

PlanMode App

Data Options

PlanMode provides you with multiple ways of entering information based on its category and characteristics. All entered data is automatically integrated in the financial profile generated.

A simple input panel is provided to enter most basic information when you start a new plan. The data you enter here is used to prepare the framework of your financial profile in terms of retirement and lifetime. This data is propagated in the main data input section where most of the data is entered and projected over the future years. There is an expanded data input section which provides you the ability to enter values of items for specific years only such as an education expense that may apply only for four years in comparison to household expense that would apply to all years of the profile.

The expanded data input section also includes certain special purpose items such as annuities, mortgages and reverse mortgage. The expanded data input section can be accessed via advanced tab.

You may choose to enter data in any of these input sections. If the value of an item is to be shown annually across the planning span it is considered recurring and should be entered in the main input section. Otherwise, if the value of an item is applicable only in specific years, it should be entered in the advanced input section as a non-recurring item.

Most data items in a typical scenario are recurring items. For instance, items such as bank accounts, earned income, home and living expenses are recurring every year until retirement or later. Such input is made in the main input section. An example of nonrecurring item could be wedding expenses of one or more children that may apply in specific years only. Nonrecurring items are entered in the expanded data input section.

Projecting Future Values

An advanced input method is available in which input expressions can be entered in the main input section which allows you to customize the projection of an input item specific to the needs of this item.

Overall growth or decline in the value of an item in future years depends on the growth factor entered for its category. The input of growth factors is available from the **Growth Projections** tab after you tap on the **Advanced** tab on the main input screen. After you enter the growth factor of an input category all values entered in that category will grow at this rate, except for items that are entered using the Expression method.

You can also project the future values of certain items individually as you enter this data. The items that are available for individual projections are in the categories of Income, Expenses, Insurance and Non-Liquid Assets that cannot be sold by the automatic Cash Management in years of cash shortage. This input method is referred to as Expression method. The input items where Expressions can be used are shown in shades of green color.

The list of input items for entering data is shown in two colors; **Shades of Green** and **Shades of Blue**.

The items shown in **shades of Green** can be projected individually with needed growth factors. You can enter the current value and projected growth as a single Expression input. You can also input these items without using the Expression method. In such cases the current value you enter will be projected with the overall growth factor entered for its category.

The items shown in **shades of Blue** can only be projected via the growth factor entered in overall Growth Projections.

Use the Expression method to enter the current and projected values together when inputting an item. With this method you can project each item as needed individually. For example-

Current salary of 75000 projected to increase by 10% next year and 6% thereafter can be entered as:

75000,%10,%6

A current year expense of 6000 to decrease by 2000 each of next 3 years can be input as an Expression as:

6000,-2000,-2000,-2000,0

Expression input method can be selected by using a long click on the input box (tap at the middle of the white input box for about 2 seconds until the Projection expression box appears)

Data Input

Each item entered in the main section can be personalized with a customized title.

The data input sections are-

1. **Quick Plan Startup** – This is the initial input screen presented to you after installing the PlanMode app on your device or when you start a new plan. This input section can be used to enter basic information which is then used to create the basis of a new plan and its planning span. Once entered, you can proceed to the Main Data Input to provide additional information and detail to your personal financial plan

QUICK PLAN STARTUP

Please enter applicable data below to initialize a new plan with this information and an appropriate planning span

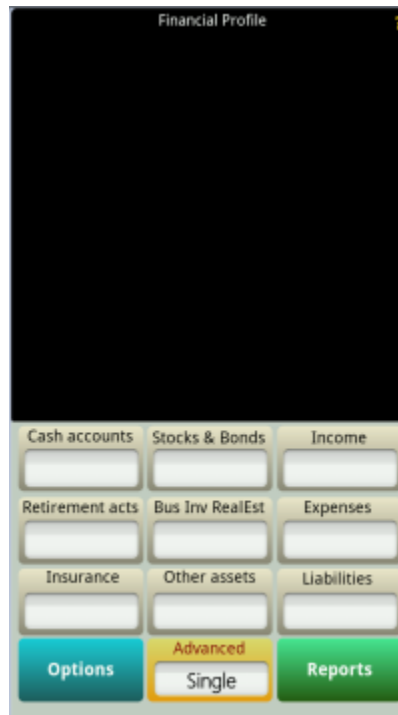
Initiate a new plan for? **Single** or Married

ITEM	VALUE
First Name or Initials	<input type="text"/>
Year of Birth (eg. 1980)	<input type="text"/>
Retirement Age	<input type="text"/>
Current Annual Wages	<input type="text"/>
Current Business Income	<input type="text"/>
Anticipated % Increase	<input type="text"/>
Annual Living Expenses	<input type="text"/>
Anticipated % Increase	<input type="text"/>

Enter values that are readily available at this time. You can easily modify or reenter them later. Highly recommended for new users.

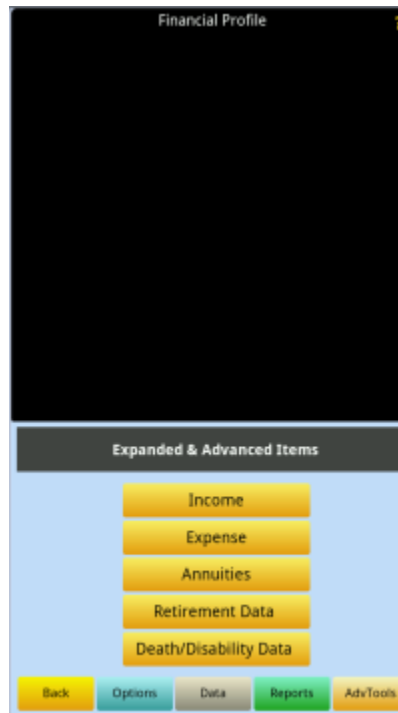
Make sure the tab above the input form reflects correct individual profile for the plan – for a Single profile the Single tab should be green; otherwise touch the Married button so it turns Green.


- Main Data Input** – Most of your normal data that repeats annually can be entered here. This is the main input section you see after exiting the Quick Plan Startup or when you invoke this app. There are nine groups of data any of which can be accessed by touching its button. Input items in each category are described below.



3. **Expanded Data Input** – This input section can be used to input data that selectively applies only to one or a few years of the plan and is nonrecurring throughout the planning span. In addition, this section contains specifically defined advanced entries such as annuities and mortgages.


This data section can be accessed by touching the Advanced button. The Expanded Data Input is the top tab on the following panel.

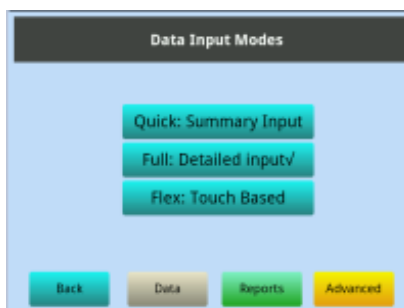


 To go directly to “income tax templates” type tax templates in the search box below.

MAIN DATA INPUT (recurring data items)

Data can be entered input as single values for the main input categories (Quick input mode) or each category can be expanded to a grid allowing input for multiple items applied to each input category. Unless you need to do quick computations using a lumpsum value for each input category using the Quick mode you should set your app to the Full input mode. PlanMode is set to the Full mode as default when you invoke the app for the first time.

 To change input mode settings tap Options, Settings, Input Mode.



You can enter data in the input box by directly tapping on the button (upper or title) part of any input box.

Cash accounts	Stocks & Bonds	Income
<input type="text"/>	<input type="text"/>	<input type="text"/>
Retirement acts	Bus Inv RealEst	Expenses
<input type="text"/>	<input type="text"/>	<input type="text"/>
Insurance	Other assets	Liabilities
<input type="text"/>	<input type="text"/>	<input type="text"/>
Options	Advanced Single	Reports

Quick input mode (for detailed input descriptions skip this section to Full input mode)

The Quick mode is a quick way to get an almost instant financial profile with just a few key items. Single values can be entered for the following categories:

1. Cash / Bank Accounts
2. Retirement Accounts
3. Insurance
4. Stocks & Bonds
5. Business, Investments & Real Estate
6. Other Assets
7. Income
8. Expenses
9. Liabilities
10. Advanced Info & Non-recurring Items

The following defaults define the treatment of values entered:

Cash accounts – Sum total representing total value of cash on hand and all bank accounts with cash equivalent assets.

Default Treatment : Checking account

Reports: This value is shown on Balance Sheet and Cashflow Statement

Retirement acts – Enter the asset value of all retirement accounts in the current year if using the Quick input mode.

Default treatment: IRA

Characteristics: Considered as liquid asset

Reports: This value is shown on Balance Sheet and Retirement analysis

Insurance – A value entered here in the Quick mode or directly in the input box is treated as the face value of life insurance on the life of the first spouse.

Default treatment: Life insurance face value on first spouse

Characteristics: Life insurance proceeds when first spouse death is assumed

Reports: This value is shown on Cashflow Statement when performing survivor's basic needs analysis

Stocks & Bonds – This value is used as the total amount of stocks & bonds in the first year. Annual growth can be entered under Options, Settings, Future Growth

Default treatment: Mutual Funds

Characteristics: Liquid asset reflecting value of stocks & bonds portfolio. This asset is available for liquidation if needed during retirement and for survivor's needs

Reports: It is shown on Balance Sheet

Bus Inv RealEst (Business Investments and Real Estate) – When using Quick input mode a sum total of the values of .business, investments and real estate should be entered here.

Default treatment: Sole Proprietor

Characteristics: Non-liquid asset. This asset is not made available to Cash Management while analyzing options for funding needs.

Reports: It is shown on Balance Sheet

Other Assets – This input can be used to reflect an approximate total value of personal assets.

Default treatment: Personal Assets

Characteristics: Non-liquid asset. This asset is not made available for liquidation to fulfill funding needs.

Reports: Balance Sheet item under Non-liquid Assets

Income – This input should reflect sum of all income in the current year when entering data using the Quick mode.

