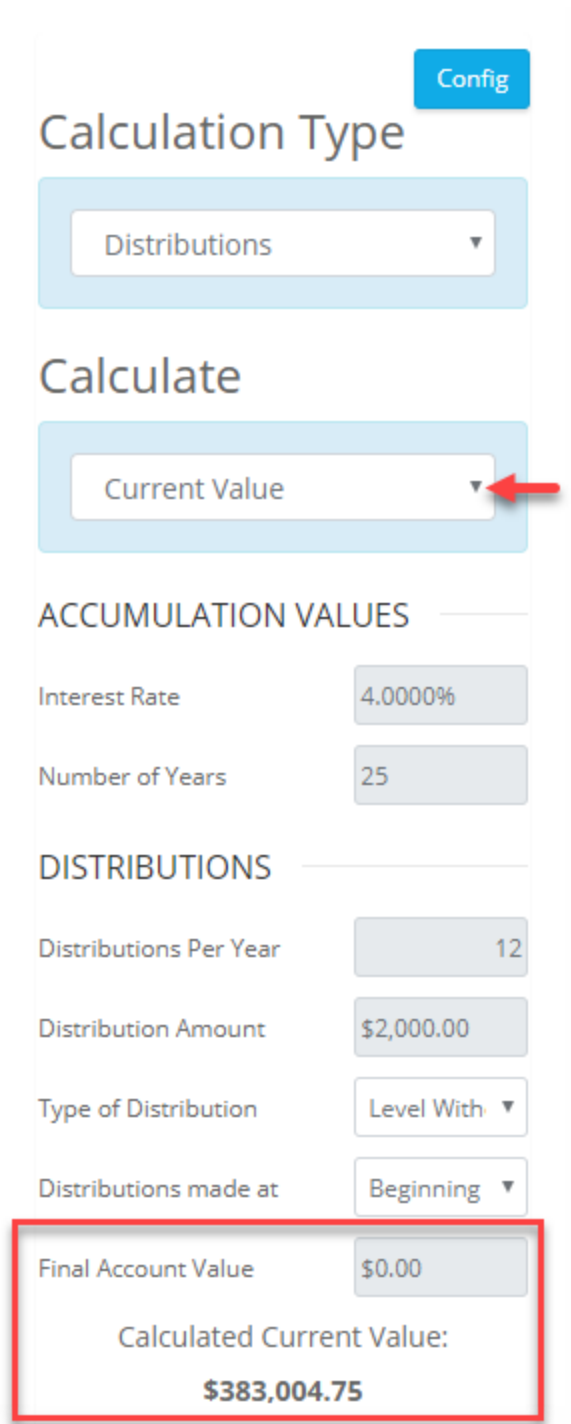
[Projected Value](#) ²²⁵

[Withdraws Per Year](#) ²²⁶

[Withdrawal Amount](#) ²²⁶

8.2.1 Current Value

To find out what current value would be required for an amount of distribution, select "Current Value" for the calculation type "Distributions" and enter the data. In this example, with a 4% interest rate during a 25 year distribution period, taking 12 (monthly) distributions annually at \$2,000 per distribution would require a current value of \$383,004.75.

A screenshot of an online interest calculator interface. The interface is divided into several sections. At the top right is a blue 'Config' button. The 'Calculation Type' section has a dropdown menu set to 'Distributions'. Below this is a 'Calculate' section with a dropdown menu set to 'Current Value', which is highlighted by a red arrow. The 'ACCUMULATION VALUES' section contains input fields for 'Interest Rate' (4.0000%) and 'Number of Years' (25). The 'DISTRIBUTIONS' section contains input fields for 'Distributions Per Year' (12), 'Distribution Amount' (\$2,000.00), 'Type of Distribution' (Level With), and 'Distributions made at' (Beginning). At the bottom, a red-bordered box highlights the 'Final Account Value' (\$0.00) and the 'Calculated Current Value: \$383,004.75'.

8.2.2 Interest Rate

To calculate what interest rate would be required for a particular distribution scenario, choose "Interest Rate" for the calculation type "Distributions" and enter the data. In this example, with starting account value of \$250,000, during a 25 year distribution period, taking 12 (monthly) distributions annually at \$2,000 per distribution would require an 8.7552% rate which would basically deplete the account to \$2.62.

Config

Calculation Type

Distributions ▼

Calculate

Interest Rate ▼

ACCUMULATION VALUES

Account Value

\$250,000.00

Number of Years

25

DISTRIBUTIONS

Distributions Per Year

12

Distribution Amount

\$2,000.00

Type of Distribution

Level With ▼

Distributions made at

End of Per ▼

Final Account Value

\$2.62

Calculated Interest Rate:

8.7552%

8.2.3 Number of Years

To see how long a particular distribution scenario will last in years, select "Number of Years" for the calculation under "Calculation Type". In this example, an account with a starting account value of \$250,000 growing at an interest rate of 6% with 12 annual distributions of \$2,000 will last 16 years leaving an ending balance of \$2,181.76.

Config

Calculation Type

Distributions ▼

Calculate

Number of Years ▼

ACCUMULATION VALUES

Account Value

\$250,000.00

Interest Rate

6.0000%

DISTRIBUTIONS

Distributions Per Year

12

Distribution Amount

\$2,000.00

Type of Distribution

Level With ▼

Distributions made at

End of Per ▼

Final Account Value

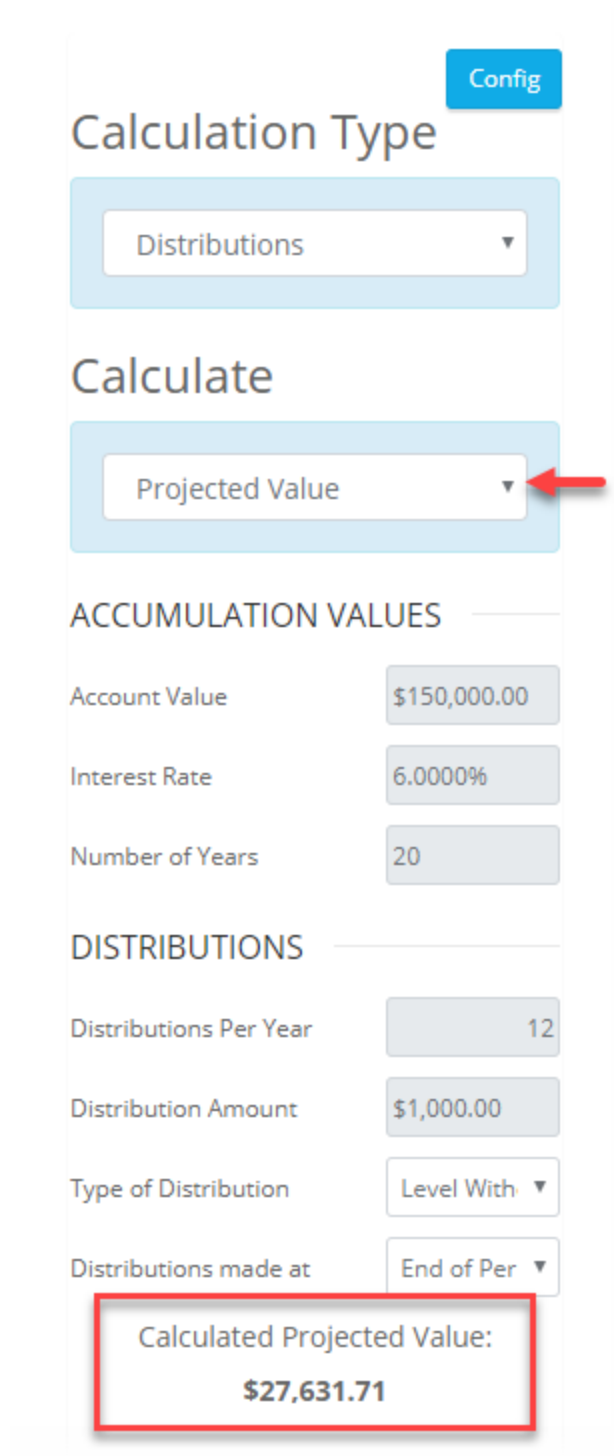
\$2,181.76

Calculated Number of Years:

16.0000

8.2.4 Projected Value

To see what account funds would remain in the future after a distribution scenario occurs, select "Projected Value" for the calculation under "Distribution". In this example, starting with \$150,000, an interest rate of 6% over a period of 20 years taking 12 distributions annually at \$1000 per distribution, the balance in 20 years would be \$27,631.71.



The screenshot shows an "Interest Calculator" interface. At the top right is a blue "Config" button. Below it is the "Calculation Type" section with a dropdown menu set to "Distributions". The "Calculate" section has a dropdown menu set to "Projected Value", which is highlighted with a red box and a red arrow points to it. Below this are two sections: "ACCUMULATION VALUES" and "DISTRIBUTIONS". The "ACCUMULATION VALUES" section includes input fields for "Account Value" (\$150,000.00), "Interest Rate" (6.0000%), and "Number of Years" (20). The "DISTRIBUTIONS" section includes input fields for "Distributions Per Year" (12), "Distribution Amount" (\$1,000.00), "Type of Distribution" (Level With), and "Distributions made at" (End of Per). At the bottom, a red-bordered box displays the "Calculated Projected Value: \$27,631.71".

Config

Calculation Type

Distributions ▼

Calculate

Projected Value ▼

ACCUMULATION VALUES

Account Value \$150,000.00

Interest Rate 6.0000%

Number of Years 20

DISTRIBUTIONS

Distributions Per Year 12

Distribution Amount \$1,000.00

Type of Distribution Level With ▼

Distributions made at End of Per ▼

Calculated Projected Value:
\$27,631.71

8.2.5 Withdraws Per Year

To find out how many payments or distributions per year can be taken within specific account value parameters, select "Withdraws Per Year" from the "Distribution" calculation. In this example, starting with an account value of \$200,000 with a 7% interest rate over a

distribution period of 15 years, the account will allow for 14 distributions annually for \$1,500 leaving a balance of \$7,153.40 at the end of the 15 year period.

Config

Calculation Type

Distributions

Calculate

Withdraws Per Year

ACCUMULATION VALUES

Account Value

\$200,000.00

Interest Rate

7.0000%

Number of Years

15

DISTRIBUTIONS

Distribution Amount

\$1,500.00

Type of Distribution

Level With

Distributions made at

End of Per

Final Account Value

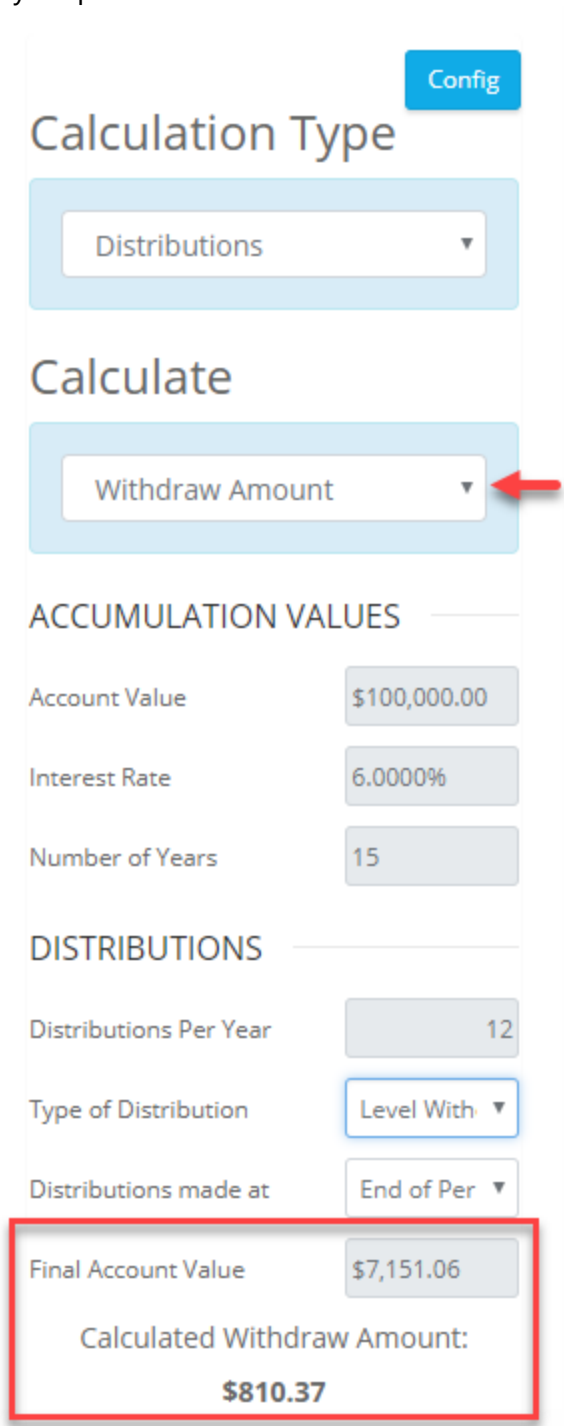
\$7,153.40

Calculated Withdraws Per Year:

14

8.2.6 Withdrawal Amount

To calculate the withdrawal amount level that can be taken within specific account value parameters, select "Withdraw Amount" from the "Distribution" calculation. In this example, with an account value of \$100,000 and an interest rate of 6% over a period of 15 years, 12 distributions of \$810.37 per year can be taken leaving a balance of \$7,151.06 at the end of the 15 year period.

A screenshot of an online interest calculator interface. The 'Calculation Type' dropdown is set to 'Distributions'. The 'Calculate' dropdown is set to 'Withdraw Amount', highlighted with a red arrow. Under 'ACCUMULATION VALUES', the inputs are: Account Value (\$100,000.00), Interest Rate (6.0000%), and Number of Years (15). Under 'DISTRIBUTIONS', the inputs are: Distributions Per Year (12), Type of Distribution (Level With), and Distributions made at (End of Per). The 'Final Account Value' is shown as \$7,151.06. A red box highlights the 'Calculated Withdraw Amount: \$810.37' at the bottom.

Config

Calculation Type

Distributions ▼

Calculate

Withdraw Amount ▼

ACCUMULATION VALUES

Account Value \$100,000.00

Interest Rate 6.0000%

Number of Years 15

DISTRIBUTIONS

Distributions Per Year 12

Type of Distribution Level With ▼

Distributions made at End of Per ▼

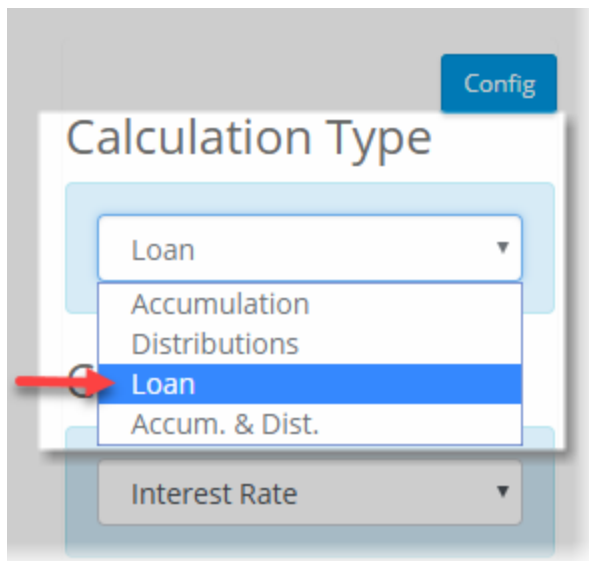
Final Account Value \$7,151.06

Calculated Withdraw Amount:

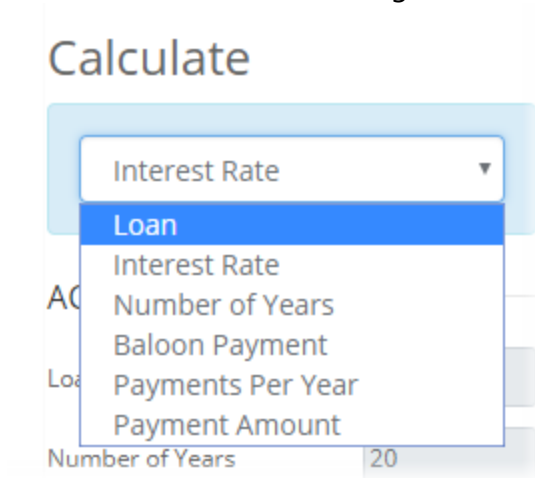
\$810.37

8.3 Loan

The Loan calculator is a program providing the ability to illustrate loan payments in specific account value scenarios. Changing the "Calculation Type" to "Loan" will offer more ways to solve for certain values. Once entered, both "CHART" and "GRID" tabs will display the values and be available for printing via the "[REPORTS](#)²³⁰" tab.



Then, choose one of the following values to be illustrated:



Click on the "Calculate" links below for more detailed information:

[Loan](#)²³⁰

[Interest Rate](#)²³¹

[Number of Years](#)²³²

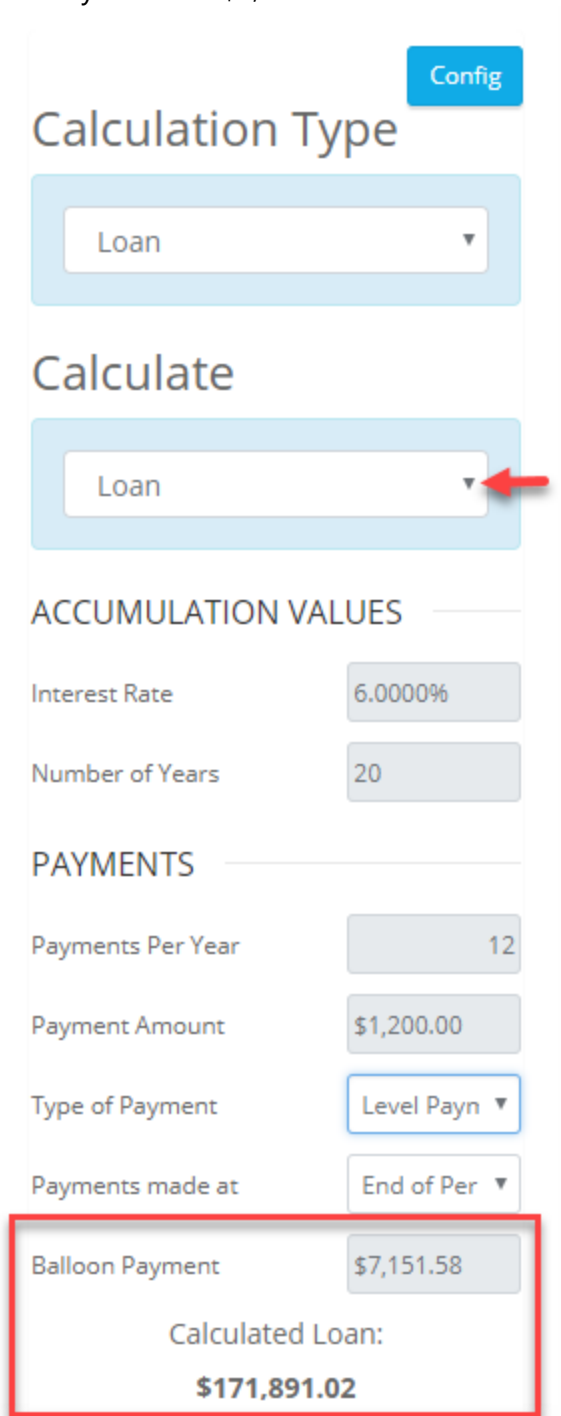
[Balloon Payment](#)²³⁴

[Payments Per Year](#)²³⁵

[Payment Amount](#)²³⁶

8.3.1 Loan

To find out how much a loan would need to be given specific periods of time and interest rates, select "Loan" under the calculation type "Loan" and enter the values. In this scenario, a loan interest rate of 6% over a 20 year period with a desired monthly (12 per year) payment of \$1200 would require a loan of \$171,891.02" that would require a final balloon payment in year 20 of \$7,151.58.



The screenshot displays the 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu set to 'Loan'. The 'Calculate' section also has a dropdown menu set to 'Loan', with a red arrow pointing to it. The 'ACCUMULATION VALUES' section includes 'Interest Rate' (6.0000%) and 'Number of Years' (20). The 'PAYMENTS' section includes 'Payments Per Year' (12), 'Payment Amount' (\$1,200.00), 'Type of Payment' (Level Payn), and 'Payments made at' (End of Per). A red box highlights the 'Balloon Payment' (\$7,151.58) and the 'Calculated Loan: \$171,891.02'.

