Piecing Together Retirement

Peace of Mind

Financial Planning Provides the Framework

"Retirement planning is much like planning a trip."

You should begin financial planning for retirement well ahead of the last day you work. In fact, the earlier you begin to plan, the more choices you have and the greater are your chances for a successful retirement.

Retirement planning is much like planning a trip. Any plan begins with establishing your destination, or goal, and a timetable for taking each step toward that goal.

This publication tells you about three steps to planning a successful financial transition into retirement: estimating retirement expenses, estimating retirement income, and balancing retirement income with expenses.

Estimating Retirement Expenses

To find what your expenses in retirement will be, look at the expenses you have now.

Some expenses in retirement will be lower than now. Taxes should go down. Income taxes are usually lower for retirees, and retirees no longer pay Social Security taxes. Contributions to savings and investments usually decrease, since retirees may no longer need to contribute to pension plans or save for retirement. As loans and mortgages are paid up, out-of-pocket housing costs may decrease. Work-related expenses are also likely to decrease, such as dues, transportation to work, work clothes, and lunches.

Some expenses will probably stay the same but may take up a larger share of your income. Utilities, food, gifts and contributions, and car and property insurance costs will stay fairly constant.

Other expenses will increase once you retire. Health care and health insurance expenses will likely increase because retirees may pay for all their own health care insurance until they are 65 and then buy

Table 1. Inflation and Rate of Return

Years to Retirement	*Inflation/Interest Rates*											
	1%	*2%*	*3%*	*4%*	*5%*	*6%*	*7%*	*8%*	*9%*	*10%*	*12%*	*14%*
0	1	1	1	1	1	1	1					
1	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.12	1.14
2	1.02	1.04	1.06	1.08	1.10	1.12	1.15	1.17	1.19	1.21	1.23	1.25
3	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.26	1.30	1.33	1.37	1.41
4	1.04	1.08	1.13	1.17	1.22	1.26	1.31	1.36	1.41	1.46	1.52	1.57
5	1.05	1.10	1.16	1.22	1.28	1.34	1.40	1.47	1.54	1.61	1.69	1.76
6	1.06	1.13	1.19	1.27	1.34	1.42	1.50	1.59	1.68	1.77	1.87	1.97
7	1.07	1.15	1.23	1.32	1.41	1.50	1.61	1.71	1.83	1.95	2.08	2.21
8	1.08	1.17	1.27	1.37	1.48	1.59	1.72	1.85	1.99	2.14	2.30	2.48
9	1.09	1.20	1.30	1.42	1.55	1.69	1.84	2.00	2.17	2.36	2.56	2.77
10	1.10	1.2	1.34	1.48	1.63	1.79	1.97	2.16	2.37	2.59	2.84	3.11
11	1.12	1.24	1.38	1.54	1.71	1.90	2.11	2.33	2.58	2.85	3.15	3.48
12	1.13	1.27	1.43	1.60	1.80	2.01	2.25	2.52	2.81	3.14	3.50	3.90
13	1.14	1.29	1.47	1.67	1.89	2.13	2.41	2.72	3.07	3.45	3.88	4.36
14	1.15	1.32	1.51	1.73	1.98	2.26	2.58	2.94	3.34	3.80	4.31	4.89
15	1.16	1.35	1.56	1.80	2.08	2.40	2.76	3.17	3.64	4.18	4.78	5.47
16	1.17	1.37	1.60	1.87	2.18	2.54	2.95	3.43	3.97	4.60	5.31	6.13
17	1.18	1.40	1.65	1.95	2.29	2.69	3.16	3.70	4.33	5.05	5.90	6.87
18	1.20	1.43	1.70	2.03	2.41	2.85	3.38	4.00	4.72	5.56	6.54	7.69
19	1.21	1.46	1.75	2.11	2.53	3.03	3.62	4.32	5.14	6.12	7.26	8.61
20	1.22	1.49	1.81	2.19	2.65	3.21	3.87	4.66	5.6	6.73	9.65	13.74
22	1.24	1.55	1.92	2.36	2.92	3.61	4.43	5.44	6.65	8.14	12.11	17.86
24	1.27	1.58	2.04	2.56	3.22	4.05	5.07	6.34	7.9	9.85	15.19	23.21
26	1.30	1.64	2.16	2.77	3.55	4.55	5.8	7.4	9.39	11.92	19.05	30.16
28	1.33	1.71	2.29	3	3.92	5.12	6.65	8.63	11.16	14.42	23.89	39.19
30	1.36	1.78	2.43	3.24	4.31	5.75	7.61	10.06	13.26	17.46	29.97	50.94
35	1.43	1.96	2.81	3.94	5.51	7.69	10.68	14.78	20.4	23.23	52.82	98.08
40	1.5	2.16	3.26	4.79	7.03	10.3	14.98	21.72	31.39	37.42	93.09	188.84

