

**NaviPlan®**  
Level 1 and Level 2 Plans – Analyzing client goals  
USER MANUAL



USA Version 12.2



# Contents

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# Chapter 1: Using this manual

The NaviPlan Premium user manual series includes all the instructions you need to use NaviPlan Premium effectively. This chapter will help you use all the manuals in this series. More manuals are available in the [Knowledge Base](http://knowledge.eisi.com) (<http://knowledge.eisi.com>).

## **In this chapter:**

<b>NaviPlan Premium user manual series</b>	<b>2</b>
<b>Conventions</b>	<b>4</b>
<b>NaviPlan Premium resources</b>	<b>5</b>

## NaviPlan Premium user manual series

The NaviPlan Premium user manuals are organized based on the tasks you can accomplish in each level. If you are a new NaviPlan Premium user, start with the Introduction user manual.

User manual	Tasks covered
Introduction	<ul style="list-style-type: none"><li>• Setting up user preferences.</li><li>• Creating and managing client engagements.</li><li>• Determining which assessment or plan level to select to enter financial information.</li><li>• Using NaviPlan Premium workflow.</li></ul>
Calculators and Assessments	<ul style="list-style-type: none"><li>• Using calculators to model specific aspects of your clients' finances, such as retirement savings and debt management.</li><li>• Assessing your clients' current financial situation.</li><li>• Entering account and annuity information.</li><li>• Determining your clients' investor profile.</li></ul>
Level 1 and Level 2 Plans – Entering client data and goals	<ul style="list-style-type: none"><li>• Entering financial planning assumptions.</li><li>• Entering detailed net worth, cash flow, and insurance information.</li><li>• Adding holdings to accounts and annuities.</li><li>• Entering business entities.</li><li>• Entering real estate assets.</li><li>• Entering equity compensation.</li><li>• Entering detailed estate planning information.</li><li>• Entering advanced estate planning information.</li><li>• Using the Detailed Tax method and the <i>Detailed Cash Flow</i> module.</li><li>• Entering saving and redemption strategies.</li><li>• Entering client goals.</li><li>• Generating simple estate planning reports.</li><li>• Generating client reports.</li></ul>

<b>User manual</b>	<b>Tasks covered</b>
Level 1 and Level 2 Plans – Analyzing client goals	<ul style="list-style-type: none"><li>• Analyzing your clients' goals using side-by-side comparisons of the <i>Current Plan</i> scenario and <i>Recommended Plan</i> scenario.</li><li>• Conducting detailed cash flow and net worth analyses.</li><li>• Generating Monte Carlo simulations.</li><li>• Creating goal scenarios.</li><li>• Creating estate planning scenarios.</li><li>• Generating client reports.</li></ul>







## Conventions

This user manual uses the following conventions.

- The names of items on the screen are italicized. For example, the *Clients* page opens.
- The names of items that you must select, click, or enter appear in bold. For example, select **Recommended**, and then click **OK**.
- To help you navigate through the application, locations are separated by en dashes (-). For example, *Enter Financial Data* section – *Net Worth* category – *Accounts* page.

Figure 1: Enter Financial Data section – Net Worth category – Accounts page

To help you use this manual, please note the following abbreviations and graphics:

- AA – Refers to the Asset Allocation Assessment.
- FA – Refers to the Financial Assessment.
-  – Indicates that the step or paragraph applies to Level 1 Plans only.
-  – Indicates that the step or paragraph applies to Level 2 Plans only.
-  – Indicates that the step or paragraph only applies when you are using the Average Tax method.
-  – Indicates that the step or paragraph only applies when you are using the Detailed Tax method.

## NaviPlan Premium resources

Advicent Solutions provides several resources to help you use NaviPlan Premium. In addition to telephone support, you can access resources from within NaviPlan and [Online](#). The following table shows some of the resources available and where to find them.

Advicent resource	Description and location
Help	The quickest way to get information about any command, dialog box, or item within NaviPlan Premium is to use the application Help. To access Help, click the <b>Help</b> button at the top of the NaviPlan Premium window. Help includes a glossary of terms.
Functional documents	Functional documents explain NaviPlan Premium functionality, underlying assumptions, and results calculations. You can access functional documents by searching the Knowledge Base at <a href="http://knowledge.eisi.com/">http://knowledge.eisi.com/</a> .
Knowledge Base	The Knowledge Base is a database comprised of the following resources: <ul style="list-style-type: none"><li>• Support issues</li><li>• Functional documents</li><li>• Learning guides</li><li>• Help videos</li><li>• Frequently asked questions (FAQs)</li></ul> You can access the Knowledge Base from within NaviPlan or online at <a href="http://knowledge.eisi.com/">http://knowledge.eisi.com/</a> .

To access resources from within NaviPlan, follow these steps:

1. Click  beside the *Help* button, and then select **Support**. The *Support* dialog box opens.
2. Click the appropriate link. The applicable page opens in your Web browser.

### Phone support

You can contact us by telephone at

(888) 692-3474


(Monday–Thursday, 7:30 a.m.–6 p.m. central time)

(Friday, 7:30 a.m.–5:00p.m. central time)


## Updates

Using NaviPlan's *Check for Updates* feature, you can update to the current release within the same version (for example, to update from v12.1 to v12.2). If the update is a major change (that is, it involves a change in the version number, such as an upgrade from v12.0 to v14.0), the upgrade may not be available through *Check for Updates*. You will have to install the new version.

To check for updates, follow these steps:

1. Click the **Save** button at the top of the window to save your work.
2. Click  beside the *Help* button, and then select **Updates**. The *Updates* dialog box opens.
3. Click the **Check for Updates** button. NaviPlan checks for current updates available online. After a few seconds, the *NaviPlan Update* dialog box opens.
4. Follow the instructions in the dialog box. If updates are available, NaviPlan shuts down, installs the updates, and then restarts.

## The About dialog box

Clicking  beside the *Help* button and then selecting *About* opens the *About* dialog box. Using the tabs in this dialog box, you can determine what version of NaviPlan Premium you are using and which options are installed.

# Chapter 2: Analyzing goals in NaviPlan Select

This chapter introduces the *Scenario Manager* feature accessible from the *Results* section – *Analyze Goals* category in NaviPlan Premium.

In most plans, the clients' current resources and strategies do not meet their goals. With NaviPlan you can create What-if scenarios that contain additional assumptions and strategies to help develop an optimal solution for the clients. Even in plans where the goal is adequately funded or overfunded, What-if scenarios can be used to find an optimal solution.

The *Scenario Manager* feature in NaviPlan allows you to create and compare multiple scenarios side by side without having to create duplicate plans. Once you have an appropriate scenario that you can apply to your clients' plan, you can mark it as the *Recommended Plan*. Recommended scenarios are included in client reports.

By default, the *Scenarios* page displays the *Current Plan* scenario, which cannot be edited in the *Scenario Manager* dialog box, as well as the *Recommended Plan* scenario (current plan with suggested asset allocation). The *Current Plan* scenario represents the plan that is open, whereas the *Recommended Plan* scenario is generated by NaviPlan and uses the suggested asset mix. You can create as many alternative scenarios as you like, but only one can be marked as the *Recommended Plan* scenario.

## **In this chapter:**

<b>Comparing scenarios</b>	<b>9</b>
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## Comparing scenarios

On the *Scenarios* page you can compare the *Current Plan* scenario (the clients' current financial situation) with the *Recommended Plan* scenario (the proposed option or best case scenario). As well, you can create numerous alternative scenarios. Two alternative scenarios can be shown on the *Scenarios* page for comparison purposes. The *Scenarios* page allows you to see at a glance how the modifications you make to the plan may affect goal coverage, as well as overall net worth and cash flow.

Scenarios

How to use this page. ?

Scenarios

	Current Plan	Recommended Plan	Alternative Plans
	<a href="#">Review Current Plan...</a>	<a href="#">Edit Recommended Plan...</a>	<a href="#">Create Alternative...</a>
<b>Modify Financial Data</b>		Alternative 1	
Assumptions		<a href="#">Details</a>	
Net Worth			
2011 End of Year	\$825,103	\$823,576	
At Death	\$2,631,920	\$2,387,836	
Cash Flow			
2011 Surplus/Deficit	-\$13,563	-\$13,386	
Pre-retirement	X 88%	X 88%	
Retirement	✓ 100%	✓ 100%	
Strategies		<a href="#">Details</a>	
Insurance Coverage		<a href="#">Details</a>	
<b>Analyze Goals</b>			
Retirement	■ 100%	■ 100%	
Education			
College Education	■ 13%	■ 12%	
Emergency Fund	■ 18%	■ 35%	
Survivor Income			
Client	---% ?	<a href="#">Details</a>	
Co-Client	---% ?	<a href="#">Details</a>	
Both	---% ?	<a href="#">Details</a>	
Disability Income			
Client	---% ?	<a href="#">Details</a>	
Co-Client	---% ?	<a href="#">Details</a>	
Long-term Care			
Client	---% ?	<a href="#">Details</a>	
Co-Client	---% ?	<a href="#">Details</a>	
Estate Planning		<a href="#">Details</a>	
Goal Funding		<a href="#">Details</a>	
	<a href="#">Calculate All</a>	<a href="#">Calculate All</a>	

Include Alternatives In Reports...

Current Plan data is read-only. It is provided for comparison purposes.

Recommended Plan data is editable. Clicking this button or the links in this column opens the Scenario Manager dialog box where you view the plan details and make changes.

You can view and compare four plan scenarios on the Scenarios page: Current, Recommended, and up to two Alternative Plan scenarios.

Figure 2: Results section – Analyze Goals category – Scenarios page

NaviPlan automatically creates the *Recommended Plan* scenario based on the current plan with suggested asset allocation. The column on the far left of the *Scenarios* page is split into two categories, *Modify Financial Data* and *Analyze Goals*, similar to the left navigation bar in

NaviPlan. To view the plan details, click the **Edit Recommended Plan** button or any of the links. The *Scenario Manager* dialog box opens and displays the *Recommended Plan* scenario in detail.

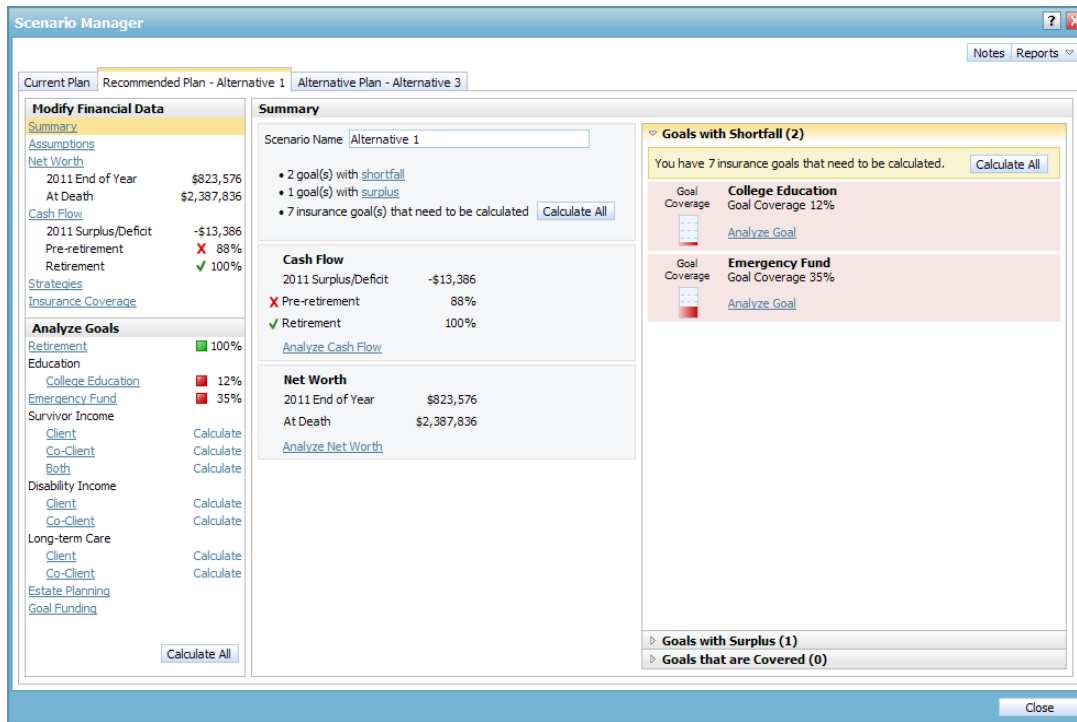


Figure 3: Results section – Analyze Goals category – Scenarios page – Edit Recommended Plan button – Scenario Manager dialog box – Summary details

The left side of the *Scenario Manager* dialog box has the same two categories: *Modify Financial Data* and *Analyze Goals*. Clicking any of the links under these headings changes the information displayed on the right side of the dialog box. For example, to see retirement goal details, under *Analyze Goals*, click the **Retirement** link.

The *Scenario Manager* dialog box has tabs for each plan shown on the *Scenarios* page. You can quickly compare the current, recommended, and alternative plan details by clicking the other tabs. Only the recommended and alternative plan details are editable.

On the *Recommended Plan* and *Alternative Plan* tabs, you can implement various planning strategies into the plan to solve goal shortfalls, manage cash flow, etc.

# Understanding scenario differences in Level 1 and Level 2 Plans

In a Level 1 Plan you can analyze fairly simple What-if scenarios using the *Scenarios* page and the *Scenario Manager* dialog box. In a Level 2 Plan, more complex What-if scenarios can be analyzed. For example, the *Scenario Manager* dialog box – *Retirement* section for a Level 2 Plan has six additional tabs—*Transfers*, *Redemptions*, *Liquidation Order*, *Annuitization*, *Incomes*, and *Expenses*—that allow you to modify the What-if scenarios.

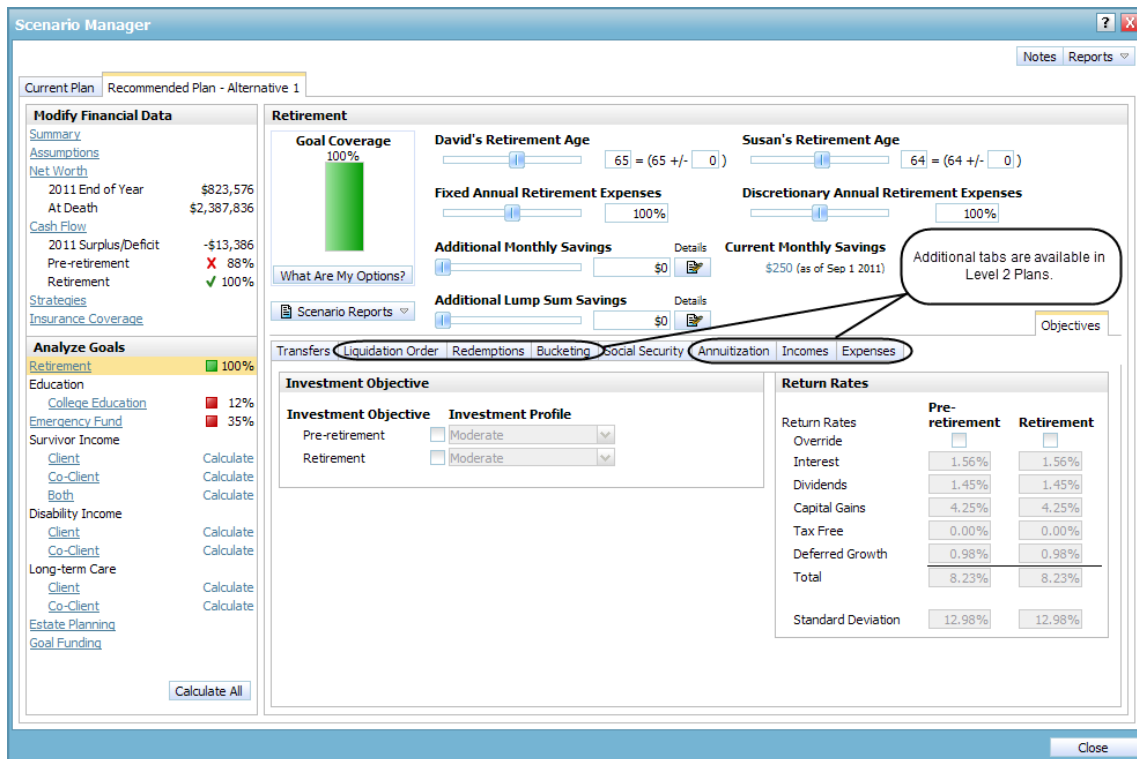


Figure 4: Results section – Analyze Goals category – Scenarios page – Retirement link clicked – Scenario Manager dialog box – Recommended Plan - <scenario name> – Objectives tab

In a Level 2 retirement scenario, you can consider scenario probability and estate planning, and you also have the ability to sell an asset.

## Adding Alternative Plan scenarios

Clicking the *Create Alternative* button on the *Scenarios* page allows you to create alternative scenarios in addition to the *Recommended Plan (Alternative 1)* scenario. NaviPlan has some predefined scenarios



that can be added to education, retirement, and major purchase goals. However, you can also create unique scenarios that closely reflect your clients' financial situation and preferences.

To add an *Alternative Plan* scenario, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page.
2. Click **Create Alternative**.

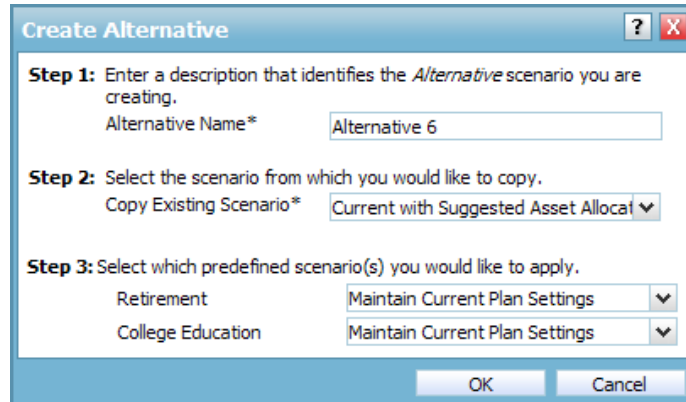


Figure 5: Create Alternative dialog box

3. Enter a name for the scenario.
4. Select the scenario you would like to use as the basis for the new scenario.
5. If you selected *Current with Suggested Asset Allocation* as the scenario you want to copy, select which predefined scenarios you would like to apply to each of the goals in your scenario.