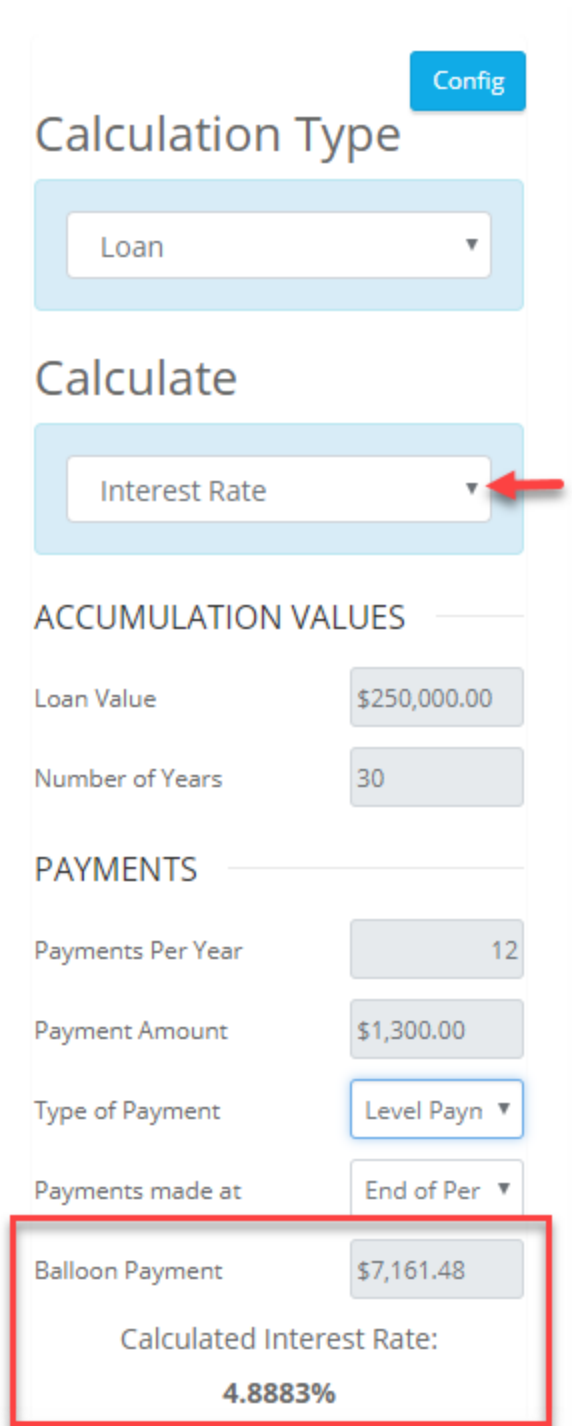
ACCUMULATION VALUES	
Interest Rate	6.0000%
Number of Years	20

PAYMENTS	
Payments Per Year	12
Payment Amount	\$1,200.00
Type of Payment	Level Payn
Payments made at	End of Per

Balloon Payment	\$7,151.58
Calculated Loan:	
\$171,891.02	

8.3.2 Interest Rate

To find out how what interest rate would need to be for a particular loan amount over a specific period of time and payment plan, select "Interest Rate" under the calculation type "Loan" and enter the values. In this scenario, a loan of \$250,000 over 30 years with 12 payments of \$1300 per year would require an interest rate of 4.8883% and would require a final balloon payment of \$7,161.48.



The screenshot shows the 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu set to 'Loan'. The 'Calculate' section has a dropdown menu for 'Interest Rate' with a red arrow pointing to it. Below these are sections for 'ACCUMULATION VALUES' and 'PAYMENTS'. The 'ACCUMULATION VALUES' section includes 'Loan Value' (\$250,000.00) and 'Number of Years' (30). The 'PAYMENTS' section includes 'Payments Per Year' (12), 'Payment Amount' (\$1,300.00), 'Type of Payment' (Level Payn), and 'Payments made at' (End of Per). A red box highlights the 'Balloon Payment' (\$7,161.48) and the 'Calculated Interest Rate: 4.8883%'.

Config

Calculation Type

Loan

Calculate

Interest Rate

ACCUMULATION VALUES

Loan Value \$250,000.00

Number of Years 30

PAYMENTS

Payments Per Year 12

Payment Amount \$1,300.00

Type of Payment Level Payn

Payments made at End of Per

Balloon Payment \$7,161.48

Calculated Interest Rate:
4.8883%

8.3.3 Number of Years

To see how many years a loan can be paid off in various scenarios (value, interest rate, payments, etc.), select "Number of Years" from the calculate menu while in the "Loan" calculation type. In this scenario, it would take 23 years to pay off a loan of \$250,000 at an interest rate of 5% with 12 payments of \$1500 annually leaving a final balloon payment of \$5,192.81.

Config

Calculation Type

Loan

Calculate

Number of Years

ACCUMULATION VALUES

Loan Value

\$250,000.00

Interest Rate

5.0000%

PAYMENTS

Payments Per Year

12

Payment Amount

\$1,500.00

Type of Payment

Level Payn

Payments made at

End of Per

Balloon Payment

\$5,192.81

Calculated Number of Years:

23.0000

Note: In the "Number of Years" calculate scenario, changing the number of payments can drastically reduce the number of years it would take to pay off a given loan value. This is a simple way to illustrate an extra payment per year, etc.

8.3.4 Balloon Payment

To see the amount necessary for a balloon payment for loan payoff, select "Balloon Payment" from the calculate menu while in the "Loan" calculation type. In this scenario, a \$7,290.93 balloon payment would be necessary with a loan value of \$150,000, a 5% interest rate over 15 years, and 12 payments per year of \$1,150 per payment.

The screenshot displays the 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu set to 'Loan'. The 'Calculate' section features a dropdown menu set to 'Balloon Payment', with a red arrow pointing to it. Below these are two main sections: 'ACCUMULATION VALUES' and 'PAYMENTS'. Under 'ACCUMULATION VALUES', there are input fields for 'Loan Value' (\$150,000.00), 'Interest Rate' (5.0000%), and 'Number of Years' (15). Under 'PAYMENTS', there are input fields for 'Payments Per Year' (12), 'Payment Amount' (\$1,150.00), 'Type of Payment' (Level Payn), and 'Payments made at' (End of Per). At the bottom, a red-bordered box highlights the 'Calculated Balloon Payment: \$7,290.93'.

ACCUMULATION VALUES	
Loan Value	\$150,000.00
Interest Rate	5.0000%
Number of Years	15

PAYMENTS	
Payments Per Year	12
Payment Amount	\$1,150.00
Type of Payment	Level Payn
Payments made at	End of Per

Calculated Balloon Payment:
\$7,290.93

8.3.5 Payments Per Year

To see the amount of payments per year necessary for loan payoff, select "Payments Per Year" from the calculate menu while in the "Loan" calculation type. In this scenario, a loan of \$200,000 at an interest rate of 4.5% over 30 years would require at least 10 payments of \$1,200 per year with a final balloon payment of 2,273.47.

The screenshot shows the 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it is the 'Calculation Type' section with a dropdown menu set to 'Loan'. The 'Calculate' section has a dropdown menu set to 'Payments Per Year', which is highlighted with a red box and a red arrow points to it. Below this is the 'ACCUMULATION VALUES' section with input fields for 'Loan Value' (\$200,000.00), 'Interest Rate' (4.5000%), and 'Number of Years' (30). The 'PAYMENTS' section has input fields for 'Payment Amount' (\$1,200.00), 'Type of Payment' (Level Payn), and 'Payments made at' (End of Per). At the bottom, a red box highlights the 'Balloon Payment' (\$2,273.47) and the 'Calculated Payments Per Year: 10'.

ACCUMULATION VALUES	
Loan Value	\$200,000.00
Interest Rate	4.5000%
Number of Years	30

PAYMENTS	
Payment Amount	\$1,200.00
Type of Payment	Level Payn
Payments made at	End of Per

Balloon Payment	\$2,273.47
Calculated Payments Per Year: 10	

8.3.6 Payment Amount

To see the required per payment amount for loan payoff, select "Payment Amount" from the calculate menu while in the "Loan" calculation type. In this scenario, a loan of \$200,000 at an interest rate of 4.5% over 30 years making 12 payments per year would require payments of \$999.63 per payment with a final balloon payment of \$2,276.01.

The screenshot displays the 'Interest Calculator' interface. At the top right is a blue 'Config' button. Below it, the 'Calculation Type' section has a dropdown menu set to 'Loan'. The 'Calculate' section features a dropdown menu set to 'Payment Amount', with a red arrow pointing to it. Below these sections are input fields for 'ACCUMULATION VALUES': 'Loan Value' (\$200,000.00), 'Interest Rate' (4.5000%), and 'Number of Years' (30). The 'PAYMENTS' section includes 'Payments Per Year' (12), 'Type of Payment' (Level Payn), and 'Payments made at' (End of Per). At the bottom, a red-bordered box highlights the results: 'Balloon Payment' (\$2,276.01) and 'Calculated Payment Amount: \$999.63'.

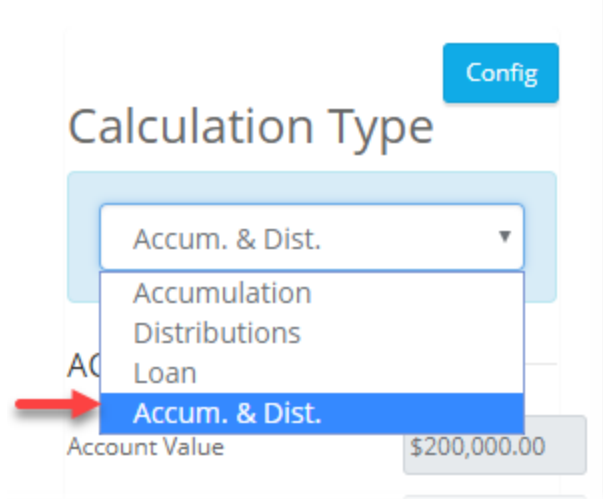
ACCUMULATION VALUES	
Loan Value	\$200,000.00
Interest Rate	4.5000%
Number of Years	30

PAYMENTS	
Payments Per Year	12
Type of Payment	Level Payn
Payments made at	End of Per

Balloon Payment	\$2,276.01
Calculated Payment Amount: \$999.63	

8.4 Accum. & Dist.

The "Accum. & Dist." calculator is a program providing the ability to illustrate account growth and distrubtion scenarios. Changing the "Calculation Type" to "Accum. & Dist." will offer illustrations for certain values. Once entered, both "CHART" and "GRID" tabs will display the values and be available for printing via the "REPORTS²³⁹" tab.



Once a set of values are entered into the fields, the calculations are made real time. Each section is described below:

Accumulation Values

ACCUMULATION VALUES

Account Value	\$100,000.00
Interest Rate	6.0000%
Number of Years	20

Here, enter the current balance, the interest rate and the number of years for the account to accumulate.

Deposits

DEPOSITS	
Deposits Per Year	12
Deposit Amount	\$500.00
Type of Deposit	Level Depo: ▼
Deposits made at	End of Perio: ▼

Here is where contribution values are added to the account during the accumulation period.

Calculated Projected Value:
 \$547,432.84

Note: Once the data in these sections are entered, the final account balance value will be calculated automatically.

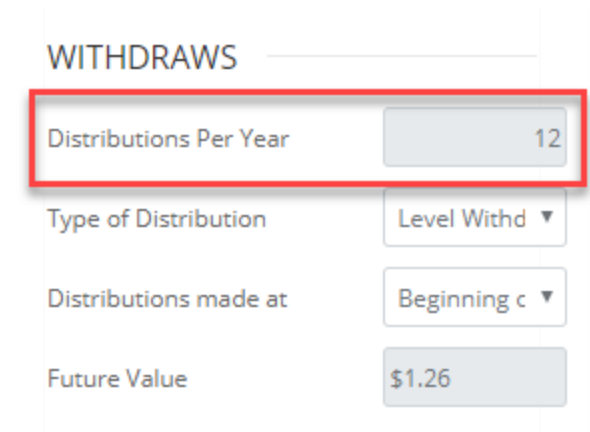
Now that the accumulation data has been input and calculated, configuration on how these funds will be taken or distributed needs to be setup.

Distribution Values

Here enter the interest rate to be considered during the distribution period as well as the length of time in years for the period.

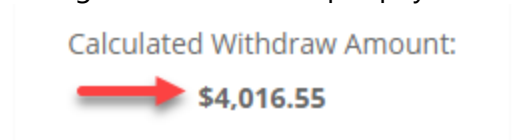
DISTRIBUTION VALUES	
Account Value	\$547,432.84
Interest Rate	4.0000%
Number of Years	15

Withdraws



WITHDRAWS	
Distributions Per Year	12
Type of Distribution	Level Withd ▼
Distributions made at	Beginning c ▼
Future Value	\$1.26

Next, configure the final values for withdrawals during the distribution period. A key field is the number of distributions annually. The last field will show the final account value which can be configured for little or no leftover balance or a final balance - both of which will change the distribution per payment calculated at the bottom:



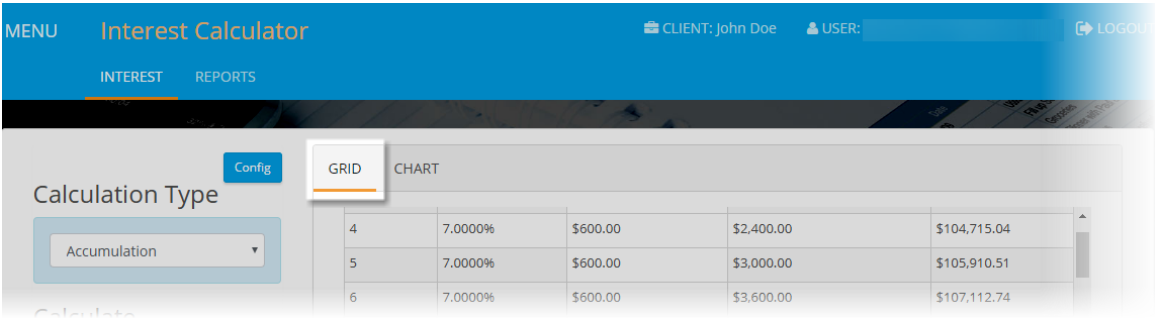
Calculated Withdraw Amount:
→ \$4,016.55

Final Note: So, in this scenario, an account starting at \$200,000 growing at 6% interest rate over 20 years with 12 contributions annually of \$500 will achieve a balance of \$547,432.84. Then, when distribution begins for withdrawing funds, considering a 4% interest rate over a distribution period of 15 years, a monthly withdrawal amount of \$4,016.55 is available leaving a final balance at the end of the period of \$1.26 (essentially account depletion).

8.5 Reports

To print reports to a printer or create PDF files of the "Interest Calculator" grids and charts, click on the "REPORTS". In the example below, the report needing to be printed and viewed is from a scenario run from calculation type "Accumulation" and the "Calculate" option is set for "Projected Value" to see what a particular account will grow to in the future. Here are the 2 views that are to be printed:

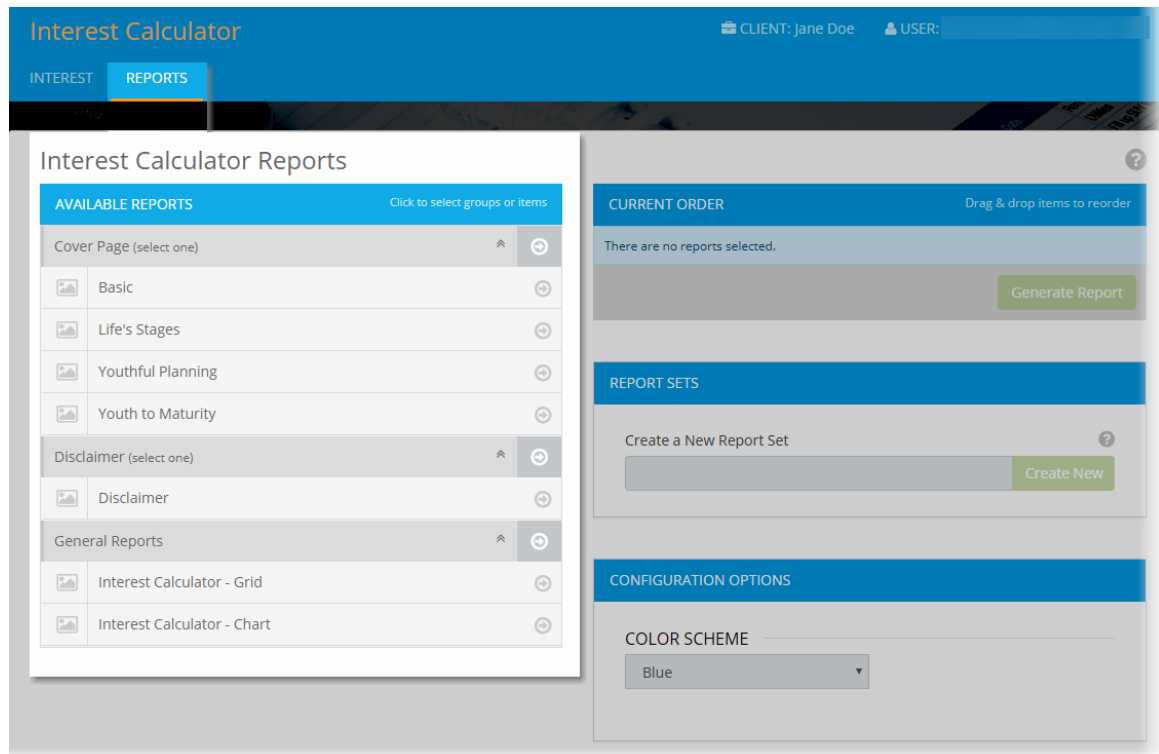
GRID



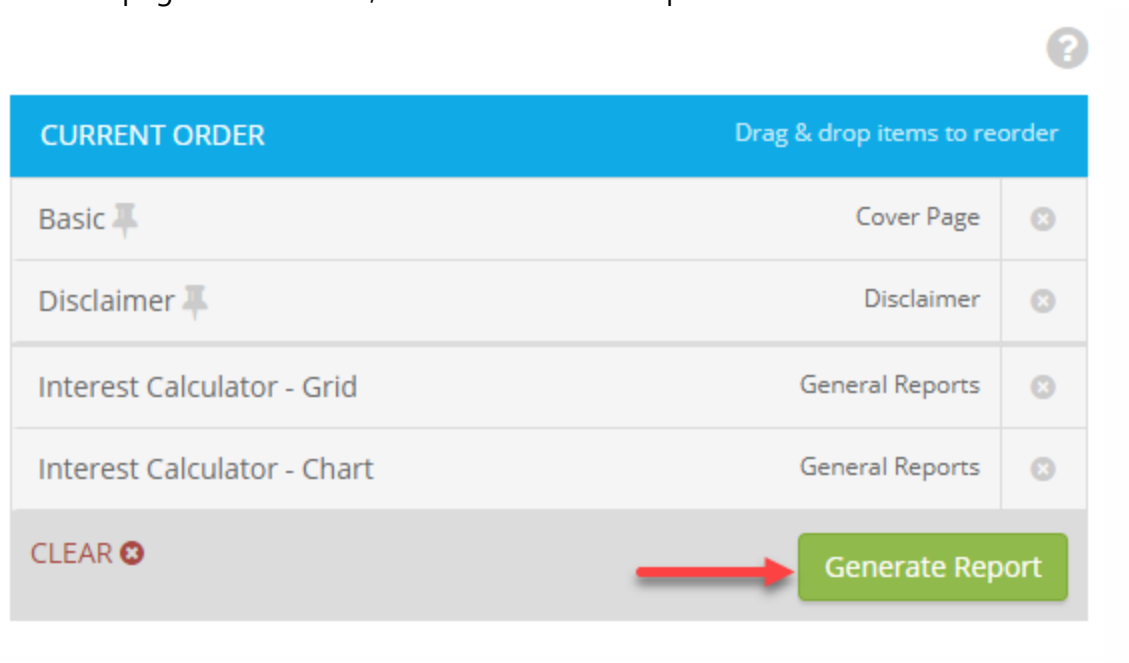
CHART



Now, clicking on the "REPORTS" tab allows for several output options.

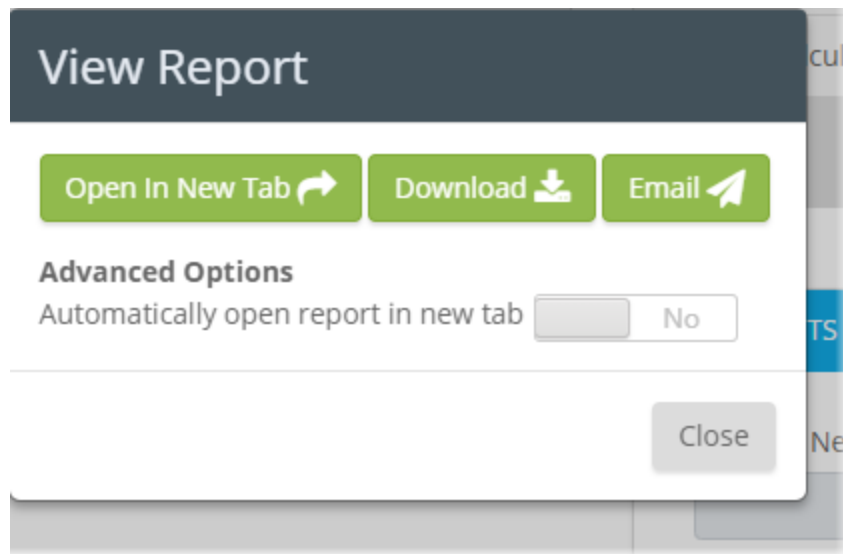


Here select from available reports on the left to add them to the "CURRENT ORDER" including any cover page, disclaimer and then either one or both the grid and chart views, then, once all pages are selected, click on "Generate Report".



The option for report generation include opening the report in the browser, downloading the PDF file directly, or, finally emailing the report to the account's email address.

Additionally, the output can be set to "Automatically open report in new tab" by toggling "Yes".



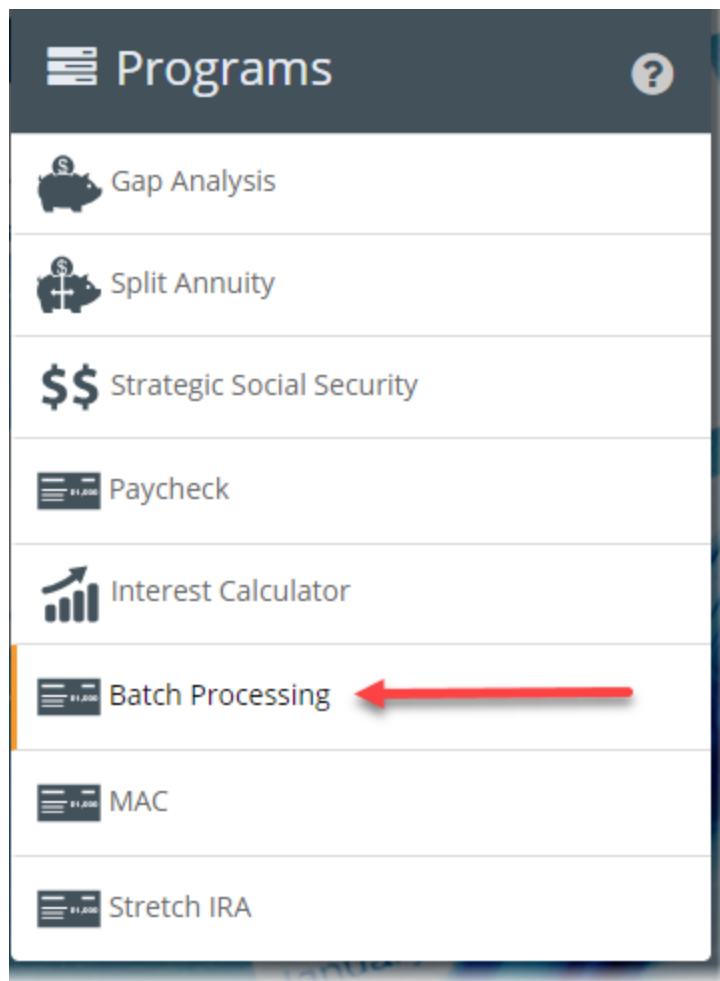


Batch Processing

9 Batch Processing

"Batch Processing" allows for processing multiple client reports. Reports such as the "[Participant Gap](#)^[266]" report and the "[Contribution Analysis](#)^[248]" report may be created for groups or individuals and the data is shared between this program and the "[Paycheck](#)^[184]" program. In addition, the "[Participant Benchmarks](#)^[292]" report can be produced for review of overall plan success.

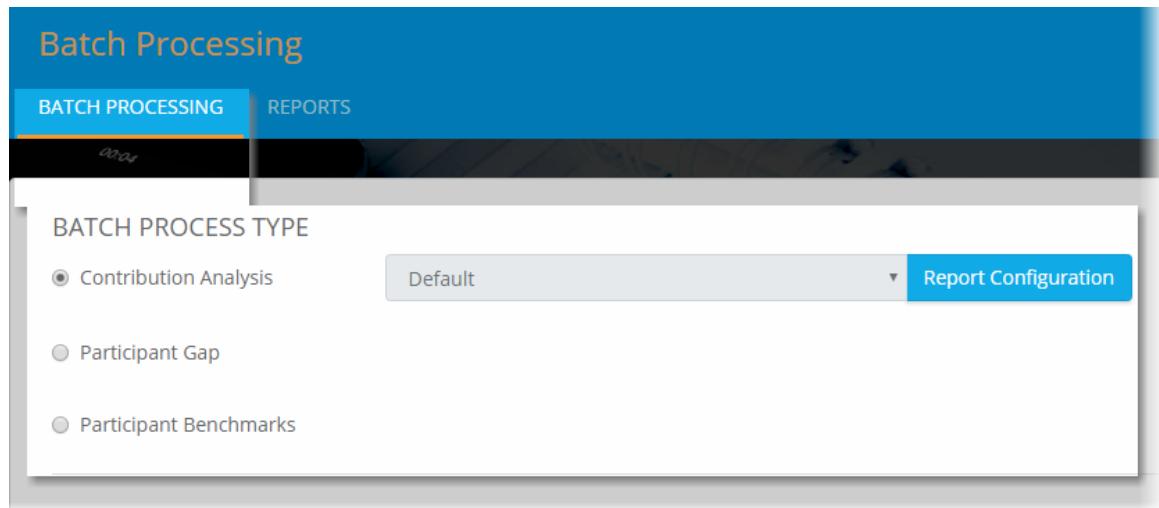
Note: Before running this program, an "[Employer File](#)^[37]" must be setup properly and the "[File Import](#)^[54]" procedure followed for the census data.



The following are the various options in the program:

BATCH PROCESSING TYPE

This determines which type of report is created: [Contribution Analysis](#)^[248], [Participant Gap](#)^[266] or [Participant Benchmarks](#)^[292].



Batch Processing

BATCH PROCESSING | **REPORTS**

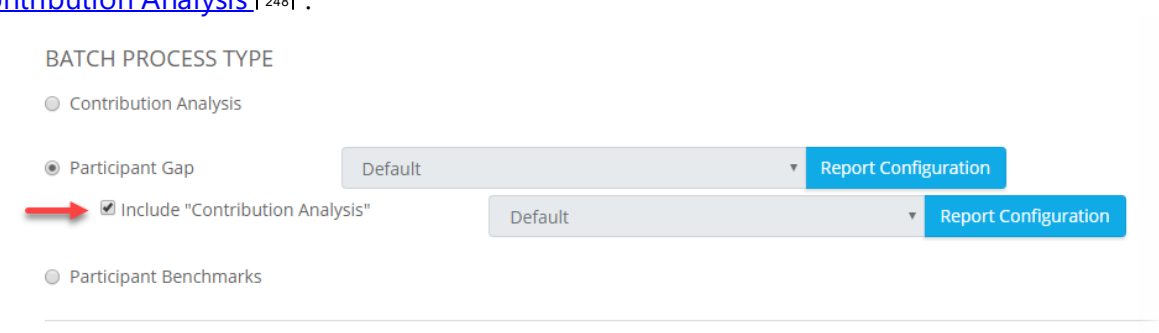
BATCH PROCESS TYPE

☒ Contribution Analysis Default Report Configuration

☐ Participant Gap

☐ Participant Benchmarks

Note: If "[Participant Gap](#)"²⁶⁶ is selected, an option is made available now to "Include '[Contribution Analysis](#)'"²⁴⁸.



BATCH PROCESS TYPE

☐ Contribution Analysis

☒ Participant Gap Default Report Configuration

☒ Include "Contribution Analysis" Default Report Configuration

☐ Participant Benchmarks

Note: Each report has a "Report Configuration" button for options to review before presenting illustrations.

Click a link below for information on each particular report:

[Contribution Analysis](#)²⁴⁸

[Participant Gap](#)²⁶⁶

[Participant Benchmarks](#)²⁹²

CLIENT LIST

This is the method for determining which client records are to be printed. There are three options (single client, client group or employer) to choose from:

CLIENT LIST

☒ Select Single Client

Search by First and/or Last name

First Name ↕	Last Name ↕	Select
Robert	Smith	<input type="radio"/>
Jane	Doe	<input type="radio"/>

CLIENT LIST

☐ Select Single Client

☒ Select Client Group

Name ↕	Date ↕	Select
Sample Group	12/23/2019	<input type="checkbox"/>

CLIENT LIST

☐ Select Single Client

☐ Select Client Group

☒ Select Employer

Sample Company, Inc. ▾

10 Pay Monthly
10 Pay Monthly no FICA
10 Pay P/R
10 Pay P/R no FICA
12 Pay Monthly
12 Pay Monthly no FICA
20 Pay Bi-Weekly Tables
20 Pay P/R
20 Pay Semi-Monthly Tables
24 Semi-Monthly Tables

OPTIONS

☐ Include Spouse Report if Data is Available

☐ Exclude Client if they have a Spouse

☐ Exclude Client if They have other Acc

☐ Exclude Client if They Have Can Rep

Note: Check this check box if the spouse's paycheck (when available) is printed as a separate report.

OPTIONS

☒ Include Spouse Report if Data is Available

OPTIONS

OPTIONS	CONFIG
<input type="checkbox"/> Include Spouse Report if Data is Available	<input type="checkbox"/> Show Methodology
<input type="checkbox"/> Exclude Client if they have a Spouse	
<input type="checkbox"/> Exclude Client if They have other Accounts (Savings, Known Income, Lump Sum)	
<input type="checkbox"/> Exclude Client if They Have Gap Report within	
<input type="checkbox"/> Include Reports That Do Not Have Income	

To specify a sort order for the reports, select the desired configuration from the drop down list:

Note: For each of the "Exclude Client if they have..." a Spouse, other Accounts, have Gap Reports within, the additional options allow for excluding clients that may have had one-on-one consulting recently. For example, if a Quick Gap or Gap Analysis report had been run within 6 months from the date, the report can be excluded.

☒ Exclude Client if They Have Gap Report within 6 Months

Additionally, the option is to "Include Reports That Do Not Have Income" which may or may not be desired.

Finally, select whether or not to illustrate the methodology in the report. If checked, this will be included:

accounts having more than one contribution per year, the rate of return for the time period is calculated using the following formula:

$$\text{Rate of return for time period} = e^{\left(\frac{\ln(1 + (a\text{AnnualRate} * 0.01))}{\text{Periods per Year}}\right)} - 1$$

This rate of return formula may be used to calculate the account value at retirement, as in the following formula. P0 is the principal, or initial balance.

$$\sum_{n=1}^{\text{Periods until retirement}} (P_{n-1} + \text{Deposit}) * \left(e^{\frac{\ln(1 + a\text{AnnualRate} * 0.01)}{\text{Periods per year}}} \right)$$

9.1 Contribution Analysis

The "Contribution Analysis" tool can quickly create custom qualified plan contribution illustrations (including 401(k), 457, 403(b), etc.) for a group or an individual. The report may be configured at various levels, including:

1. For the paycheck, how much detail is shown (e.g. include detailed or summarized taxation information), and what contribution levels are illustrated.
2. In accumulation, the rates of return and number of years, including retirement, that are to be shown.
3. The option to illustrate the cost for waiting or delaying contribution changes, including specific years.
4. The payout methods used, and the rates of return to be illustrated for payout.

The reports are configured in the "[Contribution Analysis Report Configuration Editor](#)²⁵⁰".

Examples of various sections of the "Contribution Analysis" report are shown below:

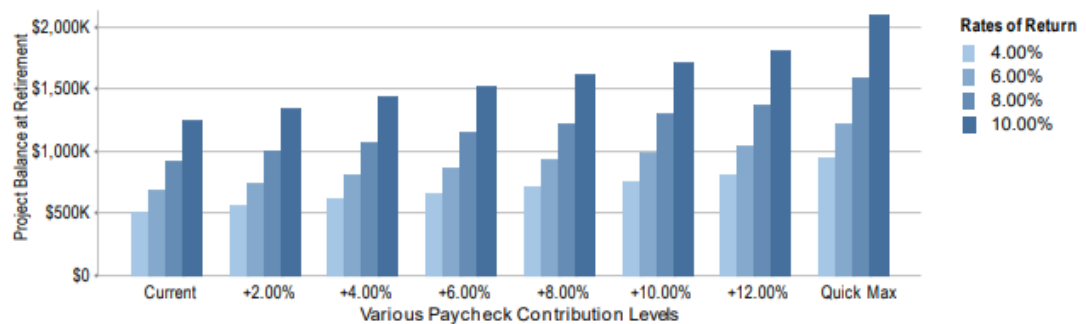
Contribution Analysis Report

The "Contribution Analysis" report presents the effects that various levels of contributions have on a client's paycheck. It shows taxation (shown below as a total, but may also be shown in detail; see the [Report Layout Editor's](#)²⁵⁰ "Paycheck Display" tab), marginal tax bracket, tax savings, employer matching contribution to the retirement plan, and change in pay.

Estimated effects of various retirement plan contributions on Take Home Pay								
AMOUNT DEFERRED	CURRENT	+2.00%	+4.00%	+6.00%	+8.00%	+10.00%	+12.00%	QUICK MAX ¹
GROSS INCOME ²	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
PRE - TAX 125 ³	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
401(K) CONTRIBUTION	10.00%	11.00%	12.00%	13.00%	14.00%	15.00%	16.00%	18.02%
	\$550	\$605	\$660	\$715	\$770	\$825	\$880	\$991
FEDERAL TAX	\$563	\$551	\$539	\$526	\$514	\$502	\$490	\$466
STATE TAX	\$324	\$319	\$316	\$312	\$308	\$304	\$300	\$292
FICA & MEDICARE	\$405	\$405	\$405	\$405	\$405	\$405	\$405	\$405
MARGINAL BRACKET ⁴	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
TAX SAVINGS	N/A	\$17	\$33	\$49	\$65	\$81	\$97	\$129
401(K) ROTH	2.00%	3.00%	4.00%	5.00%	6.00%	7.00%	8.00%	10.02%
	\$110	\$165	\$220	\$275	\$330	\$385	\$440	\$551
NET PAY	\$3,348	\$3,255	\$3,161	\$3,066	\$2,972	\$2,878	\$2,784	\$2,595
CHANGE IN PAY	N/A	(\$93)	(\$187)	(\$281)	(\$375)	(\$469)	(\$563)	(\$753)

How those contributions grow at various rates of return (selectable) until retirement, including various periods of time before retirement, can be demonstrated in a grid or chart (or both, as shown below):

Hypothetical projected account values (shown across) at various rates of return (down) at retirement								
RATES OF RETURN	CURRENT	+2.00%	+4.00%	+6.00%	+8.00%	+10.00%	+12.00%	QUICK MAX
4.00%	\$512,968	\$561,707	\$610,447	\$659,187	\$707,927	\$756,666	\$805,406	\$943,894
6.00%	\$684,522	\$744,642	\$804,763	\$864,884	\$925,004	\$985,124	\$1,045,244	\$1,221,843
8.00%	\$920,405	\$995,134	\$1,069,863	\$1,144,593	\$1,219,322	\$1,294,050	\$1,368,779	\$1,594,527
10.00%	\$1,244,498	\$1,338,018	\$1,431,540	\$1,525,061	\$1,618,582	\$1,712,102	\$1,805,622	\$2,094,726



The cost to wait, if the participant so chooses, before increasing their qualified plan contribution:

But What If You Wait...

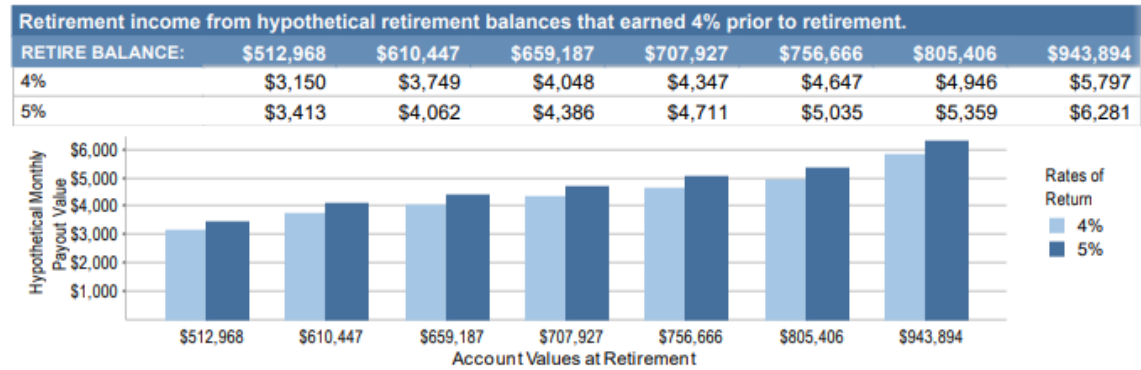
The account balances at retirement shown above assume the contributions to the retirement plan start today. If the decision is delayed, the value at retirement may decrease substantially. The data below illustrates the hypothetical reduction in the account value if the decision to start investing is delayed.

The hypothetical cost in the retirement-account-value for deposits that earned 6% prior to retirement.							
	CURRENT	+4.00%	+6.00%	+8.00%	+10.00%	+12.00%	QUICK MAX
½ YEAR	N/A	4,244	6,367	8,489	10,611	12,733	N/A
1 YEAR	N/A	8,408	12,613	16,817	21,022	25,226	N/A
2 YEARS	N/A	16,500	24,750	33,000	41,249	49,499	N/A
5 YEARS	N/A	38,987	58,481	77,975	97,469	116,962	N/A

And also how the hypothetical accumulated account value would payout over life expectancy:

Monthly Income at Various Rates of Return Over the Client's Retirement

The illustrations below show the monthly retirement income an account value can produce over life expectancy at various rates of return. The account balance is depleted over life expectancy and the payments may not increase during retirement.



9.1.1 Contribution Analysis Report Editor

To configure the "Contribution Analysis Report", click on the "Report Configuration" button:

BATCH PROCESS TYPE

☒ Contribution Analysis

Default

Report Configuration

Here there are several tabs to review and configure.

Note: Report configurations can be saved and named for future selection.

Click on a tab link below for more details:

[PAYCHECK DISPLAY](#) ²⁵¹

[ROTH ACCOUNT](#) ²⁵²

[CONTRIBUTIONS](#) ²⁵³

[RETIREMENT AGE](#) ²⁵⁷

[ACCUMULATION](#) ²⁵⁸

[COST TO WAIT](#) ²⁶²

[DISTRIBUTIONS](#) ²⁶³

9.1.1.1 PAYCHECK DISPLAY

PAYCHECK DISPLAY

The first tab for configuration is the "PAYCHECK DISPLAY". Various options can be enabled by checking the boxes. By default, many of these will be automatically checked. For the "WITHHOLDING TAX OPTIONS", select either "Show Details", "Total Withholding Only" or "None" from the down arrow menu.

Batch Processing > Contribution Analysis Report Configuration Editor

Report Configuration Default Rename Delete Add New

Configuration Pages

- PAYCHECK DISPLAY**
- ROTH ACCOUNT
- CONTRIBUTIONS
- RETIREMENT AGE
- ACCUMULATION
- COST TO WAIT
- DISTRIBUTIONS

Paycheck Display

☐ Show Message if a Higher Contribution Results in a Higher Employer Contribution

☒ Hide Paycheck Fields with Values of Zero (e.g.: if "Section 125" is "0", do not show the Field in the Report)

WITHHOLDING TAX OPTIONS

Paycheck Withholding Taxes Show Details

☒ Show FICA and Medicare Values on One Line

☒ Print Tax Bracket

☒ Print Tax Savings

ELECTION DEFERRAL SELECTION

☐ Print an Election Deferral Section Below the Paycheck Comparison Grid

Apply Default Settings

Note: To have a section added to the report to change contribution deferrals or leave as is, check the "Print an Election Deferral Section Below the Paycheck Comparison Grid". This will enable this section to be included in the report:

Deferral Election

YES, I wish to participate. I authorize a payroll deduction of _____ %.

Signature

Date

NO, I elect not to participate.

Signature

Date

9.1.1.2 ROTH ACCOUNT

ROTH ACCOUNT

If available and setup in the "[Employer File](#)³⁷", a Roth account (after-tax) can be illustrated. Checking the box will then allow for further configuration including the values to display (percent, dollar, etc.), the options for contributions to the accounts, and displaying account balances (combined or separate).

For the "Options for Contribution Values", there are several options to choose from in regard to increasing contribution values:

Pre-Tax Only: Increases in contribution are only applied to the pre-tax account.

Split Contribution between Accounts: Contribution increases are applied both to the pretax and Roth accounts.

Use Offset on Both Accounts: Contribution increases are split between the pretax and Roth accounts.

Increase Roth Account Only: Contribution increases are only applied to the Roth account.

Proportional: Contribution increases are proportional to the current contribution levels of each account.

9.1.1.3 CONTRIBUTIONS

CONTRIBUTIONS

This section of the Batch Processing editor allows for configuring how the contributions are illustrated for the retirement plan (pre-tax) values.

Note: Changes made in the configuration will prompt for the option to save the settings with the "Save" button in red.

Batch Processing > Contribution Analysis Report Configuration Editor

Report Configuration **Save** Default Rename Delete Add New

Configuration Pages

- PAYCHECK DISPLAY
- ROTH ACCOUNT
- CONTRIBUTIONS**
- RETIREMENT AGE
- ACCUMULATION
- COST TO WAIT
- DISTRIBUTIONS

Contributions

☐ Show Theoretical Maximum Contribution ("Quick Max") Column

☐ Hide Contributions Above "Quick Max"

Pre-Tax Contribution Values Displayed: Percent then Dollar

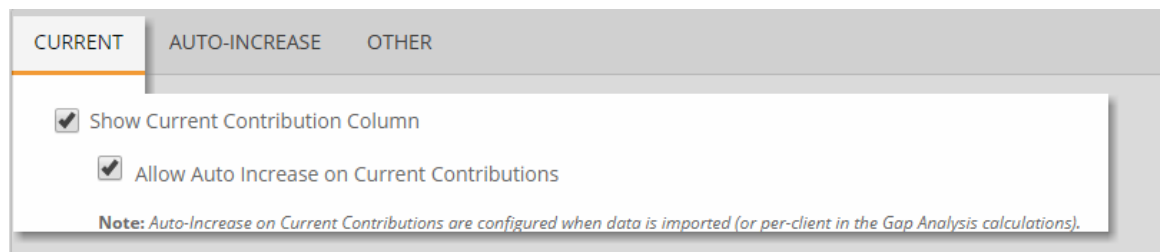
Contribution Value Type: Percent

CURRENT AUTO-INCREASE OTHER

☐ Show Current Contribution Column

Note: A maximum of 7 contribution columns in the report can be illustrated, including the Current Contribution, Maximum Contribution and the Increased Contributions.

Apply Default Settings



CURRENT AUTO-INCREASE OTHER

☒ Show Current Contribution Column

☒ Allow Auto Increase on Current Contributions

Note: Auto-Increase on Current Contributions are configured when data is imported (or per-client in the Gap Analysis calculations).

Show Current Contribution Column: Determines if the current contribution column for the paycheck is displayed. Additionally, if there is a current automatic increase in place for plan participants, check the box "Allow Auto Increase on Current Contributions".

Note: Typically this would be included, unless the value was not imported.

Show Theoretical Maximum Contribution ("Quick Max") Column: This shows the maximum contribution the client can make to the retirement plan on an annual basis. The "Quick Max" is the plan's annual contribution limit, including the over-50 catchup provision (if relevant) divided by the number of paychecks per year. It does not take into consideration year-to-date contributions or special catch-up provisions for 403(b) and 457 plans. (For example, in 2018 the annual contribution limit for 401(k) plans is \$18,500 plus an additional \$5,000 for participants 50 and over). Also, the "Quick Max" is proportional to the current pre-tax and Roth account contributions (if applicable).

Note: The limits are determined by the type of retirement plan configured either in the "Employer File" editor or, if the employer file is using a custom retirement plan, in the

"Custom Retirement Plan" editors. Plan limits limits can be overridden in the "Custom Retirement Plan" editor.

Hide Contributions Above "Quick Max": Checking this box excludes contribution values that are above the "Quick Max" (defined above) and can be excluded from the report.

Pre-Tax Contribution Values Displayed

Percent then Dollar
 Percent then Dollar
 Dollar then Percent
 Percent Only
 Dollar Only

"Pre-Tax Contribution Values Displayed": This determines how the increased contribution values are displayed in either a Percent% of account (more typical) or a Dollar\$ value. Select how the pre-tax contribution values are to be displayed in the Paycheck section of the report by clicking on the down arrow menu. The options are: Percent then Dollar, Dollar then Percent, Percent Only or Dollar Only. When the contribution is displayed as a percentage and a dollar value, they will be displayed on separate lines.

CURRENT
 AUTO-INCREASE
 OTHER

☒ Illustrate Annual Increasing Contributions

Account to Increase
 Both

Note: Increase values below are per-account.

Immediate Increase
 0.00%

Annual Increase with Raise
 0.00%

☐ Increase Contributions for Specified Number of Years

☐ Limit Maximum Contribution

Auto-Increases: Check this box to illustrate Annual Increasing Contribution. This setting determines if the auto-increase column should be displayed. The other prompts in this group are only available if this is selected. The prompts are:

- Account to Increase: If more than one account is being considered, select which one (or both) will experience the automatic increases.
- Immediate Increase: Enter the increase in contribution that will occur immediately.

- **Annual Increase with Raise:** Enter the annual increase the occurs with the next raise. (Raises are configured in the Employer File Editor's Miscellaneous tab).
- **Increase Contributions for a Specified Number of Years:** Check this box to limit the number of years the increase occurs. The editor to the right will be enabled when this is elected. Enter the number of years increases will occur.
- **Limit Maximum Contribution:** Select this option to enter a maximum increase in contribution. Enter the maximum increase in contributions.

Other: Select how many contributions to illustrate and the corresponding offsets.

Contribution Offsets ^	
2.50%	X
5.00%	X
7.50%	X
10.00%	X
+	

Note: A maximum of 7 contribution columns in the report can be illustrated, including the Current Contribution, Maximum Contribution and the

Contribution Value Type: Select whether the contribution values are entered as percent values or dollar values.

When Offsetting Contribution Values: This prompt is only available if the box for "Show Current Contribution Column" is checked. The 3 options are:

- **Add Offset, do not Round:** No rounding occurs to the new contribution value.
- **Round Value:** The new contribution value is rounded to the nearest percentage. For example, if the participant is contributing 3.25%, and the increase in contribution is 1%, the new value would be rounded from 4.25% to 4%. For half percents (x.5%), Banker's Rounding is used (the value is rounded to the even number).
- **Round Value Up:** The new contribution value is rounded up to the nearest percentage. For example, if the participant is contributing 3.25%, and the increase in contribution is 1%, the new value would be rounded up from 4.25% up to 5%.
- **Hide Illustrations Less than the Current Contribution Values:** If Absolute Values is selected as the Contribution Value Type (above), some of the contributions may be less than the current. Checking this box will hide the contributions lower than the current contribution.

of Contributions to Illustrate: Enter the number of contributions to illustrate. There are a maximum of 7 contributions that can be illustrated. If the Current Contribution, Auto-Increase, and/or Theoretical Maximum Contribution check boxes are checked, these will be part of the 7 columns displayed in the report.

Contribution Offset/Levels: Choose the defaults or manually enter the Contribution Offset (or Contribution Levels) for the additional contribution columns in this grid.

Note: Contributions within 0.10% of other contributions will be not included in the reports. For example, if the "Quick Max" column is included (discussed above) and is 20.07% of pay, and a 20% column was included in this list, than the 20% column would not be included in the report.

9.1.1.4 RETIREMENT AGE

RETIREMENT AGE

This tab allows for configuring the retirement age for each client (participant) in the group and how TRAK handles clients that are either retired or close to retirement.

RETIREMENT AGE: Select the configuration for the client(s) age of retirement. There are three methods below:

1. Client Data: The client age that was imported will be used. TRAK will use the age in the census data file for each client individually.
2. Social Security Normal Retire Age: The Social Security's normal retirement age, based on the client's date of birth, will be used.
3. Custom Retirement Age: Allows for selecting the retirement age to be used for the whole group.

CLIENTS CLOSE TO OR ALREADY RETIRED: This group box allows for configuring how to handle clients in the group that are close to or already retired. Select the desired setup:

- Skip Reports for Clients that are Already Retired: Check this box If reports for client's whose retirement age is already past. If they are not skipped, they will be retired at the end of this month.
- For Clients that Are Close to Retirement, or Already Retired
- Select the appropriate action for clients that are close to, or are already retired.

9.1.1.5 ACCUMULATION

ACCUMULATION

The projection section of the report (shown below) displays how various contribution levels grow over time at differing rates of return.

Hypothetical Future Account Values at Various Rates

The grid(s) and chart(s) below illustrates how the combined pre-tax and Roth account values may grow with differing contribution levels (horizontal) and various rates of return (vertical). Note that generally the higher the assumed rate of return, the higher the assumed risk.

Hypothetical projected account values (shown across) at various rates of return (down) in 5 Years							
RATES OF RETURN	CURRENT	+4.00%	+6.00%	+8.00%	+10.00%	AUTO-INC.	QUICK MAX
5.00%	\$174,798	\$190,527	\$198,391	\$206,256	\$214,120	\$178,730	\$249,780
6.00%	\$182,132	\$198,243	\$206,298	\$214,353	\$222,408	\$186,160	\$258,777
7.00%	\$189,730	\$206,231	\$214,481	\$222,731	\$230,981	\$193,856	\$268,073
8.00%	\$197,599	\$214,499	\$222,948	\$231,398	\$239,848	\$201,824	\$277,675

Hypothetical projected account values (shown across) at various rates of return (down) in 10 Years							
RATES OF RETURN	CURRENT	+4.00%	+6.00%	+8.00%	+10.00%	AUTO-INC.	QUICK MAX
5.00%	\$275,198	\$312,639	\$331,360	\$350,081	\$368,802	\$284,558	\$457,256
6.00%	\$297,107	\$336,455	\$356,129	\$375,803	\$395,477	\$306,944	\$488,187
7.00%	\$320,775	\$362,137	\$382,818	\$403,499	\$424,180	\$331,115	\$521,367
8.00%	\$346,331	\$389,821	\$411,567	\$433,312	\$455,057	\$357,203	\$556,952

Batch Processing > Contribution Analysis Report Configuration Editor

Report Configuration: Default Rename Delete Add New

Configuration Pages

- PAYCHECK DISPLAY
- ROTH ACCOUNT
- CONTRIBUTIONS
- RETIREMENT AGE
- ACCUMULATION**
- COST TO WAIT
- DISTRIBUTIONS

Accumulation

☐ Start on New Page

☐ Show Retirement Year

☐ Use Value for Raises Configured in the Employer File

Annual Raise: 3.00%

Method to Display Projected Values: Grid

☐ At Retirement Show Both Grid and Chart

Hide Years Within "x" Years of Retirement: 0.25

Number of Interest Rates: 6

Number of Accumulation years to Show: 2

RATES

Interest Rates	Include in Illustration		
	Cost to Wait	Include Distribution	
0.00%	<input type="checkbox"/>	<input type="checkbox"/>	✖
2.00%	<input type="checkbox"/>	<input type="checkbox"/>	✖
3.00%	<input type="checkbox"/>	<input type="checkbox"/>	✖

Accumulation Tab Prompts: Each of the prompts on the Accumulation tab is discussed below:

- Start on New Page: Determines if the Projections section of the report starts on a new page.
- Show Retirement Year: Determines if the retirement year should be shown in the report.

Note: "Cost to Wait" and "Payout" are only available if this is checked. Checking this will also enable further options for accumulation years.

Accumulation

☐ Start on New Page
☒ Show Retirement Year
☐ Use Value for Raises Configured in the Employer File

Annual Raise:

Method to Display Projected Values:

☐ At Retirement Show Both Grid and Chart
 Hide Years Within "X" Years of Retirement:

Number of Interest Rates:

☒ Show Accumulation Years in Addition to Retirement Year
 Number of Accumulation years to Show:

RATES **YEARS**

Years ^	
5	<input type="button" value="✖"/>
10	<input type="button" value="✖"/>
<input type="button" value="⊕"/>	

- **Use Value for Raises Configured in the Employer File:** Determines if employer raises will be used for projecting increases in contributions to the retirement plan. If not checked, the value entered for Annual raise will be used.
- **Annual Raise:** This prompt is only available if the raise from the employer file is not used. Enter the annual raise to be used in the report.
- **Method to Display Projected Values:** Determines how the projections are displayed in the report: Chart (shows graphically), Grid (shows actual values), or Both (shows both the chart and grid).
- **At Retirement, Show Both Grid and Chart:** Allows for displaying both the grid and chart at retirement, thereby highlighting the retirement year. Only enabled if Both is not selected for Method to Display Projected Values prompt.
- **Hide Years Within 'X' Years of Retirement:** Allows for removing accumulation years that are close to retirement. For example, if the client is retiring in 10.5 years, and 10 years is entered as a projection year, a value of '1' here will hide the 10th year (i.e. it is one year within retirement).
- **Number of Interest Rates:** Enter the number of interest rates to display in the projection grid. This will determine the number of records (rows) displayed in the Years grid.
- **Show Accumulation Years in Addition to the Retirement Year:** Determines if additional years are displayed with the retirement year. Note that this is only enabled if the 'Show retirement year' checkbox is marked.

- **Number of Accumulation Years to Show:** Determines the number of sections for years. For example, to display accumulation years 5 and 10, enter the value '2' here, then in the Years tab (to the right), enter the value '5' and '10.'

RATES

YEARS

Add Rate

	Include in Illustration		
Interest Rates ^	Cost to Wait	Payout Illustration	
5.00%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	✕
6.00%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	✕
7.00%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	✕
8.00%	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	✕

Rates: This grid configures which interest rates are displayed in each accumulation year.

Also configurable are which rates of return in the accumulation are used to display Cost to Wait and Payout illustration sections.

Note: Selecting to illustrate the Cost To Wait or Payout for many or all of the Cost to Wait and/or years may significantly increase the length of the report.

RATES

YEARS

Add Year

Years ^

5	✕
10	✕

Years: This grid configures which years are printed in the report for accumulation periods. Depending upon the configuration, some years may be hidden if they are beyond retirement.

9.1.1.6 COST TO WAIT

COST TO WAIT

This portion of the "[Contribution Analysis](#)" report illustrates the loss in account value if the client delays before increasing their contribution to the qualified plan.

But What If You Wait...

The account balances at retirement shown above assume the contributions to the retirement plan start today. If the decision is delayed, the value at retirement may decrease substantially. The data below illustrates the hypothetical reduction in the account value if the decision to start investing is delayed.

The hypothetical cost in the retirement-account-value for deposits that earned 6% prior to retirement.							
	CURRENT	+4.00%	+6.00%	+8.00%	+10.00%	AUTO-INC.	QUICK MAX
1 YEAR	N/A	8,409	12,613	16,817	21,022	2,102	N/A
2 YEARS	N/A	16,500	24,749	32,999	41,249	4,125	N/A
5 YEARS	N/A	38,987	58,481	77,975	97,469	9,747	N/A
½ YEAR	N/A	4,244	6,367	8,489	10,612	1,061	N/A

Batch Processing > Contribution Analysis Report Configuration Editor

Report Configuration Save Default Rename Delete Add New

Configuration Pages

- PAYCHECK DISPLAY
- ROTH ACCOUNT
- CONTRIBUTIONS
- RETIREMENT AGE
- ACCUMULATION
- COST TO WAIT**
- DISTRIBUTIONS

Cost To Wait

"Cost to Wait" will illustrate the cost in account value to the client for waiting before increasing contributions to the respective levels. Illustrations will be made only for rate of returns checked in the Projections "Include in Payout Illustrations" column.

"Cost to Wait" is only available if, in the Accumulation tab, the "Show Retirement Year" is checked and in the Rates table at least one box is checked in the "Cost to Wait" column.

☒ Illustrate Cost to Wait

Illustrate Cost to Wait in: Dollars

of Cost to Wait Years: 4

Years

0.5	✖
1	✖
2	✖
5	✖
+	

Apply Default Settings

Cost to Wait Tab Prompts: In the following, each of the prompts on the Cost to Wait tab is discussed:

- **Illustrate Cost to Wait:** Determines if the Cost to Wait section is printed in the report.
- **Illustrate Cost to Wait in:** Options are Dollars and Percentage. This determines if the dollar loss in account value or the percent loss in account value is displayed in the reports.

- # of Cost to Wait years: Number of records to show in the Cost to Wait section.
- Years grid: Enter the years to be represented in the Cost to Wait section (e.g. wait half a year, 1 year, 2 years, and 5 years, as shown above).

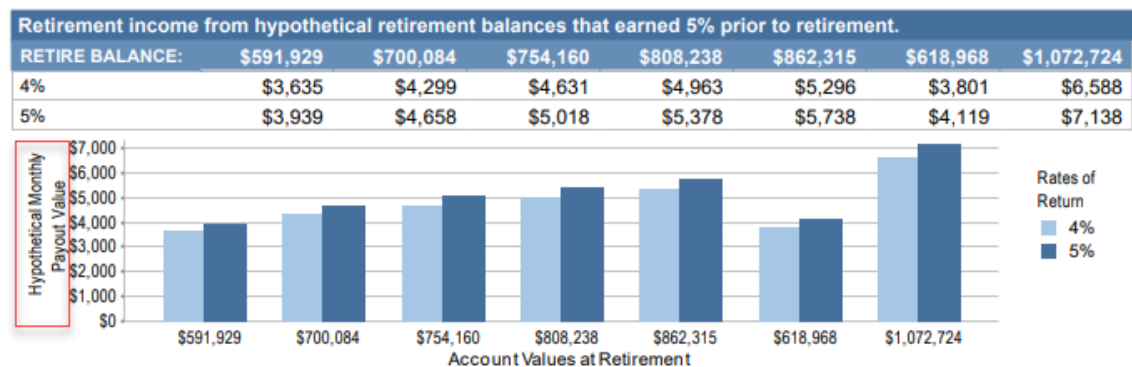
9.1.1.7 DISTRIBUTIONS

DISTRIBUTIONS

This tab configures how the payout section of the report is illustrated:

Monthly Income at Various Rates of Return Over the Client's Retirement

The illustrations below show the monthly retirement income an account value can produce over life expectancy at various rates of return. The account balance is depleted over life expectancy and the payments may not increase during retirement.



Note: This editors on this tab are not enabled if Show Retirement Year is not selected in the Accumulation tab. Additionally, to illustrate the account payout values, at least one of the check boxes in the "Payout Illustration" column, associated with the accumulation Contribution Rates grid (also in the Accumulation tab), is checked.

Each of the prompts are discussed below:

- Show payout detail for retirement year: Check this box to illustrate the monthly payout of the account value.
- Start on new page: Check this box to start the Payout distributions on a new page.

LIFE EXPECTANCY

Select the desired life expectancy method:

- Life expectancy years: Enabled if the Life expectancy method is Number of Years and is the number of years a client will live after retirement.
- Life expectancy age: Enabled if the Life expectancy method is Specific Age and is the age the client will live to.

Note: The IRS tables are relative to the client's retirement age.

PAYOUT METHODS TO ILLUSTRATE

Select the desired options:

- Deplete the Account Principal over the Life Expectancy with No Annual Increase in Payment: The account balance will be paid out using the assumed interest rate over the individual's life expectancy using the IRS life expectancy tables. The payments will not be adjusted for inflation. This will enable additional fields for data input.
- Deplete the Account Principal over the Life Expectancy with Annual Inflation Adjusted Payment: The payments will increase annually by the assumed inflation rate and interest rate over the individual's life expectancy using the client's life expectancy. The account balance will be depleted over the life expectancy. This will enable additional fields for data input including a COLA (Cost of Living Adjustment).
- Retain the Account Principal over the Life Expectancy with No Annual Increase in Payment: The payments will consist of level monthly payments based on the interest rate assumptions. The principal will not be used. This will enable additional fields for data input.
- Retain the Account Principal over the Life Expectancy with Annual Inflation Adjusted Payments: The payments will increase annually by the assumed inflation rate and interest rate over the individual's life expectancy using the client's life expectancy. The account balance will be retained at life expectancy. This will enable additional fields for data input including a COLA (Cost of Living Adjustment).

PAYOUT METHODS TO ILLUSTRATE

☒ Deplete the Account Principal Over the Life Expectancy with No Annual Increase in Payment

☐ Deplete the Account Principal Over the Life Expectancy with Annual Inflation Adjusted Payment

☐ Retain the Account Principal Over the Life Expectancy with No Annual Increase in Payment

☐ Retain the Account Principal Over the Life Expectancy with Annual Inflation Adjusted Payment

Display Method: Both

of Payout Rates: 2

Add Payout Rate

Payout Rates ^	
4.00%	✕
5.00%	✕

PAYOUT METHODS TO ILLUSTRATE

☐ Deplete the Account Principal Over the Life Expectancy with No Annual Increase in Payment

☒ Deplete the Account Principal Over the Life Expectancy with Annual Inflation Adjusted Payment

☐ Retain the Account Principal Over the Life Expectancy with No Annual Increase in Payment

☐ Retain the Account Principal Over the Life Expectancy with Annual Inflation Adjusted Payment

Cost of Living Adjustment (COLA): 3.00%

Display Method: Both

of Payout Rates: 2

Add Payout Rate

Payout Rates ^	
4.00%	✕
5.00%	✕

Additional fields:

- Cost of living adjustment (COLA): Enter the inflation rate to use during retirement. This is only enabled if a payout method (above) is selected that takes life expectancy into account.
- Display Method: The values may be displayed in a Grid, Chart, or Both.
- # of Payout Rates: Enter the number of payout interest rates to be illustrated.
- Payout Rates: Enter the rates of return for use in the projections table.

9.2 Participant Gap

The "Participant Gap" illustration in "[Batch Processing](#)²⁴⁴" is a one page report that can quickly create retirement gap illustrations for an individual or a group.

The report defaults are configured in the "[Participant Gap Analysis Report Configuration Editor](#)²⁶⁸".

Below are examples of both a 'clean lines' and 'picturesque' version of the "Participant Gap" analysis report.

Note: In the assumptions column on the right, the pre-tax balance and Roth balance are the projected balances for the pre-tax and Roth accounts with the current contributions. The balances do not reflect any increased contribution to the respective account.

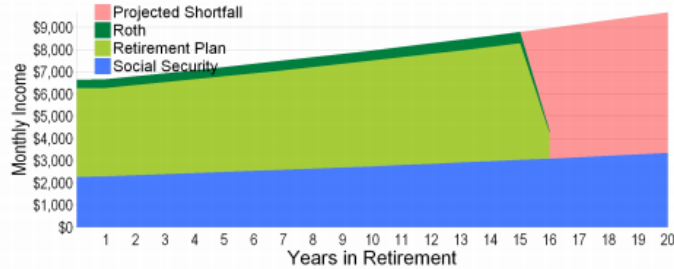
PICTURESQUE

Planning your investments

Instilling confidence in your future

1 Have you considered how to fund your potential retirement gap?

Your current account balance and contributions are estimated to provide you with only 15 years 3 months of income in retirement.



To eliminate this shortfall, you may need to increase your contributions to 17.53%.

3 How will this affect your paycheck?

	Current	Proposed
Gross Pay	\$5,500	\$5,500
Pre-Tax Contribution	10% / \$550	13% / \$715
Withholding Taxes	\$1,292	\$1,244
Roth Contributions	2% / \$110	4.53% / \$249
Net Pay	\$3,348	\$3,092
Change in Take Home Pay		(\$256)
Tax Savings		\$49

4 Other possible solutions for solving the shortfall...

- 1) Retire a year later and save 11% to your 401(k) account and \$148 to your Roth account (with an estimated take home pay of \$3,272);
- 2) have an additional lump sum today of \$47,023; or
- 3) have an additional lump sum of \$152,222 at retirement.

Your current total contributions are 12%.

Using the assumptions below, you should consider contributing 17.53%.

2

Assumptions

Current Values	
Age	46
401(k) balance	\$100,000
Roth balance	\$0
Income per paycheck	\$5,500
Paychecks per year	12
Increases	2%
Retirement	
Income replacement ratio	80%
Initial income needed	\$6,647
Age	67
Life Expectancy	19.4
Inflation	2%
401(k) balance	\$624,402
Roth balance	\$60,121
Social Security	
Initial Benefit	\$2,257
Inflation	3%
Percent of est. value	50%
Rate of Return	
Before retirement	6%
During Retirement	4%
Employer Contribution	

This report is preliminary in nature, and as such should not be considered comprehensive or a review of your progress towards retirement. Values in this report are for illustrative purposes only, and may not reflect current values. Illustrated rates of return are compounded annually. Assumptions of Social Security, employer contributions and rates of return are estimates, not guaranteed and will most probably be different than actual values. Illustrated contribution values may exceed maximum allowed. Withholding taxes calculated using the 2018 withholding tables. Income taxes not taken into consideration.

Prepared for Jane Doe

Oct 2, 2018

Prepared by RetireReady, Inc.

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CLEAN LINES

Retirement Needs Analysis

Prepared for

Jane Doe

Prepared by

RetireReady, Inc.

Current total
contributions:

12%

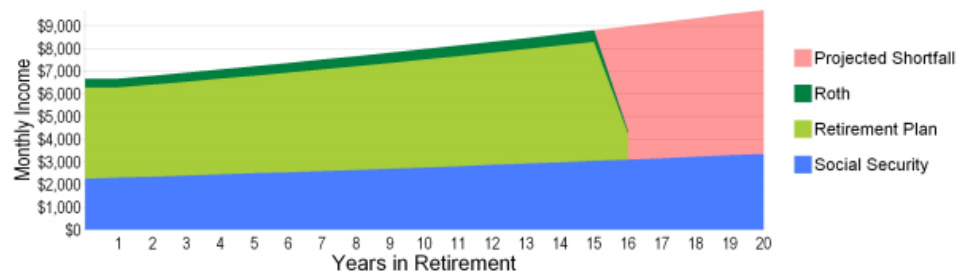
Consider
Contributing:

17.53%

October 2, 2018

1 Have you considered how to fund your potential retirement gap?

Your current projections are estimated to provide you with only 15 years 3 months of income in retirement.



2 Assumptions

CURRENT VALUES

Age 46
401(k) balance \$100,000
Roth balance \$0
Income per paycheck \$5,500
Paychecks per year 12
Increases 2%

Employer Contribution

RETIREMENT

Income replacement ratio 80%
Initial income needed \$6,647
Age 67
Life Expectancy 19.4
Inflation 2%
401(k) balance \$624,402
Roth balance \$60,121

SOCIAL SECURITY

Initial Benefit \$2,257
Inflation 3%
Percent of est. value 50%
RATE OF RETURN
Before retirement 6%
During Retirement 4%

3 How will this affect your paycheck?

	CURRENT	PROPOSED	
Gross Pay	\$5,500	\$5,500	Change in Take Home Pay: (\$256)
Pre-Tax Contribution	10% / \$550	13% / \$715	
Withholding Taxes	\$1,292	\$1,244	Tax Savings: \$49
Roth Contributions	2% / \$110	4.53% / \$249	
Net Pay	\$3,348	\$3,092	

4 Other possible solutions for solving the shortfall..

A. Retire a year later and save 11% to your 401(k) account and \$148 to your Roth account (with an estimated take home pay of \$3,272);

B. have an additional lump sum today of \$47,023; or

C. have an additional lump sum of \$152,222 at retirement.

9.2.1 Participant Gap Report Editor

To change the report configuration, click on "Report Configuration":

BATCH PROCESS TYPE

☐ Contribution Analysis

☒ Participant Gap Default Report Configuration

☐ Include "Contribution Analysis"

☐ Participant Benchmarks

There are several tabs available to configure the "Participant Gap" analysis report.

Batch Processing > Participant Gap Report Configuration Editor

Report Configuration Default Rename Delete Add New

Configuration Pages

- SETUP**
- PAYCHECK
- RETIREMENT INCOME
- RETIREMENT AGE
- SOCIAL SECURITY
- ROTH ACCOUNT
- DEFINED BENEFIT ACCOUNT
- CHART OPTIONS
- CONTRIBUTION LIMITS
- ADJUSTING SCENARIO TO SOLVE SHORTFALL
- AUTO-ESCALATE AS A SOLUTION
- CUSTOMIZE TEXT
- REPORTS

Setup

RATES OF RETURN & INFLATION

Prior to Retirement

During Retirement

Retirement Inflation

LIFE EXPECTANCY

Life Expectancy Method IRS Table

Word Choice for "Raises" Raises

☐ Round-up Recommended Contribution to the Next Whole Percent

Maximum Number of Decimals for Contribution Percent (0-2)

☐ Show Description of Employer Contribution on Separate Page

☐ Show Disclaimer on Separate Page

Click below for details on each tab:

[SETUP](#) ²⁷⁰

PAYCHECK

[RETIREMENT INCOME](#) ²⁷²

[RETIREMENT AGE](#) ²⁷⁴

[SOCIAL SECURITY](#) ²⁷⁵

[ROTH ACCOUNT](#) ²⁷⁶

[DEFINED BENEFIT ACCOUNT](#) ²⁷⁸

[CHART OPTIONS](#) ²⁷⁹

CONTRIBUTION LIMITS

ADJUSTING SCENARIO TO SOLVE SHORTFALL

AUTO-ESCALATE AS A SOLUTION

CUSTOMIZE TEXT

REPORTS

[CONTRIBUTION CHANGE THRESHOLDS](#) ²⁸⁹

9.2.1.1 SETUP

Batch Processing > Participant Gap Report Configuration Editor

Report Configuration Default Rename Delete Add New

Configuration Pages

- SETUP**
- PAYCHECK
- RETIREMENT INCOME
- RETIREMENT AGE
- SOCIAL SECURITY
- ROTH ACCOUNT
- DEFINED BENEFIT ACCOUNT
- CHART OPTIONS
- CONTRIBUTION LIMITS
- ADJUSTING SCENARIO TO SOLVE SHORTFALL
- AUTO-ESCALATE AS A SOLUTION
- CUSTOMIZE TEXT
- REPORTS

Setup

RATES OF RETURN & INFLATION

Prior to Retirement

During Retirement

Retirement Inflation

LIFE EXPECTANCY

Life Expectancy Method IRS Table

Word Choice for "Raises" Raises

☐ Round-up Recommended Contribution to the Next Whole Percent

Maximum Number of Decimals for Contribution Percent (0-2)

☐ Show Description of Employer Contribution on Separate Page

☐ Show Disclaimer on Separate Page

Each of the prompts on the Setup screen is discussed below:

RATES OF RETURN & INFLATION

Rates of Return: Prior to Retirement & During Retirement. In these fields, enter the hypothetical rate of return that will be illustrated in the account prior to and during retirement.

Retirement Inflation: This is the inflation that occurs during retirement. (Inflation prior to retirement is not directly taken into consideration. Raises, configured in the Employer File, indirectly addresses inflation for the pre-retirement).

LIFE EXPECTANCY

Life Expectancy: These settings determine how the life expectancy is calculated for each participant. The choices are to use "IRS Table" or what the IRS estimates life expectancy of the client (assessed by the date of birth), "Number of Years" to manually set the approximate years, or, "Specific Age" to set a final year of life.

Word Choice for "Raises": In the reports, the word "raises" can also be replaced with "increases". Select the preferred word.

Round-up Recommended Contribution to the Next Whole Percent: Check this box for rounding-up recommended contributions to the next whole percent.

Maximum Number of Decimals for Contribution Percent: For contribution rates, TRAK will trim trailing zeros to the right of the decimal place. Select the maximum number of decimals to display for contribution percent.

Show Description of Employer Contribution on Separate Page: Check this to move the description of the employer contribution on the report from below the Assumptions to a second page.

Show Disclaimer on Separate Page: Check this box to move the disclaimer from below the assumptions (and employer contributions) to a second page.

9.2.1.2 PAYCHECK

The screenshot displays the 'Paycheck' configuration page within the TRAK Online Help Manual. The left sidebar shows a list of 'Configuration Pages' including 'SETUP', 'PAYCHECK' (which is highlighted), 'RETIREMENT INCOME', 'RETIREMENT AGE', 'SOCIAL SECURITY', 'ROTH ACCOUNT', and 'DEFINED BENEFIT ACCOUNT'. The main content area, titled 'Paycheck', contains a section for 'DISPLAY OPTIONS'. This section includes five checkboxes: 'Show Employer Contribution' (checked), 'Show Total Contribution' (checked), 'Show Change in Take Home Pay' (unchecked), 'Show Increased Employer Contribution' (checked), and 'Show Tax Savings' (checked). Below these checkboxes is a 'Pre-Tax Display Values Option' dropdown menu currently set to 'Percent & Dollar, Two Lines'. At the bottom of the 'DISPLAY OPTIONS' section is a checkbox for 'Allow Auto-Escalate on Current Paycheck', which is also checked.

PAYCHECK OPTIONS

Show Employer Contribution: If applicable, the employer contribution value is displayed.

Total Contribution: If employer is making a contribution, this shows a total contribution for both employer and employee's deposit.

Show Change in Take Home Pay: This illustrates how the client's bottom line per paycheck value would change with the proposed solution.

Show Increased Employer Contribution: If applicable, checking this box will display increased employer contributions on the report.

Show Tax Savings: Check this option to have TRAK illustrate approximate tax savings that correlate with contributions on the report.

Next, select how the "Pre-Tax Display Values Option" should be configured on the report from the 5 options:

Pre-Tax Display Values Option

☐ Allow Auto-Escalate on Current Paycheck

- Percent & Dollar, Two Lines
- Percent & Dollar, One Line
- Dollar & Percent, Two Lines
- Dollar & Percent, One Line
- Percent Only
- Dollar Only

Additionally, if there is a current automatic contribution escalation, check "Allow Auto-Escalate on Current Paycheck".

9.2.1.3 RETIREMENT INCOME

The Retirement Income tab allows you to configure the percent of income the client will receive at retirement.

Configuration Pages

- SETUP
- PAYCHECK
- RETIREMENT INCOME
- RETIREMENT AGE
- SOCIAL SECURITY

Retirement Income

☒ Same Percent of Income for All Income Levels

Percent of Income Needed in Retirement:

☐ Different Percent of Income for Different Income Levels

RETIREMENT INCOME

Each of the prompts are discussed below.

Note: The client's income is increased annually using the values from the "[Employer File's](#) ³⁷" raises section (on the Miscellaneous tab).

Same Percent of Income for All Income Levels: Select this radio button to use the same percent of income for all income levels.

Percent of Income Needed in Retirement: This prompt is only enabled if Same Percent of Income for All Income Levels radio button is selected. Enter the percent of income to use for each illustration.

Different Percent of Income for Different Income Levels: Select this radio button to have different replacement percentages of income for different income levels in retirement.

Note: This prompt below will only be enabled if the Different Percent of Income for Different Income Levels radio button is selected.

RETIREMENT INCOME

- ☐ Same Percent of Income for All Income Levels
☒ Different Percent of Income for Different Income Levels

RETIREMENT TIERS

☐ Use Default Retirement Income Tiers

Tier COLA
 Income Tier Base year
 Number of Income Tiers

Add Income Tier

Income Tiers		
High Income (Today's Dollars) ^	Percent of Retirement Income	
\$30,000	90.00%	✕
\$40,000	85.00%	✕
\$50,000	81.00%	✕
\$60,000	78.00%	✕
\$70,000	77.00%	✕
\$80,000	77.00%	✕
\$90,000	78.00%	✕
\$150,000	84.00%	✕
\$200,000	86.00%	✕
No Limit	88.00%	✕

Apply Default Tiers

☐ Subtract Retirement Contribution Percent from Retirement Income Needed

Use Default Percent of Income Tiers: To use the default tiers, check this box. The default values below will be assigned to the prompts below when this is checked and no longer editable.

Tier COLA: Enter the COLA applied to the income tiers between now and the client's retirement.

Note: The following editors will only be enabled when the Different Percent of Income for Different Income Levels radio button is selected and the Use Default Percent of Income Tiers check box is not checked.

Income Tiers Base Year: Enter the base year from which the income COLA is applied.

Number of Income Tiers: Enter the number of tiers in the Income Tier grid.

Income Tiers: Enter the various high income value and the corresponding percent of income to use at retirement.

Subtract Retirement Contribution Percent from Percent of Retirement Income Needed: If this is checked, the percent pre-retirement contributions will be subtracted from the percent of income needed at retirement.

9.2.1.4 RETIREMENT AGE

This tab allows for configuring the retirement age for each client (participant) in the group and how TRAK handles client's that are either retired or are close to retirement.

RETIRE AGE

Retirement Age: This is the setting for the retirement age for the client or clients (group).

Select one of the three methods below for working with a group of clients:

1. Client Data: The client age that was imported will be used.
2. Social Security Normal Retire Age: The Social Security's normal retirement age, based on the client's date of birth, will be used.
3. Custom Retirement Age: Allows for selecting the retirement age to be used for the whole group.

RETIRE AGE

Retirement Age for Client

Custom Retirement Age

Custom Retirement Age

68

Note: This is only enabled if Custom Retirement Age is selected in the prior prompt. Enter the retirement age to use for each member of the group.

CLIENTS CLOSE TO OR ALREADY RETIRED

This group box allows for configuring how to handle clients in the group that are close to or already retired. The options are:

Skip Reports for Clients that are Already Retired: Check this box If reports for client's whose retirement age is already past. If they are not skipped, they will be retired at the end of this month.

For Clients that Are Close to Retirement, or Already Retired: Select the appropriate action for clients that are close to, or are already retired.

9.2.1.5 SOCIAL SECURITY

The settings here determine if and how Social Security is included in the analysis. If the box is check to "Include Social Security", the prompts below will be displayed for configuration:

Note: Review the FAQ article on "[How TRAK Calculates Social Security](#)" for more information.

Configuration Pages	
SETUP	
PAYCHECK	
RETIREMENT INCOME	
RETIREMENT AGE	
SOCIAL SECURITY	
ROTH ACCOUNT	
DEFINED BENEFIT ACCOUNT	
CHART OPTIONS	

Social Security

☒ Include Social Security

SOCIAL SECURITY

Social Security Starts	No Penalty Age
Percent of Inflation That Social Security Increases (Pre-Retirement)	100
Percent of the Calculated Social Security Value to Use (at Retirement)	50
Maximum Inflation for Social Security (During Retirement)	3

Social Security Starts: Select the method (either Retirement Age or No Penalty Age) for starting Social Security. Social Security will not start before age 62.

Note: The following prompts allow for the software to be conservative in estimating the Social Security value:

Percent of Inflation that Social Security Increases (pre-retirement): TRAK calculates Social Security income at retirement for each client by trending Social Security values for the last 20 years. A 100% value here will use the historical average. Decreasing this percentage (e.g. 90%) will result in a significant reduction in Social Security income at retirement for younger clients.

Percent of the Calculated Social Security Value to Use (at Retirement): Enter the percent of the calculated Social Security to use for the projections. This allows for being conservative in the amount of income the client will receive from Social Security.

Maximum Inflation for Social Security During Retirement: Enter the maximum inflation that Social Security can have in retirement.

9.2.1.6 ROTH ACCOUNT

A Roth account may also be included in the illustration, and increasing contributions to the Roth account can optionally be included to resolve the potential shortfall. The following options are used to configure how the Roth contributions are used for calculating any shortfall.

Notes: The Participant Gap calculations does not consider taxation when calculating income needed during retirement.

To include a Roth account for retirement income, the following conditions must be met:

- The employer file must be configured with a visible Roth account.
- If the employer file is configured with a custom retirement plan, the plan must be configured with a Roth account.

Include increased deferrals to Roth account for solving shortfall: Checking this box will also illustrate funding the shortfall with increase deferrals to the Roth account.

Use Same Display Option for Roth Account as Configured for the Pre-Tax Account: Checking this option will use the same display method in the Paycheck for the Roth account (as configured on the ["SETUP" 270](#) tab). If unchecked, select the "Roth Display Values Option" from the drop down list:

☐ Use Same Display Option for Roth Account as Configured for the Pre-Tax Account

Roth Display Values Option



FUNDING SHORTFALL OPTIONS

When increased funding is required and the Roth account is selected as part of the solution, one of three methods can be selected for determining the allocation of increased contributions between the two accounts:

FUNDING SHORTFALL OPTIONS

When a Calculation requires Increase Funding:

- ☐ Increase Contributions Only to the Pre-Tax Account
- ☐ Calculate Increases to the Pre-Tax and Roth Account Proportionally (e.g. Increase Contributions to Both Accounts by 5%)
- ☒ Change the Contributions to the Pre-Tax and Roth by the Same Value (e.g. add \$50 to Each Contribution)
- ☐ Increase Contributions Only to the Roth Account

- Increased Contributions Only to the Pre-Tax Account. Additional funding
- Contributions to each account are increased proportionally. For example, if the client is contributing 4% to the pretax account and 2% to the Roth account and the contribution need to double (e.g. a total increase in the contribution by 6%), the pretax account would increase to 8% and the Roth account would increase to 4%.
- Contributions are increased equally to each account. In the above example, the contributions would increase to 7% for the pretax account and 5% for the Roth account.
- Increased contributions only to the Roth account.

Note: Distributions from the pretax and Roth accounts will be proportionally based on their balances.

9.2.1.7 DEFINED BENEFIT ACCOUNT

TRAK allows for including a known "[Defined Benefit](#)" value.

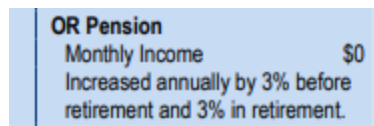
Note: The value for the known defined benefit must be imported and can not be edited inside of TRAK.

The prompts for this tab are discussed as follows:

Include Defined Benefit Account in Illustration: Check this box to include the known defined benefit account value for retirement. This will then show up on the report as a line item funding resource for retirement income on both version styles of the "Participant Gap" report:

Defined Benefit Account Name: Enter the name of the defined benefit account. This will also be displayed on the report.

"Picturesque" report view:



"Clean Lines" report view:



COST OF LIVING ADJUSTMENTS

Before Retirement: If the imported defined benefit or pension value has a cost-of-living adjustment (COLA) prior to retirement, enter the COLA value here.

During Retirement: If the imported defined benefit or pension value has a cost-of-living adjustment (COLA) during retirement, enter the COLA value here.

Compound Annual Increase: If the retirement COLA is compounded, check this box.

9.2.1.8 CHART OPTIONS

Select the desired options, including color, for the reports.

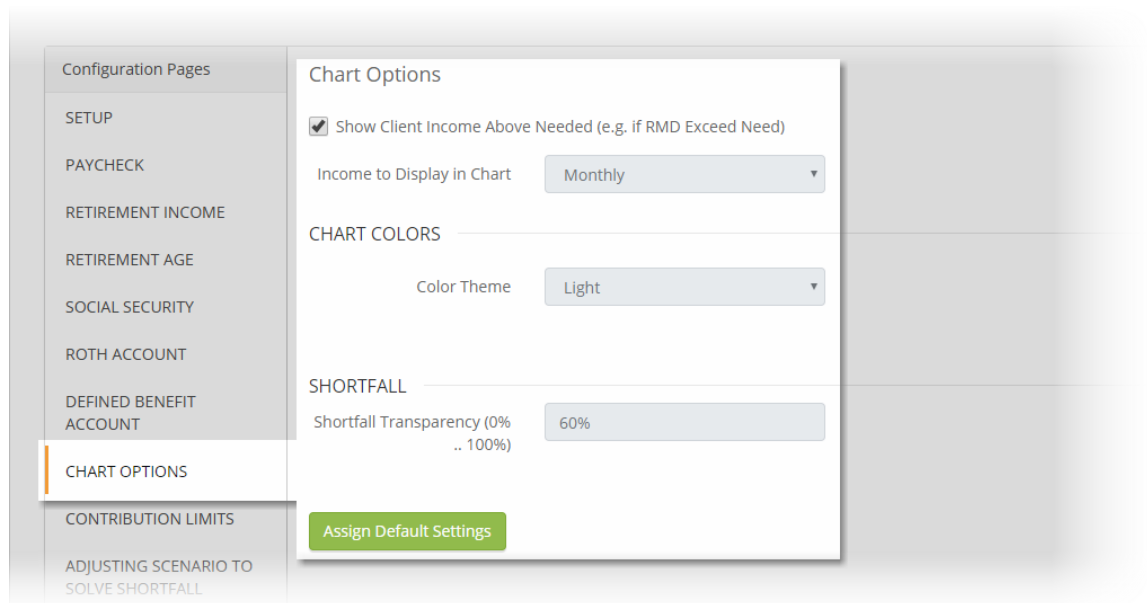


CHART OPTIONS

Show Client Income Above Need: Check this box to display income above the client's need. For some participants, income may exceed need due to required minimum distributions (RMDs).

Income to Display in Chart: Select to display Monthly or Annual income in the chart.

CHART COLORS

Select the color for the specific retirement account (if the default colors are not desired). There are default color themes but a custom theme can be created by selecting "Custom" from the "Color Theme" pull-down menu.

CHART COLORS

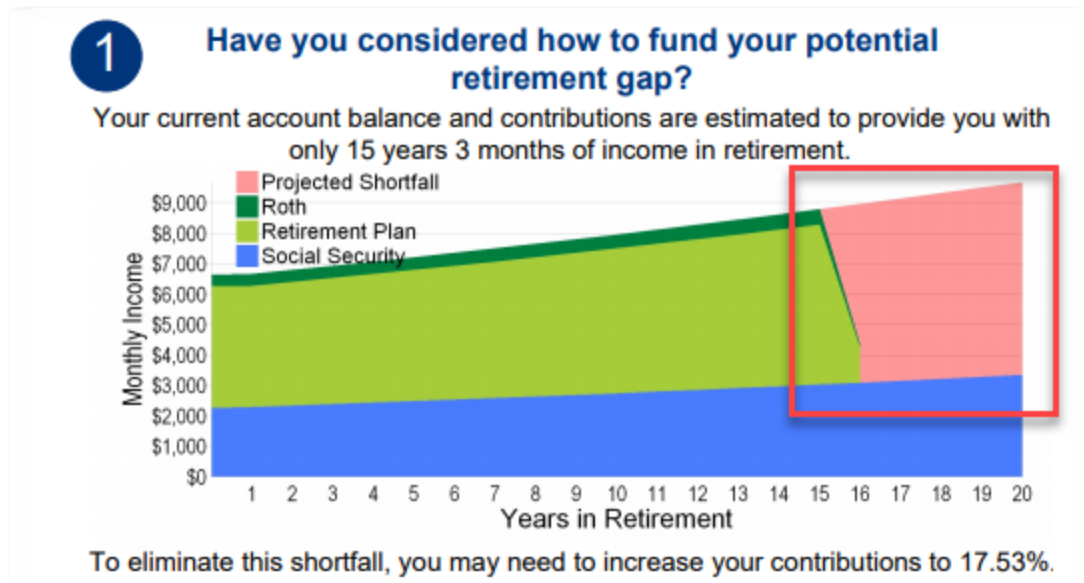
Color Theme	<div>Custom ▼</div>		
Social Security	# 4a7cff	<div>▼</div>	74, 124, 255 <div></div>
Retirement Account	# a7ce3a	<div>▼</div>	167, 206, 58 <div></div>
Roth Account	# 008040	<div>▼</div>	0, 128, 64 <div></div>
DB Account	# 78a59c	<div>▼</div>	120, 165, 156 <div></div>

SHORTFALL

Shortfall	# ff0000	<div>▼</div>	red <div></div>
Shortfall Transparency (0% .. 100%)	<div>60%</div>		

SHORTFALL

The "Shortfall Transparency" allows for configuring transparency in the shortfall account. Creating the appearance of semi-transparency for a shortfall in retirement produces the powerful visual effect of the shortfall being "empty." (Notice on the chart below where the lines can be seen during the shortfall period, but where no income occurs). A value of zero ('0') has no transparency, while a value of one hundred ('100') is fully transparent (i.e. no color will appear). As an example, the chart below used 60% transparency:



9.2.1.9 CONTRIBUTION LIMITS

To enable contribution limitations, check the box and set the limits in the 4 fields under "Contribution Change Limits".

Configuration Pages

- SETUP
- PAYCHECK
- RETIREMENT INCOME
- RETIREMENT AGE
- SOCIAL SECURITY
- ROTH ACCOUNT
- DEFINED BENEFIT ACCOUNT
- CHART OPTIONS
- CONTRIBUTION LIMITS**
- ADJUSTING SCENARIO TO SOLVE SHORTFALL
- AUTO-ESCALATE AS A

Contribution Limits

☒ Apply Limits to Contribution Changes

If the clients increase in contribution is lower than the minimum threshold, or higher than the maximum threshold, TRAK will alter the clients retirement scenario as outlined below until the contribution is beyond the threshold.

CONTRIBUTION CHANGE LIMITS

Minimum Increase	1.00%	Maximum Increase	10.00%
Minimum Value	0.00%	Maximum Value	0.00%

Note: Zero values ("0") threshold limits are ignored

The following values are related to the solution that will be provided to the participant. The Minimum Increase Threshold and Maximum Increase Threshold values are limits relative to the current contribution. The Minimum Value and Maximum Value values are absolute limits and do not take the current contribution into account.

Minimum Increase Threshold

The minimum change in funding before the steps in the "Changes to over funded scenarios" are taken. For those in over funded situations, this will increase their contribution as well as adjusting other steps such as social security, retirement age, etc.

(For example: A value of 1% would require that the illustration at least increase the client's contribution by 1%, i.e. if a client was current contributing 4%, the proposed scenario would have to at least be 5%.)

Note: To use the Minimum Increase Threshold a value greater than zero must be entered otherwise over funded clients will not have their data changed.

Minimum Value

The minimum value that the report will illustrate for the new contribution. Altering this setting forces contributions to be greater than or equal to this threshold value. This most often applies to clients who are over funded.

(For example: A value of 3% would require that the illustration at least increase the client's contribution to 3%. This would only affect solutions that had less than a 3% contribution.)

Maximum Increase Threshold

The maximum change in funding before the steps in the "Changes to under funded scenarios" are taken. This is the upper limit of how much % of increase clients would approve making. The maximum increase may not be necessary after the other steps are taken (e.g. adjusting retirement age, social security dependence, etc.).

(For example: A 10% value would require that the illustration be altered if the proposed scenario increased the current contribution by more than 10%. I.E. if a client's contribution was currently 4%, the proposed contribution could not exceed 14% without the under funding changes to be implemented.)

Maximum Value

The maximum contribution value that the solution will illustrate for the participant. A value of zero ("0%") will mean there is no maximum value. This is the overall limit on how much total contribution the software will suggest.

9.2.1.10 ADJUSTING SCENARIO TO SOLVE SHORTFALL

This option allows for automatically changing the assumptions for an illustration when the funding change falls outside of specific limits. In other words, TRAK-Online will adjust a client's contributions up or down according to what the threshold limits allow in order to address retirement income shortfall or gap. To enable this feature, check the box "Adjust Illustration when Unable to Provide Solution". If changes are made because of the threshold exception, checking "Include Footnote when Unable to Provide Solution" will include notes indicating what changes were made. With this feature, generally speaking, in over funded situations, TRAK-Online will try and allow a client to retire at an earlier age, have more income for retirement, and/or decrease reliance on social security along with an increase in their contribution. Conversely, in under funded situations, TRAK-Online will try

and delay their retirement age, decrease their retirement income and/or increase their reliance on social security.

Adjusting Scenario to Solve Shortfall

Note: These Values Only Affect Participant Gap Reports

☒ Adjust Illustration when Unable to Provide Solution

☒ Include Footnote in Report Indicating Changes

Changes to over funded scenarios + Add row

Value to change	Change by	Limit on changed value		
Decrease Social Security	10%	50%	x	↓
Decrease Retirement Age	1	60	x	↑ ↓
Increase Percent of Income	5.0%	120.0%	x	↑

Changes to under funded scenarios + Add row

Value to change	Change by	Limit on changed value		
Increase Retirement Age	1	70	x	↓
Decrease Percent of Income	5.0%	60.0%	x	↑ ↓
Increase Social Security	10%	100%	x	↑

☒ When Client's Retirement Age is Adjusted, Re-Calculate Life Expectancy

Then, after the limits are met, TRAK-Online will additionally suggest other changes to handle the shortfall or gap in income for retirement by altering either/or retirement age, use of social security and retirement income levels.

Note: These options only impacts the Participant Gap Analysis reports. It will not modify the scenarios for the Participant Benchmark reports.

(Example: An illustration requires a participant to increase their deferrals from their current 4% contribution to 27% contribution. A dramatic increase in the participant's contribution may alienate the participant and disengage them from any further conversation. This problem may be overcome by using the Contribution Change Threshold. TRAK-Online can automatically alter the client's assumptions to reduce the significant increase to a more reasonable value. (Similarly if a client is over-funded, the illustration can alter the assumptions so that they can show a minimum increase in deferrals).

The changes to the scenario can be any of the following items

1. Change reliance on Social Security - Especially relevant for over-funded participants, this will alter the percent of the estimated Social Security the client will receive.

2. Change retirement age - The illustrated retirement age can be altered by the client. For example, for an under-funded client
3. Change percent of income needed in retirement - The illustrated percent of income needed can be altered.

Note: If an illustration falls outside of the funding threshold, the data will be changed per the steps shown in the relevant grid. Each step is taken in order. For example, in the above screen shot, the over funded grid the scenario will be altered first by reducing the current illustrated retirement age by one year. The scenario will be re-run to check if the minimum funding threshold is met. If it is not, the process is repeated until the client's age is 60. If at age 60, the minimum funding threshold is not met, the second step, and if required, the third step are taken. Additional steps may be added. For example, after the above three steps, if the scenario still has not met the funding requirements, an additional reduction in the retirement age may be illustrated.

9.2.1.1 AUTO-ESCALATE AS A SOLUTION

If advisors want to utilize automatic increases as an additional solution for funding retirement need gaps, which can be configured in the Participant Gap Report Editor as an additional step. To configure this, select the "Auto-Escalate as a Solution" section and check the box "Include Auto-Escalate as a Solution" to set limits, time periods, accounts to increase and increase priorities:

Batch Processing > Participant Gap Report Configuration Editor

Report Configuration Save Default Rename Delete Add New

Configuration Pages

- SETUP
- PAYCHECK
- RETIREMENT INCOME
- RETIREMENT AGE
- SOCIAL SECURITY
- ROTH ACCOUNT
- DEFINED BENEFIT ACCOUNT
- CHART OPTIONS
- CONTRIBUTION LIMITS
- ADJUSTING SCENARIO TO SOLVE SHORTFALL
- AUTO-ESCALATE AS A SOLUTION**
- CUSTOMIZE TEXT
- REPORTS

Auto-Escalate as a Solution

☒ Include Auto-Escalate as a Solution

AUTO-INCREASE LIMITS

	Minimum	Increment	Maximum
Immediate Increase	0.50%	0.50%	5.00%
Annual Increase	0.50%	0.50%	3.00%
Number of Years	1	1	5

☐ Has Maximum Contribution

Account(s) for Auto-Increase: Both

☐ Only Increase Pre-Tax Account if there are no Current Roth Contributions

AUTO-INCREASE PRIORITY

Action
Annual Increase 1% ↓
Increase Years set to 2 ↑ ↓
Increase Years set to 3 ↑ ↓
Initial Increase 1% ↑ ↓

Auto-Increase Limits

Configure the minimum, increment and maximum for the limits:

- Immediate Increase - Set the limits for the immediate increase value.
- Annual Increase - Set the limits for the annual increase value.
- Number of Years - Set the number of years for the increases to continue to occur.
- Has Maximum Contribution - check this box to set a maximum limit.
- Account(s) for Auto-Increase - Select either "Both", "Pre-Tax" or "Roth"
- Only Increase Pre-Tax Account if there are no Current Roth Contributions - Check this box if that option is preferred. If check, entered the limit value.

Auto-Increase Priority

Click and rearrange the priority of the increases by selecting the increase and then using the up and down arrows change the ranking.

AUTO-INCREASE PRIORITY

Action	
Annual Increase 1%	↓
Increase Years set to 2	↑ ↓
Increase Years set to 3	↑ ↓
Initial Increase 1%	↑ ↓
Annual Increase 1.5%	↑ ↓
Increase Years set to 4	↑ ↓
Increase Years set to 5	↑ ↓

Report Notations

With this enabled, an automatic increase solution will be illustrated for participants. It illustrates on the report like this:

*Due to underfunding, the original value was changed. The retirement age was changed from 67 to 68.

3 How will this affect your paycheck?

	CURRENT [^]	PROPOSED	
Gross Pay	\$4,583	\$4,583	Change in Take Home Pay: (\$266)
Pre-Tax Contribution	6% / \$275	10.8% / \$495	
Employer Contribution	\$275	\$275	Tax Savings: \$27
Employee and Employer Contrib.	\$642	\$934	
Withholding Taxes	\$886	\$859	
Roth Contributions	2% / \$92	3.58% / \$164	
Net Pay	\$3,331	\$3,065	

[^] With each annual raise, increase the contributions to the pre-tax account by 1% for 99 years with a maximum contribution of 10%.

4 Other possible solutions for solving the shortfall...

Note: If participants have both a current automatic increase and an increasing contribution solution enabled, the report will display their current paycheck plus the "Auto-Escalation" solution as is illustrated below:

*Due to underfunding, the original value was changed. The retirement age was changed from 67 to 69.

3 How will this affect your paycheck?

	CURRENT ^A	PROPOSED	AUTO-ESCALATION ^B
Gross Pay	\$6,250	\$6,250	\$6,250
Pre-Tax Contribution	6% / \$375	11.2% / \$700	7% / \$438
Employer Contribution	\$375	\$375	\$375
Employee and Employer Contrib.	\$875	\$1,307	\$1,000
Withholding Taxes	\$1,380	\$1,316	\$1,368
Roth Contributions	2% / \$125	3.72% / \$232	3% / \$188
Net Pay	\$4,370	\$4,002	\$4,257

A With each annual raise, increase the contributions to the pre-tax account by 1% for 99 years with a maximum contribution of 10%.

B Immediately increase the contributions to the pre-tax and Roth accounts by 1%, and then with each annual raise increase the contributions by 1% for 3 years.

4 Other possible solutions for solving the shortfall...

9.2.1.12 CUSTOMIZE TEXT

This feature allows for editing some of the wording of the reports.

Batch Processing > Participant Gap Report Configuration Editor

Report Configuration
Default
Rename
Delete
Add New

Configuration Pages

SETUP
PAYCHECK
RETIREMENT INCOME
RETIREMENT AGE
SOCIAL SECURITY
ROTH ACCOUNT
DEFINED BENEFIT ACCOUNT
CHART OPTIONS
CONTRIBUTION LIMITS
ADJUSTING SCENARIO TO SOLVE SHORTFALL
AUTO-ESCALATE AS A SOLUTION
CUSTOMIZE TEXT
REPORTS

Customize Text

Custom Text Type
Unable to Calculate-Header

☐ Override Default Text

TEXT

In some situations, TRAK-Online will not be able to calculate a solution for a successful retirement. A couple common scenarios include someone who is close to retirement who

has little or no balance with their retirement account (maybe as a result of recent career change) or a higher income individual where contribution the maximum will not sufficiently fund their retirement. In such cases, TRAK-Online's default message will be displayed.

Unable to Complete Calculation

Based on the data that we have been provided, we are unable to calculation a solution for your retirement needs. You may have other assets outside the plan that could be used to calculation your retirement income needs. Please work closely with your financial advisor to find solutions to meet your retirement income needs.

A different message may be entered to displayed when a solution can not be calculated.

To customize the text used, select one of the options such as "Unable to Calculate-Header" or "Fully Funded Header", check the box to override the default wording and enter the preferred wording.

9.2.1.13 REPORTS

PICTURESQUE REPORT

These are options only for the "Participant Gap - Picturesque" report.

Show Guide Number on Page: This displays guide numbers in the Participant Gap - Picturesque report. These can assist advisors when communicating to a group of participants what part of the report is being referred to.

Include Guide Number for Assumptions: By default, a guide number is include din the Assumption area of the "Participant Gap - Picturesque" report. Unchecking this box and the guide number will not be displayed for "Assumptions".

CLEAN LINES REPORT

This configuration is only for the "Participant Gap - Clean Lines" report.

Assumption Location: Select the location for the "Assumption" section of report, either after the chart or after "Other Solutions" (the second being at the bottom of the report).

9.2.1.14 CONTRIBUTION CHANGE THRESHOLDS

The "Contribution Change Threshold" allows for automatically changing the assumptions for an illustration when the funding change falls outside of specific limits. In other words, TRAK will adjust a client's contributions up or down according to what the threshold limits allow in order to address retirement income shortfall or gap. Then, after the limits are met, TRAK will additionally suggest other changes to handle the shortfall or gap in income for retirement by altering either/or retirement age, use of social security and retirement income levels. By checking the box next to "Modify Client Scenarios That Illustrate Contribution Increases Outside of Threshold Limits", this feature is enabled.

Note: The Contribution Change Threshold options only impacts the Participant Gap Analysis reports. It will not modify the scenarios for the Participant Benchmark reports.

Example: An illustration requires a participant to increase their deferrals from their current 4% contribution to 27% contribution. A dramatic increase in the participant's contribution may alienate the participant and disengage them from any further conversation. This problem may be overcome by using the Contribution Change Threshold. TRAK can automatically alter the client's assumptions to reduce the significant increase to a more reasonable value. (Similarly if a client is over-funded, the illustration can alter the assumptions so that they can show a minimum increase in deferrals).

The changes to the scenario can be any of the following items:

- Change reliance on Social Security: Especially relevant for over-funded participants, this will alter the percent of the estimated Social Security the client will receive.
- Change retirement age: The illustrated retirement age can be altered by the client. For example, for an under-funded client
- Change percent of income needed in retirement: The illustrated percent of income needed can be altered

THRESHOLD LIMITS

The following values are related to the solution that will be provided to the participant. The "Minimum Increase" threshold and "Maximum Increase" threshold values are limits relative to the current contribution. The "Minimum Value" and "Maximum Value" values are absolute limits and do not take the current contribution into account.

THRESHOLD LIMITS			
Minimum Increase	1.00%	Maximum Increase	10.00%
Minimum Value	0.00%	Maximum Value	0.00%

Note: Zero values ("0") threshold limits are ignored

Minimum Increase Threshold: The minimum change in funding before the steps in the "Changes to over funded scenarios" are taken. For those in over funded situations, this will increase their contribution as well as adjusting other steps such as social security, retirement age, etc. For example, a value of 1% would require that the illustration at least increase the client's contribution by 1%, i.e. if a client was current contributing 4%, the proposed scenario would have to at least be 5%.

Note: To use the "Minimum Increase" threshold a value greater than zero must be entered otherwise over funded clients will not have their data changed.

Minimum Value: The minimum value that the report will illustrate for the new contribution. Altering this setting forces contributions to be greater than or equal to this threshold value. This most often applies to clients who are over funded. For example, a value of 3% would require that the illustration at least increase the client's contribution to 3%. This would only affect solutions that had less than a 3% contribution.

Maximum Increase Threshold: The maximum change in funding before the steps in the "Changes to under funded scenarios" are taken. This is the upper limit of how much % of increase you tell TRAK that your clients would approve making. The maximum increase may not be necessary after the other steps are taken (e.g. adjusting retirement age, social security dependence, etc.). For example, a 10% value would require that the illustration be altered if the proposed scenario increased the current contribution by more than 10%. I.E. if a client's contribution was currently 4%, the proposed contribution could not exceed 14% without the under funding changes to be implemented.

Maximum Value: The maximum contribution value that the solution will illustrate for the participant. A value of zero ("0%") will mean there is no maximum value. This is the overall limit on how much total contribution TRAK will suggest.

Include Footnote in Report Indicating Changes: If changes are made by TRAK because of the threshold exception, checking this box will include a footnote indicating what changes were made. In general, in over funded situations TRAK will try and allow a client to retire at an earlier age, have more income for retirement, and/or decrease reliance on social security along with an increase in their contribution. Conversely, in under funded situations, TRAK will try and delay their retirement age, decrease their retirement income and/or increase their reliance on social security.

If an illustration falls outside of the funding threshold, the data will be changed per the steps shown in the relevant grid. Each step is taken in order. For example, in the following **over funded** grid:

☒ Include Footnote in Report Indicating Changes

Changes to over funded scenarios			Add row		
Value to change	Change by	Limit on changed value			
Decrease Social Security	10%	50%	x		↓
Decrease Retirement Age	1	60	x	↑	↓
Increase Percent of Income	5.0%	120.0%	x	↑	

In this scenario, values will be altered first by reducing the current illustrated retirement age by one year. The scenario will be re-run to check if the minimum funding threshold is met. If it is not, the process is repeated until the client's age is 60. If at age 60, the minimum funding threshold is not met, the second step, and if required, the third step are taken. (Note: that additional steps may be added. For example, after the above three steps, if the scenario still has not met the funding requirements, an additional reduction in the retirement age may be illustrated).

The **under funding** grid below shows the steps taken when a client's proposed scenario exceed the maximum increase threshold.

Changes to under funded scenarios			Add row		
Value to change	Change by	Limit on changed value			
Increase Retirement Age	1	70	x		↓
Decrease Percent of Income	5.0%	60.0%	x	↑	↓
Increase Social Security	10%	100%	x	↑	

☐ When Client's Retirement Age is Adjusted, Re-Calculate Life Expectancy

Note: Altering a client's scenario may result in the scenario falling outside of the other funding threshold limit. If this should occur, the other threshold will not be checked and the contribution will be out of range. For example, if a client's retirement age is increased from 65 to 66 because of underfunding, and the change in the recommended contribution

results in the client being outside of the over funded scenario, the over funding threshold is not considered.

When Client's Retirement Age is Adjusted, Re-Calculate Life Expectancy: Checking this box will adjust the life expectancy based on current IRS life expectancy tables.

9.3 Participant Benchmarks

To run a set of reports for all the participants as a group, the "Participant Benchmarks" report can be selected and configured.

BATCH PROCESS TYPE

☐ Contribution Analysis

☐ Participant Gap

☒ Participant Benchmarks

Default

Report Configuration

Selecting the "Report Configuration" button will bring up the configuration for the "Participant Gap" ("[Participant Gap Report Editor](#)²⁶⁸") report with a new added button specifically for the configuration of the "Participant Benchmarks" report:

Batch Processing > Participant Gap Report Configuration Editor

Report Configuration Save Default Rename Delete Add New

Configuration Pages

- SETUP
- PAYCHECK
- RETIREMENT INCOME
- RETIREMENT AGE
- SOCIAL SECURITY
- ROTH ACCOUNT
- DEFINED BENEFIT ACCOUNT
- CHART OPTIONS
- CONTRIBUTION LIMITS
- AUTO-ESCALATE AS A SOLUTION
- CUSTOMIZE TEXT
- PARTICIPANT BENCHMARKS**
- REPORTS

Participant Benchmarks

Note: These values only affect Participant Benchmark Reports

OPTIONS CHARTS CHART COLORS DATA RANGES DEFINITION OF SUCCESS

Word Choice for "Qualified" Participant Eligible

Date Format mm/dd/yyyy

☐ Use Custom Highly Compensated Employee (HCE) Income Level

Sort Field for "Participant Age & Funding Levels" Report Name

There are now 3 tabs for configuration. Click on each tab below for further details:

[OPTIONS](#) 

[CHARTS](#) 

[DATA RANGES](#) 

9.3.1 OPTIONS

On this tab, configure several options below:

Word Choice for "Qualified" Participant: Select either "Eligible" or "Qualified" from the drop down menu

Date Format: Select the format for the date format. The date format will be used in date-related chart series when historical data is used.

Participant Benchmarks

Note: These values only affect Participant Benchmark Reports

OPTIONS

CHARTS

CHART COLORS

DATA RANGES

DEFINITION OF SUCCESS

Word Choice for "Qualified" Participant

Eligible

Date Format

mm/dd/yyyy

☐ Use Custom Highly Compensated Employee (HCE) Income Level

Sort Field for "Participant Age & Funding Levels" Report

Name

Highly Compensated Income Level: If applicable, check this box and enter the income level that defines a highly compensated employee.

☒ Use Custom Highly Compensated Employee (HCE) Income Level

Custom HCE Income Level

\$120,000.00

Sort Field for "Participant Age & Funding Levels" Report: Select how these values are sorted on the report either by "Name", "Age", or "Percent Funded".

Sort Field for "Participant Age & Funding Levels" Report

Name

Name

Age

Percent Funded

9.3.2 CHARTS

The "Charts" tab configures which charts are displayed in the report and the ranges for breaking the analysis.

Participant Benchmarks

Note: These values only affect Participant Benchmark Reports

OPTIONS CHARTS CHART COLORS DATA RANGES DEFINITION OF SUCCESS

☒ Summary Grids ☐ 3D Charts Check All Check None Invert

<input checked="" type="checkbox"/>	Contributions By Date	↑	↓
<input checked="" type="checkbox"/>	Account Balance By Date	↑	↓
<input checked="" type="checkbox"/>	Participation Number By Date	↑	↓
<input checked="" type="checkbox"/>	Qualified Income Replacement Percent By Age	↑	↓
<input checked="" type="checkbox"/>	Qualified Income Replacement Percent Pie	↑	↓
<input checked="" type="checkbox"/>	Qualified Retirement Income Ratio	↑	↓
<input type="checkbox"/>	Qualified Contribution Percent	↑	↓

Select which chart(s) to display in the report, and the order they are displayed in the report. Report order may be changed by either:

- Clicking on the specific report and holding the mouse down and dragging it to the desired location), or
- Selecting the specific report and clicking on the up or down arrows to the right of the list box.

Summary Grids: This check box appears below the list of optional charts to select . These are grids at the end of the report that do not have corresponding charts.

3D Charts: Determines if the charts in the report are displayed three dimensionally.

9.3.3 CHART COLORS

Chart Color

Use the editor to customize the colors for the series in the charts:

Participant Benchmarks

Note: These values only affect Participant Benchmark Reports





















OPTIONS CHARTS **CHART COLORS** DATA RANGES DEFINITION OF SUCCESS

CHART COLORS. *If no colors are defined, the default internal colors will be used*

Color Method Custom Color

☐ Use Default Colors

Add New Color # 222222 ■

	2, 16, 237			
	214, 10, 31			
	112, 208, 190			
	224, 132, 154			
	28, 100, 127			

9.3.4 DATA RANGES

The tab sets the data ranges for how the values are broken out for comparison.

Starting with the "Age" tab, the grids display the break down of several categories (e.g. ages, income, years of service, contribution rates and replacement incomes used in the grids).

Participant Benchmarks

Note: These values only affect Participant Benchmark Reports

OPTIONS CHARTS CHART COLORS **DATA RANGES** DEFINITION OF SUCCESS

AGE	INCOME	SERVICE YEARS	CONTRIBUTION	REPLACEMENT PERCENT
Minimum (>=)	Maximum (<=)		Description	+ Add row
60	-1		60+	✕
50	60		50-59	✕
40	50		40-49	✕
30	40		30-39	✕
20	30		20-29	✕

[All Defaults](#) [Tab Default](#)

The "Tab Defaults" button will assign the default values to the current tab. The "All Defaults" button will assign default values to all of the tabs.

AGE	INCOME	SERVICE YEARS	CONTRIBUTION	REPLACEMENT PERCENT
Minimum (>=)	Maximum (<=)		Description	+ Add row
60	-1		60+	✕
50	60		50-59	✕
40	50		40-49	✕
30	40		30-39	✕
20	30		20-29	✕

[All Defaults](#) [Tab Default](#)

9.3.5 DEFINITION OF SUCCESS

Definition of Success

Use the editor to customize the colors for various levels of funding:

Participant Benchmarks

Note: These values only affect Participant Benchmark Reports




OPTIONS

CHARTS

CHART COLORS

DATA RANGES

DEFINITION OF SUCCESS

	Percent Funded	Color
On Track (Greater than or Equal to)	90%	# 008000 
Caution	60% .. 90%	# ffff00 
Warning (Less than)	60%	# ff0000 

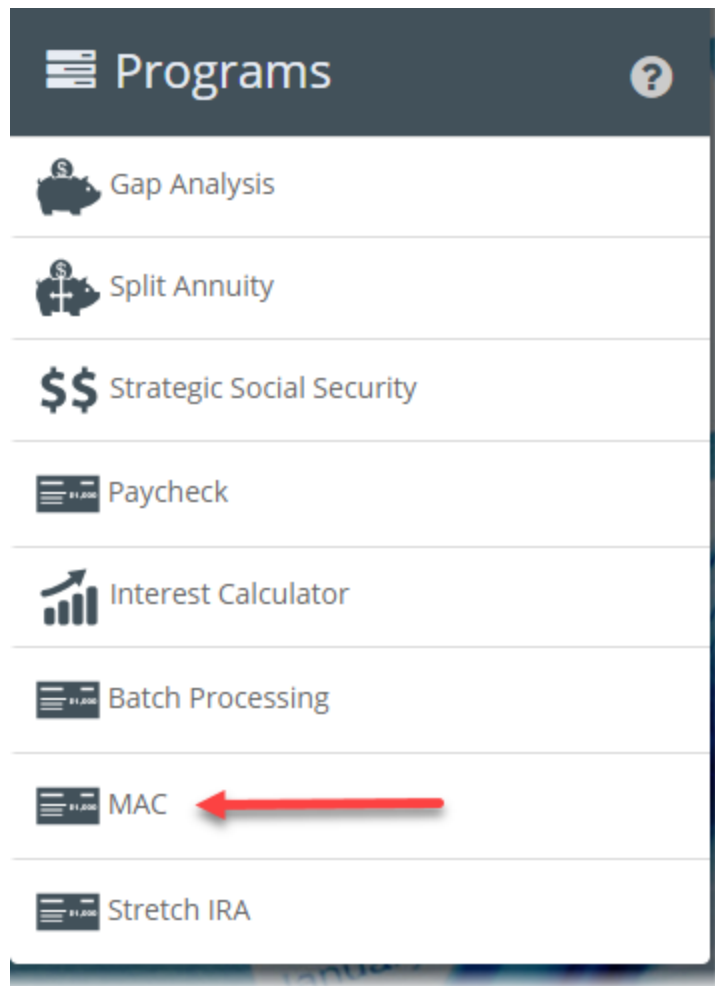


TRAK-ONLINE

MAC

10 MAC

The "Maximum Allowable Contribution" (MAC) Calculator calculates the maximum annual contribution for 403(b) (including the 402(g)(7) Limit) and 457 plans (including the Double-Up Option).



The data entry for the MAC program is divided into several tabs. Click on the respective link for more information:

[CLIENT INFORMATION](#) 

[RETIREMENT SYSTEM](#) 

[402 \(g\)\(7\) LIMIT](#) 

[CURRENT CONTRIBUTIONS](#) 

[CALCULATIONS](#) 

[REPORTS](#) 

Additional Notes

403(b) Overview

415(c) Limit: Under most circumstances, an individual and their employer may contribute a combined amount that can not exceed 100% of includable compensation up to the 415(c) limit (e.g. \$54,000 for 2017). The voluntary employee portion of the \$54,000 cannot exceed the 402(g)(7) limit on voluntary contributions (e.g. \$18,000 for 2017, and is indexed for inflation in future years).

402(g)(7) Limit on Voluntary Contributions: If an individual works for a qualifying employer (e.g. educational, hospital, or health/welfare agency), and has 15 years of service with the same employer, they may be able to increase the amount of the 402(g)(7) limit by up to \$3,000 per year, for a total amount of \$21,000.

457 Limit Overview:

The standard 457 limit is \$18,000 for 2017 and is indexed for inflation in future years. If the employee is within 3 years of normal retirement age, they may be eligible to double the limit, depending upon their unused contributions.

10.1 CLIENT INFORMATION

Below is the list of data inputs for the "Client Information" tab:

The screenshot displays the MAC software interface for the "CLIENT INFORMATION" tab. The top navigation bar includes "CLIENT INFORMATION", "RETIREMENT SYSTEM", "402(G)(7) LIMIT", "CURRENT CONTRIBUTIONS", "CALCULATIONS", and "REPORTS". The main content area contains several input fields:

- Client's Date of Birth: 1/1/1970
- Normal Retirement Age: 67
- MAC Calculation Year: 2018
- Client's Gross Annual Income: \$55,000
- Plan Types Available to Client: 403(b) Contribution Limit

On the right, a "Personal Information" summary box displays:

- Age at the End of this Year: 48y 11m
- Years Until Retirement: 19 years
- Retirement Year: 2037

At the bottom left, there is a checkbox labeled "No" which is highlighted with a red box. An arrow points from this checkbox to a text box that reads: "Employer is a Non-profit 501(c)3 Education, Hospital, home Health Service, Church Organization, or the Employer Maintaining the Plan is a State or Local Government or a Subdivision Thereof."

Date of Birth: Enter the client's date of birth.

Normal Retirement Age: Default retirement age is 65. The IRS states in its audit guidelines that you should use the normal retirement date stated in the retirement plan document.

Notes: Using a retirement age lower than 65 may reduce the amount the client can defer into a retirement plan.

As data is entered on the left, the values in the "Personal Information" box are updated. Confirm that the values are correct to insure that the data entry and system date are correct.

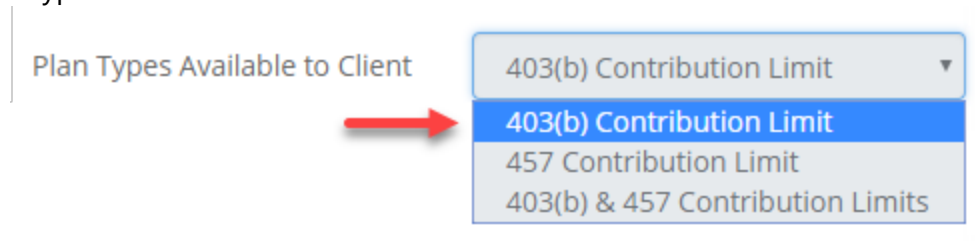
MAC Calculation Year: Select the year on which to base the illustration. The default is the current calendar year.

Client's Gross Annual Income: Enter the gross pay to be received from this employer this year that qualifies for retirement system contributions.

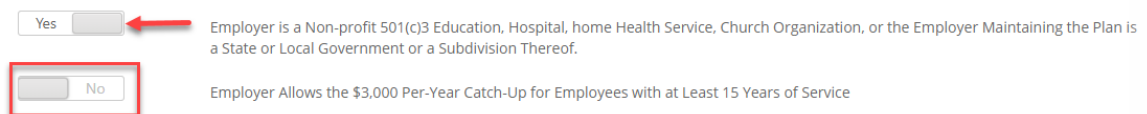
Note: Do NOT exclude TSA, mandatory retirement plan contributions (e.g. STRS, PERS, TRS, SERS, ORP, etc.), or Section 125 salary deferrals.

Income a client receives from an employer that does not qualify for inclusion in the retirement system benefit calculation should be entered on the next line as Additional Taxable Compensation from this employer.

Plan Types Available to Client: Select which limit to calculate:



Additionally, toggle "Yes" on the bottom option if this is applicable to the client's employer. If toggled to "Yes", and if the employer allows a catch-up scenario such as is described, toggle that field to "Yes" as well.



Yes ☐ Employer is a Non-profit 501(c)3 Education, Hospital, home Health Service, Church Organization, or the Employer Maintaining the Plan is a State or Local Government or a Subdivision Thereof.

☐ No Employer Allows the \$3,000 Per-Year Catch-Up for Employees with at Least 15 Years of Service

Note: If the client is enrolled in both a 403(b) and a 457 and is within 3 years of retirement, additional configuration becomes enabled:

Plan Types Available to Client 403(b) & 457 Contribution Limi

☐ No Employer is a Non-profit 501(c)3 Education, Hospital, home Health Service, Church Organization, or the Employer Maintaining the Plan is a State or Local Government or a Subdivision Thereof.

☐ No Employee Participates in the Double Up 457 Option (Available to Employees Within 3 Years of Normal Retirement Age)

The Maximum Allowable Contribution under the Double Up Rule is the Lesser of (a) \$0 or (b) \$0 Plus Unused Plan Limit Deferrals in Prior Years, if within 3 Years of Normal Retirement

Additionally, if the client is participating in the "Double Up 457 Option", toggling "Yes" will bring up additional data entry options:

Yes ☐ Employee Participates in the Double Up 457 Option (Available to Employees Within 3 Years of Normal Retirement Age)

Prior Unused 457 Contributions \$251,500 Note: Do NOT include years prior to establishment of or eligibility to participate in the 457 plan.

Edit Prior Unused 457 Contributions ☐ Yes ☐

First year client qualified for a 457 (do not include years prior to establishment of or eligibility to participate in the 457 plan) 1997

Year	Limit	Compensation	Contribution	Unused
1997	\$7,500	\$0	\$0	\$0
1998	\$8,000	\$0	\$0	\$0
1999	\$8,000	\$0	\$0	\$0
2000	\$8,000	\$0	\$0	\$0
2001	\$8,500	\$0	\$0	\$0
2002	\$11,000	N/A	\$0	\$11,000
2003	\$12,000	N/A	\$0	\$12,000

A value will be generated for the "Prior Unused 457 Contributions", however, to edit the value, toggling "Yes" will allow a grid to display for data entry.

First year client qualified for a 457: Enter the first year the client was allowed to make 457 contributions to the 457 plan.

Annual Contributions (column): Enter the annual contribution for the client in the respective year.

10.2 RETIREMENT SYSTEM

Retirement System

Select the client's retirement plan by first selecting the "Category or State" (using down arrow), then, selecting the "Retirement Plan". After the plan is selected, press the tab key. The values in the Retirement Contrib Info box to the right will be updated. In this example, the client is a teacher in Oregon and is part of the Oregon OPSRP General Employees defined benefit system.

MAC

CLIENT: Jane Doe USER:

CLIENT INFORMATION RETIREMENT SYSTEM 402(G)(7) LIMIT CURRENT CONTRIBUTIONS CALCULATIONS REPORTS

Category or State Oregon

Retirement Plan Oregon OPSRP General Employees

Years of Service

Yes ☐ Calculate YOS

Retirement Contributions:
Employees contribute 6% of salary to the IAP. An employer may elect to make the contribution on the employee's behalf.
Mandatory pre-tax contributions totaling \$3,600 this year.

Employment Status

Full-Time

Initial Date of Employment with Current Employer 9/1/2010

Years with Employer at the End of 2018 8y 4m

Pre-Tax Dollars Used This Year to Buy YOS \$0.00

If the Employee is a 5% or More Control Owner of Another Entity and makes a Contribution to a Defined Contribution Plan enter the Amount of the Control Owners Contribution \$0.00

YEARS OF SERVICE

Calculate YOS: Check this box if you would like TRAK to calculate the years of service.

Initial Date of Employment with Current Employer (enabled if the Calculate YOS prompt is checked): Enter the client's initial date of employment with the current employer. Note that if the client changed school districts, enter the date for the new school district.

Note: If this isn't needed and the years of service is known, manually enter that into the "Years with Employer at the End of 2018" field.


Years of Service

☐ No
 Calculate YOS

Retirement Contributions:
 Employees contribute 6% of salary to t
 contribution on the employee's behalf
 Mandatory pre-tax contributions total

Employment Status

Full-Time ▼


 Years with Employer at the End of 2018

EMPLOYMENT STATUS

Select whether the client is Full-time or Part-Time. If they are part-time, enter the percent they are employed. For example, if the client is employed half-time, enter 50 (TRAK will add the percentage sign).

Pre-Tax Dollars Used This Year to Buy YOS

If the Employee is a 5% or More Control Owner of Another Entity and
 makes a Contribution to a Defined Contribution Plan enter the Amount of
 the Control Owners Contribution

Pre Tax dollars used to buy back Years of Service: Some retirement plans may allow an employee to purchase years of service with pre-tax dollars. Enter the total amount the client will pay during the MAC calculation year.

If an employee is a 5% or more control owner: Individuals, who are a 5% owner in an outside corporation other than the one they are currently employed by, must aggregate the retirement contributions they are making to the other retirement system, if there is one. Enter the contribution amount on this line.

10.3 402 (g)(7) LIMIT

This tab is focused on 402(g)(7) Limit Eligibility.

MAC

CLIENT: Jane Doe USER:

CLIENT INFORMATION RETIREMENT SYSTEM **402(G)(7) LIMIT** CURRENT CONTRIBUTIONS CALCULATIONS REPORTS

402(g)(7) Limit

Total Prior Years Voluntary Contributions made in Excess of Previous Year Limits

Previous years limits include: \$9,500 from 1987 through 1997; \$10,000 for 1998 and 1999; \$10,500 for 2000 and 2001; \$11,000 for 2002; \$12,000 for 2003; \$13,000 for 2004; \$14,000 for 2005; \$15,000 for 2006; \$15,500 for 2007 and 2008; \$16,500 for 2009 through 2011; \$17,000 for 2012; \$17,500 for 2013 and \$18,000 for 2014 through 2017.

Employer Qualifications for the 402(g)(7) Limit

The 402(g)(7) limit is only available to employees of the following types of organizations:

- Educational organizations
- Hospitals
- Home health service agencies
- Health and welfare service agencies
- Churches, including a convention or association of churches

Employee Qualifications for the 402(g)(7) Limit

Eligible employees may be able to contribute an amount in excess of the 402(g)(7) limit if they meet both of the following conditions:

- They must have 15 or more years of service with the same employer.
- The amount of all previous voluntary deferrals does not exceed the individual's years of service with the employer times \$5,000.

402(g)(7) LIMIT

Total Prior Years Voluntary Contributions made in Excess of Previous Year Limits: Enter the total contributions made in excess of the respective years' limits.

Note: In April 2007, the IRS clarified that the "prior contributions" included all prior Roth 403(b) and Roth 401(k) contributions.

OPTIONAL 403(b)

Will the Employer Contribution to the Client's 403(b) Plan This Year? If the answer is yes, enter amount in the "Enter the Amount the Employer will Contribute This Year" field.

Optional 403(b)

Will the Employer Contribute to the Client's 403(b) Plan This Year?

Yes ☐

Enter the Amount the Employer will Contribute This Year

\$0.00

EMPLOYEE CONTRIBUTION IN PREVIOUS YEARS

Employee Contributions in Previous Years

Enter the Amounts the Client will have Contributed Through the End of 2017 to the Following Retirement Plans While Working with their Current Employer.

Optional 403(b)

\$0.00

Optional 401(k)

\$0.00

Employee Contributions in Previous Years: Enter the prior years' contributions to the various types of retirement plans.

10.4 CURRENT CONTRIBUTIONS

Below is the list of data inputs on the Current Contributions tab:

MAC CLIENT: Jane Doe USER:

CLIENT INFORMATION RETIREMENT SYSTEM 402(G)(7) LIMIT **CURRENT CONTRIBUTIONS** CALCULATIONS REPORTS

Employee Contributions

How Much will the Client Contribute Before Taxes to the Following Types of Plans During 2018?

	Optional 403(b)	401(k)	Other
Dollar	\$3,600.00	\$0.00	\$0.00
Percent	6.0000%	0.0000%	0.0000%

Employer Contributions

Employer Pre-Tax Contributions to the Retirement Plans for 2018?

Is the employer's contribution calculated on a matching basis?

Optional 403(b)	Annual Dollar	Percent of Income
<input type="checkbox"/> No	\$0.00	0.0000%

Employee Contributions

Enter the dollar amount or percent of pay the individual is currently contributing to the various qualified plans on a voluntary basis. The other field for each plan will be calculated. In this example, Jane Doe is contributing 6% or \$3,600 before taxes.

Employer Contributions

Employer Pre-Tax Contribution to the Retirement Plan for 2018? If the answer is yes, but they are not matching, simply enter either the Percent of gross pay or the Dollar Amount the employer contributes.

Is the employer's contribution calculated on a matching basis?

Optional 403(b)
☐ Yes ☐ No

% Matching

Max %

Is the employer's contribution calculated on a matching basis? If the answer here is yes, enter the matching contribution. For example, if the employer matches 50% of each dollar the employee contributes, up to 5% of pay, enter 50% for % Matching and 5% for Max %.

10.5 CALCULATIONS

The calculation screen displays the calculated amounts of allowable voluntary contributions based on the data provided. To print or create a PDF version of this report, click on "[REPORTS](#)".

MAC CLIENT: Jane Doe USER: [redacted]

CLIENT INFORMATION RETIREMENT SYSTEM 402(G)(7) LIMIT CURRENT CONTRIBUTIONS **CALCULATIONS** REPORTS

403(b) Maximum Allowable Contribution

Basic Limit	\$18,500
15 Year Catchup (402(g)(7) Limitation)	\$18,500
Section 415(c) Limitation	\$55,000
Age 50+ Catchup	\$6,000
Maximum Allowable Contribution	\$18,500

Disclaimer

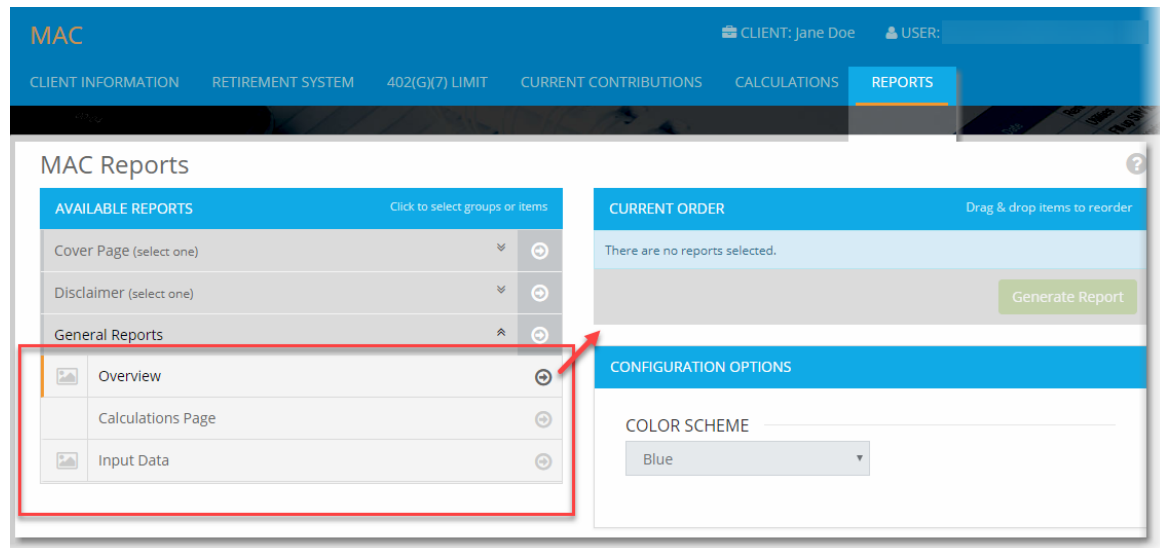
My Maximum Allowable Contribution has been calculated and explained to me by my Financial Representative. It is based on information that I have provided or to which I have agreed. I understand that my Maximum Allowable Contribution should be reviewed each year to determine whether or not my contribution is in excess of tax deferred contribution limits. Contributions that exceed such limits may cause negative tax consequences, such as being included in gross income or reducing the following year's Maximum Allowable Contribution.


I understand that I may contribute to a Tax Sheltered Annuity if I am an employee of an educational system, health and welfare organization, home health services agency, hospital, church, or an eligible non-profit 501(c)(3) organization. I understand that I may contribute to a 457 plan if my employer has adopted a 457 plan, and my employer is a qualifying educational system or a governmental agency.

I understand that my own tax and legal advisors should review all tax and legal issues relevant to this presentation.

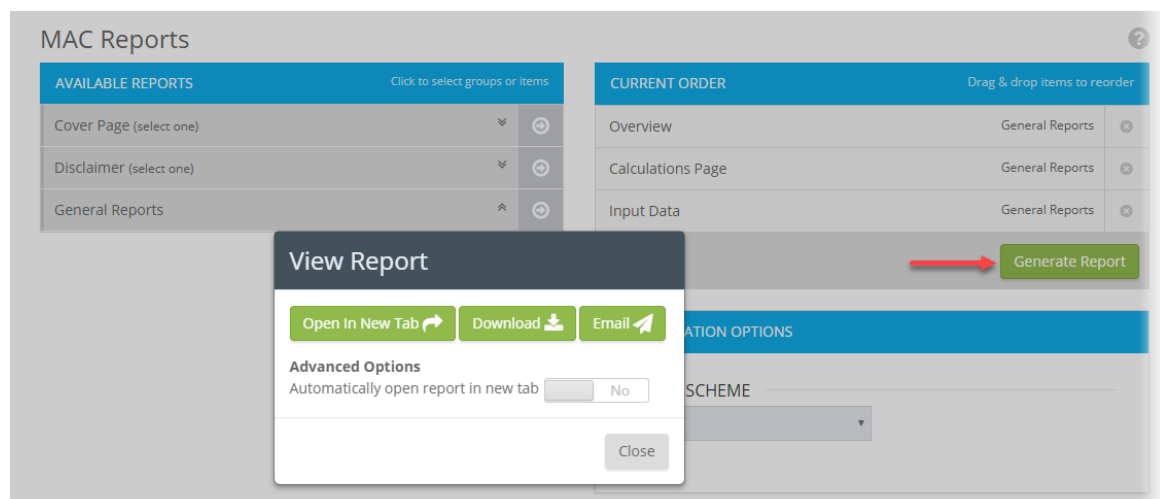
10.6 REPORTS

When the data has been entered and the calculation pages are setup as needed, clicking on this tab allows for the creation of MAC reports for printing and/or saving as a PDF (portable document format).



After choosing a cover page (if necessary) and whether or not to include the disclaimer page, select one or all of the MAC reports by either double-clicking on the report desired or but clicking on the  to add them to "CURRENT ORDER" for generating the report.

Clicking on "Generate Report" button will produce the report for viewing, printing, downloading or emailing.



Here is a sample "Overview" report:

MAC

Prepared For Jane Doe
October 4, 2018

Overview of the Maximum Allowable Contribution for 2018

Calculation Overview

403(b) Calculation Overview

Basic Dollar Limitation	\$17,000	New Elective Annual 403(b) Contribution
Over Age 50 Catch Up Amount	\$5,500	
15 Catch Up (402(g)(7) Limitation	\$17,000	
Maximum Allowable Contribution	\$17,000	
Minus Employee Account Contributions	\$3,600	
Net Allowable Increase in Contributions	\$13,400	\$

This worksheet has been calculated based on information provided by me and on information available at this time for implementation of §403(b) and §415 of the Internal Revenue Code (IRC).

I have been informed concerning, and agree to, the following conditions:

1. That my contributions will be subject to retroactive opinions and rulings issued and to be issued by the IRS affecting Section §403(b) and §415 of the IRC.
2. Any change in interpretation of applicable sections of the IRC may require the recalculation of my MAC and a change in the amount and/or tax status of accounts purchased under provisions of that code.
3. In the event of any adverse ruling by the IRS regarding the calculation of my MAC or purchase of Tax Deferred Accounts, I agree to be responsible to the IRS. I also agree that my employer has permission to make such adjustments in the amount of my MAC as is deemed necessary for compliance with such rulings.

I certify that the information provided to perform these calculations is accurate and true to the best of my knowledge. I recognize that there may be negative tax consequences, for which I will be responsible if I over contribute. I will limit the amount on my Salary Reduction Agreement to the allowable maximum.

Employee's Signature

Agent's Signature

Carrier

Date

Illustration provided to you by 
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Page 1 of 3

10/4/2018 1:02:39 PM



Frequently Asked Questions

11 Frequently Asked Questions

The most common questions about TRAK are found below.

What is the "Side Fund"? Any income distributed in retirement that is above the client's determined need is automatically deposited into the Side Fund account. This "extra" income (side fund) may occur due to the sale of an asset, excess RMDs, etc.

How do I add my company logo to the reports? [Click here](#)^[52] for print branding.

How do I change the default disclaimer text? Email support@retireready.com with your disclaimer text and the support team will add the wording to your user account.

How does TRAK calculate Social Security benefits? Click [here](#)^[312] for how that works in TRAK.

Why isn't my pension system listed? If a particular state or private pension is not already available in TRAK, and you would like our programming team to add the pension, send the pension's full plan documentation to RetireReady's support email (support@retireready.com) and it will be reviewed.

How do I get a new feature added to TRAK? Share your idea with the RetireReady team by emailing support@retireready.com

What are the additional training options for using the TRAK software? Free live webinars are scheduled and listed on the "[Home Page](#)"^[25]. There are also videos available on our website www.retireready.com/training-video-links. If one-on-one training is needed, that is available for a per hour fee.

I keep getting odd timeout or server messages. What should I try? TRAK will automatically log users out due to inactivity. In addition, web browsers store temporary files and communications locally and sometimes that data needs to be cleared out. [Here is how](#)^[314] to do that when using [Microsoft Edge](#)^[314]. To see the process in [Google Chrome](#)^[315], click [here](#)^[315].

11.1 HOW TRAK CALCULATES SOCIAL SECURITY

A common question addressed by RetireReadyTM is how TRAK calculates Social Security. Occasionally someone will object to a value used, stating that the Social Security amount is too high. (Most often this occurs when retirement is more than 10 or 15 years in the future). The method for calculating Social Security is documented below.

The Social Security Administration (SSA) does not provide a "best method" for calculating Social Security. Nor does the SSA allow for automated access to their website so TRAK could get client information from the website. Therefore, TRAK has an internal formula for estimating a client's Social Security benefit.

Before explaining how TRAK calculates Social Security, it is best to have an understanding how Social Security is calculated by the Social Security Administration (SSA). The formula for calculating the Social Security for a person requires a number of steps:

1. The income from each calendar year (not to exceed the Social Security Integration Level, SSIL, each calendar year) is entered into a chart. This value is multiplied by a index factor to provide an indexed earning value for the calendar year. (The index factor is based on the product of the Average Wage Indexes from the calendar year until age 62).
2. The highest 35 values from the indexed earnings are added together and divided by 420 (the number of months in 35 years). This provides the Average Index Monthly Earnings (AIME).
3. An annual adjusted formula is applied to the AIME to determine the Primary Insurance Amount (PIA). The PIA formula for individuals turning 62 in 2017, the formula is:
 - Tier 1: 90% of the AIME at or below \$885, plus
 - Tier 2: 32% of the AIME between \$885 and \$5,336
 - Tier 3: 15% of the AIME above \$5,336.

Social Security Administration's Worksheets

Obviously TRAK does not ask enough historical information from the client to use the SSA's worksheets. Additionally, SSA worksheets to estimate a PIA are typically only available for the current year and possible next year. Thus, to calculate the value for Social Security, TRAK makes a number of assumptions. These assumptions include historical income trends, as well as future predictions. These are considered in the method for Social Security calculations. The following assumptions are made to calculate the estimated PIA for a client:

1. For the client's income, their raise is considered to be consistent, both historically and looking forward.
2. To calculate future SSIL (step 1 above) at age 62, the historical 20 year-average* COLA is applied to future years.
3. The historical 20 year-average* wage index at age 62 (used in step 1 to provide indexed earnings) is used to calculate future wage index values.
4. The 20 year-average* COLA for the two tiers at age 62 (step 3 above) is calculated and applied to the dollar values for forward looking values.

Note: The historical COLA applied to the first two tiers of the formula (step 3 shown above) is historically different than the COLA applied to the SSIL. The three tier formula shown above is used to estimate the client's PIA.

5. If the client is retiring after or starting age is after 62, the COLA is applied to the value for the respective number of years.
6. If the client is retiring prior to their normal retirement age, a penalty is applied based on the number of months early.
7. If the client delays Social Security beyond normal retirement age, a credit is applied based on their year of birth.
8. If a client has less than 35 years of eligible Social Security years of income, this will reduce their income.
9. If a client is affected by Windfall Elimination Provision, this can also be included to reduce the Social Security benefit.

Social Security Windfall Elimination Provision

The Windfall Elimination Provision (WEP) reduces an individual's Social Security benefit due to insufficient years (less than 30) of substantial earnings (as defined by the provision). This provision reduces the percent of income credited from the first tier (normally 90%) to a lower percentage based on the number of years the client had substantial earnings (5% per year less than 30 years, but not lower than 40% crediting).

For more detailed information about WEP, please visit the [SSA web site](http://www.ssa.gov) (www.ssa.gov).

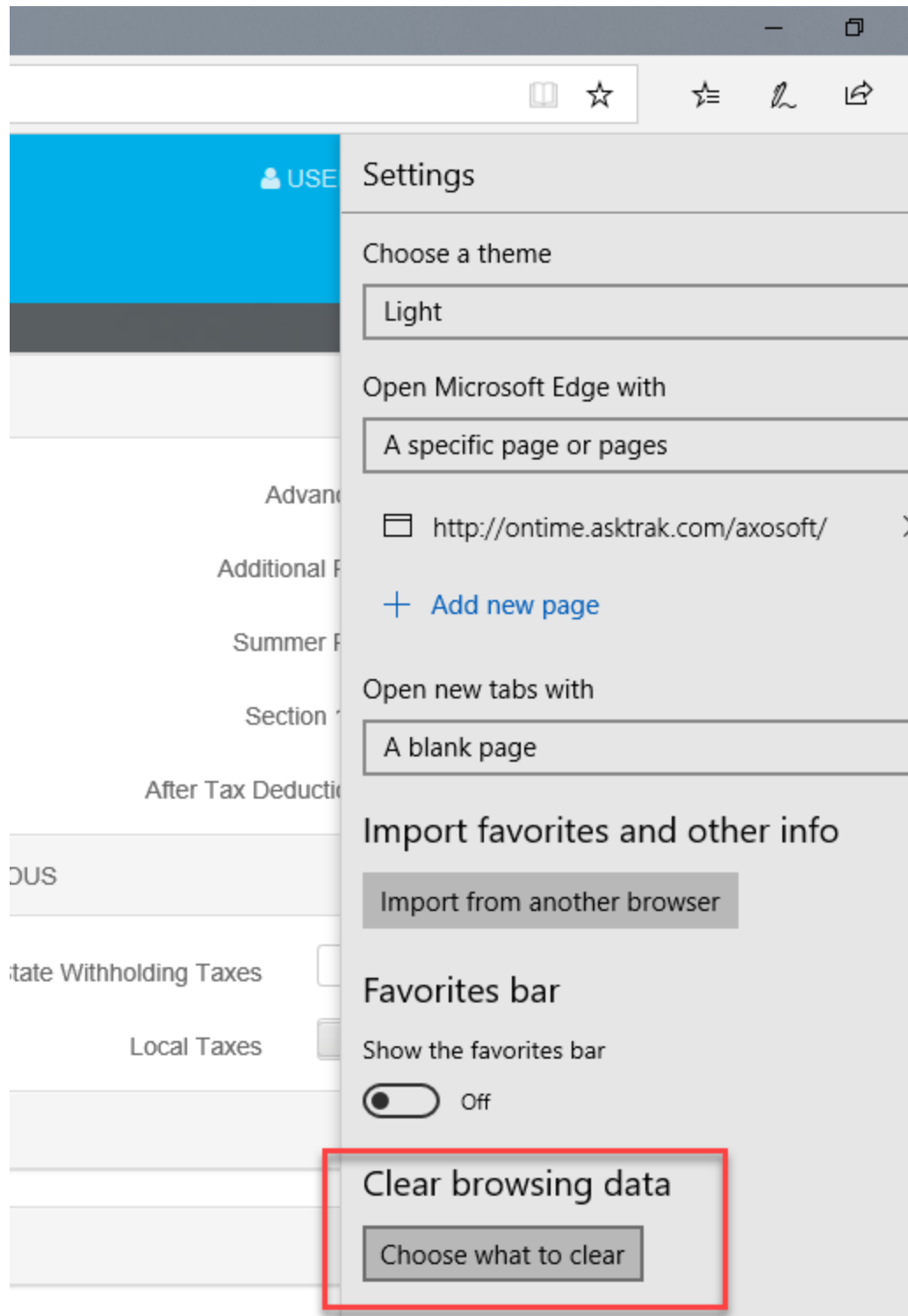
*Average rates of return are technically average compounded rates of return. Note that when looking at the historical average values, the data from the latest years from the SSA's website is used. This does not always include current information. For example, at the time of writing this document (May 2014), the wage increase for Average Wage Indexing Series is updated through 2012.

11.2 Microsoft Edge

Click on the horizontal ellipsis on the far top right of the browser:



Then, click on settings and choose "Clear browsing data".



11.3 Google Chrome

Click on the vertical ellipsis on the far top right of the browser and choose "More Tools" and select "Clear browsing data".

