The Answers to 46 Frequently Asked Questions About Retirement

1. Where will my retirement income come from?

According to the Social Security Administration, many retirees receive income from four main sources:

1) Personal Savings and Investments

2) Earned Income

3) Company Pension Benefits

4) Social Security Income

2. How much will my income need to increase to keep up with the cost of living?

The cost of living (as measured by the Consumer Price Index) has fluctuated, but has averaged an annual increase between 4% and 5% per year over the past 20 years. While recent inflation has declined to 2% to 3% annually, Financial Professionals recommend that retirees compensate for inflation when preparing retirement income projections.

3. If inflation averages 5%, how much will I need in the future?

Assume you retire at age 60 and need $4,000 per month retirement income. Assuming 5% inflation, at age 65 you will need $5,105 to buy the same goods and services. At age 70, this amount will rise to $6,515. At age 75, you will need $8,315 to maintain the same purchasing power as $4,000, 15 years earlier.

4. What percentage of my final working earnings will I need in retirement income?

Retirement planning resources suggest 66% to 75% of final earnings as a "rule of thumb." However, many people have to adjust to a 1/4 to 1/3 drop in their income. We recommend that as you near retirement, you make a monthly "needs" budget based on past spending (review your check register for the last year) and combine that with a "wants" list.... items like travel, golf, entertainment, gifts, etc....so that you have a carefully considered income goal, rather than just an estimate based on your final year's salary.

5. Before I retire, is there a way for me to project my retirement income?

With today's technology, there are many financial strategy computer programs that are reasonably accurate. For more detailed strategies as you approach retirement, seek the advice of a professional such as a CERTIFIED FINANCIAL PLANNER™ professional, a Certified Public Accountant (CPA), or another professional experienced in retirement preparation.

6. Where can I go to find answers to questions about Social Security Benefits?

We have found Social Security Administration offices in our area to be quite helpful. A call to the local Social Security office any time you have a specific question will probably be welcomed. Also, a number of books that describe Social Security benefits are available at most bookstores or the public library. New social security web-site enhancements provide a wealth of information. Log on at www.ssa.gov.

7. When should I file for my Social Security? What will I need when I file for Social Security?

Normally, you should file for Social Security three months before you receive benefits. You will need:

1) Your Social Security card

2) Proof of your age

3) Tax forms from the previous year

4) Marriage certificate/divorce documents, if any

5) Death certificate, if applying for survivor benefits

Call your Social Security office for further details prior to visiting the office, or log on to www.ssa.gov. You can now apply for benefits on the Internet.

8. What is the maximum Social Security I can be paid if I retire this year at age 65?

A worker retiring (in 2008) at age 65 and 10 months could receive as much as $ 2,185 per month, This number is based on earnings at maximum taxable amount for every year after age 21. Source: Social Security Administration

9. What's the best way to get an accurate estimate of my Social Security benefits?

Request a "Personal Earnings and Benefit Estimate Statement" form from the Social Security office, complete and send it in, and you will receive a record of your wage history and an estimated retirement benefits statement. You can also request a "Personal Earnings and Benefit Estimate Statement" through the Internet at www.ssa.gov.

10. Will Social Security keep up with the cost of living?

Your benefit amount will not stay the same; generally, the benefit amount increases each year and protects beneficiaries against inflation. Social Security provides an annual cost-of-living increase that is based on the consumer price index. Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2006 through the third quarter of 2007, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 2.3 percent Cost-of-Living Allowance for 2008.

There is another way that your benefit might increase. When you work you pay Social Security taxes. And because you pay these taxes, Social Security refigures your benefits to take into account your extra earnings. If the worker's earnings for the year are higher than the earnings that were used in the original benefit computation, Social Security substitutes the new year of earnings. The higher your earnings, the more your refigured benefit might be.

We can't tell you here how much your benefit will increase as each case is different and your benefit is recomputed using your lifetime earnings. You need not take any special action. A recomputation of your benefits will be done automatically in the year following the close of the year in which you worked. The Social Security Administration usually completes all recomputations by September of the following year (remember, employers do not report your income to the SSA until February 28 of the year following the year of earnings). If you are entitled to a higher benefit, it is retroactive to January of the year after the year when you had the additional earnings. Source: Social Security Administration

11. If I decide to retire before my normal retirement age, should I file for Social Security early at the reduced rate? What is the reduction?