To delete an alternative scenario, click the **Delete** button at the top of the listed scenario on the *Scenarios* page.

**Note:** The *Current Plan* and *Recommended Plan* scenarios cannot be deleted.

## Achieving goal success and viewing goal coverage

For each goal, except for estate planning in Level 2 Plans, NaviPlan recommends options to achieve the goal. The recommended options can be viewed by clicking the *What Are My Options?* button for the scenario. The recommended options may differ among goals.

### Achieving goal success in a scenario

To achieve 100% goal coverage in a scenario, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page – **Edit Recommended** (or **Alternative**) **Plan** – **Scenario Manager** dialog box – **<goal>** link. The goal details appear on the right side of the *Scenario Manager* dialog box.

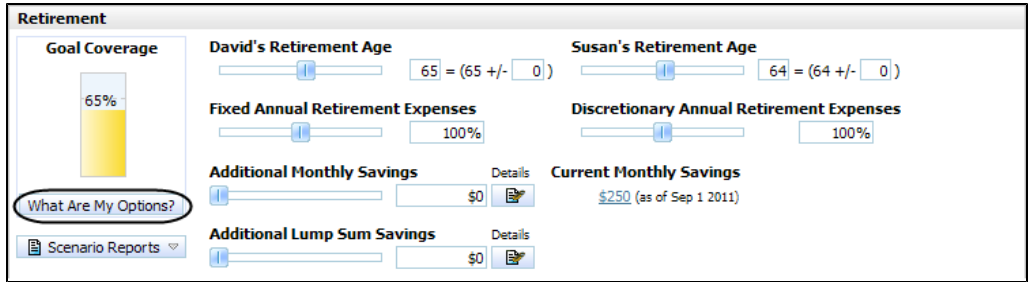


Figure 6: Scenario Manager dialog box – Retirement details

2. Use the sliders to easily adjust values to solve goals.
3. To achieve 100% success, under *Goal Coverage*, click the **What Are My Options?** button.

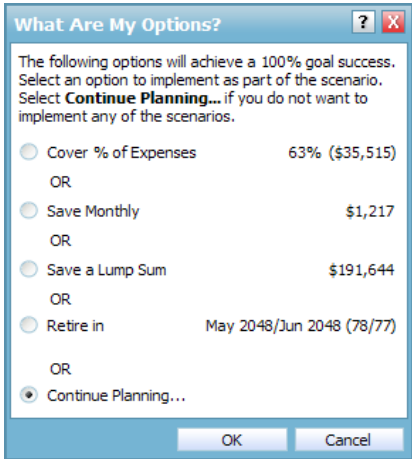


Figure 7: What Are My Options? dialog box (showing retirement options)

4. Select one option that would achieve 100% goal coverage.
5. If you don't want to use any of the 100% options, select **Continue Planning**. To use a combination of options, such as saving a smaller monthly amount and retiring a few years later, define the options yourself by using the slider bars or entering plan modifications in the *Scenario Manager* dialog box.

**Viewing goal coverage for other goals**

Under *Analyze Goals*, you can view the status of all other goals in the scenario.

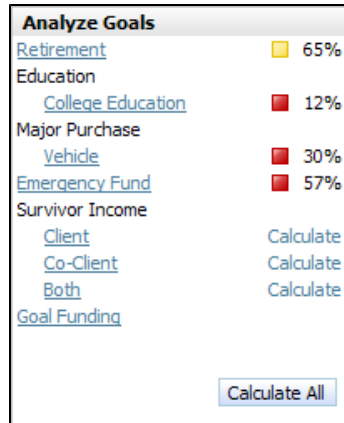


Figure 8: Scenario Manager dialog box – Analyze Goals details

Changes made to one goal can affect other goals. The color-coded boxes under *Analyze Goals* indicate the expected goal coverage success for the goal.

The color...	Indicates that...
Green	Goal coverage is 90% or greater.
Yellow	Goal coverage is between 65% and 89%.
Red	Goal coverage is less than or equal to 64%.

To view another goal in this scenario, under *Analyze Goals*, click the link for the goal you want to view. The selected goal’s details appear on the right side of the *Scenario Manager* dialog box.

**Note:** You can calculate insurance goal coverage by clicking the **Calculate** links or the **Calculate All** button.





## Comparing and recommending scenarios

NaviPlan Premium allows you to compare multiple scenarios for meeting goals, without having to create duplicate plans. Once you have an appropriate scenario that you can apply to your clients' plan, you can recommend it. NaviPlan incorporates the strategies used in the recommended scenario into the *Recommended Plan* scenario in reports, graphs, and client reports. The *Recommended Plan* scenario is a system-generated plan that incorporates the current plan and the recommended scenario.

**Note:** This procedure does not apply to the estate planning goal.

### Comparing scenarios for an individual goal

To compare scenario details for a goal, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.
2. Under *Analyze Goals*, select the goal you want to compare.
3. Click the **Compare Scenarios** button. The *Compare Scenarios* dialog box opens.

OR

If you've selected the *Monte Carlo* module, click the **Scenario Reports** button, and then select **Compare Scenarios**.

4. Select the scenarios you want to compare. NaviPlan displays an analysis of the two scenarios, including assumptions and a graph for each scenario.

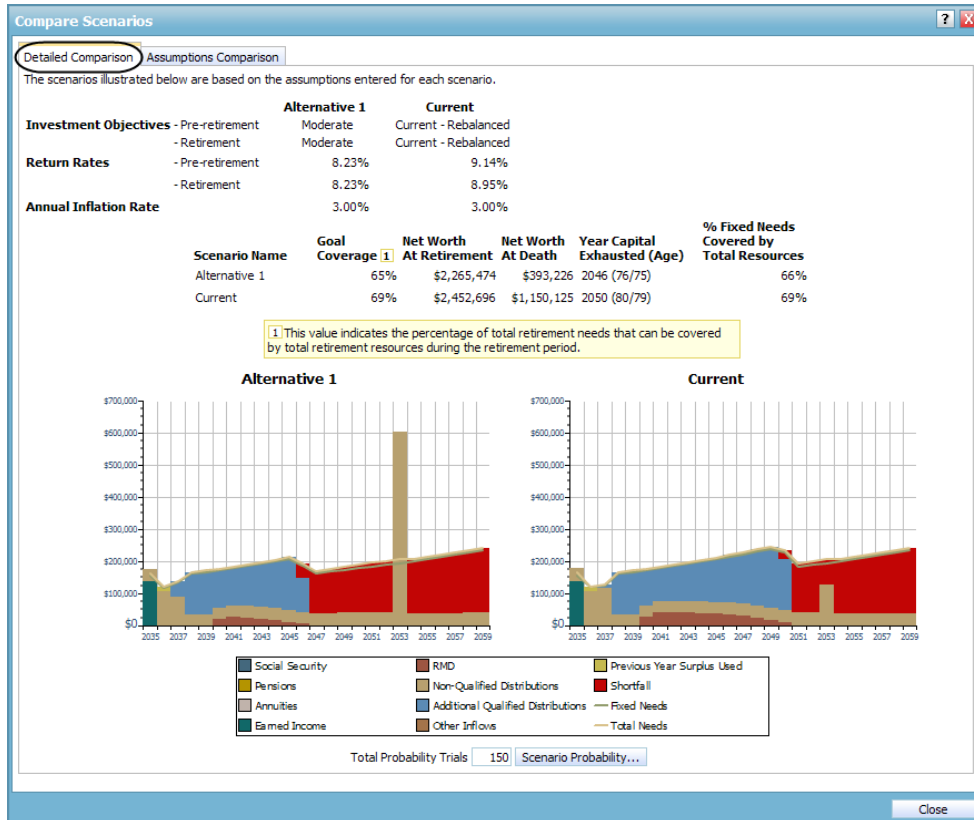


Figure 9: Compare Scenarios dialog box – Detailed Comparison tab

- To view additional assumptions, go to the **Assumptions Comparison** tab. Assumptions for both scenarios appear. **Note:** The *Assumptions Comparison* tab does not appear for the emergency fund goal.

## Recommending a scenario

NaviPlan allows you to recommend the scenario you want to apply to your clients' plan. Recommended scenarios apply to stand-alone and client reports where the *Recommended* plan type is used.

To recommend a scenario for a goal, go to the **Scenarios** page, and then click the **Recommend Plan** button for the scenario.

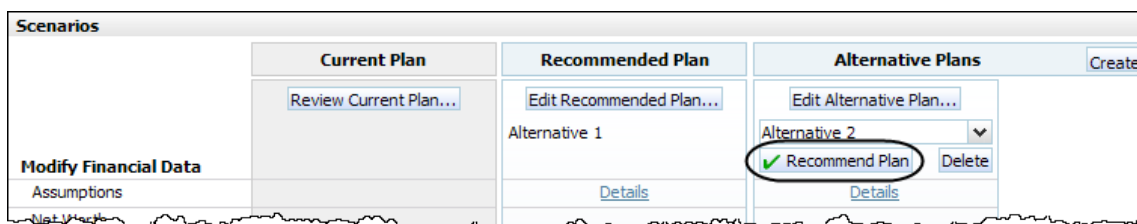


Figure 10: Results section – Analyze Goals category – Scenarios page (showing top of the Scenarios section only)

A goal can only have one recommended scenario. You cannot recommend the *Current Plan* scenario.

## Determining scenario probability (Level 2 Plans)

The *Monte Carlo* module must be included in the plan to perform scenario probability analyses.

The traditional planning process analyzes one possible outcome of the clients' plan, which assumes that the accounts will always earn their stated return rates. While return rates usually average out in the long run, in the short run they may be higher or lower than average. Probability analysis projects the scenario multiple times and randomizes account return rates according to their standard deviation for each trial. The goal success of each trial may change due to asset performance. The goal success of each trial is plotted on probability graphs.

To determine the likelihood that your clients will meet a particular goal, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.
2. Under *Analyze Goals*, select the applicable goal link.
3. Under <goal>, click the **Scenario Reports** button, and then select **Scenario Probability**. The *Scenario Probability Details* dialog box opens.

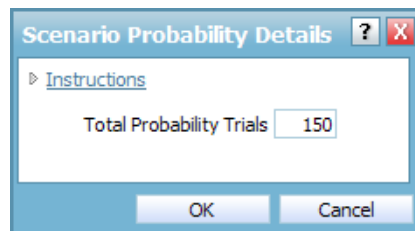


Figure 11: Scenario Probability Details dialog box

4. Enter the number of probability trials you want NaviPlan to perform, and then click **OK**. After NaviPlan calculates the scenario probabilities, the *Scenario Probability* dialog box – *Probability* tab opens showing a goal coverage graph for the scenario. The *Portfolio Variability Projection* and *Investment Capital* tabs also appear. To view more details about a graph in this dialog box, click the **Graph Information** link above the graph.



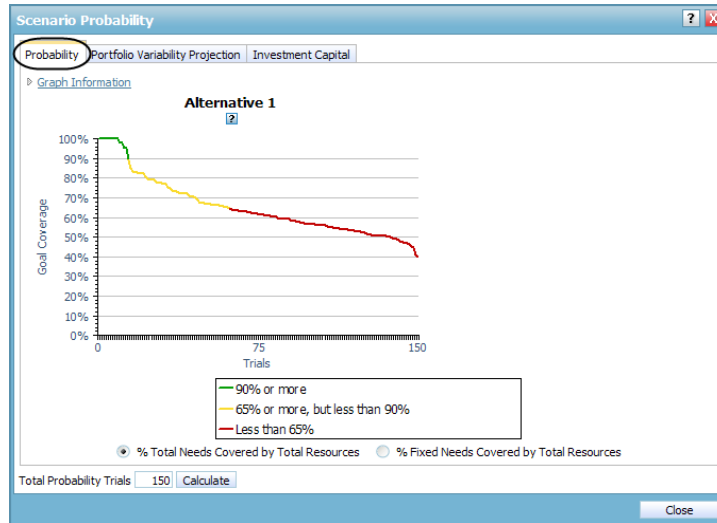


Figure 12: Scenario Probability dialog box – Probability tab

5. To view details of the return rates for the probability analysis, go to the **Portfolio Variability Projection** tab. By default, the *Portfolio Variability Projection* graph shows the compounded rate of return for the scenario.



Figure 13: Scenario Probability dialog box – Portfolio Variability Projection tab

6. To view the annual rate of return instead, select **Annual ROR**.
7. To view the projected capital accumulation, go to the **Investment Capital** tab.
8. If you are viewing results for a retirement goal and you want to determine the probability that all needs will be covered, go to the **Probability** tab, and then select **% Total Needs Covered by Total Resources**.

OR

To determine the probability that all fixed retirement needs will be covered, select **% Fixed Needs Covered by Total Resources**.

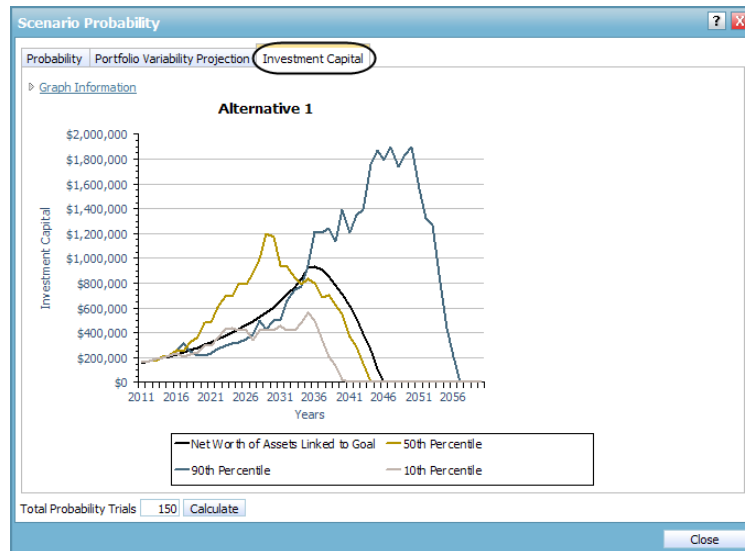


Figure 14: Scenario Probability dialog box – Investment Capital tab

9. Enter the number of trials you want NaviPlan to perform, and then click the **Calculate** button. The graph updates.

**Note:** A higher number of trials will provide a more accurate probability distribution. However, NaviPlan will require more time to calculate the results of the probability analysis.

## Creating goal funding strategies (Level 2 Plans)

In addition to entering goal funding assumptions, NaviPlan Premium allows you to analyze various goal funding strategies, and then apply an appropriate strategy to the clients' recommended plan.

To create a goal funding strategy, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.
2. Under *Analyze Goals*, click the **Goal Funding** link. The *Goal Funding* details appear in the *Scenario Manager* dialog box.

Goal Funding						
<input type="checkbox"/> Override Current Plan settings						
Existing Accounts	Total	Retirement	College Education	Vehicle	Emergency Fund	Unallocated
Account Name (Owner/Account Type)						
Joint savings (Non-Qualified)	\$15,000	25%	\$0	25%	25%	\$3,750
Susan's IRA	\$75,000	100%	\$0	\$0	\$0	\$0
529 plan (David/529 Plan for Julia)	\$10,000	\$0	50%	\$0	\$0	\$5,000
David's 401(k)	\$75,000	100%	\$0	\$0	\$0	\$0
Susan's saving (Non-Qualified)	\$5,000	\$0	\$0	100%	\$0	\$0
	\$180,000	\$153,750	\$5,000	\$8,750	\$3,750	\$8,750

Figure 15: Scenario Manager dialog box – Goal Funding link – Goal Funding details

3. Select the **Override Current Plan settings** check box.
4. Under *Goal Funding*, for each non-qualified account, in the available fields, enter a fixed dollar value, a percentage, or the keyword **balance**, as explained in the following table:

Enter...	To fund goals in this manner...
A fixed dollar value	The account funds for this goal are used before those assigned a percentage or a balance. If fixed amounts are assigned to multiple goals, and the combined fixed amounts exceed the value of the account, then funds are automatically distributed according to the dollar amount entered.
A percentage	The account funds for this goal are used before those assigned a balance. Only goals with fixed amounts take precedence.
The word <i>balance</i>	All remaining unallocated funds in the account are directed to the goal. The account funds for this goal will be used after those assigned a percentage or a fixed amount. If <i>balance</i> is entered for more than one goal, then the remaining balance is distributed equally among those goals.

For more information about funding goals, see “Allocating accounts to goals” in *Level 1 and Level 2 Plans – Entering client data and goals*.

**Note:** 529 plans and Coverdell accounts can only be allocated to the clients’ education goal(s). Qualified accounts can only be allocated to the retirement goal.

## Managing scenarios in client reports

NaviPlan allows you to manage multiple plan scenarios without having to concentrate on individual scenario details. You can determine which scenarios should be included in client reports.

To include alternative scenarios in reports, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page.
2. Click the **Include Alternatives In Reports** button. The *Include Alternatives In Reports* dialog box opens.

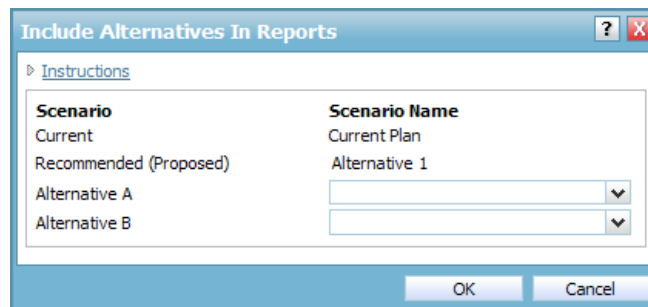


Figure 16: Results section – Analyze Goals category – Scenarios page – Include Alternatives In Reports button – Include Alternatives In Reports dialog box

The *Current Plan* scenario and *Recommended Plan (Proposed)* scenarios are included by default.

3. Select an alternative scenario from the lists for *Alternative A* and *Alternative B*.

## Adding notes to scenarios

You can add your own notes to almost every page in NaviPlan, including the *Scenarios* page and *Scenario Manager* dialog box. Once you have added a note to a scenario, an asterisk appears on the *Notes* button indicating that there is a note in the scenario.

To add a note to a scenario, follow these steps:

1. In the *Scenario Manager* dialog box, click the **Notes** button. The *Notes* dialog box opens.
2. In the *Notes* dialog box, enter the note.

