

Annuity Income in Needs Analysis

Easily illustrate the need for an annuity in a client account.

What eMoney Shows

With eMoney, advisors can input the annuity's minimum withdrawal rate, the deferral rate, and the number of years deferring income. Using this data, eMoney will determine how much of a client's assets should be re-positioned to the annuity to cover any potential guaranteed income shortfall.

Why Use eMoney

eMoney helps advisors distinguish the client's income needs in retirement between basic (essential) expenses and discretionary expenses. The advisor can select the percentage of the client's basic or discretionary expenses they would like covered by guaranteed income.

How eMoney Displays the Annuity

To access the annuity, select *Plans > Tools > Needs Analysis*. Then select *Add > Annuity Income*.

Selected Analysis

- Annuity Income
 - Cover Sheet
 - Table of Contents
 - Disclaimer
 - Annuity Income
 - Retirement
 - Creating Guaranteed Income
 - Annuity Repositioning
 - Results Summary
 - Information Sheet

Summary:

- Annual Retirement Expenses: **\$85,500**
- Retirement Expenses to Cover: **\$45,500**
- Annual Guaranteed Income: **\$21,000**
- Guaranteed Income Shortfall: **(\$24,500)**

During retirement, you can expect to have both basic and discretionary expenses. Basic expenses are just that; expenses required for day to day living. If necessary, you can forego discretionary expenses. For this analysis, you can expect basic expenses to be per year and discretionary expenses to be per year. This, or have enough income to of the basic discretionary expenses will be covered.

Assets to be Repositioned:

Non-Guaranteed Sources of Income:

Remaining Non-Guaranteed Sources of Income:

Guaranteed Income Shortfall:

Annuity Repositioning

By comparing your retirement expenses to your guaranteed retirement income, we see that you have a shortfall of **\$24,500**. For the annuity, we assume a guaranteed minimum withdrawal rate of and expect to start withdrawal . We also assume a benefit base guaranteed growth rate of .

Using these figures, we estimate that you would need to reposition **\$345,070** to an annuity to make up the shortfall.

Recalculate

From there, click the drop-down menu next to *Annuity Income Analysis*. This will provide three options: *Retirement Expenses*, *Creating Guaranteed Income*, and *Annuity Repositioning*.

1. Retirement Expenses

- This page will allow advisors to establish which of their client's expenses are basic expenses versus discretionary expenses.
- Advisors can select how much of each expense they would like covered by a guaranteed income source (Social Security, Pensions, etc).
- After you press 'Recalculate,' eMoney will display the client's Guaranteed Income Shortfall.

2. Creating Guaranteed Income

- Once the client's withdrawal rate, number of years to defer income, and guaranteed growth rate for the annuity are entered, eMoney will provide the asset amount needed to reposition into an annuity to close the guaranteed income gap.

3. Annuity Repositioning

- This page will give advisors a work flow of the repositioning process.
- It shows a breakdown of the assets before repositioning to the number of investment assets left in the client's non-guaranteed accounts after repositioning.