For individuals born in 1937 and prior, normal retirement (the age at which recipients are entitled to 100% of his or her SSI benefits) is 65 years of age. For each month you choose to collect social security income before the "normal" retirement age, your payment is reduced by .5556%. The earliest you can collect is age 62 and the benefit would be 80% of your "normal" SSI.

For individuals born after 1937 the reduced benefit is 70% at age 62, and the normal retirement age increases from 65 and 2 months to 67 years of age, depending on the year of birth.

Full-retirement age is the age at which you may receive an unreduced retirement benefit. Full-retirement age has been 65 for many years. However, beginning with people born in 1938 or later, the age will gradually increase until it reaches 67 for people born after 1959. The 1983 Social Security amendments include a provision for raising the retirement age beginning with persons born in 1938 or later. Congress cited improvements in the health of older people and increases in average life expectancy as primary reasons for increasing the normal retirement age.

Year of birth	Full retirement age
1937	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Note: Persons born on January 1 of any year should refer to the full retirement age for the previous year.

The earliest a person can start receiving Social Security retirement benefits will remain age 62.

Source: Social Security Administration

12. If I work after I start receiving Social Security retirement benefits, will I still need to pay Social Security and Medicare taxes on my earnings?

Yes. Any time you work in a job that is covered by Social Security--even if you are already receiving Social Security benefits--you and your employer must pay the Social Security and Medicare taxes on your earnings. The same is true if you are self-employed. You are still subject to the Social Security and Medicare taxes on your net profit.

Source Social Security Administration FAQs: http://www.ssa.gov/planners/faqs.htm

13. Will my Social Security be taxed?

The answer is "maybe." Some people who get Social Security benefits have to pay income taxes on them. This will apply to you only if you have other substantial income in addition to your benefits (for example, wages, self-employment, interest, dividends and other taxable income that you have to report on your tax return). No one pays taxes on more than 85 percent of his or her Social Security benefits and some pay on a smaller amount, based on these IRS rules:

Up to one-half (50%) of the social security benefits received by taxpayers, whose incomes exceed certain base amounts is subject to income taxation. The base amounts are $25,000 MAGI

(Modified Adjusted Gross Income) for a single taxpayer, $32,000 MAGI for married filing jointly.

Up to 85% of the social security benefits received by taxpayers is subject to income tax if the base amount is $34,000 MAGI for a single taxpayer and $44,000 MAGI for married filing jointly.

- If you are married and file a separate tax return, you probably will pay taxes on your benefits.

*On your 1040 tax return, your "combined income" is the sum of your adjusted gross income, plus nontaxable interest, plus one-half of your Social Security benefits.

Every January you will receive a Social Security Benefit Statement (Form SSA-1099) showing the amount of benefits you received in the previous year. You can use this statement when you complete your federal income tax return to find out if your benefits are subject to tax.

Although you are not required to have federal taxes withheld from your Social Security benefits, you may find it easier than paying quarterly estimated tax payments.

For more information about your taxes, see Internal Revenue Service (IRS) Publication 554, Tax Information for Older Americans, and Publication 915, Social Security Benefits and Equivalent Railroad Retirement Benefits. Both publications have worksheets to help you figure out whether your benefits would be taxable. You also can call the IRS toll-free number, 1-800-829-3676 to ask for copies of these publications.

People who are deaf or hard of hearing may call the IRS toll-free TTY number, 1-800-829-4059.

Keep in mind, Social Security is not an authority on tax matters. For more information, call the Internal Revenue Service's toll-free telephone number, 1-800-829-3676, to ask for Publication 554, Tax Information for Older American's and Publication 915, Social Security Benefit and Equivalent Railroad Retirement Benefits. You can also access these publications on the IRS web site at: http://www.irs.gov.

See your tax advisor for complete details, including the definition of "income" as it relates to the taxability of Social Security income. Source: Social Security Administration

14. Is there a way to reduce the "Social Security Tax?"

One way is to continue to defer income not needed, through investments such as IRAs or single-premium tax-deferred annuities.

15. What kind of investments do you recommend for retirees?

Investments should be coordinated with an investor's individual need for income, growth of income, safety of principal and liquidity. Only after careful consideration should investments be recommended to a retiree.