Default treatment: Wages of the first spouse

Characteristics: Source of cash taxable income

Reports: Income Statements, Cashflow Statements and part of Adjusted Gross Income in the Supporting Schedule

Expenses – All cash expenditure except income taxes can be lumped in this input if using the Quick input mode.

Default treatment: Other Expenses

Characteristics: Annual cash outflow item

Reports: Cashflow Statement as Uses of Cash

Liabilities – This input can be used to reflect an approximate value of financial liabilities.

Default treatment: Personal Debt

Characteristics: This value is subtracted from assets to calculate the net worth each year.


Reports: Balance Sheet

Full input mode

Input Items (recurring items)

These items are available in the Full or Flex data entry modes. Each item is described for its characteristics and where they are shown in the profile. The details include-

- Input tab of the input category of the main input screen they are available in.
- Characteristics and computations
- Reports they are included and displayed on.

 *Values entered for assets should be their approximate values at the beginning of the first plan year. The values displayed on the Balance Sheets are year-end values. The displayed value in the first year will be based on your input plus or minus additions, subtractions or growth in the first and each subsequent year.*

Input Value Future Projections

The amount you input for an item in full input mode is considered its first year value. The value in second and succeeding years is computed based on the growth factor entered for its category's default growth entered under default growth for the device or default growth for this plan. Default growth rate for a category can be entered by entered as follows-

For rate to apply to all plans on this device:

Tap OPTIONS, SETTINGS, GROWTH RATES

For rate to apply to this profile only:

Tap ADVANCED, GROWTH PROJECTIONS, PROJECTION DEFAULTS

Each year's projected value is uniformly computed by applying the growth rate to the prior year value resulting in normal compounding.

Expression Input for Projected values

If the value of an item does not conform to the uniform projection described above the value(s) can either be entered in the expanded data input section or as an Expression Input in the main section. Expression Input is an optional input format that allows you to project future values of an item in the main input section as specifically as needed. An Expression input projects future values independent of the default growth factors entered elsewhere. Expression Input can be accessed by long click (tap on the input box and hold it for about 2 seconds). Expression Input is available as a premium item.

An expression input consists of values and projectors from first year onwards separated by a comma. For example an expression input for wages entered as-

=85000,%10,%9,%8,%7

will compute wages as 85,000 in the first year, increase by 10% in second year, increase 9% in third year, increase 8% in fourth year and 7% annually thereafter until retirement.

Another example reflecting education expenses to be 50,000; 52,500; 55,000; 57,500 in the years 3 through 6, the expression input will be

=0,0,50000,52500,55000,57500,0

Valid projectors available include-

= start of expression input when you are on the expression input panel after the long click

% a % before the number implies the growth rate to apply in that year


+ a + before the number implies the number to be added to prior year's value

- a - before the number implies the number to be subtracted from prior year's value

%- a %- combination before the number implies a rate decrease to apply in that year

A number used without a projector is considered as the amount for that specific year

Repeating values can be skipped by commas only. The last value entered continues to repeat.

 A long click on the caption of an input item (left side) allows you to customize the title. A long click on the input box (right side) takes you to Expression Input panel. The Expression Input panel comes up only when premium features are active.

Input Item Details

The following details are listed in order of their category tabs from top left of the main input screen to the bottom right-



Cash accounts

Cash On Hand. An approximate average of idle cash available in the first year of the plan.

Main input tab: Cash accounts

Reports shown in: Balance Sheet and Cashflow Statement

Characteristics: This amount is the starting point of annual Cashflow compilation. All cash generated from income, sale of assets and other cash generating items in the first year is added to this value for computing total cash available. Cash outflow is subtracted from the amount of cash available to compute the cash on hand at the end of first year. This amount in turn becomes the Cash On Hand at the beginning of second year, and so on until the last year of the planning horizon. The Cash Management feature of PlanMode uses the future values of idle cash to simulate your planning strategy. The Idle Cash Limit can be entered by tapping ADVANCED, MORE, CASH MANAGEMENT, IDLE CASH LIMIT.


BANK ACCOUNTS

Checking Accounts. Amount at the beginning of the first year of the plan.

Main input tab: Cash

Reports shown in: Income Statement and Balance Sheet. Income Statement reflects the taxable interest earned each year. Annual Balance Sheet values represent the value of the account at the beginning of the year plus accumulated interest for the year.

Characteristics: Checking account as liquid asset. It generates taxable interest income at the *Checking Account* interest rate entered under *Growth Projections* input category. Interest earned is accumulated in the account and thus gets compounded. These amounts are considered available for withdrawal in case of funds needed during retirement or in disability or survivor scenarios. The Cash Management feature, when activated, taps Checking Accounts for liquidation as a source of funds when needed before it starts liquidating retirement accounts.

 For setting the default for Bank Interest Rates tap ADVANCED, GROWTH PROJECTS, GROWTH PROJECTS, CHECKING ACCOUNTS. The default rate can be omitted if most of the bank accounts do not produce appreciable interest income.

Savings Accounts. Amount representing the value at the beginning of the first year of one or more savings accounts.

Main input tab: Cash

Reports shown in: Income Statement and Balance Sheet. Income Statement reflects the taxable interest earned each year. Annual Balance Sheet values represent the value of the account at the beginning of the year plus accumulated interest for the year.

Characteristics: Savings account as liquid asset. It generates taxable interest income at the *Savings Account* interest rate entered under *Growth Projections* input category. Interest earned is accumulated in the account and thus gets compounded. These amounts are considered available for withdrawal to fund capital needs during retirement or in disability or survivor scenario. The Cash Management feature, when activated, taps Savings Accounts for liquidation as a source of funds for liquidation as a source of funds when needed before it starts liquidating retirement accounts.

Certs of Deposits. Certificates of Deposits. Amount at the beginning of the first year of the plan.

Main input tab: Cash

Reports shown in: Income Statement and Balance Sheet. Income Statement reflects the taxable interest earned each year. Annual Balance Sheet values represent the value of the account at the beginning of the year plus accumulated interest for the year.


Characteristics: Bank account as liquid asset. It generates taxable interest income at the *Cert of Deposits* interest rate entered under *Growth Projections* input category. Interest earned is accumulated in the account and thus gets compounded. These amounts are considered available for withdrawal in case of funds needed during retirement or in disability or survivor scenario. The Cash Management feature, when activated, taps certificates of deposits for liquidation as a source of funds when needed before it starts liquidating retirement accounts.

Money Market Funds. Amount of money market funds at the beginning of the first year of the plan.

Main input tab: Cash

Reports shown in: Income Statement and Balance Sheet. Income Statement reflects the taxable interest earned each year. Annual Balance Sheet values represent the value of the account at the beginning of the year plus accumulated interest for the year.

Characteristics: Bank account as liquid asset. It generates taxable interest income at the *Money Market Acct* interest rate entered under *Growth Projections* input category. Interest earned is accumulated in the account and thus gets compounded. These amounts are considered available for withdrawal in case of funds needed during retirement, death and disability scenarios in years of cash shortage. The Cash Management feature, when activated, taps money market funds for liquidation as a source of funds when needed before it starts liquidating retirement accounts.

 The title of the bank account can be customized by a long-tap on the title shown on the input grid.

RETIREMENT ACCOUNTS

Individual Retirement Accounts	
IRA	
IRA Contribution	
Employer Retirement Plan	
Emp Ret Plan Val	
% Wages Contrib	
Employer Match %	
<input type="button" value="Ok"/> <input type="button" value="Cancel"/>	

IRA. Individual Retirement Account. Account value of IRA at the beginning of the first year of the plan.

Main input tab: Retirement

Reports shown in: Year-end account balance in Balance Sheet and any contributions or distributions in Cashflow Statement. Annual Balance Sheet values represent the value of the account at the beginning of the year plus contributions plus account appreciation less any distributions in the year. Taxable portion of distributions from this account are shown on the Income Statement.

Characteristics: IRA account is treated as a liquid asset. Its value grows with each contribution (using next input set) and the growth rate as entered in *Retirement Plan* rate entered under *Growth Projection*. The value decreases with each distribution from this account.

Taxability of the distribution is based on your input for Tax-free Ret Fund Withdraw item under the Retirement Info tab. If no entry is made the entire amount of distribution is considered taxable

It is considered a liquid asset that is available for withdrawal in case of funds needed during retirement, disability and death scenarios. The Cash Management feature, when activated, taps IRA account for liquidation as a source of funds when needed after it has exhausted all bank accounts, stocks and bonds.

IRA Contribution. Annual amount of contributions made to the respective spouse's IRA. This constant amount is repeated each year until the retirement age.

Main input tab: Retirement

Reports shown in: Balance sheet as an amount added to the year-end (appreciated) value of IRA. In Cashflow Statement this value is shown as cash outflow.

Characteristics: Contributions to the IRA account are treated as cash outflow and deductible for income taxes.

Emp Ret Plan Val. Employer Retirement Plan Value. Account value of an employer provided retirement plan such as a 401-k plan at the beginning of the first year of the plan.

Main input tab: Retirement

Reports shown in: Year-end account balance in Balance Sheet and any percentage of wages contributed in Cashflow Statement. Annual Balance Sheet values represent the value of the account at the beginning of the year plus employer and employee contributions plus account appreciation less any distributions in the year. Taxable portion of distributions from this account are shown on the Income Statement.

Characteristics: Employer plans are treated as liquid assets. Its value grows with each employer and employee contribution (using next two input sets) and the growth rate as entered in *Retirement Plan rate* entered under *Growth Projections*. The value decreases with each distribution from this account.

Taxability of the distribution is based on your input for Tax-free Ret Fund Withdraw item under the Retirement Info tab. If no entry is made the entire amount of distribution is considered taxable

It is considered a liquid asset that is available for withdrawal in case of funds needed during retirement, disability and death scenarios. The Cash Management feature, when activated, taps Employer plan accounts for liquidation as a source of funds when needed after it has exhausted all bank accounts, stocks and bonds.