## Generating scenario reports

After you have defined a scenario in NaviPlan Premium, you can examine the effect the scenario will have on the plan.

To generate a scenario report, follow these steps:

1. Go to the **Reports** menu, and then select the report you want to view. The *Assign Settings* dialog box opens.

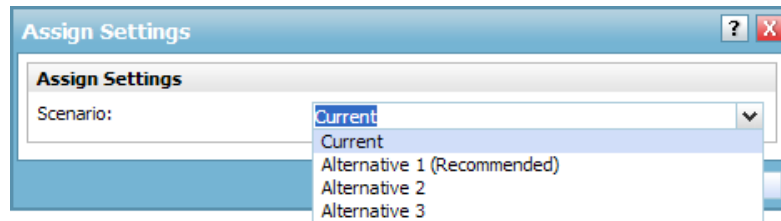


Figure 17: Reports menu - <report> - Assign Settings dialog box

2. Select the applicable scenario.

## Chapter 3: Creating goal scenarios

This chapter describes how to customize scenarios for retirement, education, major purchase, and emergency fund goals, and assumes you already know how to use the common features of the pages in the *Results* section – *Analyze Goals* category.

For more information about analyzing goals using scenarios, see "Analyzing goals in NaviPlan Select" on page 7.

### In this chapter:

Customizing What-if retirement scenarios	25
Customizing What-if education and major purchase scenarios	38
Customizing What-if emergency fund scenarios	42

## Customizing What-if retirement scenarios

NaviPlan Premium allows you to customize existing retirement scenarios to help meet the needs of your clients' financial situation and their preferences. Once you have an appropriate scenario that you can apply to your clients' plan, you can recommend it. Recommended scenarios apply to client reports where the *Recommended* plan type is used. For information on recommending scenarios, see "Recommending a scenario" on page 18.

All What-if scenarios are created and customized in the *Scenario Manager* dialog box. To access it, go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.

### Entering retirement scenario objectives

To enter scenario objectives for the retirement goal, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link.

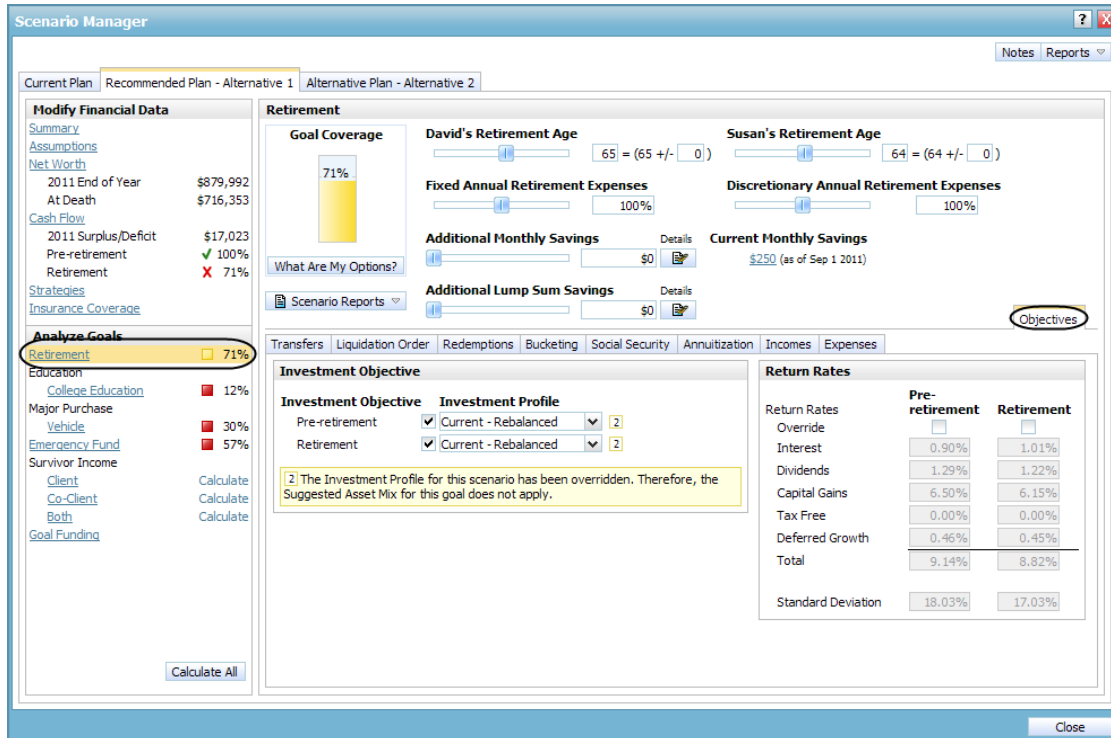


Figure 18: Scenario Manager dialog box – Retirement link – Objectives tab

- To change the retirement age of the client or co-client, enter a positive or negative number in the (*Age +/-*) field, or move the slider bars. The retirement age will be adjusted by that number. For example, to change the retirement age from 65 to 55, enter -10 in the (*Age +/-*) field.

**Note:** To override other assumptions, such as life expectancy and the inflation rate for this scenario, under *Modify Financial Data* click **Assumptions**, select the applicable override check box, and then edit the data.

- To override the default investment profile for the pre-retirement or retirement period, go to the **Objectives** tab, select the **Investment Objective** check box next to the profile, and then select a different profile. The *Return Rates* fields update automatically.

The default investment profile for the plan is defined on the *Plan Management* section – *Asset Allocation* category – *Profile* page.

- To override the return rates for the scenario, select the applicable **Override** check box, and then enter new return rates.

6. If applicable, enter the percentage of fixed and discretionary expenses to cover during the retirement period.

## Entering additional retirement savings (Level 2)

To enter additional savings for the retirement goal within the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link.

Figure 19: Scenario Manager dialog box – Retirement link – Retirement details (showing Savings slider bars and fields)

2. Use the slider bars for *Additional Monthly Savings* and *Additional Lump Sum Savings* to arrive at an optimal savings amount, or enter the amount. NaviPlan assumes that the savings are directed to a non-qualified account, which is created when the savings are entered. The return rate is based on the suggested asset mix.
3. To specify additional savings strategy details such as inflation rates, and start and end dates, click the **Details** button, and then enter the additional details in the dialog box that opens.

## Editing existing or adding new savings strategies (Level 2)

To edit existing savings strategies or to add new savings strategies for the retirement goal into the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Strategies** link.



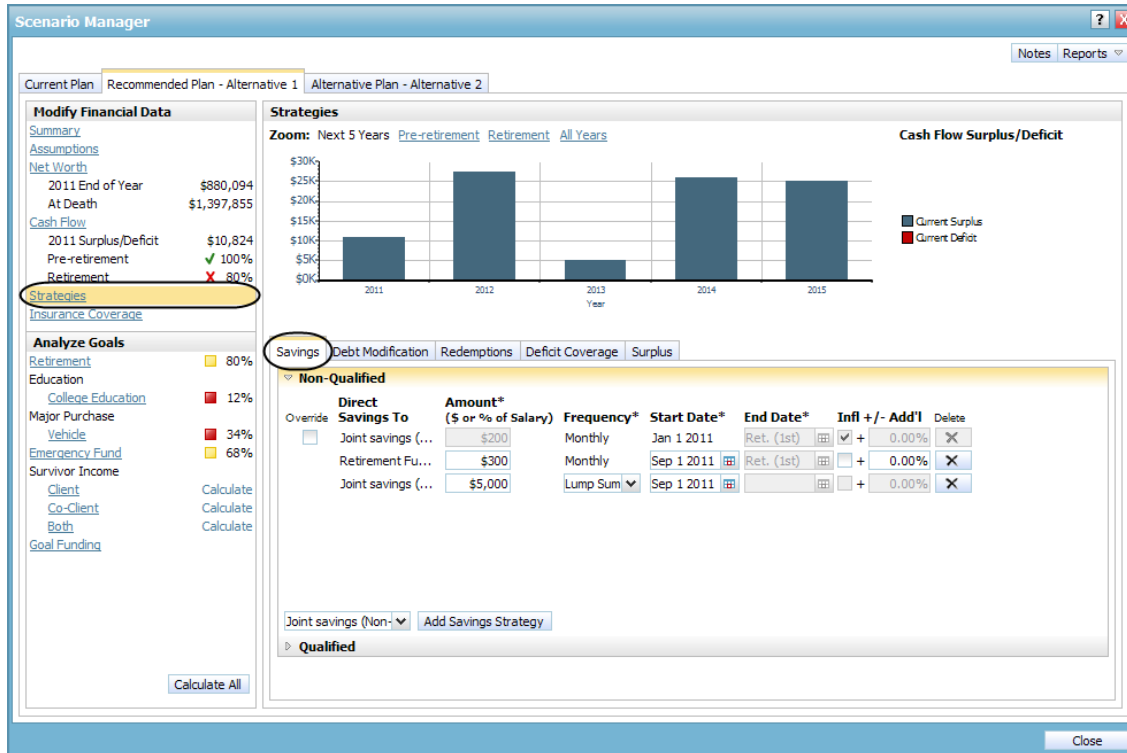


Figure 20: Scenario Manager dialog box – Strategies link – Savings tab

2. To edit an existing savings strategy, under *Non-Qualified* or *Qualified* on the *Savings* tab, select the **Override** check box, and then edit the savings strategy details.
3. To add a new savings strategy, under *Non-Qualified* or *Qualified*, select an account from the *Choose Account* list, and then click **Add Savings Strategy**. Enter the savings strategy details.
1. Under *Analyze Goals*, click the **Retirement** link to return to *Retirement* details. Under *Goal Coverage*, note that the goal coverage for the retirement goal updates.

## Entering retirement transfer strategies (Level 2)

**Note:** Transfers cannot be entered in the *Current Plan* scenario.

To model transferring assets from one account to another, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link, and then go to the **Transfers** tab. Under *Transfers*, existing transfers appear.

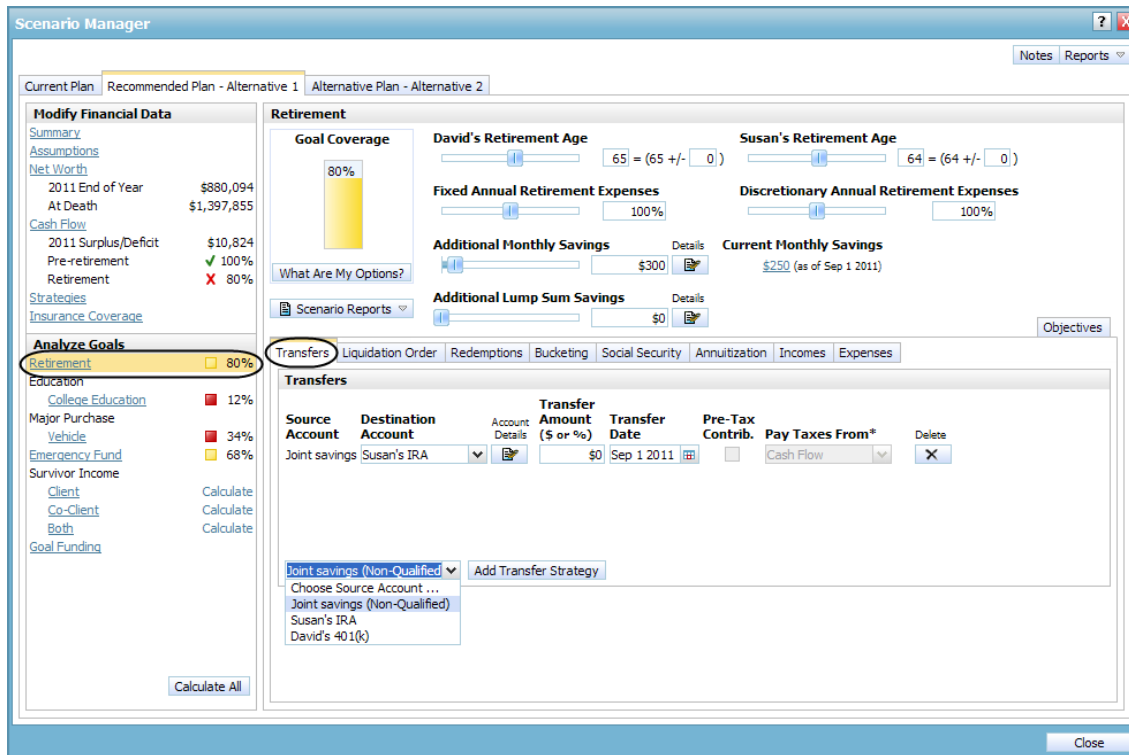


Figure 21: Scenario Manager dialog box – Retirement link – Transfers tab

**Note:** Only accounts created in the current plan that are funding the retirement goal in whole or in part are available. Annuities created in the current plan and dependent-owned accounts are unavailable.

2. Under *Choose Source Account*, select the source account you want to transfer funds from, and then click **Add Transfer Strategy**. A new data-entry row appears.
3. From the *Destination Account* list, select the account you want to transfer funds to, and then enter the dollar amount or percentage of the source account you want to transfer.
4. Enter the date when you want the transfer to occur.
5. If the transfer is a pre-tax contribution, select the **Pre-Tax Contrib.** check box.

## Entering redemptions (Level 2)

To enter automatic retirement redemptions that will occur outside deficit coverage, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link, and then go to the **Redemptions** tab.

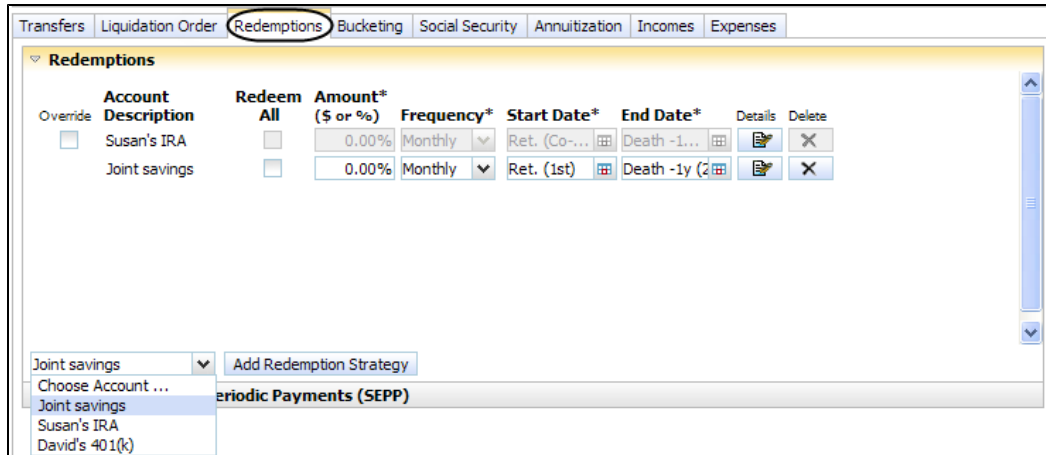


Figure 22: Scenario Manager dialog box – Retirement link – Redemptions tab

2. Select an account from which funds will be redeemed, and then click **Add Redemption Strategy**.
3. If you expect the entire account to be redeemed, select the **Redeem All** check box, and then enter (or select) the date when the redemption should occur. Redemptions can only occur on or after the retirement date.
4. Enter the dollar amount of each redemption.
5. From the *Frequency* list, select the frequency of the redemption.
6. Enter **Retirement** or a start date during retirement, and then enter the end date of the redemption strategy.  
**Note:** If *Lump Sum* is selected from the *Frequency* list, you cannot enter an end date or index the amount.
7. To exclude penalties for early withdrawals or to index the redemptions to inflation, click the **Details** button, and then edit the details as required.

## Entering liquidation strategies (Level 2)

To define the liquidation order of assets to cover cash flow deficits, and to define additional automatic redemptions in the retirement goal scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link, and then go to the **Liquidation Order** tab.

Transfers **Liquidation Order** Redemptions Bucketing Social Security Annuitization Incomes Expenses

Do not redeem Qualified assets prior to age:  
 David  Ret. (Client)   
 Susan  Ret. (Co-cl...)

Override the default order

Choose the order in which assets are redeemed during retirement:  
 Non-Qualified - Roth - Qualified  
 Non-Qualified - Qualified - Roth  
 Roth - Qualified - Non-Qualified  
 Blended Withdrawal

**Liquidation Order**

Modify the liquidation order

Description	Account Type	Owner
8 Joint savings	Non-Qualified	Joint
8 Susan's saving	Non-Qualified	Susan
David's 401(k)	401(k)	David

↑ Move Up ↓ Move Down

8 Account is not used entirely to fund the retirement goal.

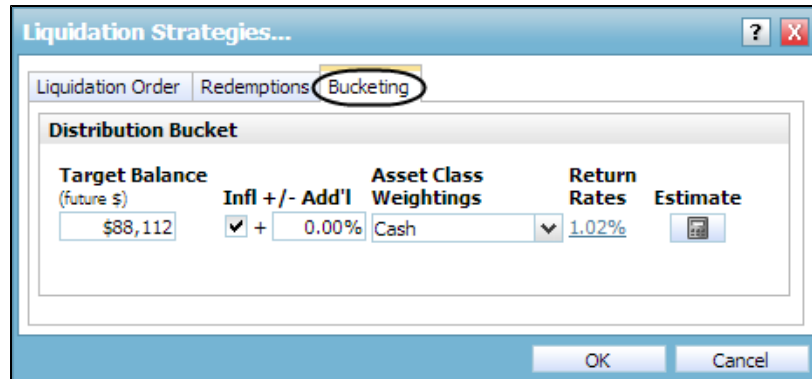
Figure 23: Scenario Manager dialog box – Retirement link – Liquidation Order tab

2. To override the minimum age when qualified assets can be redeemed, for each applicable client, select the **Do not redeem Qualified assets prior to age** check box, and then enter a new age.
3. To override the liquidation order settings for the plan, select the **Override the default order** check box.
4. To redeem assets by account type only, select one of the existing liquidation options.  
OR  
To edit the order of specific accounts, select the **Modify the liquidation order** check box. A list of existing accounts and the current liquidation order appears. By default, the accounts are ordered based on the selected liquidation option.  
**Note:** For non-qualified accounts, NaviPlan only redeems the portion that is linked to the retirement goal.
5. To change the liquidation order of individual accounts, for each applicable account, select the account, and then click **Move Up** or **Move Down**. The liquidations occur when cash flow deficits exist in the plan during the retirement period.