In general, however, many retirees have the need for three kinds of investments: Short term investments like Money Market Funds, CDs and Treasury Bills are useful in meeting needs for cash within the short term. Fixed income investments like municipal and government bonds can meet intermediate need for income, for periods beyond a year but not more than 8 to 10 years. Long-term investments like real estate, stocks, and stock mutual funds offer capital appreciation potential. They may also offer income.

16. Someone told me that Social Security has a financial consulting service. I don't understand the connection between financial consulting and Social Security?

Social Security is not in the financial consulting business. However, Social Security can offer you a free Social Security Statement to help you assess your financial consulting needs. The Statement gives you a breakdown of all the wages reported under your Social Security number as well as estimates of what Social Security benefits you and your family would be eligible to receive.

Once you know what you can receive from Social Security, you can address your other financial needs. We encourage you to visit the Ballpark Estimate calculator of the American Savings Education Council and study your other retirement income options, and FirstGov for Seniors to learn more about retirement. They both offer comprehensive information on Savings, Investment, Pensions, Medical Insurance, and Housing on their Seniors Retirement Professional.

Source Social Security Administration FAQs: http://www.ssa.gov/planners/faqs.htm

17. Why do some people I know say they never made money investing in stocks? Are stocks really good retirement investments?

Some investors maintain a short-term perspective, buying only on good news (when the share prices are high) and quickly selling on bad news (when prices are low). There are no guarantees with stock ownership. Yet many patient investors have enjoyed attractive returns over 10- and 20-year holding periods. Because most retirees have at least 10 or 20 years to leave a portion of their money invested, stocks can be an appropriate investment for a portion of their retirement investments.

18. In general, how would you arrange my investments to meet my need for income and growth?

Following basic principles:

First, we determine a cash reserve amount and set that aside for use in the next 12 months and to meet emergency expenses. Next, we arrange fixed-income investments to produce income for a period of, say, eight years. The balance could be positioned in several growth investments, each employing different approaches to investing, thereby diversifying the portfolio. Using this strategy, we expect that income should be available each year for a number of years and that unguaranteed but higher potential growth investments can be left untouched for eight years or longer.

19. My wife and I both worked under Social Security. Her Social Security Statement says she can get $850 a month at full retirement age and mine says I would get $1450. Do we each get our own amount? Someone told me we could only get my amount, plus one-half of that amount for my wife?

Since your wife's own benefit is more than one-half of your amount, you will each get your own benefit. If your wife's own benefit were less than half of yours (that is, less than $725), she would receive her amount plus enough on your record to bring it up to the $725 amount.*

Source Social Security Administration FAQs: http://www.ssa.gov/planners/faqs.htm

**This is a hypothetical example for illustrative purposes only.*

20. I've always liked real estate as an investment. Should I own real estate?

Real estate investments may be appropriate because of their growing income and appreciation potential. But real estate properties may require hands-on management, which can grow into an unwelcome chore during retirement years.

Many investors choose to participate in real estate investments called Real Estate Investment Trust (REITs). REITs offer exposure to real estate investments for growth and income. REITs involve risks such as refinancing, economic conditions in the real estate industry, changes in property values and dependency on real estate management.

REITs involve risks such as refinancing, economic conditions in the real estate industry, changes in property values, and dependency on real estate management. Investing in REITS may not be suitable for every investor.

21. Now that I'm going to stop working, won't my taxes be lower?

Many retired workers are surprised to learn that they will still be paying income taxes, often with little or no reduction in tax payments from their working years. You can consider using some tax-advantaged strategies. Start by determining your taxable retirement income and your marginal tax bracket.

22. Is there a way for me to safely and legally reduce my income taxes during retirement?

Most investors should consider a number of alternatives including:

* Proper use of IRAs, Roth IRAs, and annuities can offer tax deferral of earnings and tax advantaged income

* Quality common stocks that may appreciate and offer deferred growth and pay advantaged dividends

Dividends are not guaranteed and will fluctuate.

23. What are my options for the money that is in my 401(k) or other pension?

Usually there are four broad choices, each with different advantages and disadvantages:

1) Leave it invested in what the company offers

2) Annuitize and receive an income for life

3) Withdraw the account balance, pay taxes and then invest the funds

4) Rollover to an IRA or other pension fund, paying no taxes and continue to defer the income tax with a wide variety of investment choices available.