% Wages Contrib. Percentage of wages contributed. Annual amount of contributions made by the respective spouse to this account. This constant percentage is applied to annual wages each year until the retirement age.

Main input tab: Retirement

Reports shown in: Supporting Info shows the contribution as a tax deduction. In Cashflow Statement this value is shown as cash outflow.

Characteristics: These contributions are deductible for income taxes.

Employer Match %. This is the percentage of the respective spouse's wages that are matched for contribution by the employer.

Main input tab: Retirement

Reports shown in: This amount is shown in the appreciated value of this account. No specific line displaying this value is shown in any financial statement.

Characteristics: These contributions are not taxable at the time of contribution.

Qual Ret Plan Val. Qualified Retirement Plan Value. Account value of self-employed or own business retirement plan at the beginning of the first year of the plan.

Main input tab: Retirement

Reports shown in: Year-end account balance in Balance Sheet and any percentage of business income contributed in Cashflow Statement. Annual Balance Sheet values represent the value of the account at the beginning of the year plus contributions plus account appreciation less any distributions in the year. Taxable portion of distributions from this account are shown on the Income Statement.

Characteristics: Qualified retirement plan is considered a liquid asset. Its value grows with each contribution (using next input set) and the growth rate as entered in *Retirement Plan rate* entered under *Growth Projections*. The value decreases with each distribution from this account.

Contributions to this plan are limited to the maximum ceiling entered in this section.

Taxability of the distribution is based on your input for Tax-free Ret Fund Withdraw item under the Retirement Info tab. If no entry is made the entire amount of distribution is considered taxable

It is considered a liquid asset that is available for withdrawal in case of funds needed during retirement, disability and death scenarios. The Cash Management feature, when activated, taps Employer plan accounts for liquidation as a source of funds when needed after it has exhausted all bank accounts, stocks and bonds.

Annual Contrib. Annual Contributions. Annual amount of contributions made by the respective spouse to this account as a percentage of Business Income. This constant percentage is applied to the respective spouse's business income each year until the retirement age.

Main input tab: Retirement

Reports shown in: Income Statement shows the contribution as a tax deduction. In Cashflow Statement this value is shown as cash outflow.

Characteristics: These contributions are deductible for income taxes.

Qual Max amount. Qualified Maximum Amount. This is the amount ceiling applied to annual contribution. If the percentage of wages entered above exceeds this amount it is reduced to this limit.

Main input tab: Retirement

Reports shown in: This value is used only for determining the maximum amount of contribution and is not specifically displayed on any report.

Characteristics: Used to limit the amount of annual contribution to this qualified plan.

Pension Amount. Amount of pension received in the year after the respective spouse retires.

Main input tab: Retirement

Reports shown in: Income and Cashflow Statements.

Characteristics: Cash income subject to income taxes. This pension amount is considered to remain constant for life. In cases where the pension amount gets a cost of living adjustments you can use enter the percentage in *Growth Projections* in the *Growth Projections* section.

Age Pension Starts. Age of the respective spouse when pension income starts.

Main input tab: Retirement

Reports shown in: Income Statement and Cashflow

Characteristics: These contributions are deductible for income taxes.

Soc Sec Income. Social Security Income. Pre calculated amount the respective spouse is expected to receive as Social Security income in the year after retirement starts.

Main input tab: Retirement

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Cash income subject to income taxes.

Annual % Increase. Growth factor applied to the respective spouse's Social Security income annually.

Main input tab: Retirement

Reports shown in: None. This percentage is used in the calculation of annual Social Security amounts.

Characteristics: Used for calculation purposes as stated above.

Age SS Inc Starts. Age when the Social Security income starts for the respective spouse..

Main input tab: Retirement acts

Reports shown in: None. This percentage is used in determining when to start Social Security payments.

Characteristics: Used for calculation purposes as stated above.

INSURANCE



Husband's Life Insurance	
Life Ins Benefit 1-	<input type="text"/>
Ins Cash Value 1	<input type="text"/>
Life Ins Prem 1	<input type="text"/>
Terminate at age-	<input type="text"/>
Life Ins Benefit 2	<input type="text"/>
Ins Cash Value 2	<input type="text"/>
Ok	Cancel

Life Ins Benefit. Life Insurance Benefit. This input is for the face value of a life insurance policy on the life of the designated spouse. The input should show the net amount that will be paid out by this policy.

Main input tab: Insurance

Reports shown in: Cashflow statement as a source of cash in the survivor's scenario.

Characteristics: Life insurance policies are cash assets that are available only while generating survivor's profile with the assumed death of the other spouse.

Ins Cash Value. Life Insurance Cash Value. This input represents current cash surrender value of the life insurance policy.

Main input tab: Insurance

Reports shown in: Balance Sheet as a liquid asset.

Characteristics: The cash surrender value is considered a liquid asset in all financial profile preparation except the survivor's scenario in which the death of the insured spouse is assumed. Cash value is shown as a balance sheet asset until the year of death.

Life Ins Prem. Life Insurance Premium. Annual policy premiums are represented in this input.

Main input tab: Insurance

Reports shown in: Cashflow Statement.

Characteristics: Cash expense item.

Terminate at age. Life insurance policy termination year. This input can be used for term or other life insurance policies that are terminated or expire in a future year.

Main input tab: Insurance

Reports shown in: None.

Characteristics: Used to determine the validity of this insurance policy in future years.

Dis Ins Pmt. Disability Insurance Payment. Annual amount paid by the disability insurance policy upon subscriber's disability.

Main input tab: Insurance

Reports shown in: Cashflow statement as a source of cash in the disability profile.

Characteristics: Non-taxable cash income in disability scenario. Considered long-term disability.

Dis Ins Prem. Disability Insurance Premium. Annual premium paid for the disability insurance policy.

Main input tab: Insurance

Reports shown in: Cashflow statement.

Characteristics: Non-deductible cash expense.

SSDI Payment. Social Security Disability Insurance Payment. Annual amount of Social Security payment in case of disability.

Main input tab: Insurance

Reports shown in: Cashflow statement as a source of cash in the disability profile.

Characteristics: Non-taxable cash income in disability scenario.

STOCKS & BONDS

Stocks & Bonds	
Mutual Funds	
Treasury Bills	
US Govt Bonds	
Municipal Bonds	
Corporate Bonds	
Stocks/Funds 1	
Ok	Cancel

Mutual Funds. Value of a mutual fund account at the beginning of the first year.

Main input tab: Stocks & Bonds

Reports shown in: Balance Sheet as a liquid asset value at the end of each year. Dividends, if any, are shown on the Income Statement.

Characteristics: Mutual funds are considered as growing in value with appreciation as well as generating dividend income. They grow at an annual growth rate that can be entered in *Mutual Funds* under the *Growth Projections* category. The growth is considered non-taxable. Mutual funds are assumed to generate dividend income at a dividend rate which can be entered in *Dividends* in the *Growth Projections* category. This is a liquid asset. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

 For setting the default for growth rate for Mutual Funds tap ADVANCED, GROWTH PROJECTIONS, GROWTH PROJECTIONS, MUTUAL FUNDS.

Treasury Bills. Value of US Treasury Bills.

Main input tab: Stocks & Bonds

Reports shown in: Balance Sheet as a liquid asset. Income Statement for taxable interest generated

Characteristics: This amount is considered to generate federally taxable interest based on the interest rate entered in Growth Projections. Interest from T Bills is exempt from State and Local income taxes (AGI used for State and Local tax computations excludes this interest). This interest is reinvested back in this account and compounded. This is a liquid asset. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

Govt Bonds. Value of US Government Bonds.

Main input tab: Stocks & Bonds

Reports shown in: Balance Sheet as a liquid asset. Income Statement for taxable interest generated

Characteristics: This amount is considered to generate taxable interest based on the interest rate entered in Growth Projections. This interest is assumed reinvested back in this account. Interest from US Govt Bonds is exempt from State and Local income taxes (AGI used for State and Local tax computations excludes this interest). This is a liquid asset. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

Municipal Bonds. Value of the Municipal Bond account.

Main input tab: Stocks & Bonds

Reports shown in: Income Statement shows the interest income generated, Balance Sheet as a liquid asset. Supporting Schedule shows the interest income as an adjustment to Gross Income in computing the Adjusted Gross Income.

Characteristics: This amount generates tax-free interest based on the tax-free bond interest rate entered in Growth Projections. The tax-free characteristic applies to Federal, State and Local tax computations. This interest is assumed reinvested back in this account. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

Corporate Bonds. Value of Corporate Bonds.

Main input tab: Stocks & Bonds

Reports shown in: Balance Sheet as a liquid asset. Income Statement for taxable interest generated


Characteristics: This amount is considered to generate taxable interest based on Bond interest rate entered in Growth Projections. This interest is assumed reinvested back in this account. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

Stocks/Funds 1-10 (no dividends). These input items can be used to list individual securities or funds that do not pay dividends. Enter the total value of each item. You can change the title of each entry for customized portfolio listing.

Main input tab: Stocks & Bonds

Reports shown in: Balance Sheet as a liquid asset.

Characteristics: These securities grow at an annual growth rate that can be entered in *Growth Projections*. The growth is considered non-taxable. These securities are assumed not to generate dividend income. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

 The title of each stock or fund can be customized by a long-tap on the title shown on the input grid.

Stocks/Funds 1-5 (with dividends). These input items can be used to list individual securities or funds that grow in value and generate dividends. Enter the total value of each item. You can change the title of each entry for customized portfolio listing.

Main input tab: Stocks & Bonds

Reports shown in: Balance Sheet as a liquid asset. Dividend income is shown on Income Statement.

