LPL Financial
LOCATED AT MOUNTAIN AMERICA CREDIT UNION

WHAT IS YOUR NUMBER?

RETIREMENT PREPAREDNESS PLANNER

		Your Data	Example
1)	How much do you estimate you will need each year during retirement? (Common rule of thumb is you may need 60% to 80% of your final salary each year during retirement.)		50,000
2)	How much do you expect to receive each year from Social Security? (The average annual Social Security benefit for a retired worker is currently $16,020.)[1]		19,000
3)	How much do you expect to receive each year from a company pension? (The average annual pension benefit is currently about $15,784.)*[2]		0
4)	Calculate: Line 2 + Line 3		19,000
5)	How many years until retirement?		20
6)	Calculate: Line 1 - Line 4		31,000
7)	Using the number of years you have until retirement, find the appropriate inflation factor from Table A.		42.3
8)	Calculate: Line 6 X Line 7		1,311,300

*Congratulations! You have just calculated **YOUR** number. This is the potential amount you need on the day you retire to live 25 years in retirement.*

9)	How much do you currently have saved for retirement?		150,000
10)	Using the number of years until retirement, find the appropriate growth factor in Table B.		4.7
11)	Calculate: Line 9 X Line 10. This is the future value of your current savings.		705,000
12)	Calculate: Line 11- Line 8. This is your retirement savings shortfall or surplus with no future additions to your retirement plan.		(606,300)

If the value in line 11 is equal to or greater than the value in line 8, you may be well on the way toward meeting your retirement goal. If the value in line 11 is less than the value in line 8, you may need to invest more to work toward your goal.

13)	How much are you contributing annually towards your retirement?		5,000
14)	Using the number of years you have until retirement, find the appropriate growth factor in Table C.		49
15)	Calculate: Line 13 X Line 14. This is the future value of your annual contributions.		245,000
16)	Calculate: Line 15 + Line 11. **This is the projected value of your account at retirement.**		950,000
17)	Calculate: Line 16 - Line 8. This is your total shortfall or surplus		(361,300)

Table A

Years Until Retirement	Factor
5	23.5
10	28.6
15	34.8
20	42.3
25	51.5
30	62.6
35	76.2
40	92.7
45	112.8

**Assumes 25 years in retirement, a 4% average annual inflation rate, and that your savings earn a 6% average annual rate of return during retirement.*

Example is for illustrative purposes only and does not represent the performance of any specific investment.

Table B

Years Until Retirement	Factor
5	1.5
10	2.2
15	3.2
20	4.7
25	6.8
30	10.1
35	14.8
40	21.7
45	31.9

**Assumes an 8% average annual rate of return prior to retirement.*

Table C

Years Until Retirement	Factor
5	6
10	15
15	29
20	49
25	80
30	125
35	192
40	293
45	442

**Assumes an 8% average annual rate of return prior to retirement.*

The above are hypothetical examples and are not representative of any specific situation. Your results will vary. The hypothetical rates of return used do not reflect the deduction of fees and charges inherent to investing.

[1]*Social Security Administration, https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/*

[2]*National Institute on Retirement Security http://www.nirsonline.org/index.php?option=com_content&task=view&id=336&Itemid=111*