24. Why should I consider a rollover to an IRA?

An IRA offers the possibility of higher returns and increasing income potential. The account can be rolled over tax deferred to a surviving spouse with the remaining balance distributed to beneficiaries at the death of the spouse.

25. Should I rollover to an IRA when I can leave my pension or 401(k) balance in my account and not pay any expenses?

While many investors do leave pension balances in a company sponsored account, many individuals prefer an IRA for a number of reasons.

First, the choices in the company account are usually limited to a handful of investment accounts while an IRA offers an almost unlimited number of alternatives and the ability to make changes frequently and easily.

Second, many retired investors find the service from a former employer or from a voice menu reached via a toll free number to be less than adequate service.

Due to the Pension Protection Act of 2006, there may be another benefit to rollover IRA's. Depending on your employer's plan document, non spouse beneficiaries may not have as many options for receiving their benefit from your account in an employer sponsored plan as they could in an IRA.

Perhaps the most important reason retired investors choose an IRA is the personal attention and advice offered by a Financial Professional who is knowledgeable about the investment markets, financial strategies, and the needs of the retiree.

26. When am I required to withdraw money from my Traditional or Rollover IRA?

By the end of the first quarter of the year following the year that you become 70 ½ years of age, you must make your first "Required Minimum Distribution" (RMD) withdrawal from your IRA. Source: IRS Publication 590

27. How do I calculate the amount of the RMD that I must withdraw?

The Internal Revenue Service has issued proposed regulations substantially simplifying the calculation of minimum required distributions from qualified plans, IRA's and other related retirement savings vehicles. The calculation is based on the following factors:

1. The value of your IRA account at the end of the previous year.

2. Your age and a single table based on the concept of a uniform lifetime distribution period.

Consulting with a tax and/or estate planning advisor and financial professional is extremely important for many investors when determining who should be named as your beneficiary and what methods should be elected in calculating the required minimum distribution. Additional information can be found on the web at www.irs.gov. Source: IRS Publication 590

28. Do the required withdrawals apply to single-premium deferred annuities, too?

Usually not, if not in an IRA. Typically, you can leave money in annuity contracts to compound tax deferred until age 85.

29. What if I forget to withdraw the minimum amount at age 70 ½, or I make a mistake on my minimum distribution and do not withdraw enough?

The penalty is 50% of the "under withdrawal" the difference between what you withdrew and what you should have taken out to meet the Required Minimum Distribution.

Your IRA custodian firm should have systems in place to assist you in determining the dates and amounts you should withdraw from your IRA. Source: Internal Revenue Service Publication 590

30. I've heard that if I take my "rollover" money out of my company account, my employer will withhold 20%? Is this true?

It is true. If your company writes you a check for your pension balance, even if you intend to deposit it to an IRA, they must withhold 20%. Therefore, if you deposit the check to an IRA, you must use funds from other sources (for instance, other savings or borrowing) to make up the withheld amount. Otherwise, you must pay income taxes on the 20% that is withheld and not rolled over into the IRA.

31. Is there a way I can avoid having 20% withheld from my rollover?

Yes. You can arrange to have the funds transferred directly from the pension into an IRA. In that case, your company writes the check to the custodian of your IRA, not to you, and there is no withholding applied to the account balance.

32. I have an $180,000 IRA rollover and I need $1,500 in monthly income from the IRA. If I make an average return of 6% on my investment portfolio, how long will my money last? What if I can increase the return to 8% or even 9%?

Generally, earning 6% interest and withdrawing 10% from the account each year would deplete the principal in approximately 15 years. At 8% interest, the portfolio would run out approximately in 20 years; at 9% return, in approximately 27 years.

Obviously a portfolio earning more than the rate of withdrawal will never be depleted and can actually be used to provide increasing income in retirement to offset the rising cost of living. See Appendix A.

The above figures are for illustrative purposes only and do not represent the performance of any actual investment. Actual investment results may vary; past performance is no guarantee of future performance.

33. What are my biggest financial risks in retirement?

For many retired Americans the largest financial risk is the cost of health care, either in hospital, or long-term care provided in a facility or at home.

A number of insurance companies offer contracts that can reduce these risks, but the cost of the insurance coverage can be very high. Prior to retirement the risks and the cost of the insurance should be considered within the total financial strategy.

34. Should I keep my life insurance or cash it in?

One of the uses of life insurance is the cash benefit it provides to offset the loss of income that an individual's family would realize in the event of death of the insured person. This is the reason many people own life insurance.