insurance to supplement Medicare gaps after 65. Costs for leisure and entertainment are also likely to increase, since retirees have more leisure time. And if you want to travel, these expenses will take a bigger share of your budget.

Unfortunately, prices won't stay the same from now until you retire. Although inflation has been low in recent years, the cumulative effect of a low inflation rate over many years can devastate a retirement budget.

In order for you to anticipate accurately what your retirement expenses will be, you need to predict what inflation will be. You also need to know how long it will be before you retire. Table 1 on page 2 will help you calculate values at various future dates based on selected inflation rates and interest rates. Use the table and instructions below to decide how much to plan for in the way of retirement expenses.

You may want to choose one general rate to adjust your total retirement expenses. Or, you may want to use different rates for different categories. For example, over the past several years, medical and housing prices have risen faster than food and clothing prices. Overall, however, prices have increased about 3 percent per year for the past several years. Note, however, that the average increase in the Consumer Price Index (CPI) for the past 30 years has been 5.4 percent.

Instructions for projecting retirement expenses:

1. Choose the number of years until your retirement starts from the column on the left (subtract your age now from the age at which you plan to retire).
2. Select an inflation rate from the row across the top. Inflation cannot be predicted from year to year.
3. Read across and down to find the appropriate inflation factor corresponding to your predicted rate of inflation. (Example:10 years and 6% inflation gives a factor of 1.79.)

You can also use Table 1 to project the future value of your current savings and investments. Your exact future value of investments will depend on the timing of interest payments and investment earnings. However, estimates figured using this table are a good start toward knowing where you stand in your financial preparations for retirement. Use the following instructions to do these calculations:

Instructions for estimating the future value of a nest egg:

1. Choose the number of years until retirement or until you plan to begin using the money.
2. Choose the average rate of return you expect to earn on this investment.
3. Read across to find the factor that corresponds with the number of years and the rate of return. (Example: a 10% return for 10 years gives you a factor of 2.59.)
4. Multiply the factor you have chosen times the current dollar value of your nest egg. The result is the estimated value of this investment at your expected return at the time you anticipate needing the nest egg. ($50,000 X 2.59 = $129,500)
5. If you wish to continue adding to your nest egg, continue reading to find a way to estimate the future value of additional savings and investments added on a yearly or monthly basis.

After comparing projected expenses to projected retirement income, you may discover a need to add to your nest egg. You can calculate the necessary additional yearly savings by using this information:

1. Determine the total lump sum you wish to accumulate by retirement age.
2. Subtract from that amount the projected future value of your current nest egg. This gives you the shortfall you need to make up.
3. Multiply the amount of the shortfall by the factor that corresponds with your time frame and expected investment return by the dollar amount of the shortfall. This gives you an annual savings contribution needed to reach your target retirement nest egg.

Worksheet 1 on page 9 can help you project what your expenses will be in retirement. To do the worksheet, first list how much you now spend in each expense category (column 2). Next, figure how much you would spend in each expense category if you were to retire tomorrow (column 3). Would it be more, less, or the same amount you are now spending? Now, using the annual rate of inflation (from page 2), multiply your estimated retirement expenses by the inflation adjustment factor (column 5). If you decide to use one rate to adjust all expenses instead of different rates for different expense cat-

Table 2. Investment Return

Years to Retirement	Investment return, after taxes		
	4%	6%	8%
1	.981	.971	.962
2	.481	.471	.463
3	.314	.305	.296
4	.231	.222	.213
5	.181	.172	.164
6	.148	.139	.131
7	.124	.116	.108
8	.106	.098	.090
9	.093	.085	.077
10	.082	.074	.066
11	.073	.065	.058
12	.065	.058	.051
13	.059	.051	.045
14	.054	.046	.040
15	.049	.042	.035
16	.045	.038	.032
17	.041	.034	.029
18	.038	.031	.026
19	.036	.030	.024
20	.034	.027	.022
25	.024	.018	.014
30	.018	.013	.009

egories, you can simply multiply the total amount in column 3 by the inflation adjustment factor.

You may also want to project your income needs 5, 10, or 15 years into retirement. U.S. Life Expectancies (Table 3) can help you estimate how far into the future to plan. An average 65-year-old is likely to live to age 85, or 20 years of retirement. Of course, if you come from a family whose life spans are well into the nineties, you will want to take this into consideration as well. If you are in good health and not involved in any hazardous activity, you may live well beyond the average man or woman, and you would want to plan for those years.

Estimating Retirement Income

How much income you need in retirement depends on your lifestyle and your goals. In a recent survey, 80 percent of people interviewed thought retirement income should equal pre-retirement income; however, this may not be necessary. Depending on your income level, you can maintain a constant level of living with only 50 to 80 percent of your pre-retirement income. This is because some of your expenses, such as taxes, savings, and work-related expenses, are less in retirement.

Table 3. U.S. life expectancies

Age	Years expected to live
35	47.3
36	46.4
37	45.4
38	44.4
39	43.5
40	42.5
41	41.5
42	40.6
43	39.6
44	38.7
45	37.7
46	36.8
47	35.9
48	34.9
49	34
50	33.1
51	32.2
52	31.3
53	30.4
54	29.5
55	28.6
56	27.7
57	26.8
58	25.9
59	25.0
60	24.2
61	23.3
62	22.5
63	21.6
64	20.8
65	20.0
66	19.2
67	18.4
68	17.6
69	16.8
70	16.0
71	15.3
72	14.6
73	13.9
74	13.2
75	12.5
76	11.9
77	11.2
78	10.6
79	10.0
80	9.5
81	8.9
82	8.4
83	7.9
84	7.4
85	6.9
86	6.5
87	6.1
88	5.7
89	5.3
90	5.0

If you own a farm or business, your income needs also depend on what you do with your family farm or business. If you continue to operate, business expenses are likely to remain unchanged although your household expenses may change. You may choose to sell or lease, set up corporate ownership, or begin the transfer process to your heirs. Whatever decision you make will affect your income needs and resources. It will also affect your family's income needs.

Sources of Retirement Income

Social Security

Most people expect to collect Social Security benefits in retirement, either on their own work record or as the spouse of a worker. The amount of the check you get as a retired worker is based on your covered earnings during your working years.

The normal retirement age for people retiring now is age 65. Social Security calls this a full retirement age, and the benefit amount that is payable is considered the full retirement benefit. Because of longer life expectancies, the full retirement age will be increased in gradual steps until it reaches age 67. This change starts in the year 2003, and it affects people born in 1938 and later. It will be reduced if you retire early, before 65 (or the applicable delayed normal age), and increased if you delay retirement past 65 (or the applicable delayed normal age).

You are eligible to collect Social Security retirement benefits if you are at least 62 and you have covered earnings for enough years. Laws governing eligibility as well as how benefits are calculated have been changed several times and will undoubtedly be changed again, so you need to keep track of changes and how they affect you.

Benefits

As a spouse, you can receive benefits based on your working spouse's benefit, but your benefit is reduced if you claim it before 65. You must be at least 62 to get benefits. If you are eligible under your own work record, you have the option of choosing that benefit instead.

Special provisions apply to eligibility for disability benefits before retirement age, to survivors of a covered worker, and to divorced spouses. Check with your local Social Security office for information based on current laws.

Social Security retirement benefits will replace about 50 percent of the pre-retirement income of workers at the minimum wage level, about 40 percent for workers earning average wages of $20,000 annually, and about 25 percent for workers earning at the maximum level covered by Social Security taxes.

How much Social Security you receive will depend on how long you have worked, how much you have earned, and the current funding formula. For a rough estimate of benefits based on your age and current earnings, check out the Social Security benefits calculator found on the SSA Web site at www.ssa.gov.

It is recommended that you check your individual record every 3 years. The Social Security Administration does automatically mail statements of earnings and benefits to covered employees. If you have not received a recent report, get form SSA-7004 Request for Earnings and Benefit Estimate Statement from your Social Security office. Fill out the form, and mail it to the Social Security Administration. Compare the statement of earnings sent back to you with the earnings reported on your W-2 forms for the same years. If you find any errors, either in your employer's reporting or in the Social Security recording, report them at once to the Social Security Administration and be sure they are corrected, so that your benefit will not be reduced by mistake when you retire.

When To Apply

Plan to apply for Social Security benefits about three months before actual retirement. Have ready such documents as birth certificates for you, your spouse, and any dependent children; your marriage certificate; W-2 forms for the past two years; and your Social Security card. Ask your Social Security office if you need other documents. Call your Social Security office before going in; you may be able to get the information you need by phone without going to the office. If you have to go to the office, ask what are the least busy times to come in so you will not have to wait so long.

Social Security Earnings Limits

You can work part time or full time and receive Social Security benefits, but check on how your earnings might affect your benefits. There are earnings limits for some Social Security recipients depending upon the type of benefit they receive and/or their age.

Earnings in or after the month you reach age 70 do not affect your Social Security benefits. The Social Security earnings limit for retirees age 65 to 69 was repealed in 2000, effective January 1, 2000. If you are younger, from 62 to 64, there is still a limit on how much you can earn and still receive full Social Security retirement benefits. For example, if you earn more than $10,800 in the year 2000, $1 in benefits will be withheld from your monthly benefit check for every $2 earned over the limit. The earning limit is adjusted for inflation. Check with the Social Security office each year for the current year's limit.

Benefits can be reduced in several ways. The Social Security office may recompute your monthly benefits. They may request you pay back money to Social Security. Or, they may withhold money from your check in one lump sum. Often, it takes a year for Social Security to spot an overpayment, and you may find your benefit checks substantially reduced for a month or two. Therefore, it is best to keep your local office informed of any earnings over the limit to avoid cash flow problems later on.

Social Security benefits are indexed to inflation, according to law. They will probably remain indexed, but future political decisions will change the formulas, so stay informed about changes in the laws.

Pensions and Other Benefits

Pensions

Private pensions, Social Security, and personal savings are the main sources of retirement income.

Private pension plans are covered by the Employee Retirement Income Security Act (ERISA), which sets guidelines and minimum standards for them. ERISA also provides insurance for pension funds through the Pension Benefit Guaranty Corporation (PBGC). PBGC acts the same way as deposit insurance at savings institutions. If a pension fund should fail, the insurance covers retirees and future retirees who were vested in the fund. However, they may not be fully covered.

Pensions can be one of two types: defined benefit or defined contribution. For a defined benefit plan, the benefit formula is set out and contributions are made to the fund so the necessary amount of money will be there when needed. The amount of the contribution depends on the interest rate the fund managers think it will earn. During periods of high interest, contributions can be smaller, since interest will make up a larger share of money.

Defined contribution plans have set contributions—the benefits will vary depending on how the contributions are invested and the rate of return received. Defined contribution plans are a bit riskier for the employee who may not be able to predict accurately his or her future benefits.

Being vested in a pension fund means you have earned the right to payments from the fund, even though your employment with an organization may have ended before you reached retirement age. ERISA provides, under most pension plans, that employees must be vested according to one of the following schedules: full (100 percent) vesting upon completion of five years of service; or 20 percent vesting after three years of service, and then 20 percent vesting per year thereafter until the participant is 100 percent vested after seven years of service.

Pension plans also credit years of service differently. Some only "start the clock" at age 21; therefore, if you started work at 18, you would have 3 years of service before you started earning service credit in the pension system. Breaks in service are also handled differently by different plans. Breaks in service for up to 5 years do not result in any loss of credit; some pensions may allow longer breaks. Also, many plans "stop the clock" at age 65—if you work beyond that age, added years are not credited to your record.

Under the Retirement Equity Act (REA) of 1984, all married pension participants with vested benefits must automatically be provided upon their retirement

with (1) a qualified preretirement survivor annuity and (2) a qualified joint and survivor annuity. These annuities must be provided, regardless of the age of the participant, and can be waived only with the consent of the spouse.

Pension benefits may be distributed in either a lump sum or on a monthly basis, although not all funds offer both choices. You may need to consult with an accountant or financial planner to determine the tax consequences of each form of distribution.

Pension for Public Employees of the State

Many employees in Mississippi participate in the Public Employees Retirement System of Mississippi (PERS), a governmental pension plan. This plan is a defined benefit pension program for the members that complements Social Security and Medicare protection to provide a retirement annuity with service, disability, and survivorship benefits. PERS is made up of employees and officials of the State, state universities, community and junior colleges, teachers, and employees of the public school districts; and employees and officials of the political subdivisions and juristic entities (counties, municipalities, public hospitals, libraries, and others) that have an agreement with PERS to cover their employees.

A PERS member qualifies for an annuity after 25 years of creditable service, regardless of age, or at age 60 provided the member has at least 4 years of membership service credit. The benefit formula prescribed by the Retirement Act provides for a maximum benefit equal to 1⅞ percent of the average compensation for each year of service, or part of a year of service, up to and including 25 years plus 2% of average compensation for each year or part of service more than 25 years. Various optional plans are available to the member to receive a reduced monthly retirement allowance to provide income protection for a beneficiary after the member's death. Benefits under PERS are guaranteed as obligations of the State of Mississippi.

Other Benefits

Various other retirement savings plans, such as salary reduction plans, simplified employee pension plans (SEPs), and employee stock ownership plans (ESOPs) are offered by some employers.

With a salary reduction plan, also called a 401(K) plan, an employee sets aside part of his salary for retirement income. Up to a certain amount can be set aside each year on a tax deductible basis. The earnings are tax deferred until the income is distributed.

An employer contributes to an employee's individual retirement account with a simplified employee pension plan (SEP). The employee can also contribute part of his salary to the SEP under terms similar to a salary reduction plan. The Tax Reform Act (TRA) of 1986 now permits employees to have SEP contributions made on their behalf or to receive the contributions in cash.

Employee stock ownership plans (ESOPs) are classified as pension plans under ERISA. The primary difference between ESOPs and most pension plans is that the assets of the plans are usually employer stock. The value of your benefit in an ESOP is directly related to the value of the stock of the employer.

Savings and Investments

You may have a special retirement savings plan, such as an Individual Retirement Account (IRA), or you may have built up savings or investments you hope will provide income in retirement.

Governmental employees may be eligible to participate in an IRC Section 457 Plan that allows the employee to save on a tax-deferred basis. PERS offers such a plan for participating employers. Under this type of plan, the employee may set aside, on a pre-tax basis, up to $8,000 in 2000 of his or her salary for retirement. Special catch-up provisions allow for additional contributions as the participant nears retirement. The employee then says how these funds will be invested from among the available investment options.

Also, employees of Section 501(c)(3) organizations and public schools also may participate in a deferred tax arrangement provided under IRC Section 403(b). Under the provisions of this section, an employee can exclude from his or her gross income, within the limits set by law, the premiums paid on a contract designed to provide supplemental income at retirement from an annuity. Contributions are limited to no more than $10,000 in 1998.

Consider changes you might make in your current savings/investment plan to get more income for retirement. Can you save more out of current income? Shift your funds to higher yielding or better growth investments? Consider safety of the principal, ability to keep ahead of inflation, liquidity, and flexibility.

Earnings

About one-fourth of men and one-seventh of women aged 65 to 69 are still in the labor force. Some of these people are delaying retirement, while others are returning to work for various other reasons. Obviously, access to employment and earnings can make a big difference in retirement income.

You should remember, however, that until you are 70, the Social Security system does place a limit on how much you can earn before Social Security benefits are reduced. Check with the Social Security office for the amount you are allowed to earn before the penalty is imposed, and consider the trade-offs between potentially reduced benefits and increased income from earnings. Also consider any additional expenses you might have if you go back to work, such as transportation, meals, special clothing, or dues.

Assets That Could Be Liquidated

Retirement income can also come from liquidating or selling off some of your assets. Real estate, jewelry, antiques, and collections are just a few of the examples of assets that could be turned into current income. In some cases, however, you may be responsible for long term capital gains taxes on these assets.

Your own home may also become a source of funds for your retirement, either by tapping the equity through various means, or selling it and investing the proceeds.

On Worksheet 2, Estimated Annual Income After Retirement, enter all the sources of income you can depend on. By totaling the amounts, you can get an estimate of what your total gross retirement income will be.

Balancing Income with Expenses

Compare the total net income you anticipated you will have when you retire (Worksheet 2) with the total expenses you estimated you will have at that same retirement date (Worksheet 1). Will you have enough income to cover expenses? If yes, congratulations! Continue building toward a smooth financial transition into retirement.

If you see your retirement income is not going to cover your retirement expenses, however, start planning now how either to increase your income or cut your expenses, or both.

The farther away retirement is, the more opportunity you have to increase your income. Your Social Security formulas are fixed, but your employer may provide options for you to make additional contributions to your pension plan. Or, your job may allow purchase of a Supplemental Retirement Annuity (SRA) with before-tax dollars or a 401 (K) plan.

Do you already have an Individual Retirement Account (IRA)? Have you contributed the maximum allowable amount each year? Is it earning and growing fast enough, or should you transfer it to another financial institution or open this year's IRA somewhere else?

Are your other savings or investments doing as well as they might? Could you earn more by making a change? Check with the people who are handling your savings or investments to see if there are any better alternatives. Are you setting aside enough for savings or investments now to assure a comfortable retirement?

You might want to cut down on current spending so you can invest the difference toward a happier retirement.

If you are hoping to start a new job in retirement for more income, what leads do you have now? What can you do now to prepare for this new job? If you've built up net worth in such assets as real estate or antiques that you hope to sell later, start thinking how you could most profitably turn them into income.

You may feel you have estimated your retirement budget realistically, but if you don't have enough income, you will have to cut down. What could you

do now to cut future expenses? While you are still working, could you pay for needed maintenance on your house to get it in good shape? Build up a bigger fund to cover replacement of home appliances, car, or other big items? Examine insurance to be sure you are buying only what you will need? Look for ways to cut costs of food, energy, clothing, and other family needs? Learn skills that will let you do some of your own home or car repairs.

If you have a large debt load now, try to reduce it before retirement. Credit is a handy tool, but it can cost you money you may not be able to afford in retirement.

It is never too soon to start planning and saving for retirement, because time will work for you. It is never too late to make some changes, but the longer you wait, the fewer options you may have. Begin planning now how you want to live in retirement and how to provide enough income and other resources to do it.

Worksheet 1. Estimated annual retirement expenses

(1) **Expense**	(2) **Amount I currently spend**	(3) **Anticipated amount I would spend if retired now**	(4) **Inflation factor**	(5) **Future retirement expenses**
	Total	$	$	$
Shelter	$	$	$	$
Household operation and maintenance				
Home improvement				
Automobile and transportation				
Food				
Clothing				
Personal				
Medical and health				
Recreation, education				
Contributions				
Taxes				
Insurance				
Savings, investments				
Any future irregular expense (such as new roof, new car, new range)				

Worksheet 2. Estimated annual income after retirement

1. Social Security	**Yearly Income**
Man's at age______________	________________
Woman's at age____________	________________
2. Pensions and employer benefits	
Company	________________
Sate or federal government	________________
Veteran's	________________
Union or other	________________
Profit sharing	________________
Deferred pay	________________
Other	________________
3. Savings and investments	
IRA	________________
Keogh	________________
Savings account (interest)	________________
Money market	________________
Treasury securities (interest)	________________
Mutual funds (dividends, capital gains)	________________
Stocks (dividends)	________________
Bonds (dividends)	________________
Real estate	________________
Farm/business rent or installment payments	________________
Home equity conversion	________________
Annuities	________________
Other	________________

Worksheet 2 (continued)

4. Earnings

Salary, wages . . . . ________________

Commissions, royalties, fees . . . . ________________

Partnership income . . . . ________________

5. Assets that could be liquidated

Real estate . . . . ________________

Mutual funds . . . . ________________

Stocks . . . . ________________

Bonds . . . . ________________

Antiques, collectibles . . . . ________________

Farm/business . . . . ________________

Anticipated gifts or inheritance . . . . ________________

TOTAL ESTIMATED GROSS INCOME . . . . $_______________

Possible deductions from income

Federal income tax . . . . $_______________

State/city tax . . . . ________________

Social Security tax . . . . ________________

Total . . . . $_______________

(Subtract total tax deductions from total gross
income to estimate your total net income.)

TOTAL ESTIMATED NET INCOME . . . . $_______________

Adapted from "Planning for Retirement Income," a CEH Topic, Hogarth, Cornell University, 1984.

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