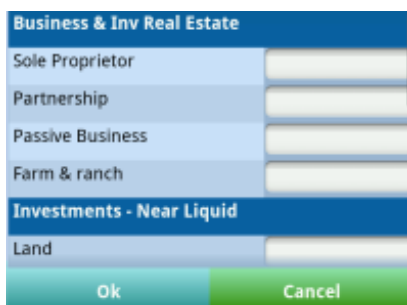
Characteristics: These stocks and funds grow at an annual growth rate that can be entered in *Growth Projections*. The growth is considered non-taxable. These securities generate taxable dividend income as per the dividend rate entered in *Growth Projections* under *Dividends*. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

Municipal Bonds/Funds 1-5 (Tax-free). These are the Municipal and similar Bonds that generate tax-free interest. Input items can be used to list individual bonds or funds that grow in value. Enter the total value of each item. You can change the title of each entry for customized portfolio listing.

Main input tab: Stocks & Bonds

Reports shown in: Income Statement shows the interest income generated, Balance Sheet as a liquid asset. Supporting Schedule shows the interest income as an adjustment **Characteristics:** Municipal Bonds grow at an annual growth rate that can be entered in *Growth Projections* under *Taxfree Bonds*. The growth is considered non-taxable. This is a liquid capital asset which is available for potential liquidation by Cash Management to satisfy cash funding needs in a year of cash shortfall.

BUSINESS, INVESTMENTS & REAL ESTATE




Business & Inv Real Estate	
Sole Proprietor	<input type="text"/>
Partnership	<input type="text"/>
Passive Business	<input type="text"/>
Farm & ranch	<input type="text"/>
Investments - Near Liquid	
Land	<input type="text"/>
Ok	Cancel

Sole Proprietor. Enter its asset value.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. This asset is not available for liquidation to satisfy funding needs via Cash Management. Refer to the income section for business income generated by this proprietorship. The growth of this asset is designated in Default Projections.

 The title of each stock or fund can be customized by a long-tap on the title shown on the input grid.

Partnership. Enter its asset value.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. This asset is not available for liquidation to satisfy funding needs via Cash Management. Refer to the income section for business income generated by this partnership. The growth of this category of assets can be entered in *Business Values* under *Growth Projections*.

Passive Business. Enter its asset value.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. This asset is not available for liquidation to satisfy funding needs via Cash Management. Refer to the income section for business income generated by this passive business. The growth of this category of assets can be entered in *Business Values* under *Growth Projections*.

Farm & Ranch. Enter its asset value.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. This asset is not available for liquidation to satisfy funding needs via Cash Management. Refer to the income section for business income generated by this proprietorship. The growth of this category of assets can be entered in *Business Values* under *Growth Projections*.

Land. Enter its near-cash asset value.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as near-liquid asset.

Characteristics: Near-liquid asset. This asset is available for liquidation to satisfy funding needs via Cash Management after all liquid capital assets are liquidated. The growth of this category of assets can be entered in *Inv Real Estate* under *Growth Projections*.

Real Estate 1-2 (near-cash). Enter the near-cash asset value of each investment real estate.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as near-liquid asset.

Characteristics: Near-liquid asset. This asset is available for liquidation to satisfy funding needs via Cash Management after all liquid capital assets are liquidated. The growth of this category of assets can be entered in *Inv Real Estate* under *Growth Projections*.

Investments 1-3 (near-cash). Enter the near-cash asset value of each investment.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as near-liquid asset.

Characteristics: Near-liquid asset. This asset is available for liquidation to satisfy funding needs via Cash Management after all liquid capital assets are liquidated. The growth of this category of assets can be entered in *Other Investments* under *Growth Projections*.

Real Estate 1-2 (non-cash). Enter the asset value of each investment real estate.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. These assets are not available for liquidation via Cash Management. The growth of this category of assets can be entered in *Other Investments* under *Growth Projections*.

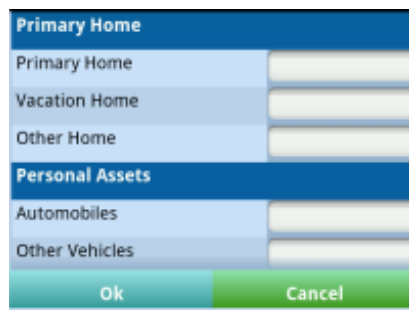
Investments 1-3 (non-cash). Enter the non-cash asset value of each investment.

Main input tab: Bus Inv RealEst

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. These assets are not available to Cash Management for liquidation. The growth of this category of assets can be entered in *Other Investments* under *Growth Projections*.

OTHER ASSETS



Primary Home. Enter current asset value.

Main input tab: Other Assets

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. These assets are not available to Cash Management for liquidation. The growth of this category of assets can be entered in *Home* under *Growth Projections*.

Vacation Home. Same as Primary Home above.

Other Home. Same as Primary Home above.

Automobiles. Personal asset. Enter current asset value.

Main input tab: Other Assets

Reports shown in: Balance Sheet as non-liquid asset.

Characteristics: Non-liquid asset. These assets are not available to Cash Management for liquidation. The growth of this category of assets can be entered in *Other Assets* under *Growth Projections*.

Other Vehicles. Personal asset – same as above.

Boat & Yachts. Personal asset – same as above.

Airplane. Personal asset – same as above.

Gems & Jewelry. Personal asset – same as above.

Art & Antiques. Personal asset – same as above.

Gold & Coins. Personal asset – same as above.

Electronics. Personal asset – same as above.

Furniture & Fixture. Personal asset – same as above.

Silverware. Personal asset – same as above.

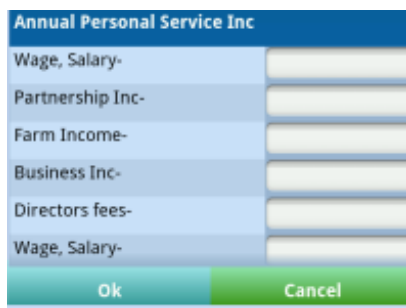
Hobby Items. Personal asset – same as above.

Other household. Personal asset – same as above.

Notes Receivables. Personal asset – same as above.

Personal Assets. Personal asset – same as above.

INCOME



Annual Personal Service Inc	
Wage, Salary-	<input type="text"/>
Partnership Inc-	<input type="text"/>
Farm Income-	<input type="text"/>
Business Inc-	<input type="text"/>
Directors fees-	<input type="text"/>
Wage, Salary-	<input type="text"/>

Ok Cancel

Wages, Salary. Income of the respective spouse from their primary employment in the first year of plan.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement..

Characteristics: Personal service income subject to income taxes and, if US Taxes are selected, FICA taxes. This is a cash inflow item. Annual growth of this earned income until retirement can be entered in *Earned Income* under *Growth Projections*.


 The title of each income item can be customized by a long-tap on the title shown on the input grid.

Partnership Income. Income of the respective spouse from active partnership in the first year of plan.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement..

Characteristics: Earned subject to income taxes and, if US Taxes are selected, Self-employment taxes. This is a cash inflow item. Annual growth of this earned income until retirement can be entered in *Earned Income* under *Growth Projections*.

 For setting the default for annual growth rate income items tap ADVANCED, GROWTH PROJECTIONS, INCOME.

Farm Income. Income of the respective spouse from farming or ranching business in the first year of plan.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement..

Characteristics: Earned income subject to income taxes and, if US Taxes are selected, Self-employment taxes. Annual growth of this earned income until retirement can be entered in *Earned Income* under *Growth Projections*.

Business Income. Income of the respective spouse from sole proprietorship in the first year of plan.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement..

Characteristics: Personal service income subject to income taxes and, if US Taxes are selected, Self-employment taxes. This is a cash inflow item. The growth of income can be designated in the Default Projections. Annual growth of this earned income until retirement can be entered in *Earned Income* under *Growth Projections*.

Directors Fees. Income received by the respective spouse from corporate directorships in the first year of plan.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement..


Characteristics: Personal service income subject to income taxes and, if US Taxes are selected, Self-employment taxes. This is a cash inflow item. Annual growth of this earned income until retirement can be entered in *Earned Income* under *Growth Projections*..

Cash Taxable Int. Cash Taxable Interest Income. Sum total of taxable interest that is cashed out of an account in the first year.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement..

Characteristics: Interest income subject to income taxes and, if US Taxes are selected, also subject to Net Investment Income Tax. This is a cash inflow item. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.


 Interest income from the bank accounts is computed automatically based on the default interest rate entered. This entry should be used to enter any additional amount of interest that is received in cash and is taxable.

Cash Tax exempt Int. Tax Exempt Cash Interest Income. Sum total of interest that is cashed out of an account in the first year and is exempt from income taxes.

Main input tab: Income

Reports shown in: Cashflow Statement..

Characteristics: Interest income that is exempt from income taxes. This is a cash inflow item. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

 Interest income from the bank accounts is computed automatically based on the default interest rate entered. This entry should be used to enter any additional amount of interest that is received in cash and is exempt from income taxes.

Cash Dividends. Sum total of dividends that is cashed out of an account in the first year.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Interest income subject to income taxes and, if US Taxes are selected, also subject to Net Investment Income Tax. This is a cash inflow item. Annual growth of this income can be entered in *Other Income* under *Growth Projections*..



Interest income from the bank accounts is computed automatically based on the default interest rate entered. This entry should be used to enter any additional amount of dividend that is not reinvested in the account and is taxable.

Rental Income. Sum of net rental income produced by all real estate investments in the first year.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Passive income subject to income taxes and, if US Taxes are selected, also subject to Net Investment Income Tax. This is also used as an offset in the calculation of allowable investment interest deduction under certain circumstances. This is a cash inflow item. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

Royalty Income. Sum of net royalty income in the first year.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Passive income subject to income taxes and, if US Taxes are selected, also subject to Net Investment Income Tax. This is a cash inflow item. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

Farming Income - Passive. Income from investment in farming or ranching in which neither spouse is actively involved.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Passive income subject to income taxes and, if US Taxes are selected, also subject to Net Investment Income Tax. This is a cash inflow item and is not subject to Self-employment tax. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

Alimony Received. Amount received in the first year.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Ordinary income subject to income tax. This is a cash inflow item and is not subject to Self-employment tax. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

Other Taxable Income. Sum of all other taxable income in the first year.

Main input tab: Income

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Passive income subject to income taxes. This is a cash inflow item. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

Taxable non-cash Income. Sum of all other imputed income items that needs to be included in the computation of taxable income.

Main input tab: Income

Reports shown in: Income Tax Statement.

Characteristics: Passive income that is non cash but is subject to income taxes. Annual growth of this income can be entered in *Other Income* under *Growth Projections*.

EXPENSES


Mortgage Pmt	<input type="text"/>
Rent	<input type="text"/>
Education	<input type="text"/>
Medical Expense	<input type="text"/>
Food/Groceries	<input type="text"/>
Clothing	<input type="text"/>
Transportation	<input type="text"/>
<input type="button" value="Ok"/> <input type="button" value="Cancel"/>	

Mortgage Pmt. Mortgage Payments. Sum of mortgage payments made in the first year if mortgage related details are not available. Otherwise skip this entry and input the terms of mortgage under the Liability section below.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow in the first year. This amount in successive years depends on the growth or decline rate indicated in the Growth Projections.

 This input should be used in cases requiring a quick profile development and the terms of the mortgage are not readily available. Otherwise skip this entry and enter specific mortgage related information in the Non-recurring data section for more precise handling of mortgage amounts in terms of its liability, cashflow and deductibility for income taxes. Mortgage details can also be entered by tapping ADVANCED, NON RECURRING ITEMS, EXPENSES, HOME MORTGAGE.

Rent. Sum of rent payments made in the first year.

Main input tab: Expense

Reports shown in: Cashflow Statement.


Characteristics: Amount entered here is treated as cash outflow in the first year. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

Education. Sum of education related expenses in the first year. Use this input only if education expenses will be incurred in each year of the planning horizon. See note below.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow in the first year. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

 This input should be used in cases the education expenses is a permanent annual expense. Otherwise skip this entry and use the Non Recurring Item section to enter annual education expenses for the years they are or will be incurred. Specific year education expense can be entered by tapping to ADVANCED, NON RECURRING ITEMS, EXPENSES, EDUCATION EXPENSE.

Medical Expense. Enter approximate annual amount.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of medical expense is subjected to IRS guidelines for testing its deductibility for income tax. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

Food/Groceries. Enter an approximate annual amount.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow in the first year. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

Clothing. Enter an approximate annual amount. Treated similar to the above.

Transportation. Enter an approximate annual amount. Treated similar to the above.

Entertainment. Enter an approximate annual amount. Treated similar to the above.

Vacations. Enter an approximate annual amount. Treated similar to the above.

Gasoline/Tolls. Enter an approximate annual amount. Treated similar to the above.

Utilities/Phone. Enter an approximate annual amount. Treated similar to the above.

Repair/Maintenance. Enter an approximate annual amount. Treated similar to the above.

Other Household. Enter an approximate annual amount. Treated similar to the above.

Pocket Expenses. Enter an approximate annual amount. Treated similar to the above.

Cash Donations. Enter approximate annual amount.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of charitable contributions is subjected to IRS guidelines for testing its deductibility for income tax. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

Health Ins Prem. Health Insurance Premium. Enter an approximate annual amount. Treated similar to the above.

Auto Ins Prem. Auto Insurance Premium. Enter an approximate annual amount. Treated similar to the above.

Other Ins Prem. Other Insurance Premium. Enter an approximate annual amount. Treated similar to the above.

Real Estate Taxes. Enter the annual amount.

Main input tab: Expense

Reports shown in: Cashflow Statement.


Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of real estate tax is subjected to IRS guidelines for testing its deductibility for income tax. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

State Income Taxes. Enter the annual amount.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of State Income Tax is subjected to IRS guidelines for testing its deductibility for income tax. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.


 This input should be used in cases the State Income Tax can be simply approximated and may not be a key important item. . Otherwise skip this entry and use the income tax computation option to define State Income Tax using the available template. State income tax template can be reached by tapping to ADVANCED, MORE, INCOME TAX OPTIONS, DEFINE USA & STATE TAXES.

City Income Taxes. Enter the annual amount.

Main input tab: Expense

Reports shown in: Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of City Income Tax is subjected to IRS guidelines for testing its deductibility for income tax. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

 This input should be used in cases the City Income Tax can be simply approximated and may not be a key important item. . Otherwise skip this entry and use the income tax computation option to define State Income Tax using the available template. Local income tax template can be reached by tapping to ADVANCED, MORE, INCOME TAX OPTIONS, DEFINE USA & STATE TAXES.

Other Taxes Paid. Enter an approximate annual amount. Treated similar to the above.

Alimony Paid. Enter the annual amount.

Main input tab: Expense

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of alimony paid is deducted from income for in computing Adjusted Gross Income for the purposes of calculating income taxes. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

Business Expense. Enter the annual amount.

Main input tab: Expense

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. If US Taxes are selected, the amount of business expense is deducted from income for in computing Adjusted Gross Income for the purposes of calculating income taxes. This amount in successive years depends on the growth or decline rate indicated in Other Living Expenses under the Growth Projections category.

Subscription Fees. Enter an approximate annual amount. Treated similar to the above.

Accountant Fees. Enter an approximate annual amount. Treated similar to the above.

Legal Fees. Enter an approximate annual amount. Treated similar to the above.

Main Living Expenses. This input can be used to indicate a total of key living expenses in the first year of the plan. Your initial entry for Living Expenses in the Quick Start Menu is placed here. This amount can be increased or decreased annually with its own growth projection factor.

Main input tab: Expense

Reports shown in: Income Statement and Cashflow Statement.

Characteristics: Amount entered here is treated as cash outflow. This amount in successive years depends on the growth or decline rate indicated in *Main Living Expenses* under the *Growth Projections* category.

Final Expenses. Enter an approximated total amount of expenses to be considered in the preparation of survivor's scenario. This value is not used in the normal profile.

Main input tab: Expense

Reports shown in: Survivor's Needs Analysis

Characteristics: This amount is used while preparing the Survivor's Needs profile and analysis. It approximates the final expenses incurred at the death of the assumed deceased spouse.

Estate admin & Legal Expenses. Enter an approximated total amount. Similar to the above.

Main input tab: Expense

Reports shown in: Survivor's Needs Analysis

Characteristics: This amount is used while preparing the Survivor's Needs profile and analysis. It approximates the final expenses incurred at the death of the assumed deceased spouse.

LIABILITIES



Home Mortgage	
Mortgage Amount	<input type="text"/>
Mortgage Term (months)	<input type="text"/>
Annual Interest Rate	<input type="text"/>
Starting Month (1=Jan)	<input type="text"/>
Starting Year (yyyy)	<input type="text"/>
Liquidate In (Optional)	<input type="text"/>
Ok Cancel	

Home Mortgage. This input requires initial terms of the home mortgage for detailed computations. The amortized results are sliced out for the applicable portion to the planning span of current financial profile. Items of information required include-

Amount: Original amount of loan.

Terms (Months): Length of the loan in months, e.g. 180 months for a 15 year loan; 360 for 30 year.

Interest Rate: Annual interest rate of the loan, e.g. 5 for 5%; 6.5 for 6.5%.

Starting Month: Calendar month of the year when the loan started, e.g. 1 for Jan, 2 for Feb etc.

Starting Year: Year in which the loan started. This could be any year from past, present and future, e.g. 2008.

Main input tab: Liabilities

Reports shown in: Balance Sheet, Cashflow Statement and Supporting Schedule

Characteristics: The duration of this mortgage that applies to the time span of the planning scenario is extracted in terms of its liability and Cashflow elements and shown on corresponding reports. The interest part of monthly payments is taken as tax deduction if applicable when US income taxes are applied

Amortized Loan. Same as mortgage input above.

Interest-Only Loan. Loan amount entered in this section is considered perpetual until it is paid off. Annual interest is paid until such liquidation. Items of information required include-

Amount: Amount of loan.

Interest Rate: Annual interest rate of the loan, e.g. 5 for 5%; 6.5 for 6.5%.

Liquidate in (Optional): Year in which the loan will be fully paid off, e.g. 2020

Main input tab: Liabilities

Reports shown in: Balance Sheet and Cashflow Statement

Characteristics: The duration of this loan is perpetual for the span of the plan unless a valid year is entered in the Liquidate-in item. The loan amount is shown as a liability in the Balance Sheet and the interest is a cash outflow item in the Cashflow Statement. The interest of this loan is considered as deductible for US income taxes.

Interest-Free Loan. Loan amount entered in this section is considered perpetual until it is paid off. No interest expense is associated with this loan. The annual payments are used to reduce the amount of outstanding balance each year until the principal is paid off. An optional balloon payment can be made to payoff the loan prior to its paid up status otherwise.

Amount: Amount of loan.

Liquidate in (Optional): Year in which the loan will be fully paid off, e.g. 2020

Main input tab: Liabilities

Reports shown in: Balance Sheet and Cashflow Statement

Characteristics: The duration of this loan is perpetual for the span of the plan unless a valid year is entered in the Liquidate-in item. The loan amount is shown as a liability in the Balance Sheet and the payment is a cash outflow item in the Cashflow Statement.

Personal Debt. Enter an approximate amount of the outstanding balance. A Balance Sheet liability item. It has no impact on the income or the Cashflow. This amount in successive years depends on the growth or decline rate indicated in *Liabilities* under the *Growth Projections* category.

Main input tab: Liabilities

Reports shown in: Balance Sheet

Characteristics: Only a Balance Sheet item.

Credit Card Debt. Enter an approximate amount of the outstanding balance. This amount in successive years depends on the growth or decline rate indicated in *Liabilities* under the *Growth Projections* category. Same as Personal Debt above.

Property Lien. Enter an approximate amount of the lien liability. Same as Personal Debt above.

Family Debt. Enter an approximate amount of the outstanding balance. Same as Personal Debt above.

Other Liabilities. Enter an approximate amount of the outstanding balance. Same as Personal Debt above.

INCOME TAX

Income tax templates

PlanMode provides several options to represent income taxes applicable in a plan. These options are available for-

1. Main income tax
2. State or regional income tax
3. City or local income tax

Certain income tax computations such as US Federal Income Tax are built-in as main income tax. Additional main income taxes can be defined using templates that contain your information for deductions and exemptions applied to the calculated income each year and the tax rates to be applied to the resulting taxable income. The tax rates can be defined as graduated tax tables.

Similarly the State and City templates can be defined to dynamically approximate the corresponding tax.

You can define any one or all of the above as default computations applied to all plans prepared on your device. These computations can be further modified or fine-tuned for each individual case via the Advanced button. The following menu sequence describes a way to reach default main income tax template to initiate or modify (*Options, Settings, Income Tax, Define Your Taxes, Main Income Tax*)-



Select Item to Adjust (This Plan & Device Default)

Income Adjusts - None	Tax Deductions - None
Pers Exempts - None	Flat Tax Rate
Variable Rates - None	Tax Title - null

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Options
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Advanced

Income Tax Rate Brackets (This Plan & Device Default)

Top 1st Bracket amount	1st Bracket Tax Rate
Top 2nd Bracket amount	2nd Bracket Tax Rate
Top 3rd Bracket amount	3rd Bracket Tax Rate
Top 4th Bracket amount	4th Bracket Tax Rate
Top 5th Bracket amount	5th Bracket Tax Rate

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Your input on items reachable from the above is applied to the current case in each year of the plan to compute this tax.

How Does It Work

Here is how the template values are applied in computing income tax-

1. **Gross income** for the purposes of taxes is computed by adding all taxable income including cash and noncash.
2. Value of Income Adjusts (absolute amount or percentage) is used as an adjustment to the gross income in computing **adjusted gross income**.
3. Tax Deductions (absolute amount or percentage) are applied to the adjusted gross income for **modified adjusted gross income**.
4. **Personal Exemption** (Pers Exempts) amount is calculated by multiplying the amount entered here by the number of dependents including the taxpayer and spouse, if applicable. This amount is subtracted from the modified adjusted gross income to arrive at **taxable income** amount.
5. **Flat Tax Rate** A tax rate (6 for 6%) entered here will be applied to the adjusted gross income along with any adjustments you may enter above in the computation of this tax. If your needs call for a progressive income tax based on tax brackets leave this input blank and use the next item to enter the tax brackets..
6. Tax rates (simple, one rate or graduated tax rates) are applied to the taxable income for the computation of **income tax** in each year of the plan.
7. The **report title** for this tax line as shown on the Income and Tax Statement and the Supporting Schedule can be changed by the last input on this screen.

The above process is applied similarly in the computation of State and City Taxes. State and/or City tax amounts computed with these templates are applied as tax deductions in cases where the built-in USA income tax computations are selected.

USA Income Tax

The tax computations follow the income tax laws applicable for the tax years 2013 and later. The following is a summary of key items computed for US income taxes:

- **Gross Income** – includes all items of income except those that are labeled as tax-free. Gross income does not include any cash inflow resulting from sale of assets entered under nonrecurring items
- **Adjusted Gross Income** – starting with the Gross Income as base amount the following amounts are subtracted for computing the AGI-
 - IRA contributions
 - Employee contributions to employer retirement plans
 - Contributions to qualified retirement plans
 - Applicable deduction for Self-employment taxes
 - Business expenses
 - Alimony paid
- **Personal Exemptions** – computed based on the number of dependents including the taxpayer and spouse. The amount computed is subjected to the deductibility threshold as applicable in year 2013 and later.
- **Itemized deductions** – is computed as the greater of the available Standard Deductions or the sum of the following items-
 - Cash donations
 - Real estate taxes
 - State income taxes
 - City income taxes
 - Accountant (tax prep) fees
 - Mortgage & other interest paid

The amount of deduction is subjected to deductibility threshold as applied for 2013 and later years.

- **Taxable Income** – the deductible amounts of Deductions and Exemptions is subtracted from adjusted gross income to calculate taxable income.
- **Regular Income Tax** – computed using the applicable tax rate schedule to the taxable income based on the filing status and the year of computation.
- **FICA Taxes** – applied annually to the wages of each spouse. Includes medicare surcharge.
- **Self-employment Taxes** – calculated for each spouse when applicable for their self-employed and business incomes. Includes the application of Medicare Surtax.

NON-RECURRING DATA ITEMS

EXPANDED DATA INPUT (non-recurring data items)

Input data items for income and expense that do not uniformly project through the planning horizon should be entered in this section. Items such as a special payment, specific college costs, weddings and other isolated income and expenses items can be better represented in this section.

This data section may be used for income and expense items with specific values in certain years of the plan. In addition, this section includes several predefined advanced assets such as annuities and reverse mortgage.

This section also facilitates adjustments and overrides for the values used in the projected scenarios for retirement, death or disability.

The expanded data section can be accessed from the main input panel by touching the Advanced tab followed by touching Expanded Data Items.



The expanded data input is segmented in 5 sections-

1. Income
2. Expense
3. Annuity based financial products
4. Modification of projected retirement data, and
5. Modification for data for other projected scenarios.

The expanded data section may be ignored as you initially enter data to build a financial profile. This section may be necessary if and when you input value(s) for one or more items that are not applicable throughout a planning horizon, i.e. the values are not recurring in all projected years. In such situations you can find the applicable category of the expanded items and input values for the specific years as necessary.

Nonrecurring Income

INCOME – Expanded Input

Input of Income items can be made in any of the 3 categories it is most suited in-

1. Tax Free Income,
2. Taxable Income, and
3. Sale of Assets




All three of these categories trigger cash inflow of the amounts you enter in the respective years. The Tax Free items and the values entered as sales proceeds are excluded from the computation of the taxable income.

Tax Free Income (1 of 2)	
1st Income Year	Amount 1
2nd Income Year	Amount 2
3rd Income Year	Amount 3
4th Income Year	Amount 4
5th Income Year	Amount 5

Back Data Reports Advanced Next 5

When inputting a value touch an available (unused) tab on the left side and input the year (e.g. 2018) the value applies to. After entering the year touch the corresponding right tab to input the value. If you need to input more than 5 items in a category touch the Next 5 button at the bottom right to access a new panel with additional 5 items (premium item).

You may change the title of any line item by a long touch for reference purposes. This title customization here is limited to the view of the input panel.

 To change a title do an extended touch on a left tab (about 2 seconds) until an input box appears for the new title input. This is a premium item available only when premium features are active.

The values entered in the income section is accounted for as follows-

Tax Free Income. This is the amount of cash inflow in the year represented on the left.

Main category: Cash income

Reports shown in: Cashflow Statement

Characteristics: Each amount is considered as a one-time cash income in the corresponding year. This amount is not subject to income tax in plans an income tax option is active.

Taxable Income. This is the amount of cash income in the year represented on the left.

Main category: Cash income

Reports shown in: Income Statement and Cashflow Statement

Characteristics: Each amount is considered as a one-time cash income in the corresponding year. This amount is subject to income tax in plans an income tax option is active.

Sale of Assets. This type of non-recurring item is available to enter anticipated sales of assets in the future. Each sale in turn generates cash inflow in the corresponding year.

Main category: Cash income

Reports shown in: Balance Sheet and Cashflow Statement

Characteristics: Each anticipated sale should be entered for its year on the left column (tap to enter) and amount on the right column. The cash generated by sale of assets is not subjected to income tax computations. Input in this section A maximum of 5 sale items can be entered in this section.

NOTE: This input generates cash inflow in the Cashflow Statement. In the Balance sheet it is reflected as an overall reduction in assets for the same amount. This asset is considered similar to

the Business and Real Estate category for the purposes future growth. Such a sale reduces general asset value by the sale value.

Nonrecurring Expenses

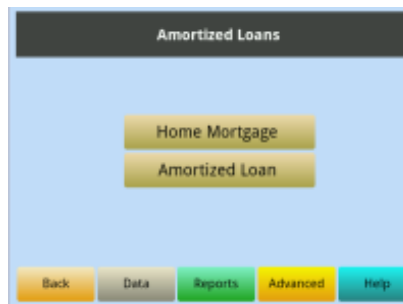
EXPENSE – Expanded Input

Major nonrecurring expenses and other items of cash outflow that are not uniformly applicable in a profile can be entered here. This section includes two type of inputs; amortized payments and simple cash expenditure. Input items here include:

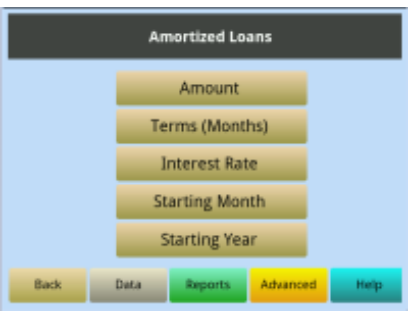
1. Amortized Loans
2. Education Expense
3. Other Expense Items and Events, and
4. Major Purchases



The amortized loan section provides input panels to enter 2 different loans.



Amortized loans involving projection of liability, cash flow and tax deductibility can be input as follows:



Home Mortgage. This input requires initial terms of the home mortgage for detailed computations. The amortized results are sliced out for the applicable portion to the planning span of current financial profile. Items of information required include-

- Amount:** Original amount of loan.
- Terms (Months):** Length of the loan in months, e.g. 180 months for a 15 year loan; 360 for 30 year.
- Interest Rate:** Annual interest rate of the loan, e.g. 5 for 5%; 6.5 for 6.5%.
- Starting Month:** Calendar month of the year when the loan started, e.g. 1 for Jan, 2 for Feb etc.
- Starting Year:** Year in which the loan started. This could be any year from past, present and future, e.g. 2008.

The values entered in the income section is accounted for as follows-

- Expanded input tab:** Amortized Loans
- Reports shown in:** Balance Sheet, Cashflow Statement and Supporting Schedule
- Characteristics:** The duration of this mortgage that applies to the time span of the planning scenario is extracted in terms of its liability and Cashflow elements and shown on corresponding reports. The interest part of monthly payments is taken as tax deduction if applicable when US income taxes are applied.


Amortized Loan. Same as above

Education Expenses. This is the amount of cash expense for education in the year represented on the left. There are two such input menus available enabling specific expense input of up to 10 amounts.



When inputting an expense value touch an available (unused) tab on the left side and input the year (e.g. 2018) the expense applies to. After entering the year touch the corresponding right tab to input the expense amount. If you need to input more than 5 items in a category touch the Next 5 button at the bottom right to access a new panel with additional 5 items (premium item).

You may change the title of any line item by a long touch for reference purposes. This title customization here is limited to the view of the input panel.

 To change a title do an extended touch on a left tab (about 2 seconds) until an input box appears for the new title input. This is a premium item available only when premium features are active.

The expenses entered here are accounted for as follows-

Main category: Cash Expense

Reports shown in: Cashflow Statement

Characteristics: Each amount is considered as a one-time cash expense in the corresponding year.

This expense is not deductible for income taxes.

Special Event. Similar to the education expenses this is the amount of cash expense planned for each financially significant event such as a wedding should be entered here. The year of the event should be entered using the left tab and the total amount of expense for this event using the right tab.

Main category: Cash Expense

Reports shown in: Cashflow Statement

Characteristics: Each amount is considered as a one-time cash expense in the corresponding year.

This expense is not deductible for income taxes.

Major Purchases. Each major purchase is considered a Cashflow event. Total cost of each purchase should be entered using a tab on the right side. The corresponding tab on the left should be used to indicate the year of this purchase.

Main category: Cash Expense

Reports shown in: Cashflow Statement

Characteristics: Each purchase is considered as a one-time cash expense in the corresponding year.

ADVANCED ASSETS

ANNUITIZED ASSETS – Expanded Input



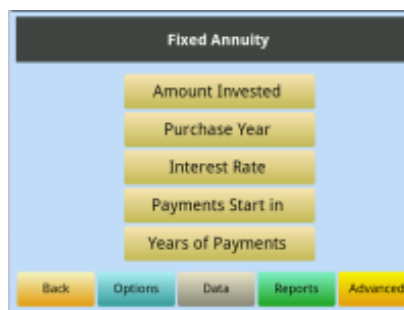
This section of the expanded input contains annuity related financial instruments. These predefined instruments provide you with a convenient way to assimilate the financial significance of an existing annuity or similar contract as well as the ability to see the net impact of buying into one of these products. The following four types of annuities are included:

1. Fixed Annuities
2. Variable Annuities
3. Charitable Gift Annuities, and
4. Reverse Mortgage



In most cases as described below, PlanMode automatically integrates the financial consequences of the data entered for each of these products in terms of cash flow, taxes and the net worth with the financial profile. Therefore you can analyze a bottom line impact of these instruments with an easy what-if analysis.

Fixed Annuity. A fixed annuity is an insurance contract in which the insurance company makes fixed dollar payments to the annuitant for the term of the contract, usually until the annuitant dies. This input requires initial terms of the annuity for detailed computations. The amortized results are sliced out for the applicable portion to the planning span of current financial profile. Items of information required are-



Amount Invested: Amount paid to purchase this annuity or the cost of the annuity contract. Enter the gross amount of lumpsum payment made for this annuity. The payment is considered made at the beginning of the specified year.

Purchase Year: Enter the year this annuity was or is to be purchased. Enter calendar year, e.g. 2018.

Interest Rate: Annual interest rate, e.g. 5 for 5%; 6.5 for 6.5%.

Payment Starts in: Enter the year annuity's payout starts. If no entry is made here the payments will start in the first year of the plans as default. Payments are assumed to be made at the end of the year.

Payment Period: Enter the number of full years this annuity will payout. Leave this input blank if this is a lifetime annuity. In such a case the payment will be received till the assumed death of the last to die in a married case or the death of the individual in case of a single's profile.

The values entered in the fixed annuity are accounted for as follows-

Amount Invested: Cash outflow item in the year of purchase if purchased during the planning horizon.

Annuity Payout: Cash inflow.

Tax Impact: The interest part of the payout is included in the taxable income but the principal portion is exempt from taxable income.

Reports shown in: Balance Sheet, Cashflow Statement and Supporting Schedule

Characteristics: The duration of this annuity that applies to the time span of the planning scenario is extracted in terms of its asset and cashflow elements and shown on corresponding reports. The interest part of monthly payments is taken as taxable income.

Variable Annuity. This financial instrument is similar to the fixed annuity described earlier. The format incorporated for the variable annuities provides additional flexibility in terms of variable rates from the time of entering in the contract and the start of annuity payout. This section also provides input for minimum guaranteed annual payment. The input of variable annuity requires initial terms of the annuity for detailed computations. The amortized results are sliced out for the applicable portion to the planning span of current financial profile. Items of information required are-

Variable Annuity	
Amount Invested	Init Growth Rate
Purchase Year	Expenses & Fees
Annual Contributions	Growth @ Payout
Payments Start in	Assured min pmt
Withdrawal Period	Additional Info

Back Options Data Reports Advanced

Amount Invested: Amount paid to purchase this annuity or the cost of the annuity contract. Enter the gross amount of lumpsum payment made for this annuity. The payment is considered made at the beginning of the specified year.

Initial Growth Rate: This is the initial growth rate of the annuity. The growth rate is applied up to the year this annuity starts the payout. Input format: 4 for 4%; 6.5 for 6.5%

Purchase Year: Enter the year this annuity was or is to be purchased. Enter calendar year, e.g. 2015.

Fees & Charges: Enter the percentage sum of all annual costs charged by this annuity, e.g. 2.5 if 2.5% is the average annual fee. This input should include all management, administrative, custodial, mortality and expenses charged annually.

Interest Rate: Annual interest rate, e.g. 5 for 5%; 6.5 for 6.5%.

Annual Contributions: Amount of annual contributions made to this annuity. This is the additional annual contribution at the beginning of the specified year.

Growth at Payout: If the growth or the interest rate changes at the time this annuity starts its payout, enter it here. Leave it blank if the rate does not change.

Payment Starts in: Enter the year annuity's payout starts. If no entry is made here the payments will start in the first year of the plans as default. Payments are assumed to be made at the end of the year.

Guaranteed Minimum Payment: This is the assured amount of guaranteed minimum annual payment. The minimum annual payment guarantee overrides calculated values if it is higher than the calculated value. Leave it blank in case of no guaranteed amount.

Payment Period: Enter the number of full years this annuity will payout. Leave this input blank if this is a lifetime annuity. In such a case the payment will be received till the assumed death of the last to die in a married case or the death of the individual in case of a single's profile.

The values entered in the variable annuity are accounted for as follows-

Amount Invested: Cash outflow item in the year of purchase if purchased during the planning horizon.

Annuity Payout: Cash inflow.

Tax Impact: The interest part of the payout is included in the taxable income but the principal portion is exempt from taxable income.

Reports shown in: Balance Sheet, Cashflow Statement and Supporting Schedule

Characteristics: The duration of this annuity that applies to the time span of the planning scenario is extracted in terms of its asset and cashflow elements and shown on corresponding reports. The interest part of monthly payments is taken as taxable income.

Charitable Gift Annuity. A Charitable Gift Annuity is a gift vehicle that falls in the category of Planned Giving. It involves a contract between a donor and a charity, whereby the donor transfers cash or property to the charity in exchange for a partial tax deduction and a lifetime stream of annual income from the charity. When the donor dies, the charity keeps the gift. This input requires initial terms of the annuity for detailed computations. PlanMode will compute the tax deduction stemming from this gift and the taxability of the payout received based on data input. The amortized results are sliced out for the applicable portion to the planning span of current financial profile. Items for this annuity include-

The screenshot shows a software interface titled "Charitable Gift Annuity". It features a grid of input fields for various parameters: Gift Amount, Gift Year, Payout Amount or Rate, Payment Starts in, Discount Rate Override, Expected Return Override, Basis (if non-cash), and IRS PV Factor Override. At the bottom, there are navigation buttons: Back, Options, Data, Reports, and Advanced.

Gift Annuity Cost: Amount paid to purchase this annuity or the cost of the annuity contract. Enter the gross amount of lumpsum payment made for this gift. The payment is considered made at the beginning of the specified year.

Gift Year: Enter the year this charitable annuity was or is to be purchased. Enter calendar year, e.g. 2015.

Payout or Interest Rate: This item can take input in two different ways depending on your choice for the entry. If the amount of annual payout from this annuity is known, enter the amount. Otherwise enter a number representing the percentage of annual interest rate, e.g. 5 for 5%; 6.5 for 6.5%. Internally, if the number you enter is 100 or less it is treated as a percentage and the higher value is considered as the amount of annual payment.

Payment Starts in: Enter the year annuity's payout starts. If no entry is made here the payments will start in the first year of the plans as default. Payments are assumed to be made at the end of the year.

Discount Rate Override: PlanMode uses IRS Single Life Annuity PV tables for the discount rate. You can override this default value by entering your rate. The present value of the payments received is used in determining the amount of tax deduction for this charity gift. Leave it blank to use the default table discount rate.

Expected Return Override: A rate value entered here overrides the default value used as Expected Return to determine the taxable portion of the annual payments received. PlanMode uses Expected Return Multiple from IRS table for Single Life. This Multiple can be overridden here which is used to determine the Exclusion Ratio for taxability.

Basis: This input is needed when making the charitable gift of an appreciated (non-cash) property. Enter the cost basis of the gifted property if it is greater than 0.

IRS Present Value Factor Override: PlanMode uses the present value factor from the entry of Discounting Factor to determine the deduction of the gift for tax purposes. If you need to override this factor for a more precise factor from the Internal Revenue Code Section 1457 R(2) it can be entered here, e.g. 3 for 3%.

The values entered in the charitable gift annuity are accounted for as follows-

Amount Gifted: Cash outflow item in the year of the contract if it falls within the planning horizon for this case.

Annuity Payout: Cash inflow.

Tax Impact: The tax deduction resulting from this charitable annuity is shown on the Supporting Schedule under Deductions & Exemptions. Taxable portion of annual payout is shown on the Income Statement in all years of payout.

Characteristics: The duration of this annuity that applies to the time span of the planning scenario is extracted in terms of its asset and cashflow elements and shown on corresponding reports. The amount of tax deduction is calculated based on the amount of gift as adjusted by the present value of the annuity payout. The annual payout amount is computed for its taxable or tax-free portion based on the data entered.

Reverse Mortgage. A reverse mortgage is a home loan that provides cash payments based on home equity. Its characteristics are the opposite of a conventional mortgage; the homeowner makes a monthly payment to the lender. After each payment, the homeowner's equity increases by the amount of the principal included in the payment. In a reverse mortgage, a homeowner receives a payment which in turn decreases the equity value of the home. The amortized results are sliced out for the applicable portion to the planning span of current financial profile. Items of data needed for reverse mortgage are described below.



The image shows a software interface for a 'Reverse Mortgage' calculator. It features a dark grey header with the title 'Reverse Mortgage'. Below the header, there are two columns of yellow buttons for input fields: 'Lumpsum Pmt Needed', 'Monthly Pmt Needed', 'Loan Term-Years', 'Annual Int Rate', 'Starting Month', 'Starting Year', 'Closing Costs', and 'Max Loan Allowed'. At the bottom of the interface, there is a row of five colored navigation buttons: 'Back' (yellow), 'Options' (teal), 'Data' (grey), 'Reports' (green), and 'Advanced' (yellow).

There are two borrowing options: amount borrowed in lumpsum and in terms of monthly/annual payments.

Lumpsum Payment: Amount of an initial lumpsum payment received.

Monthly Payment: Amount of monthly payment received under the reverse mortgage contract.

Duration Years: Number of years the reverse mortgage contract is for. For perpetual (life time) contract leave blank..

Annual Interest Rate: Enter a fixed annual interest rate, e.g. 5 for 5%

Starting Month: Calendar month of the year when the reverse mortgage started, e.g. 1 for Jan, 2 for Feb etc.

Starting Year: Year in which the reverse mortgage started. This could be any year from past, present and future, e.g. 2013.

Closing Costs: All associated costs and fees should be summed here. The costs may include, title search, insurance, surveys, recording fees, mortgage taxes, credit checks and other fees.

Maximum Loan Allowed: Enter the maximum limit for this loan. Maximum limit is based on net valuation of home, location and other factors required by FHA and other agencies.

The values entered for the reverse mortgage are accounted for as follows-

Lumpsum Payment: Cash inflow item in the year of the contract if it falls within the planning horizon for this case.

Monthly Payment: Cash inflow item summed for each applicable calendar year of the plan.

Tax Impact: Payments received are tax free.

Characteristics: A new liability is created which grows by the amounts of payout received along with expenses and interest.

CASH MANAGEMENT

The Cash Management is a powerful feature of PlanMode. Careful use of this feature can help you bring projected financial profiles closer to reality. It adds a practical dimension to your plans making projected scenarios much more meaningful.

Cash, in PlanMode, may best be understood as being analogous to a pot of money. The initial contents of this non-income producing pot is first entered as Cash On Hand under the Cash accounts category. Each year all the cash income produced (taxable and non-taxable) goes into this pot. This pot also receives proceeds from the sale of assets, annuities, reverse mortgages as well as proceeds from an insurance policy. During each year, the pot of money is used for expenses, taxes, gifts, purchases of assets, annuities and mortgage payments. At times, an amount in excess of the desired balance is generated. This excess of cash (discretionary cash) may be used to reduce liabilities, purchase assets, spend and/or save. At other times the balance in the pot may be below the desired level (or negative) and it may be necessary to sell one or more available assets to restore the balance level of the pot. Skillful management of this pot can significantly enhance the results of a planning situation.

PlanMode's automatic cash management feature provides this capability by enabling you to analyze alternative methods of utilizing discretionary cash and/or satisfying the needs for additional cash.

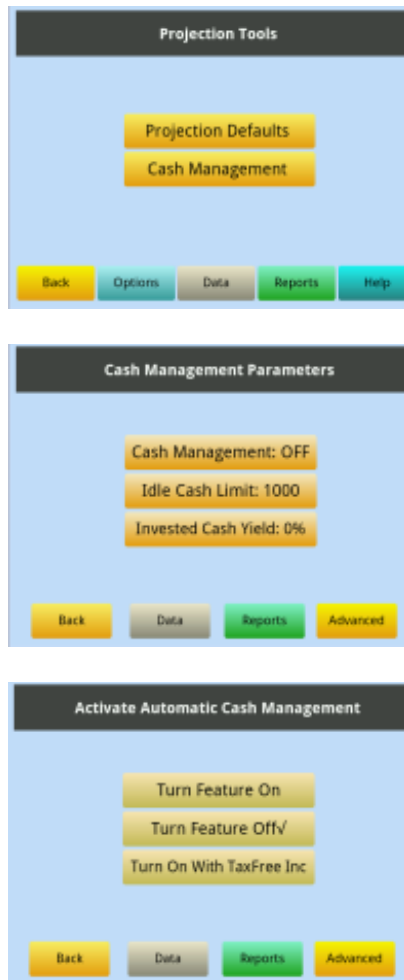
 *To get to cash management tap Advanced, Growth Projections, Cash Management*

If Cash Management is activated, enter the average limit that you want to set for non-income producing idle cash and the nature of income produced by the amount invested by cash management in terms of taxable or tax free.

Cash Management data options

Here is how the Cash Management can be used to suit your planning preferences-

1. Choose if you want to turn this feature on or off in a planning scenario. By default it is turned on.
2. Enter the average value for idle cash. By default it is set at 1000.
3. Enter the annual rate of return generated by the amounts invested via Cash Management. If there is no input made for this item the app will look for other appropriate data entered in the plan to set this rate such as interest rate entered for Bank Accounts, growth rate entered for Stocks & Bonds etc.



Cash Management (ON/OFF): Tap on this item bar for one of the following options-

- **Turn Feature On**
- **Turn Feature Off**
- **Turn On with TaxFree Income**

The first tab turns Cash Management ON and assumes the income generated by the invested cash to be taxable. If such income is not subject to tax, use the 3rd tab instead. Cash management is active when the item bar shows ON.

Idle Cash Limit: Enter an average amount of discretionary cash on hand. Your year-end cash balance will be targeted to be close to this amount in ear year. In default app setup this cash limit is set to 1000.

Invested Cash Yield: Enter the rate of return on amounts invested via Cash Management. Enter 4 for 4%. If no entry is made the app will apply the first rate it finds in other data entered for the plan in the following order-

- Bank Interest Rate
- Stock/Bond growth rate
- Inflation rate.
- Discount rate
- Growth rate of retirement accounts
- Income growth rate
- Expense growth rate

If the above priority is suitable you do not need to make input here. To remove a rate input earlier enter .0001

How Does It Work

Here is how the Cash Management works -

1. In years of surplus case the excess cash is used to purchase an asset (Invested Cash)
The amount of investment is determined so that after payment of any taxes on the income it generated the balance of Idle Cash On Hand is around +/- 10% of your limit.
2. Cash Management continues to accumulate and grow this asset in cash positive years.
3. In a year when cash expenses exceed normal cash inflow, Cash Management will liquidate necessary amount of Invested Cash to bring the idle cash balance to the specified level if possible.
4. This process, if active, is applied throughout the planning horizon.

PlanMode goes through complex algorithmic iterations in simulating cash management. Its results are dynamic based on an individual year of a scenario and other variables playing role in the profile. It is designed to expend a finite amount of computing resources to produce the desired results and is likely not to reach those results in some cases within the resources specified.

How does Cash Management handle a negative cash flow year?

When a plan runs out of the excess cash in a year that Cash Management had invested in earlier years it looks to liquidate liquid assets to an extent needed to satisfy the cash deficit. The algorithm used to simulate this situation is as follows-

A = Year end value of the liquid asset without regards to Cash Management liquidation

I = Interest or growth rate of this asset excess cash was invested in

D = Dividend rate of this asset if it is dividend producing

S = Cash Shortfall

C = Idle cash limit (entered with Cash Management entries, 1000 is default)

Cash Withdrawn:

If S is less than A+C then Cash Management liquidates the asset (A) by an amount so that after the reduction of interest (I) or dividends (D) and any taxes thereon the cash balance ends to be close to the idle cash limit C. Otherwise, when cash deficit is more than the year-end value of this asset Cash Management will fully liquidate this asset and move on to the next available asset to satisfy the need for remaining cash.

Display of reports:

Cashflow statement shows the amount of liquidation.

Balance Sheet shows an amount computed by taking the year-end value of A and subtracting the liquidated amount along with the income the liquidated amount would have generated. This is repeated each year if the cash deficit condition continues and the asset has value that can be partly or fully liquidated.

Retirement plan:

IRA - Cash management will liquidate IRA accounts if cash is needed in a year regardless of whether the IRA has retired by that year. Contributions to the IRA will stop after the year withdrawals start.

Active 401k plans and other Qualified plans – Cash management will not liquidate these plan if they are active until the retirement of the owner of each respective plan. This liquidation can be forced earlier by moving up the retirement year. A plan is considered active if contributions are being made into it.

Note that although a significant amount of processor resources are allocated for the cash management simulation to come close to the idle cash limit each year it may not always reach this goal. In certain scenarios depending on data and the dynamic nature of compounded computations it may not attain desired results within the resources allocated.