But what about in retirement? Ask yourself this question. Who loses financially as a result of your death? One very good reason to keep life insurance after your "non-working" years is to compensate for the loss of pension benefits. Perhaps you cannot rollover your pension account and must take payments for life. Many retirees choose to take the higher benefit based only on their life (rather than a reduced payment based on joint life payments) and use the extra income to pay for existing or new insurance to make up the lost payments in the event of their death before their spouse's death. Life Insurance policies are subject to underwriting and acceptance of the issuing company.

35. Isn't life insurance a bad investment?

While some argue that life insurance can be a poor investment, there are many advantages. Most insurance companies are highly regulated and carefully monitored, and therefore are usually very reliable.

Often the tax advantages are overlooked. The proceeds of a life insurance policy are normally tax-exempt. While many other investments are taxed on the difference between the cost and the payoff, the death benefit from life insurance owned by an individual is usually not taxable. However, "cashing in" a policy can lead to a taxable event.

A Financial Professional who is knowledgeable about life insurance should be consulted before terminating your life insurance.

36. What about estate planning?

You should review your wills, trusts, and related documents regularly with your attorney at least every three years. You may discover that you need to update your estate plan because of changes in your family and/or changes in laws that affect estate planning. Titling of your accounts is also a very important consideration.

It is sensible to spend a modest sum on good legal advice for this purpose. If you do not have an attorney, get a referral from a friend or someone that you trust. If your attorney does not specialize in estate planning work, he or she may be able to refer you to one who does.

37. Are there tax wise ways to transfer wealth to my heirs?

There are several provisions in the current estate tax laws that allow individuals to pass wealth to their survivors without estate taxation.

Each individual can generally leave an unlimited amount of wealth to a surviving spouse without taxation; this is called the "marital exemption." To a non-spouse heir each individual may leave an amount that is not subject to estate taxation that depends on the year of death. Assuming death in 2008 that amount is generally limited to $2 million per person. This "exemption equivalent" amount rises to $3.5 million in 2009. In 2010 the (based on current law) estate tax will disappear. Then in 2011 and after, the exemption will be $1 million per person.

Additionally, anyone can gift an amount ($12,000 in 2008) to any individual and that amount is not subject to gift taxation and would normally not be considered in the taxable estate of that individual at their death. A total of $24,000 per married couple can be gifted each year using gift splitting.

See your estate and tax advisors for more detailed information on estate planning. Source: Internal Revenue Service Publication 950

38. Is there a way to gift more than $12,000 per year to my children?

One method of leveraging gifts is often used by individuals who are concerned about the amount of estate tax their heirs may have to pay.

By gifting cash each year to an irrevocable trust (or directly to heirs) that purchases life insurance on the life of the donor, gifts can be multiplied. While life insurance owned by an individual is considered part of that individual's estate, life insurance that is owned by an irrevocable trust is (subject to meeting certain requirements) not included in the deceased's estate. Therefore at the death of the donor the beneficiary/heirs receive the proceeds income tax free and estate tax free, effectively increasing the value of the annual gifts.

39. I already own life insurance; can I gift this insurance to my children or a life insurance trust?

An insurance policy can be gifted to a trust or heirs, but the donor must survive that transfer by three years or it will be included in the value of the donor's estate. New purchases of life insurance by a trust or children on the life of a parent or donor may not be subject to this three year rule. You should consult with a competent Professional before purchasing for applicability to your situation.

40. I'm concerned about the change that retirement will bring to my daily routine. What can I do to prepare myself for this change?

Carefully consider what you will do with your time, who you will see, and what is important to you. Make a weekly schedule of activities and events that you intend to pursue in retirement. Talk things over with your spouse and family and get involved in retirement activities prior to actually retiring.

Consider a "dress rehearsal" by taking a two-week vacation at home and pretending you have retired. Many pre-retirees have found this to be a practical way to find out if they are ready (or not) to retire.

41. The idea of not working makes me uncertain about my (our) financial future. How can I know that the resources I have accumulated will help me meet my needs for the rest of my life?

This is the purpose of financial strategies for retirement. Remarkably, many individuals work for up to forty years accumulating wealth, and then spend only a minimal amount of time analyzing and projecting their income at retirement.

Because of the number of retirees today, many Financial Professionals focus on retirement strategies.