## Model a Bucketing Strategy

1. To model a bucketing strategy, go to the **Bucketing** tab and then complete the following steps:
  - a. Click the **Estimate** button, this will open the *Distribution Bucket Estimator* calculator.
  - b. Enter the number of years over which the "bucket" investment account will cover needs, and click **Ok**.
  - c. The amount determined by the calculator will appear in the *Target Balance* field.

- d. Enter the remaining details of the bucketing strategy.



## Defining Social Security

**Note:** If both the client and co-client are retired in a joint plan, the *Social Security* tab is unavailable. If only one client in a joint plan is retired, the Social Security scenario options are only available for the client in pre-retirement.

To analyze the effects of receiving Social Security benefits starting at various ages, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link, and then go to the **Social Security** tab.

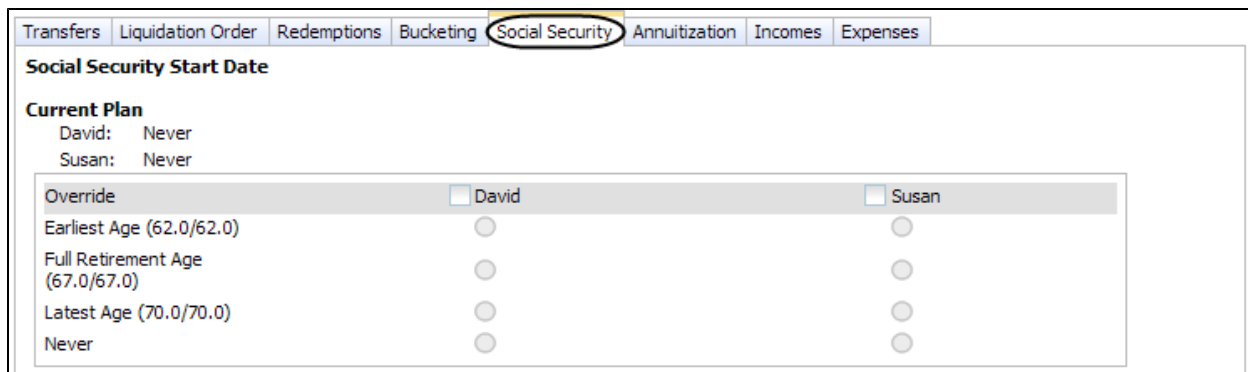


Figure 24: Scenario Manager dialog box – Retirement link – Social Security tab

3. Under *Social Security Start Date*, select the **Override** check box for each applicable client. The *Social Security* options for the scenario become accessible.
4. For each client, select the age when Social Security begins.

## Entering annuitization strategies (Level 2)

An annuitize-to-need scenario calculates the amount of redeemable non-annuity assets that are required to purchase annuities that provide income for a specified need starting at retirement. An

annuitization strategy can demonstrate the benefits of covering some expenses with a guaranteed annuity income stream, instead of relying on market performance to provide enough capital growth to cover basic retirement needs. This strategy can be of particular interest to clients who are nearing retirement or are already retired. To enter annuitize-to-need scenarios, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link, and then go to the **Annuitization** tab.

Transfers Liquidation Order Redemptions Bucketing Social Security **Annuitization** Incomes Expenses

Override current annuitization settings

Review how applying an annuitize-to-need strategy can affect the scenario.

1. Estimate the additional income gap to cover:  
\$0 /yr (in future dollars) [Estimate Income Gap...](#)

2. [Apply new strategies to existing annuities](#)

3. [Select the assets to annuitize](#)  
\*Available assets: Non-qualified (to 100%)

4. [Review the results and assumptions](#)

Figure 25: Scenario Manager dialog box – Retirement link – Annuitization tab

2. Select the **Override current annuitization settings** check box. The annuitize-to-need scenario settings are now editable.
3. To estimate the gap between the clients' expenses and fixed incomes during retirement, click **Estimate Income Gap**. The *Estimate Income Gap in Retirement* dialog box opens.

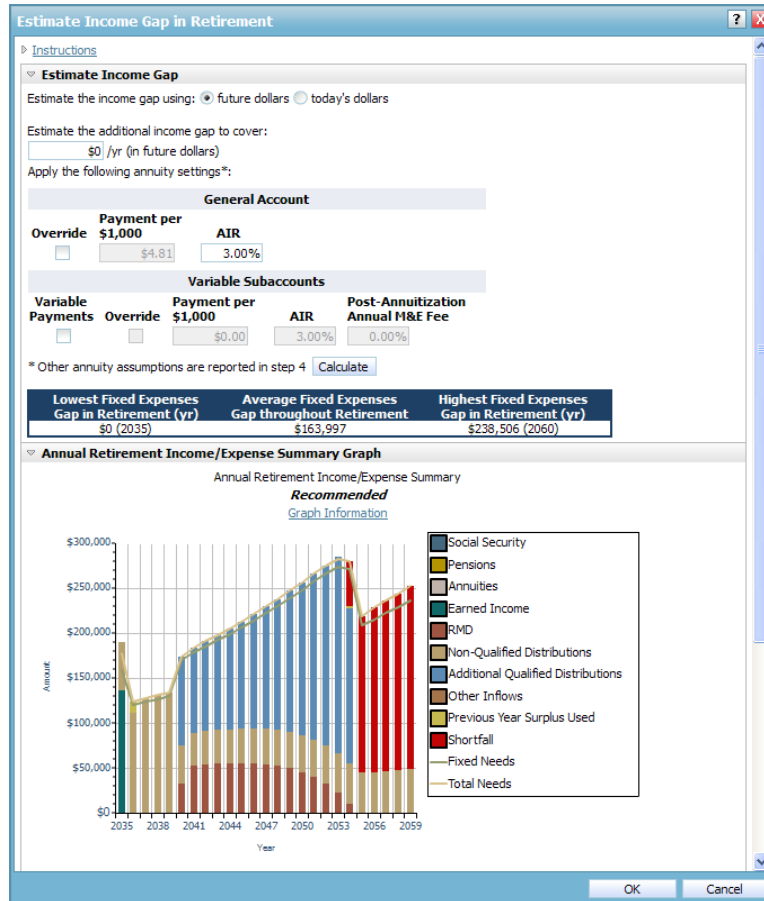


Figure 26: Scenario Manager dialog box – Retirement link – Annuitization tab – Estimate Income Gap button – Estimate Income Gap in Retirement dialog box

4. Specify whether the income gap should be expressed in future dollars or in today's dollars.
5. Use the graph in the open dialog box, as well as the *Retirement: Annuitization* tab of the *Scenario Manager* dialog box, to determine the size of the income gap that should be covered by annuity income, and then enter that amount in the *Estimate the additional income gap to cover* field.
6. In the *AIR* field, enter the expected rate of return for the new annuity.
7. Click **Calculate**. NaviPlan calculates and displays in the *Payment per \$1,000* field the amount that will be paid out of the annuity for every \$1,000 of market value that is transferred into the annuity.
8. If you do not want to use the calculated *Payment per \$1,000* value, select the **Override** check box, and then in the *Payment per \$1,000* field, enter the value you would rather use.

9. Click **OK**. The *Estimate Income Gap in Retirement* dialog box closes.
10. To make changes to existing annuities, click the **Apply new strategies to existing annuities** link. The *Strategies for Existing Annuities* dialog box opens.

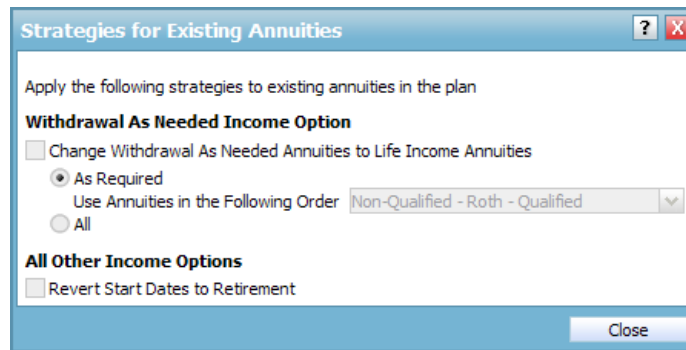


Figure 27: Scenario Manager dialog box – Retirement link – Annuitization tab – Apply new strategies to existing annuities link – Strategies for Existing Annuities dialog box

11. To change annuities in the plan with the *Withdrawals as Needed* annuitization type to *Life Income*, select the *Change Withdrawal As Needed Annuities to Life Income Annuities* check box. This change only affects the selected retirement scenario and does not affect the current plan. You can also select to withdraw the annuities as required or specify an order.
12. To change the annuitization start date of existing annuities to the retirement start date as defined in the plan, select the **Revert Start Dates to Retirement** check box. Annuities are affected for this scenario only.
13. Click **Close**. The *Strategies for Existing Annuities* dialog box closes.
14. To convert asset types into an annuity, click the **Select the assets to annuitize** link. The *Assets for Annuitization* dialog box opens.



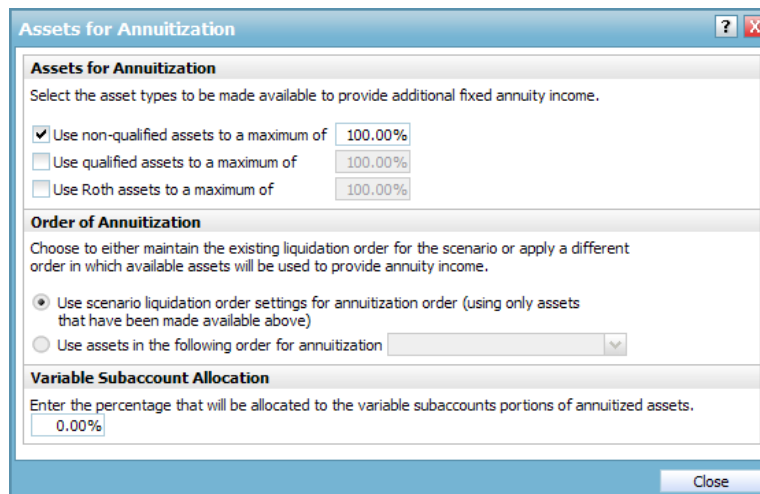


Figure 28: Scenario Manager dialog box – Retirement link – Annuitization tab – Select the assets to annuitize link – Assets for Annuitization dialog box

15. Select the asset types you want NaviPlan to convert into an annuity, and then enter the maximum percentages you want NaviPlan to convert. For example, if you do not want to sell more than half of the clients' non-qualified assets to fund annuities, enter 50% for that asset type. By default, non-qualified assets are available for the annuity.
16. If you selected more than one asset type, under *Order of Annuitization*, select the order in which you want NaviPlan to sell the selected asset types. You can select *Use assets in the following order for annuitization*, and then select an annuitization order from the list, or you can select *Use scenario liquidation order settings for annuitization order* and have NaviPlan use the liquidation order set on the *Retirement: Liquidation Strategies* tab of the *Scenario Manager* dialog box.
17. If you want to allocate funds to variable subaccounts, under *Variable Subaccount Allocation*, enter the percentage you want to allocate.
18. Click **Close**. The *Assets for Annuitization* dialog box closes.
19. Click the **Review the results and assumptions** link. The *Annuitize-to-need Results and Assumptions* report opens and displays the results of the strategy and the assumptions used in it.

**Note:** If you made additional assets available for the annuity, the clients may be able to cover a larger income gap. To re-estimate the income gap, repeat the procedure.

## Adding incomes and expenses (Level 2)

To add annual incomes and expenses to the retirement scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Retirement** link, and then go to the **Incomes** tab.

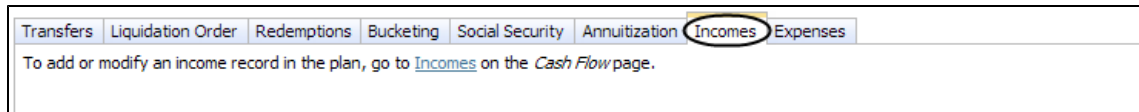


Figure 29: Scenario Manager dialog box – Retirement link – Incomes tab

2. Clicking the *Incomes* link takes you to the *Incomes* tab in the *Cash Flow* details section of the *Scenario Manager* dialog box, where you can add incomes.
3. Go to the **Expenses** tab.

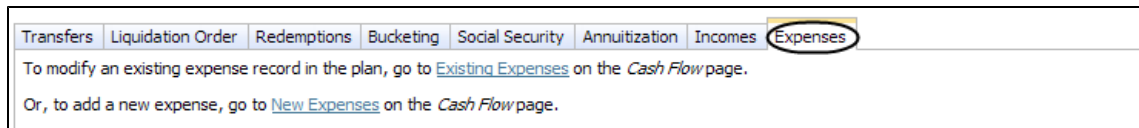


Figure 30: Scenario Manager dialog box – Retirement link – Expenses tab

4. Clicking the *Existing Expenses* link takes you to the *Existing Expenses* tab in the *Cash Flow* details section of the *Scenario Manager* dialog box, where you can edit existing expenses.
5. Clicking the *New Expenses* link takes you to the *New Expenses* tab in the *Cash Flow* details section, where you can add new pre-retirement and retirement expenses.

## Adding new retirement accounts and annuities to the scenario (Level 2)

To add new accounts and annuities to the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Net Worth** link, and then go to the **Accounts** or the **Annuities** tab.
2. Click **Add Account**. The *New Account (or Annuity) Details* dialog box opens, where you can define the account or annuity details.

## Model a change in the state of residence during retirement

To model a change in the state of residence for your clients during the retirement period, follow these steps:

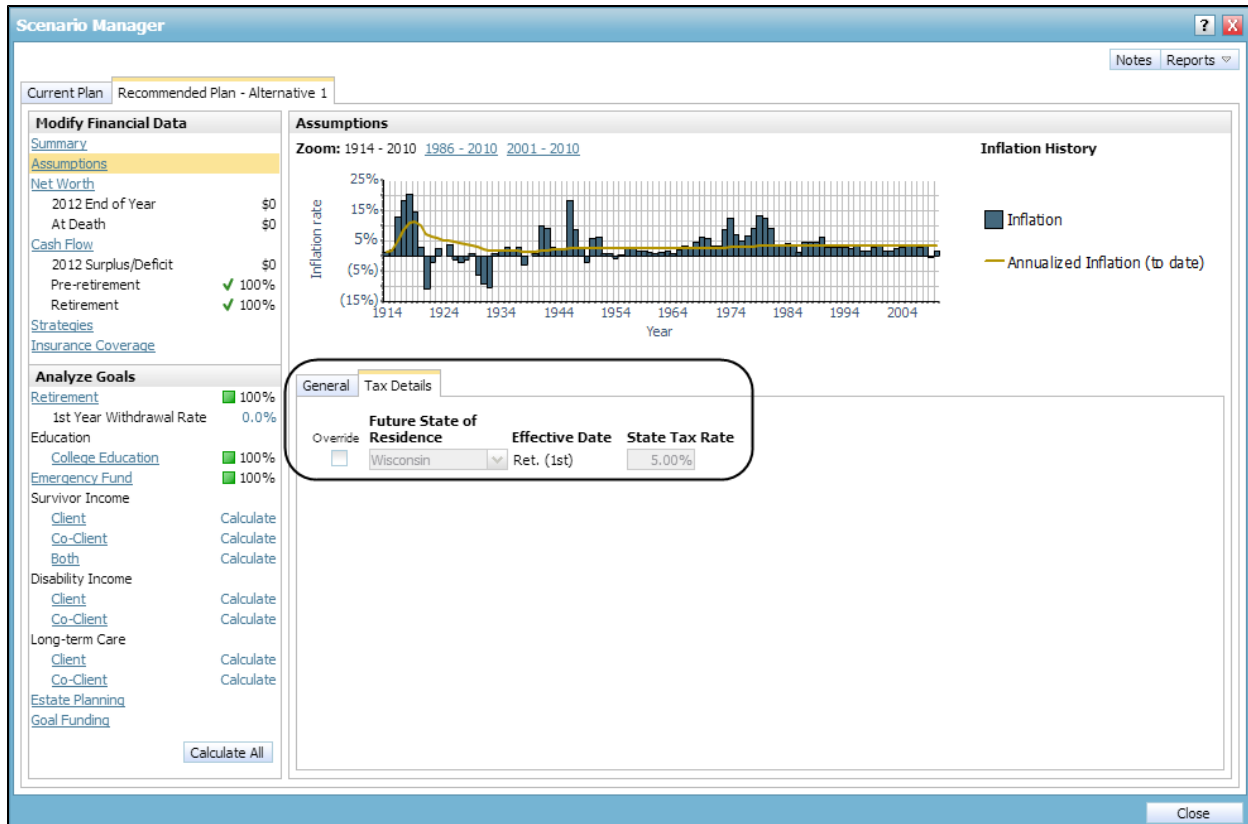


Figure 31: Scenario Manager dialog box – Assumptions link – Tax Details tab

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Assumptions** link.
2. Click the **Tax Details** tab.
3. Select the **Override** check box, and select the state to which you clients intend to move from the *Future State of Residence* menu.
4. Additionally, if the state to which your clients intend to move has a different rate of taxation you can enter the new rate into the *State Tax Rate* field.

## Customizing What-if education and major purchase scenarios

NaviPlan Premium allows you to customize existing education or major purchase goals within scenarios to help meet the needs of your clients' financial situation and their preferences. Once you have an appropriate scenario that you can apply to your clients' plan, you can recommend it. Recommended scenarios apply to client reports where the *Recommended* plan type is used. For information on recommending scenarios, see "Recommending a scenario" on page 18.

All What-if scenarios are created and customized in the *Scenario Manager* dialog box. To access it, go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.

## Entering education or major purchase scenario objectives

To enter scenario objectives for the education goal, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the applicable **<education goal>** or **<major purchase goal>** link.
2. **Education goal only:** If applicable, use the slider bars or enter the percentage of the education expenses to cover.
3. **Education goal only:** To override the duration of the education goal, select the **Duration** check box, and then enter the number of years you expect the education goal to last.
4. **Major purchase goal only:** To override the amount of the major purchase, use the **Purchase Amount** slider bar or select the check box, and then enter a rate at which to adjust annual savings.

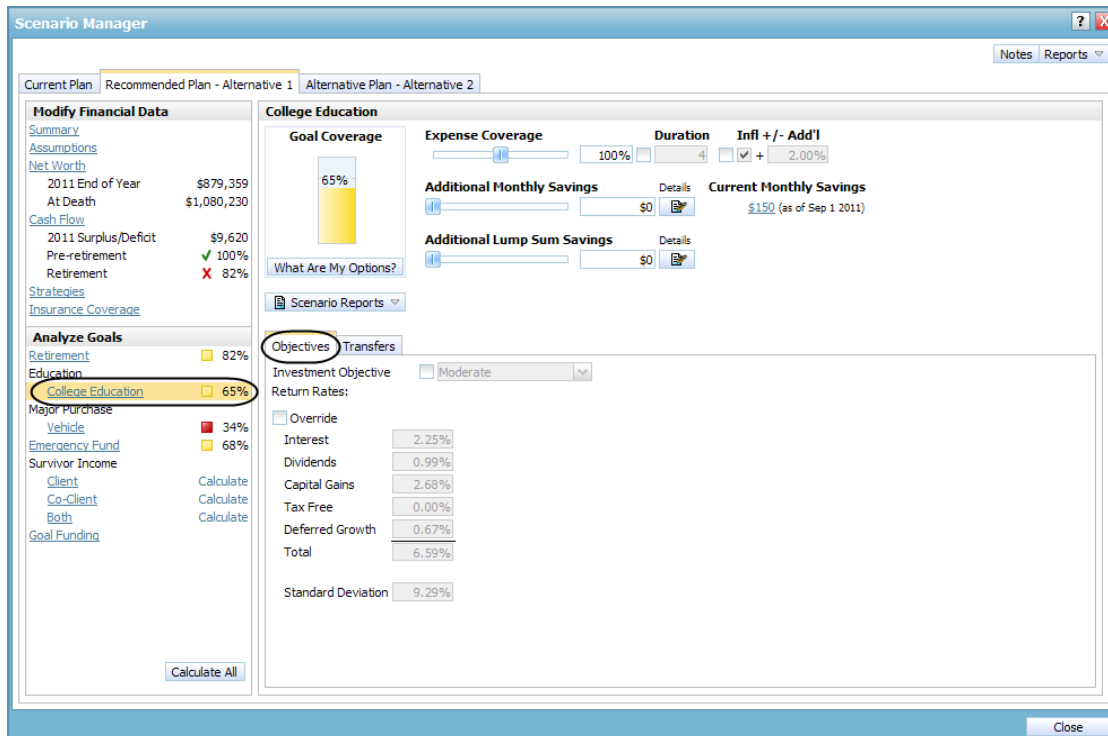


Figure 32: Scenario Manager dialog box – <education goal> link – Objectives tab

5. To override the inflation rate for this scenario, select the **Infl** check box, and then, if applicable, enter a new rate.

6. **Major purchase goal only:** To override the purchase date, select the **Purchase Date** check box, and then enter a new date.
7. To override the default investment profile for the goal, on the *Objectives* tab, select the **Investment Objective** check box next to the profile, and then select a different profile. The *Return Rates* fields update automatically.  
The default investment profile for the plan is defined on the *Plan Management* section – *Asset Allocation* category – *Profile* page.
8. To override the return rates for the scenario, select the applicable **Override** check box, and then enter new return rates.

## Entering additional savings for the education or major purchase goal scenario

To enter additional savings for the education or major purchase goal scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the applicable **<education goal>** or **<major purchase goal>** link.
2. Use the slider bars for *Additional Monthly Savings* and *Additional Lump Sum Savings* to arrive at an optimal savings amount, or enter the amount. NaviPlan assumes that the savings are directed to a non-qualified account, which is created when the savings are entered. The return rate is based on the suggested asset mix.
3. To specify additional savings strategy details such as inflation rates, and start and end dates, click the **Details** button and then enter the additional details in the dialog box that opens.

## Editing existing or adding new savings strategies (Level 2)

To edit existing savings strategies or to add new savings strategies for the education or major purchase goal into the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Strategies** link.

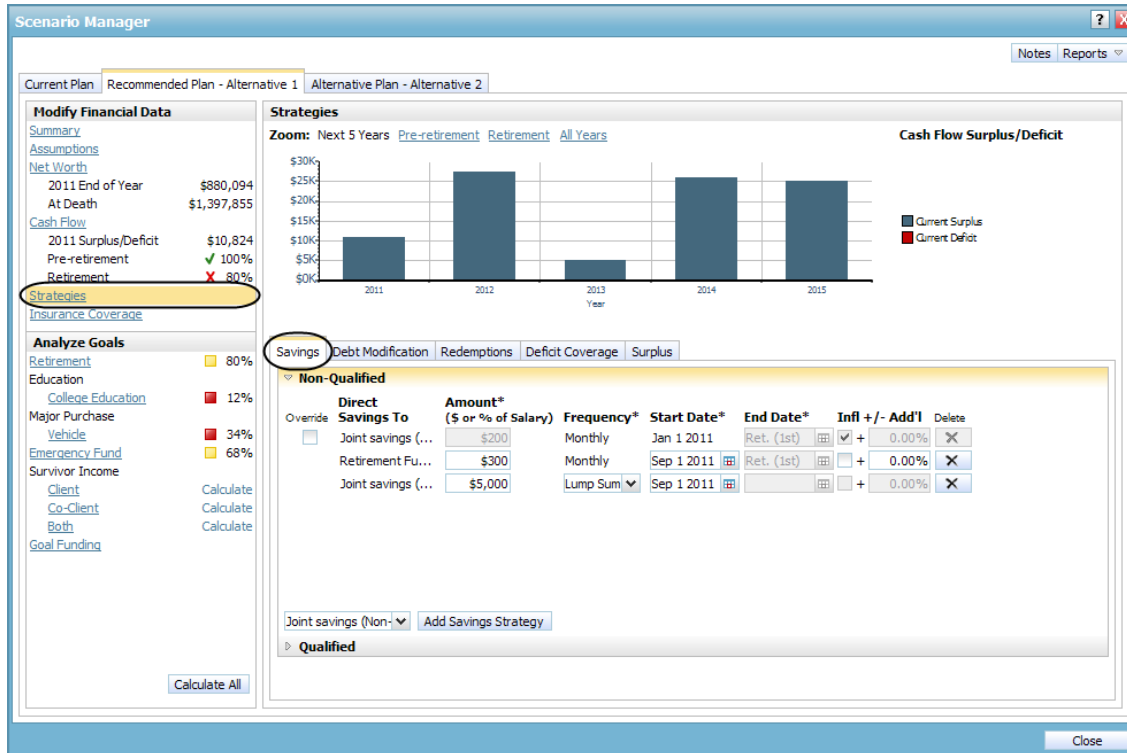


Figure 33: Scenario Manager dialog box – Strategies link – Savings tab

- To edit an existing savings strategy, under *Non-Qualified* or *Qualified* on the *Savings* tab, select the **Override** check box, and then edit the savings strategy details.
- To add a new savings strategy, under *Non-Qualified* or *Qualified*, select an account from the *Choose Account* list, and then click **Add Savings Strategy**. Enter the savings strategy details.
- Under *Analyze Goals*, click the **<education>** or **<major purchase>** goal link to return to *Retirement* details. Under *Goal Coverage*, note that the goal coverage for the education or major purchase goal updates.

## Entering education transfer strategies (Level 2)

**Note:** Transfers cannot be entered in the *Current Plan* scenario.

To model transferring assets from one account to another, follow these steps:

- In the *Scenario Manager* dialog box under *Analyze Goals*, click the applicable **<education goal>** link, and then go to the **Transfers** tab. Under *Transfers*, existing transfers appear.

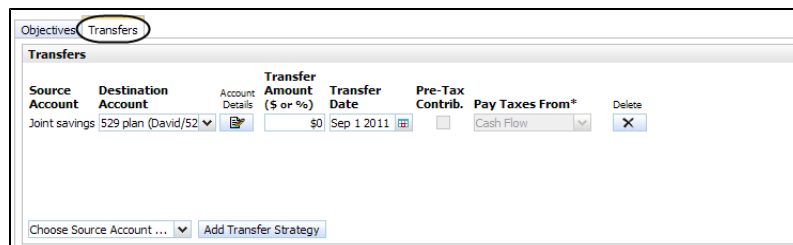


Figure 34: Scenario Manager dialog box – Education link – Transfers tab

2. Under *Transfers*, select the source account you want to transfer funds from, and then click **Add Transfer Strategy**. A new data-entry row appears.
3. From the *Destination Account* list, select the account you want to transfer funds to, and then enter the dollar amount or percentage of the source account you want to transfer.

**Note:** Only 529 plans and Coverdell registered accounts created in the current plan that are funding the education goal in whole or in part are available. Dependent-owned, non-qualified accounts are also unavailable.

4. Enter the date when you want the transfer to occur.

## Adding new education or major purchase accounts to the scenario (Level 2)

To add new accounts to the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Net Worth** link, and then go to the **Accounts** tab.
2. Click **Add Account**. The *New Account* dialog box opens, where you can define the account details and allocate the account to the goal.

## Customizing What-if emergency fund scenarios

NaviPlan Premium allows you to customize existing emergency fund scenarios to help meet the needs of your clients' financial situation and their preferences. Once you have an appropriate scenario that you can apply to your clients' plan, you can recommend it. Recommended scenarios apply to client reports where the *Recommended* plan type is used. For information on recommending scenarios, see "Recommending a scenario" on page 18.

All What-if scenarios are created and customized in the *Scenario Manager* dialog box. To access it, go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.

## Entering emergency fund scenario objectives

To enter scenario objectives for the emergency fund goal, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Emergency Fund** link.

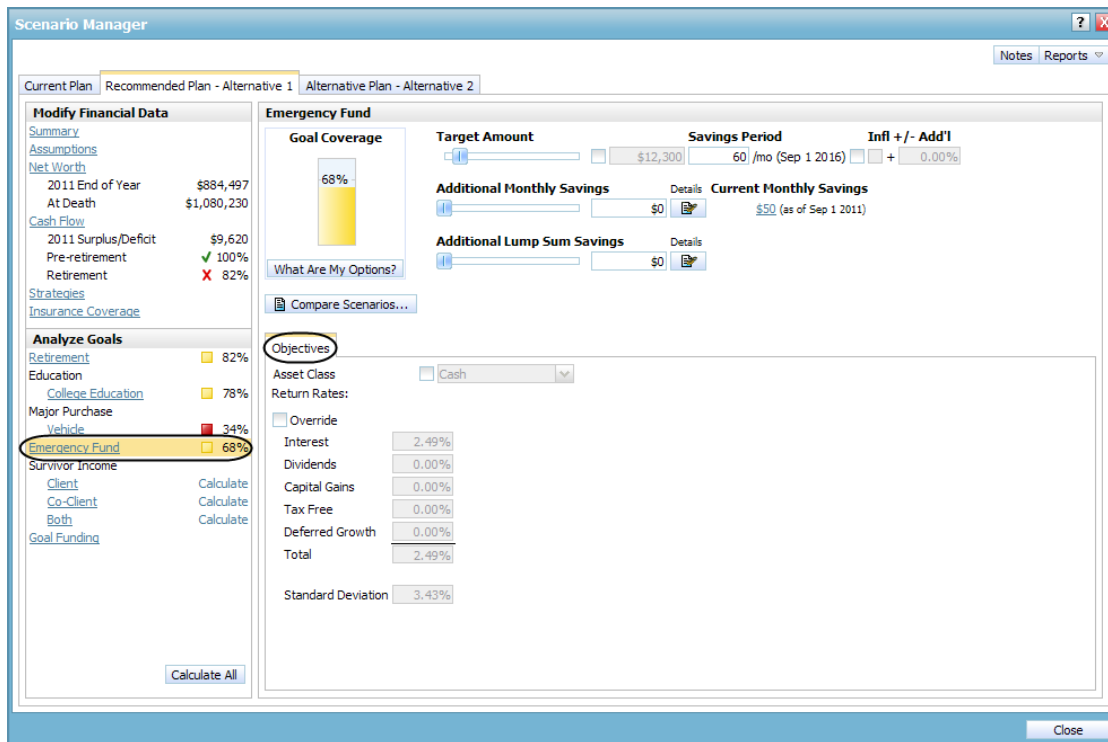


Figure 35: Scenario Manager dialog box – Emergency Fund link – Objectives tab

2. To override the target amount of the emergency fund, use the slider bar to select an amount.  
OR  
Select the **Target Amount** check box, and then enter a new amount.
3. To override the inflation rate for this scenario, select the **Infl** check box, and then enter a rate at which to adjust annual savings.
4. Enter the savings period in months, up to a maximum of 60.
5. To override the current asset class, on the *Objectives* tab select the **Asset Class** check box, and then select a new asset class for



the emergency fund. NaviPlan assumes savings to an emergency fund are invested. The *Return Rates* fields update automatically.

## Entering additional emergency fund savings

To enter additional savings for the emergency fund goal scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Emergency Fund** link.
2. Use the slider bars for *Additional Monthly Savings* and *Additional Lump Sum Savings* to arrive at an optimal savings amount, or enter the amount. NaviPlan assumes that the savings are directed to a non-qualified account, which is created when the savings are entered. The return rate is based on the suggested asset mix.
3. To specify additional savings strategy details such as inflation rates, and start and end dates, click the **Details** button, and then enter the additional details in the dialog box that opens.

## Editing existing or adding new savings strategies (Level 2)

To edit existing savings strategies or to add new savings strategies for the emergency fund goal into the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Strategies** link.

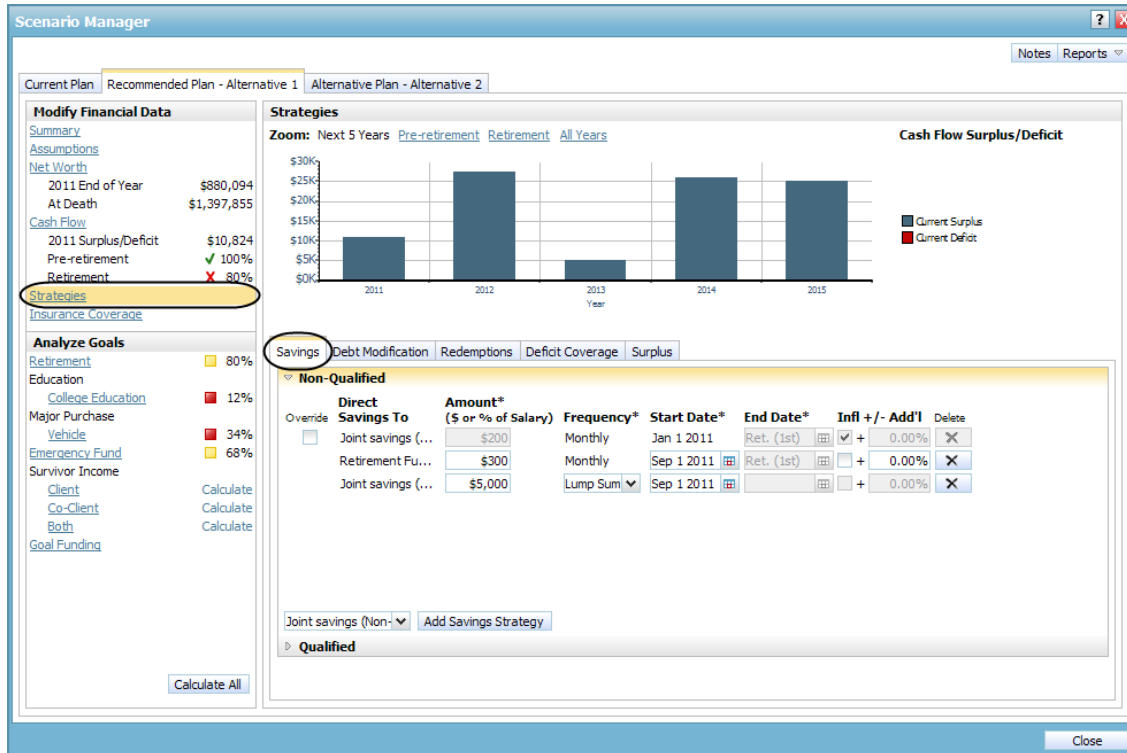


Figure 36: Scenario Manager dialog box – Strategies link – Savings tab

2. To edit an existing savings strategy, under *Non-Qualified* or *Qualified* on the *Savings* tab, select the **Override** check box, and then edit the savings strategy details.
3. To add a new savings strategy, under *Non-Qualified* or *Qualified*, select an account from the *Choose Account* list, and then click **Add Savings Strategy**. Enter the savings strategy details.
4. Under *Analyze Goals*, click the **<emergency fund goal>** link to return to the goal details. Under *Goal Coverage*, note that the goal coverage for the emergency fund goal updates.

## Adding new emergency fund accounts to the scenario (Level 2)

To add new accounts to the scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Modify Financial Data*, click the **Net Worth** link, and then go to the **Accounts** tab.
2. Click **Add Account**. The *New Account* dialog box opens, where you can define the account details and allocate the account to the emergency fund goal.

# Chapter 4: Insurance goal scenarios

This chapter describes how to customize scenarios for insurance goals and assumes you already know how to use the common features of the pages in the *Results* section – *Analyze Goals* category. For more information about using the common features, see Chapter 9: Analyzing goals in NaviPlan Select.

All What-if scenarios are created and customized in the *Scenario Manager* dialog box. To access it, go to the *Results* section – *Analyze Goals* category – *Scenarios* page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.

For more detailed insurance goal analysis, use a Level 2 Plan.

## In this chapter:

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Customizing What-if long-term care scenarios (Level 2)	62

## Customizing What-if insurance goal scenarios (Level 1)

NaviPlan Premium allows you to customize a recommended survivor income scenario to help meet the needs of your clients' financial situation and preferences. Recommended scenarios apply to client reports where the *Recommended* plan type is used.

To customize the survivor, disability, or long-term care income scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the appropriate **<insurance goal>** link. In this example we will look at survivor income.

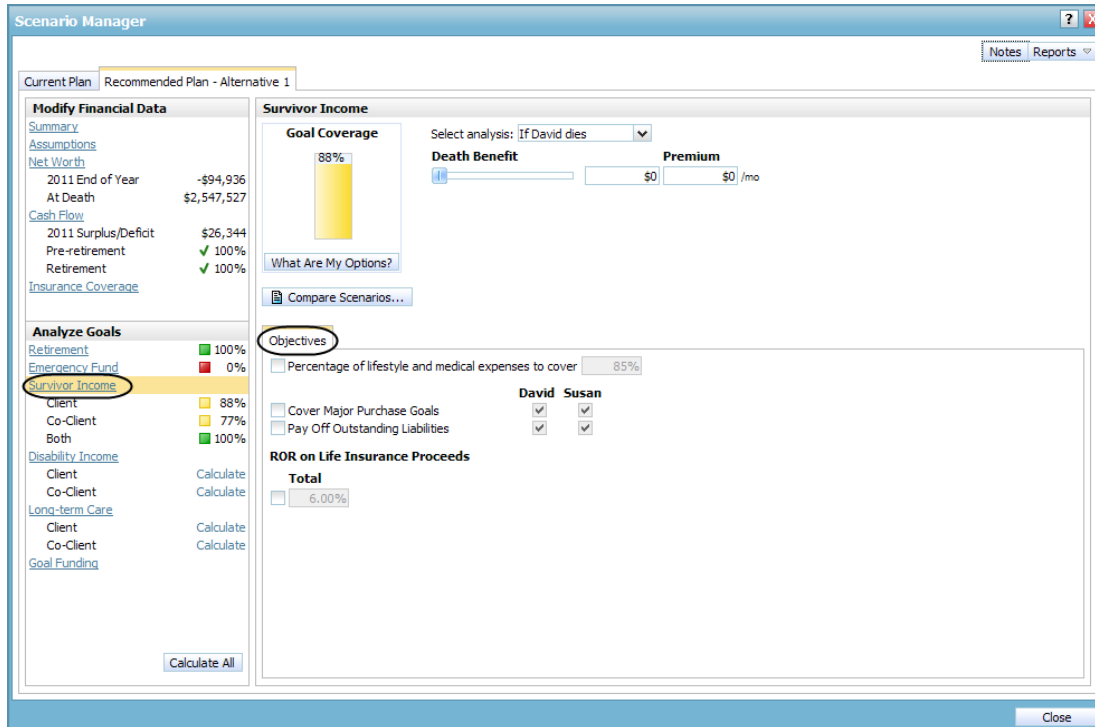


Figure 37: Scenario Manager dialog box – Survivor Income link (Level 1 Plan) – Objectives tab

2. From the *Select analysis* list, select the insurance scenario.
3. Use the slider bar for *Death Benefit* (survivor income), *Disability Benefit* (disability income), or *Daily Benefit Amount* (long-term care) to arrive at an optimal insurance amount, or enter the amount.
4. Enter the premium amount.
5. To override the percentage of lifestyle and medical expenses to cover for the insurance scenario, on the *Objectives* tab, select the **Percentage of lifestyle and medical expenses to cover** check box, and then enter a new percentage.

This is the percentage of current expenses that continue in the event of the insurance scenario. For example, in a survivor income scenario, some expenses (utility payments and property taxes) normally continue for a surviving client and dependents, while other expenses (food and clothing) decline. The default is 85%, but the percentage can be changed.

6. Survivor income scenario only: To override the rate of return used for life insurance proceeds, under *ROR on Life Insurance Proceeds*, select the check box, and then enter a new return rate.
7. Survivor and disability income scenarios only: To change how outstanding major purchase goals are covered, select the **Cover**

- Major Purchase Goals** check box, and then make the appropriate selections for the client and co-client. When major purchase goals are not covered, less insurance is required.
8. Survivor and disability income scenarios only: To change how outstanding liabilities are covered, select the **Pay Off Outstanding Liabilities** check box, and then make the appropriate selections for the client and co-client.
  9. Long-term care insurance scenario only: Select the **Additional Daily LTC Expenses** check box, and then enter the daily expense amount that is to be covered.
  10. Under *Goal Coverage*, note how your changes affect the *Goal Coverage* graph.

## Customizing What-if survivor income scenarios (Level 2)

The analysis method chosen in the *Set Goals* section – *Survivor Income* category determines the available tabs under *Survivor Income - <client>* details in the *Scenario Manager* dialog box:

- *Goal and Expense Analysis* method – Uses the clients' existing lifestyle expenses and goal information to define their insurance needs.
- *Income Coverage Analysis* method – Uses the clients' income to estimate the anticipated expenses during the survivorship period.

NaviPlan Premium allows you to customize a recommended survivor income scenario to help meet the needs of your clients' financial situation and preferences. Recommended scenarios apply to client reports where the *Recommended* plan type is used.

To customize a survivor income scenario, complete the following procedures, based on the method used (or special circumstance):

**Note:** The procedures available depend on which analysis method is selected on the *Set Goals* section – *Survivor Income* category – *Survivor Income* page.

### **Goal and Expense Analysis method**

- "Entering survivor income assumptions (Level 2)" on page 49

- "Entering ongoing expenses (Level 2)" on page 51
- "Enter the survivor's annual income needs (Level 2)" on page 1
- "Entering the survivor's lump-sum needs at death (Level 2)" on page 52

#### **Income Coverage Analysis method**

- "Entering survivor income assumptions (Level 2)" on page 49
- "Entering additional annual income at death (Level 2)" on page 52
- "Entering the survivor's lump-sum needs at death (Level 2)" on page 52
- "Enter the survivor's income at death (Level 2)" on page 1

#### **When both the client and co-client die together**

- "Entering dependent needs when both clients die (Level 2)" on page 53

### **Entering survivor income assumptions (Level 2)**

To enter survivor income assumptions for the client and co-client in the *Recommended Plan* scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the appropriate **<insurance goal>** link.

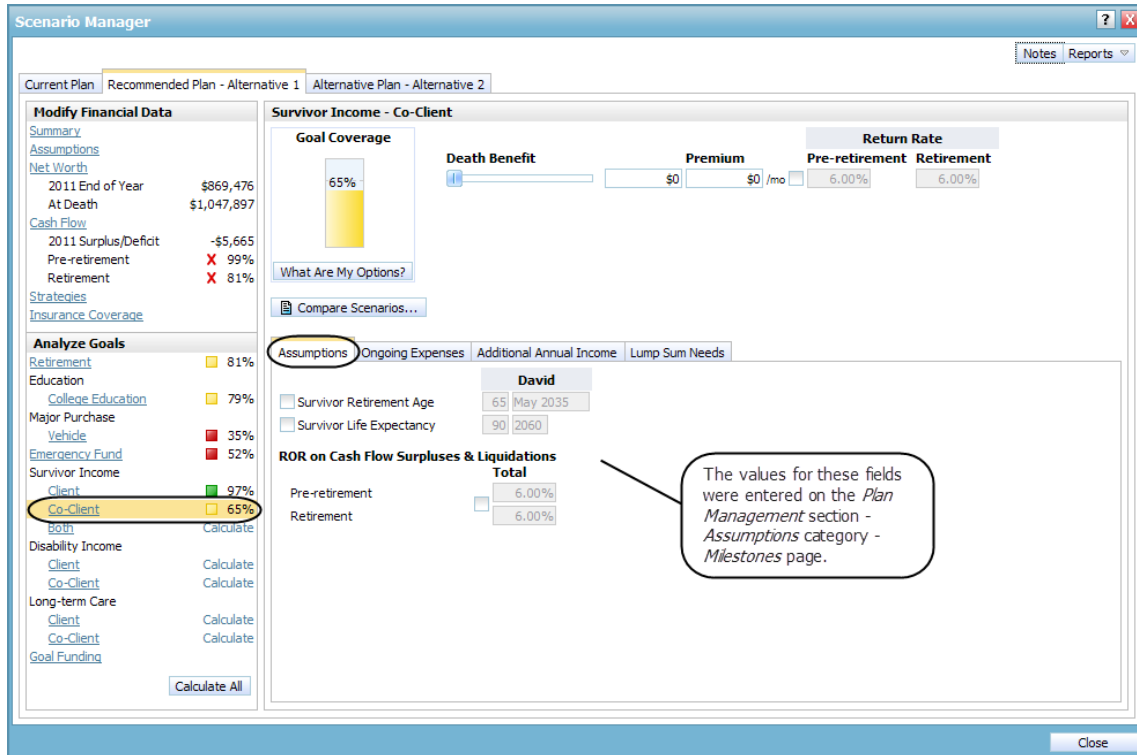


Figure 38: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Assumptions tab

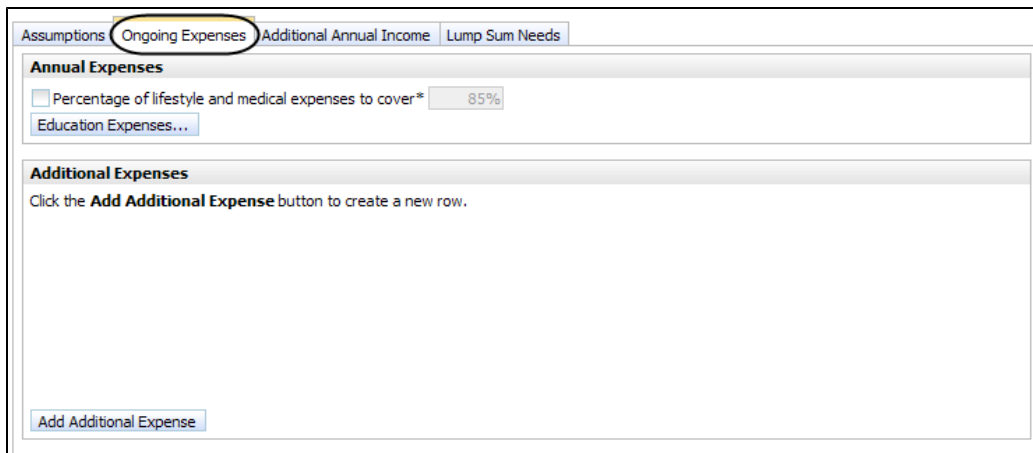
2. Under *Survivor Income* - <client> details, to include additional life insurance, enter the death benefit and annual premium amount. You can use the slider bar and the *What Are My Options?* button to find the optimal life insurance amount.
3. To override the return rates used for the additional life insurance, select the override check box, and then enter the pre-retirement and retirement return rates.
4. To change the survivor's retirement age for the scenario, select the **Survivor Retirement Age** check box, and then enter the retirement age or date.
5. To change the survivor's life expectancy for the scenario, select the **Survivor Life Expectancy** check box, and then enter the life expectancy age or year.
6. To override the return rates used for cash flow surpluses and liquidations, under *ROR on Cash Flow Surpluses & Liquidations*, select the override check box, and then enter the pre-retirement and retirement return rates.
7. Note the goal coverage graph results.

## Entering ongoing expenses (Level 2)

This procedure only applies if the *Goal and Expense Analysis* method is selected on the *Set Goals* section – *Survivor Income* category – *Client/Co-client Objectives* page.

To enter the survivor's annual expenses at death in the *Recommended Plan* scenario, follow these steps:

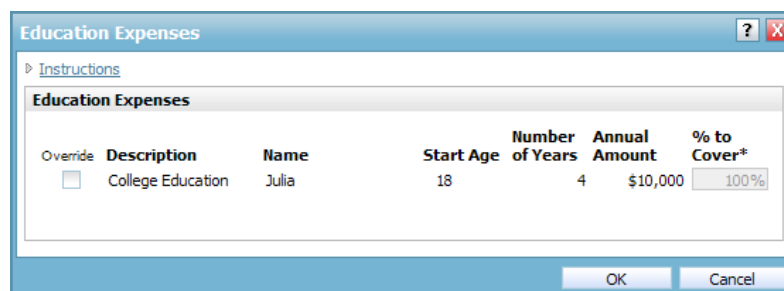
1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the appropriate **Survivor Income** link, and then go to the **Ongoing Expenses** tab.



The screenshot shows the 'Scenario Manager' dialog box with the 'Ongoing Expenses' tab selected. The 'Annual Expenses' section has a checkbox for 'Percentage of lifestyle and medical expenses to cover\*' set to 85%. Below it is a button labeled 'Education Expenses...'. The 'Additional Expenses' section contains the instruction 'Click the Add Additional Expense button to create a new row.' and a button labeled 'Add Additional Expense'.

Figure 39: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Ongoing Expenses tab

2. To change the default percentage of expenses to cover at death, under *Annual Expenses*, select the **Percentage of lifestyle and medical expenses to cover** check box, and then enter a new percentage.
3. To change the percentage of education expenses to cover at death, click **Education Expenses**.



The screenshot shows the 'Education Expenses' dialog box. It has a table with the following data:

Override	Description	Name	Start Age	Number of Years	Annual Amount	% to Cover*
<input type="checkbox"/>	College Education	Julia	18	4	\$10,000	100%

At the bottom of the dialog box are 'OK' and 'Cancel' buttons.

Figure 40: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Education Expenses button – Education Expenses dialog box

4. For each applicable education goal, select the check box next to the goal, and then enter a new percentage in the *% to Cover* field.



5. Click **OK** to close the *Education Expenses* dialog box.
6. To add additional expenses to the scenario, under *Additional Expenses*, click **Add Additional Expense**.
7. Enter a description and the annual amount of the expense.

## Entering additional annual income at death (Level 2)

This procedure only applies if the *Goal and Expense Analysis* method is selected on the *Set Goals* section – *Survivor Income* category – *Client/Co-client Objectives* page.

To enter the survivor's additional annual income at death in the *Recommended Plan* scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the appropriate **Survivor Income** link, and then go to the **Additional Annual Income** tab.

Override	Description	Income Type	Annual Amount	Start Date	End Date	Infl +/- Add'l	Delete
<input type="checkbox"/>	Salary	Other	\$20,000	Jan 1 2012	Ret. (Client)	✓ + 0.00%	✕
<input type="checkbox"/>	Additional Annual Income	Salary	\$0	Jan 1 2012	Ret. (Client)	✓ + 0.00%	✕

Add Additional Annual Income

Figure 41: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Additional Annual Income tab

2. To edit an existing income, under *Additional Annual Income*, select the check box next to the applicable income.  
OR  
To create a new income, under *Additional Annual Income*, click **Add Additional Annual Income**.
3. Enter the income description, select the income type, and then enter an annual income amount

## Entering the survivor's lump-sum needs at death (Level 2)

To enter the survivor's lump-sum needs at death in the *Recommended Plan* scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the appropriate **Survivor Income** link, and then go to the **Lump Sum Needs** tab.

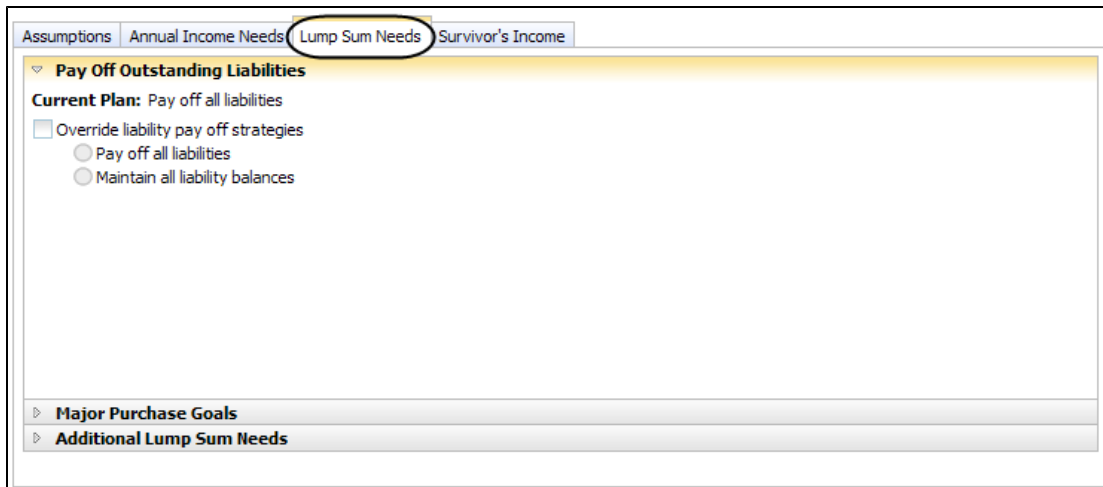


Figure 42: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Lump Sum Needs tab

2. To override the manner in which liabilities are to be paid off for this scenario, under *Pay Off Outstanding Liabilities*, select the **Override liability pay off strategies** check box, and then select an option.

**Note:** This option appears if liabilities exist in the plan and, if in the *Enter Financial Data* section – *Net Worth* category – *Assets/Liabilities* page – *Liability Details* dialog box, the *Payoff Options at Death* is set to either *Transfer to survivor* or *Payoff at first death (from estate)*.

3. If major purchase goals are included in the plan and you want to override the *% to Cover* field, under *Major Purchase Goals*, select the **Override** check box for each applicable major purchase, and then enter a new percentage.
4. To add lump-sum needs to the scenario, under *Additional Lump Sum Needs*, if any other lump-sum needs are expected, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.

## Entering dependent needs when both clients die (Level 2)

To enter the dependents' needs when both clients die in the *Recommended Plan* scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Survivor Income – Both** link, and then go to the

### Assumptions tab.

2. To override the return rates used for the survivor income scenario, under *ROR on Cash Flow Surpluses & Liquidations*, select the check box, and then enter the pre-retirement and retirement return rates.
3. Under *Survivor Income – Both* details, to include additional life insurance in the scenario, enter the death benefit and annual premium amount. You can use the slider bar or the *What Are My Options?* button to find the optimal death benefit amount.
4. Go to the **Ongoing Expenses** tab.

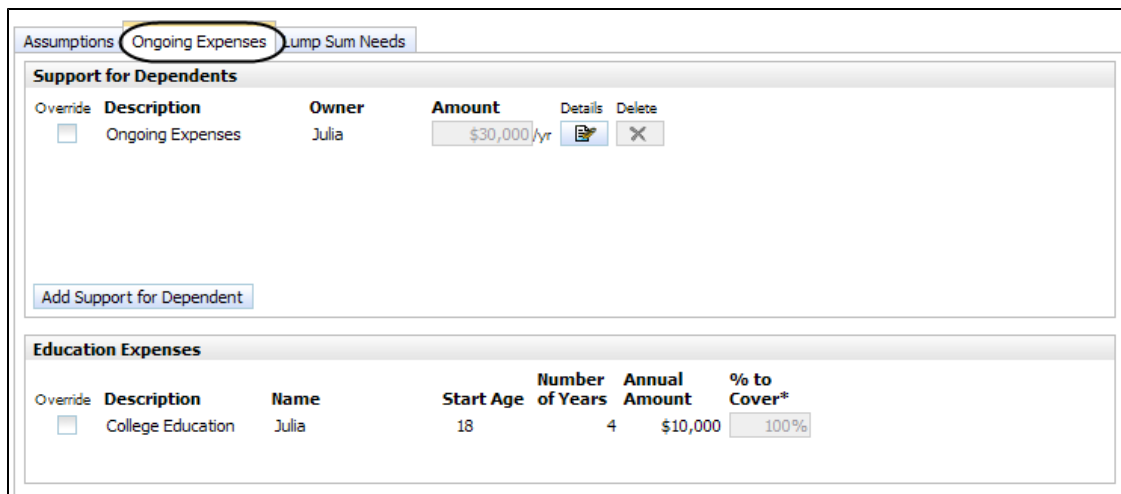


Figure 43: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Ongoing Expenses tab

5. To override an existing ongoing expense, under *Support for Dependents*, select the check box next to an existing expense, and then edit the information, or click **Details**.
6. To add a new ongoing expense, click **Add Support for Dependent**.
7. Enter the details of the dependent expense(s).
8. For each applicable education goal, select the check box next to the goal, and then enter a new percentage in the *% to Cover* field.
9. Go to the **Lump Sum Needs** tab.

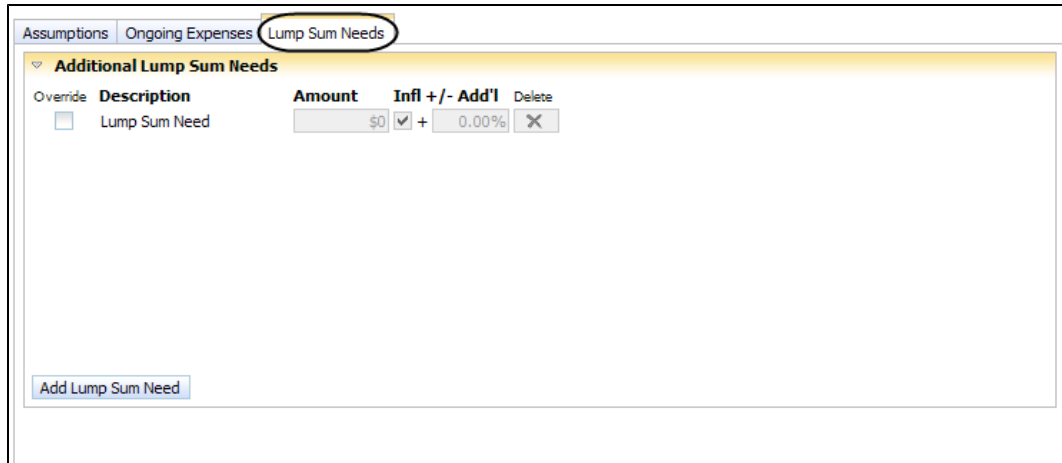


Figure 44: Scenario Manager dialog box – Survivor Income link (Level 2 Plan) – Lump Sum Needs tab

10. Select the check box next to an existing expense that you expect will apply.
11. If any other lump-sum needs are expected, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.

## Customizing What-if disability income scenarios (Level 2)

The analysis method chosen in the *Set Goals* section – *Disability Income* category determines the available tabs in the *Analyze Goals* section of the *Scenario Manager* dialog box:

- *Goal and Expense Analysis* method – Uses the clients' existing lifestyle expenses and goal information to define their insurance needs.
- *Income Coverage Analysis* method – Uses the clients' income to estimate the anticipated expenses during the disability period.

NaviPlan allows you to customize a recommended disability income scenario to help meet the needs of your clients' financial situation and preferences. Recommended scenarios apply to client reports where the *Recommended* plan type is used.

To customize the disability income scenarios, complete the following procedures, based on the method used:

**Note:** The procedures vary depending on which analysis method is selected on the *Set Goals* section – *Disability Income* category – *Client/Co-client Objectives* page.

### **Goal and Expense Analysis method**

- "Entering disability income assumptions (Level 2)" on page 56
- "Entering ongoing expenses during disability (Level 2)" on page 58
- "Entering lump-sum needs during disability (Level 2)" on page 60

### **Income Coverage Analysis method**

- "Entering disability income assumptions (Level 2)" on page 56
- "Entering lump-sum needs during disability (Level 2)" on page 60
- "Entering income available during disability (Level 2)" on page 62

## **Entering disability income assumptions (Level 2)**

To enter disability income assumptions for the client and co-client in the *Recommended Plan* scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Disability Insurance – Client/Co-Client** link.

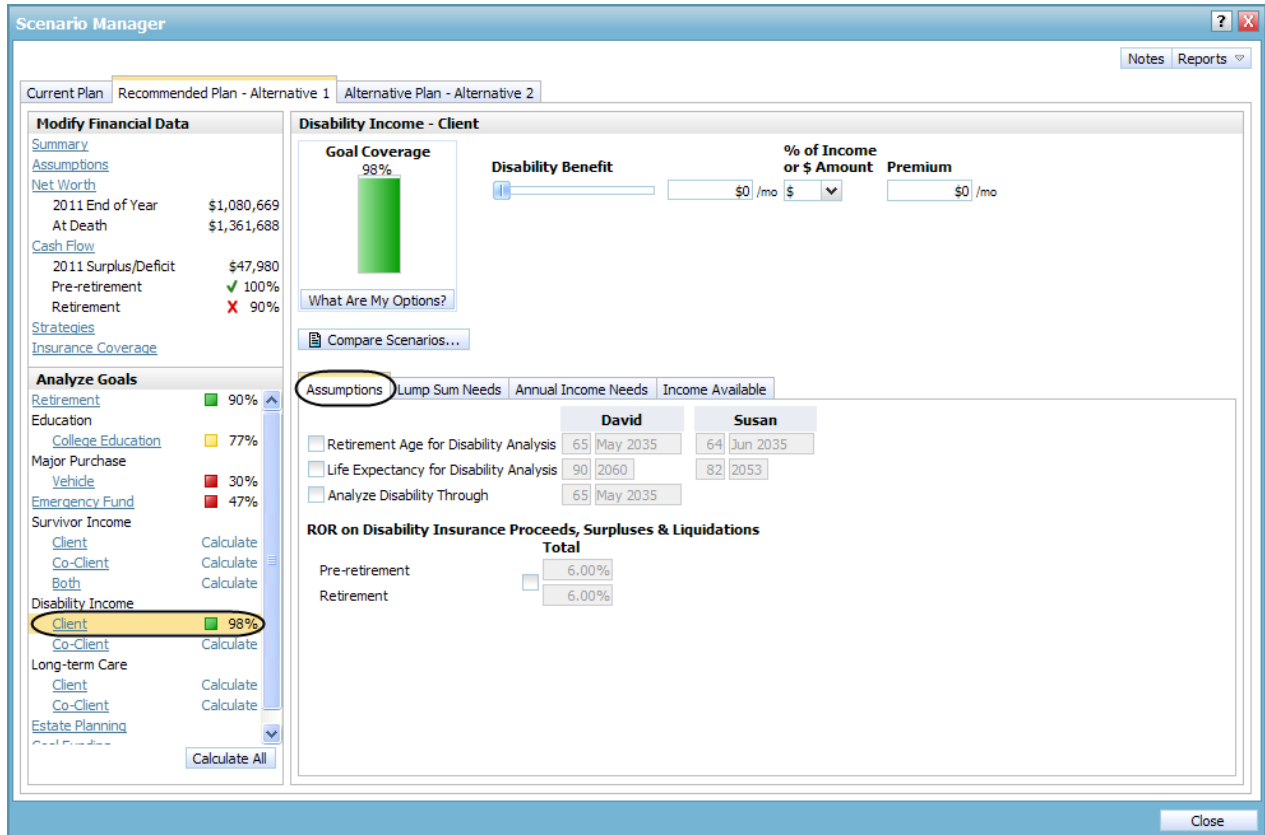


Figure 45: Scenario Manager dialog box – Disability Income link – Assumptions tab

- To include additional disability insurance in the scenario, enter the disability benefit (percentage of income or dollar amount) and annual premium amount. You can adjust the *Disability Benefit* value using the slider bar.

**Note:** Use the *What Are My Options?* button to find the optimal death benefit amount.

- To override the client's or co-client's default retirement age, select the **Retirement Age for Disability Analysis** check box, and then enter the age or date of retirement.
- To override the client's or co-client's default life expectancy, select the **Life Expectancy for Disability Analysis** check box, and then enter the age or year of death.
- To override the last year used in the client's or co-client's disability analysis reporting, select the **Analyze Disability Through** check box, and then enter the last age or year you want the reports to display. The adjacent field updates automatically.

- To override the return rates used for the disability income scenario, select the check box under *ROR on Disability Insurance Proceeds, Surpluses & Liquidations*, and then enter the pre-retirement and retirement return rates.

## Entering ongoing expenses during disability (Level 2)

This procedure only applies if the *Goal and Expense Analysis* method is selected on the *Set Goals* section – *Disability Income* category – *Client/Co-client Objectives* page.

To enter the survivor’s annual expenses during disability in the *Recommended Plan* scenario, follow these steps:

- In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Disability Income – Client/Co-Client** link, and then go to the **Ongoing Expenses** tab.

The screenshot shows the 'Ongoing Expenses' tab in the Scenario Manager dialog box. At the top, there are four tabs: 'Assumptions', 'Ongoing Expenses' (which is selected and circled), 'Additional Annual Income', and 'Lump Sum Needs'. Below the tabs, there are two main sections: 'Annual Expenses' and 'Additional Expenses'. In the 'Annual Expenses' section, there is a checked checkbox labeled 'Percentage of lifestyle and medical expenses to cover\*' with a text input field containing '85%'. Below this is a button labeled 'Education Expenses...'. The 'Additional Expenses' section contains a table with the following columns: 'Description\*', 'Amount\*', 'Frequency', 'Start Date', 'End Date\*', 'Infl', and 'Delete'. There is one row in the table with the following values: 'Additional Expense', '\$0', 'Monthly', 'Jan 1 2012', 'Ret. (Client)', a checked checkbox, and a 'Delete' button. At the bottom of the 'Additional Expenses' section, there is a button labeled 'Add Additional Expense'.

Figure 46: Scenario Manager dialog box – Disability Income link – Ongoing Expenses tab

- To override the percentage of lifestyle and medical expenses covered during disability, under *Annual Expenses*, select the **Percentage of lifestyle and medical expenses to cover** check box, and then enter a new percentage.

**Note:** If the percentage of expenses to cover varies among expenses, *Blended* appears in the field.

- To change the percentage of education expenses to cover during disability, click **Education Expenses**. The *Education Expense* dialog box opens.



Figure 47: Scenario Manager dialog box – Disability Income link – Education Expenses button – Education Expenses dialog box

4. For each applicable education goal, select the check box next to the goal, and then enter a new percentage in the *% to Cover* field.
5. Click **OK** to close the *Education Expenses* dialog box.
6. To edit an existing annual expense (previously entered in the *Set Goals* category), under *Additional Annual Expenses*, select the check box next to it, and then edit the expense.  
OR  
To create a new annual expense, under *Additional Expenses*, click **Add Additional Expense**.
7. Enter the expense description and annual amount of the expense.
8. Repeat steps 2–8 until you’ve finished entering all additional disability expenses.

## Entering additional annual income during disability

To enter the clients’ additional annual income during disability in a What-if scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Disability Income – Client/Co-Client** link, and then go to the **Additional Annual Income** tab.

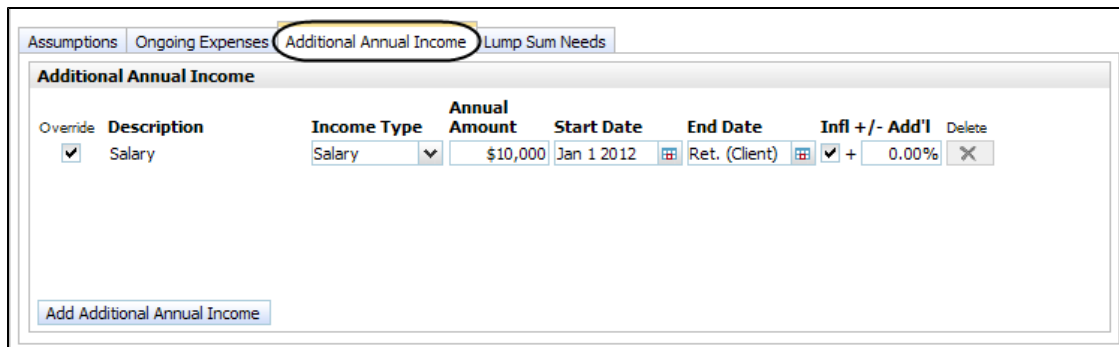


Figure 48: Scenario Manager dialog box – Disability Income link – Additional Annual Income tab



2. To edit an existing annual income (previously entered in the *Set Goals* category), under *Additional Annual Income*, select the **Override** check box next to it, and then edit the income.
3. To create a new annual income, under *Additional Annual Income*, click **Add Additional Annual Income**.
4. Enter the income description and annual income amount for the new income.
5. Repeat steps 3–4 until you’ve finished entering all additional disability income.

## Entering lump-sum needs during disability (Level 2)

To enter the client’s lump-sum needs during disability in the *Recommended Plan* scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Disability Income – Client/Co-Client** link, and then go to the **Lump Sum Needs** tab.

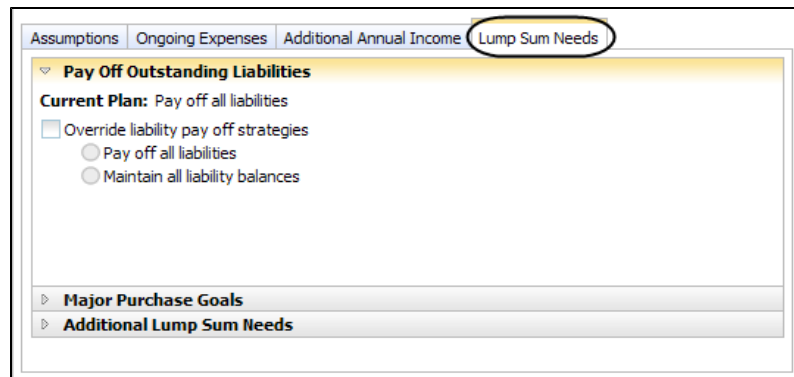


Figure 49: Scenario Manager dialog box – Disability Income link – Lump Sum Needs tab

2. To override the manner in which liabilities are to be paid off for this scenario, under *Pay Off Outstanding Liabilities*, select the **Override liability pay off strategies** check box, and then select an option.

**Note:** *Payoff Outstanding Liabilities* is only available if liabilities exist in the plan and, if in the *Enter Financial Data* section – *Net Worth* category – *Assets/Liabilities* page – *Liability Details* dialog box, the *Payoff Options at Death* is set to *Transfer to survivor* or *Payoff at first death (from estate)*.

3. If major purchase goals are included in the plan and you want to override the % to Cover field, under *Major Purchase Goals*, select the check box for each applicable major purchase, and then enter a new percentage.

- To add lump-sum needs to the scenario, under *Additional Lump Sum Needs*, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.

## Entering annual income needs during disability (Level 2)

This procedure only applies if the *Income Coverage Analysis* method is selected on the *Set Goals* section – *Disability Income* category – *Client/Co-client Objectives* page.

To enter the clients' annual income needs during disability in the *Recommended Plan* scenario, follow these steps:

- In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Disability Income – Client/Co-Client** link, and then go to the **Annual Income Needs** tab.

Override	Description*	Member*	Income Need (pre-tax)*	Frequency*	Start Date*	End Date*	Infl +/-	Add'l	Delete
<input type="checkbox"/>	Lifestyle Expenses	David	\$15,000/yr	Annual	Jan 1 2012	Ret. (Owner)	✓ +	0.00%	X
<input type="checkbox"/>	Additional Annual Income	David	\$0/yr	Annual	Jan 1 2012	Ret. (Owner)	✓ +	0.00%	X

Buttons: Add Additional Annual Income Need, Education Expenses...

Figure 50: Scenario Manager dialog box – Disability Income link – Annual Income Needs tab

- To override an existing income need, select the check box next to the income need.
- To add an income need, click **Add Additional Annual Income Need**, and then enter the additional details of the income need(s).
- To change the percentage of education expenses to cover at death, click **Education Expenses**. The *Education Expenses* dialog box opens.

Override	Description	Name	Start Age	Number of Years	Annual Amount	% to Cover*
<input type="checkbox"/>	College Education	Julia	18	4	\$10,000	100%

Buttons: OK, Cancel

Figure 51: Scenario Manager dialog box – Disability Income link – Education Expenses button – Education Expenses dialog box

- For each applicable education goal, select the **Override** check box next to the goal, and then enter a new percentage in the % to Cover field. When you are done, click **OK**.

## Entering income available during disability (Level 2)

This procedure only applies if the *Income Coverage Analysis* method is selected on the *Set Goals* section – *Disability Income* category – *Client/Co-client Objectives* page.

To enter the clients' income available during disability in the *Recommended Plan* scenario, follow these steps:

- In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Disability Income – Client/Co-Client** link, and then go to the **Income Available** tab.

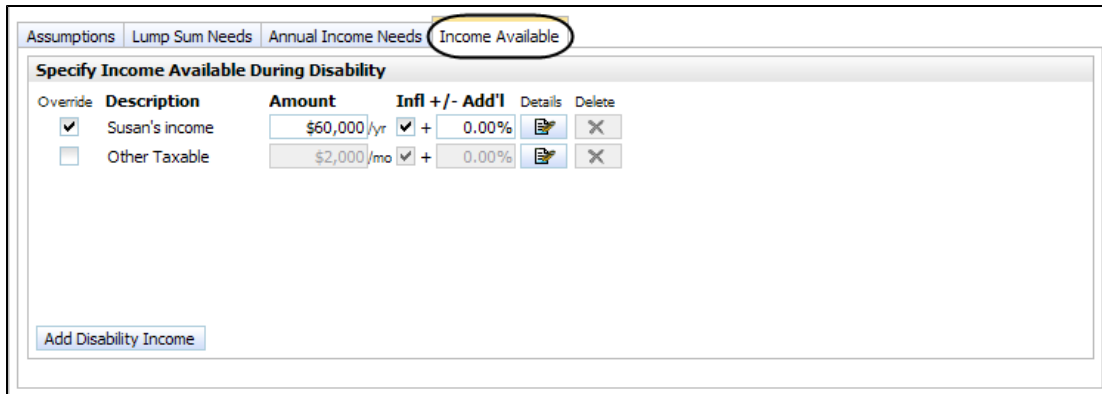


Figure 52: Scenario Manager dialog box – Disability Income link – Income Available tab

- To override an existing income, select the check box next to the income.
- To add a new income for the scenario, click **Add Disability Income**, and then enter the income details.
- To enter additional details for the income, click **Details**. The *Income Details* dialog box opens. The fields will vary based on your selection from the *Income Type* list.
- Enter detailed information.
- Repeat steps 2–5 until you are finished entering details for the income.

## Customizing What-if long-term care scenarios (Level 2)

NaviPlan allows you to customize a recommended long-term care scenario to help meet the needs of your clients' financial situation and preferences. Recommended scenarios apply to client reports where the *Recommended* plan type is used.

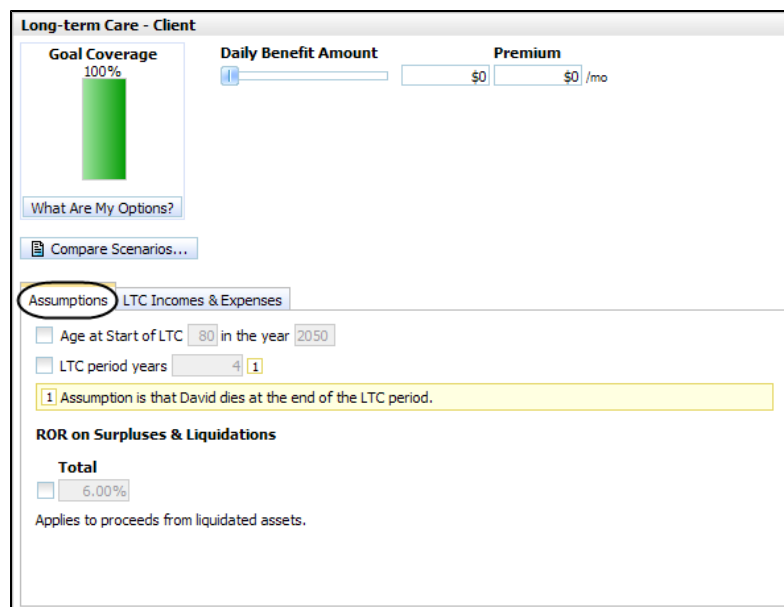
To customize the long-term care, see the following sections:

- "Entering long-term care assumptions (Level 2)" on page 63
- "Entering long-term care incomes and expenses" on page 64

## Entering long-term care assumptions (Level 2)

To enter long-term care assumptions in a What-if scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Long-term Care – Client/Co-Client** link, and then go to the **Assumptions** tab.



The screenshot displays the 'Long-term Care - Client' dialog box. At the top, there are three main sections: 'Goal Coverage' with a green bar at 100%, 'Daily Benefit Amount' with a slider, and 'Premium' with two input fields showing '\$0' and '\$0 /mo'. Below these are buttons for 'What Are My Options?' and 'Compare Scenarios...'. The 'Assumptions' tab is selected and circled in red. It contains two sub-tabs: 'Assumptions' and 'LTC Incomes & Expenses'. Under 'Assumptions', there are three checked options: 'Age at Start of LTC' set to 80 in the year 2050, 'LTC period years' set to 4, and 'ROR on Surpluses & Liquidations' set to 6.00%. A yellow highlighted note below these options reads: 'Assumption is that David dies at the end of the LTC period.' At the bottom, there is a note: 'Applies to proceeds from liquidated assets.'

Figure 53: Scenario Manager dialog box – Long-term Care link – Assumptions tab

2. To override the age at which the client or co-client will enter long-term care, select the check box next to the *Age at Start of LTC* field, and then enter new values.
3. To override the duration of the long-term care period, select the check box next to the *LTC period years* field, and then enter the number of years. NaviPlan assumes that the client will die at the end of the long-term care period.
4. To override the *ROR on Surpluses & Liquidations*, select the check box and enter a new return rate.

- To include additional long-term care insurance in the scenario, under *Long-term Care - Client/CoClient* details, enter the *Daily Benefit Amount* and *Premium*.

## Entering long-term care incomes and expenses

To enter long-term care incomes and expenses for the *Recommended Plan* scenario, follow these steps:

- In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Long-term Care – Client/Co-Client** link, and then go to the **LTC Incomes & Expenses** tab.

Figure 54: Scenario Manager dialog box – Long-term Care link – LTC Incomes & Expenses tab

- To override the percentage of lifestyle and medical expenses to cover during the long-term care and survivorship periods, under *Existing Annual Expenses*, select the **Percentage of lifestyle and medical expenses to cover** check box, and then revise the percentages. NaviPlan assumes that the client will die at the end of the long-term care period.
- To override the percentage of income the client or co-client will receive during the long-term care period, under *Existing Incomes*, select the **Percentage of income <client/co-client> expects to receive during LTC** check box, and then enter a new percentage.

**Note:** If the percentage of expenses to cover or expected income varies among expenses and income, *Blended* appears in the field.

- To edit an existing additional long-term care expense in the *Recommended Plan* scenario, under *Additional Long-term Care*

*Expenses*, select the check box next to the expense.

OR

To add a new long-term care expense for the scenario, click **Add Additional LTC Expense**, and then enter the expense details.

# Chapter 5: Entering estate planning scenarios

In NaviPlan Premium, you can use the *Estate Planning* module to enter detailed information about the clients' existing estate plan, and then examine various estate planning scenarios that might meet the clients' estate needs.

In the *Scenario Manager* dialog box (accessible from the *Results* section – *Analyze Goals* category – *Scenarios* page), you can use, manage, and compare What-if estate planning scenarios.

Different estate planning scenarios can be created to see the effect of different estate planning strategies. By default, a *Current Plan* scenario is included, which assumes that a will exists and all assets pass to the surviving client. If the client has an existing estate plan, the details should be entered in the *Set Goals* section – *Estate Planning* category, since the *Current Plan* scenario cannot be edited. By default, a *Recommended Plan* scenario, which includes all data from the current plan, is included in the plan. If you create additional What-if estate planning scenarios, you can recommend one of the additional scenarios instead.

This chapter assumes you already know how to use the common features of the pages in the *Results* section – *Analyze Goals* category. For more information about analyzing goals using scenarios, see "Analyzing goals in NaviPlan Select" on page 7.

## **In this chapter:**

<b>Editing life expectancy</b>	<b>67</b>
<b>Defining the clients' estate distribution</b>	<b>69</b>
<b>Entering asset estate details</b>	<b>82</b>
<b>Entering gifting strategies</b>	<b>84</b>
<b>Entering inter vivos trust strategies</b>	<b>87</b>
<b>Generating comparison reports</b>	<b>95</b>

## Editing life expectancy

The life expectancy settings entered on the *Set Goals* section – *Estate Planning* category – *Assumptions* page apply to all scenarios in the plan and are used for comparison purposes only. Changing the settings on this page does not affect life expectancy options used in other areas of the plan.

All What-if scenarios are created and customized in the *Scenario Manager* dialog box. To access it, go to the **Results** section – **Analyze Goals** category – **Scenarios** page, and then click the **Edit Recommended** (or **Alternative**) **Plan** button.

To edit the clients' life expectancies for a What-if estate planning scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Estate Planning** link.

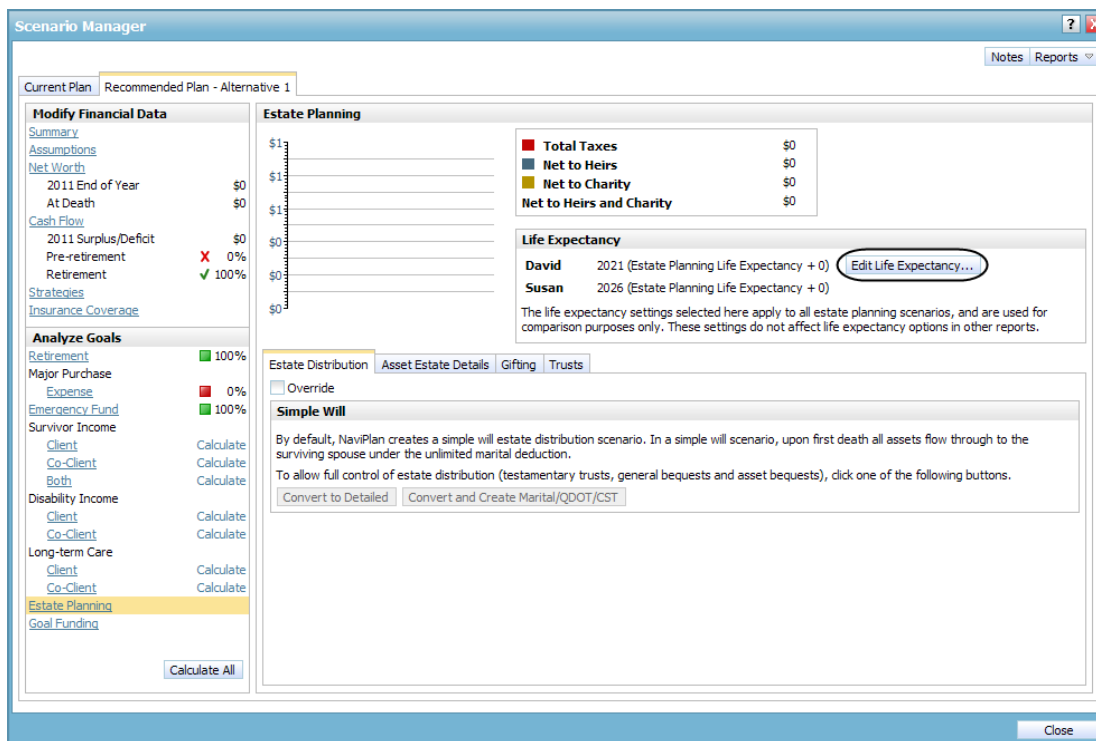


Figure 55: Scenario Manager dialog box – Estate Planning link (showing the Edit Life Expectancy button)

2. To edit life expectancies, click the **Edit Life Expectancy** button. The *Estate Planning Report Settings* dialog box opens.



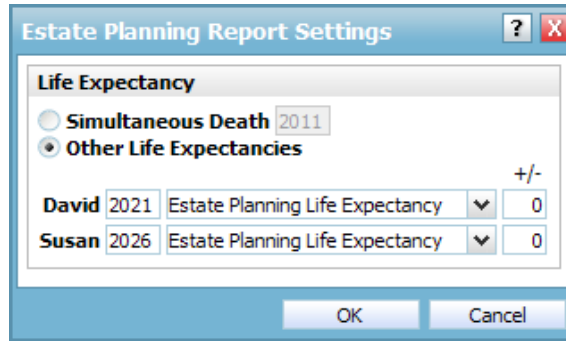


Figure 56: Estate Planning Report Settings dialog box

3. To model simultaneous death, under *Life Expectancy*, select **Simultaneous Death**, and then enter the year when the client and co-client are expected to die.  
OR  
To model other life expectancies, under *Life Expectancy*, select **Other Life Expectancies**, and then either select an option for each client or enter the year in which the client or co-client is expected to die.

## Defining the clients' estate distribution

By default, NaviPlan Premium creates a simple will estate distribution scenario, which assumes that a will exists and all assets pass to the surviving client under the unlimited marital deduction.

**Note:** The procedures in this section assume that you have selected *MirrorWills/Either Dies First* on the *Set Goals* section – *Estate Planning* category – *Assumptions* page. If you've selected *Specify by Order of Death*, NaviPlan displays separate *Estate Distribution* tabs for the client and co-client. (See *Entering estate planning assumption* in chapter 9 of the *Level 1 and Level 2 Plans – Entering client data and goals* user guide.)

To allow full control of estate distribution (testamentary trusts, general bequests, and asset bequests), on the *Estate Distribution* tab, select the **Override** check box, and then select either **Convert to Detailed** or **Convert and Create Marital/QDOT/CST**.

- If you select *Convert to Detailed*, you can create testamentary trusts, general bequests, and asset bequests.
- If you select *Convert and Create Marital/QDOT/CST*, NaviPlan automatically creates a marital trust, a qualified domestic trust (QDOT), and a credit shelter trust (CST) and allows you to create other trusts and bequests.

**Note:** *Marital* trust only appears if one or both the clients are U.S. citizens. *QDOT* only appears if one or both of the clients are resident aliens.

NaviPlan allows you to define the distribution of the clients' estate (in terms of a dollar or percentage amount), asset bequests, and testamentary trusts.

To define the clients' estate distribution, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Estate Planning** link.
2. Go to the **Estate Distribution** tab. Based on your selection under *Estate Distribution Selection* on the *Set Goals* section – *Estate Planning* category – *Assumptions* page, the fields and tabs will vary.

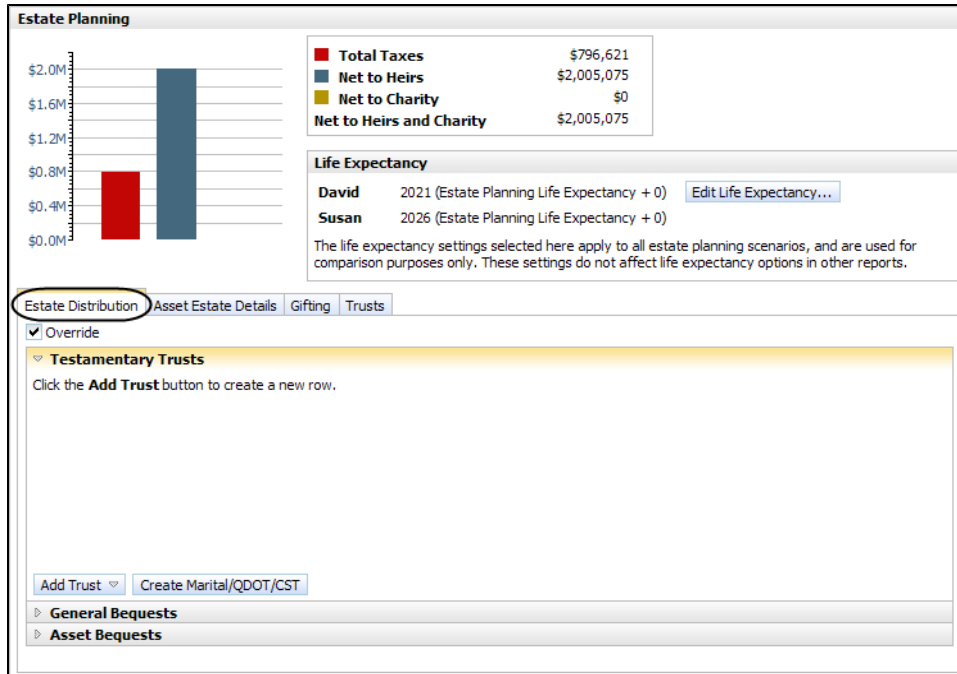


Figure 57: Scenario Manager dialog box – Estate Planning link – Estate Distribution tab

3. To override the client's current plan estate distribution strategies for this scenario, select the **Override** check box.
4. To automatically establish trusts for the client and co-client (providing the selected tax filing status is *Married filing jointly* or *Married filing separately*), click the **Create Marital/QDOT/CST** button. Selecting the *Override* check box allows you to enter asset bequests and testamentary trusts.
5. If you selected *Specify by Order of Death* on the *Set Goals* section – *Estate Planning* category – *Assumptions* page under *Estate Distribution Selection*, to copy the estate distribution details from one spouse to the other spouse, click the **Copy information from <client or co-client>** button.  
OR  
To clear the estate distribution details for the client or co-client, click the **Clear all** button, and then click **OK** to the message that appears.
6. See the following procedures:
  - "Entering testamentary trusts" on page 71
  - "Entering general bequests" on page 80
  - "Entering asset bequests" on page 80

## Entering testamentary trusts

To add testamentary trusts to the clients' estate planning scenario, see the following procedures:

- "Entering credit shelter testamentary trusts" on page 71
- "Entering a QTIP testamentary trust" on page 72
- "Entering marital testamentary trusts" on page 74
- "Entering generic testamentary trusts" on page 75
- "Entering a testamentary charitable lead trust" on page 77
- "Entering asset transfers for a testamentary trust" on page 78
- "Entering testamentary trust beneficiaries" on page 79

### Entering credit shelter testamentary trusts

To enter a credit shelter testamentary trust, follow these steps:

1. In the *Scenario Manager* dialog box, click the **Estate Planning** link, and then go to the **Estate Distribution** tab.
2. Under *Testamentary Trusts*, click the **Add Trust** button, and then select **Credit Shelter Trust**. The *Trust Details* dialog box opens.

New CST					
Description*	At Death of*	Trust Tax Rate			
Credit Shelter Trust	David	40.00%			
Funding					
<input checked="" type="checkbox"/> Autofund	<input type="checkbox"/> Maximum Exclusion	Value (\$)*			
		\$0			
GSTT Exemption Allocation					
<input checked="" type="checkbox"/> Funding Amount	Fixed Amount:	\$0			
Beneficiaries   Return Rates					
Total	Interest	Dividends	Capital Gains	Tax Free	Deferred Growth
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 58: Trust Details dialog box (showing a credit shelter trust)

3. Under *New CST*, enter the general details of the trust.
4. If you want non-qualified assets owned 100% by the client to be automatically transferred to the trust, under *Funding*, select the **Autofund** check box.

5. Select one of the following trust funding methods:

If you select...	The trust is funded in this manner...
<i>Maximum Exclusion</i>	NaviPlan transfers to the trust an amount equal to the client's maximum remaining applicable exclusion amount.
<i>Value (\$)</i>	NaviPlan transfers to the trust an amount equal to the value entered in the <i>Value (\$)</i> field.

- