

A Strategic Roll-Out From Your IRA or 401(k)



prepared for
John and Jane Doe
August 27, 2008

Tax
Bracket
32.00%

Value of Assets
at the Beginning
\$120,000.00

IRA/401(k)
Interim Yield
5.00%

End Of Year	<u>Current Allocation</u>			versus	<u>Proposed Allocation</u>			
	Annual Contributions	Year End Balance	*Tax Liability	Strategic Re-Route and Roll-Out	Mortgage Interest Deduction	Net Taxable	New Tax Consequence	Net Strategic Re-Route and Roll-Out
1	\$19,900	\$146,895	\$-47,006	\$40,780	\$8,636	\$32,144	\$-13,364	\$27,416
2	\$19,900	\$175,135	\$-56,043	\$40,780	\$9,694	\$31,086	\$-13,025	\$27,755
3	\$19,900	\$204,786	\$-65,532	\$33,097	\$10,831	\$22,266	\$-9,434	\$23,663
4	\$19,900	\$235,921	\$-75,495	\$33,097	\$12,055	\$21,042	\$-9,043	\$24,054
5	\$19,900	\$268,612	\$-85,956	\$33,097	\$13,371	\$19,726	\$-8,622	\$24,475
6	\$19,900	\$302,937	\$-96,940	\$10,000	\$14,787	\$0	\$1,532	\$10,000
7	\$19,900	\$338,979	\$-108,473	\$10,000	\$16,310	\$0	\$2,019	\$10,000
8	\$19,900	\$376,823	\$-120,583	\$10,000	\$17,948	\$0	\$2,543	\$10,000
Total				\$210,851	\$103,631	\$126,264	\$-47,394	\$157,363

Summary of Benefits

Qualified plan assets are repositioned and taxes completed at a cost of \$-47,394.

Otherwise

Taxes on Qualified Retirement Income of \$18,841 per year would have an approximate tax liability of \$6,029 per year as long as the asset existed.

(For example, 20 years x \$6,029 = \$120,583 in potential tax liability)

Notes:

- a. Tax rate is based on 25.00% federal tax and 7.00% state tax rate.
- b. Figures assume mortgage interest is tax deductible. If the mortgage interest is not tax deductible then figures would vary. Please seek advice from your personal tax advisor on the deductibility of the mortgage interest. (IRC Section 163)
- c. * Assumed tax liability is when or if the account(s) are liquidated.