Additionally many software programs are available at little or no charge.

42. I hear and read about people who do their own investing at lower cost than those that use a Financial Professional. Why should I pay more to invest?

Some individuals should take the "do it yourself" approach. Others should not.

Ask yourself these questions:

1. Am I knowledgeable about the investment markets?

2. Can I do my own financial strategy?

3. Do I have the extra time that I want to commit to these tasks?

4. Will I enjoy handling my own investments and financial strategy?

5. Is the potential savings worth the potential risks of making a mistake?

If you answered "yes" to these questions, you might want to take your retirement strategy into your own hands. Answers of "no" may suggest that you should use the services of a financial professional to assist you with these important tasks.

43. Assuming I decide to work with a Financial Professional, how can I get started? How can I find someone to help me with my retirement and investment?

An experienced professional that you like, trust and already know is the first way you might consider dealing with this issue.

Next ask friends and other financial professionals for a recommendation based on their experience.

Also consider attending retirement seminars. It's likely that you will pick up at least one useful idea and in the process you might make contact with a Financial Consultant who can assist you in developing your retirement ideas and continue to work with you for many years.

44. What does it cost to work with a Financial Professional?

At most major investments firms, Financial Professionals are compensated by commissions and in some cases, on an annual percentage of the amount invested in other "fee-based" investment accounts. Some also charge annual or hourly fees.

Your total charges will vary based on your needs and the services required to meet your objectives. Be wary of those who avoid answering questions on this subject. Also, be sure to ask for a description of what services will be provided for the fees and charges you expect to pay.

45. Is there a way that I can simplify my investing during retirement?

Many investors, over the course of their working years develop numerous investment accounts at banks, brokerages, mutual fund companies, etc. If you can select one investment firm or financial professional that meets your needs and you are comfortable working with, it is possible, and actually quite easy to consolidate your investment holdings.

Many investment firms can transfer your existing investments into your account(s) at that firm, greatly simplifying your situation, your tax preparation, your future estate distribution, not to mention making things much easier for your Financial Professional to properly advise you.

46. What are the biggest mistakes retirees make?

Unfortunately, some retirees just don't have a financial strategy, which can lead to over-spending or under-spending as a result.

Ironically, many newly retired workers are too conservative. Our experience has been that some retirees should spend more money in the first few years of retirement and enjoy their health and high energy. They also have a backlog of "to-dos" that they have been wanting to experience like travel, cruise, etc. Often we find that, unless prompted to start enjoying life, some retirees settle into an attitude of "we have to save the money for later."

The information contained in this newsletter concerning federal tax issues is not intended to, and cannot be used by anyone to avoid IRS penalties. It is intended to support the sale of financial products. Customers should seek advice based on their particular circumstances from an independent tax advisor.

Appendix A

Will You Run Out of Money Before You Run Out of Time?

In the chart below, the figures show how many years it will take for your principal and earnings to become fully depleted if you spend more money than your portfolio is actually earning.

Withdrawal	Expected Rate of Return										
Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
6%	37	*	*	*	*	*	*	*	*	*	*
7%	25	33	*	*	*	*	*	*	*	*	*
8%	20	23	30	*	*	*	*	*	*	*	*
9%	16	18	22	29	*	*	*	*	*	*	*
10%	14	15	17	20	27	*	*	*	*	*	*
11%	12	14	15	17	20	25	*	*	*	*	*
12%	11	12	13	14	16	19	24	*	*	*	*
13%	10	11	11	12	14	15	18	23	*	*	*
14%	9	10	10	11	12	13	15	17	22	*	*
15%	8	9	9	10	11	11	13	14	16	21	*
16%	8	8	8	9	10	10	11	12	14	16	20
17%	7	8	8	8	9	9	10	11	12	13	15
18%	7	7	7	8	8	8	9	10	10	11	13
19%	6	7	7	7	8	8	8	9	9	10	11
20%	6	6	6	7	7	7	8	8	9	9	10

Past performance does not guarantee future results. There is no assurance these trends will continue. The market value of securities fluctuates and you may incur a profit or a loss. This analysis does not include transaction costs and tax considerations. If included these costs would reduce an investor's return.

This is a hypothetical example for illustrative purposes only. It is not intended to reflect the actual performance of any security. Investments involve risk and you may incur a profit or a loss.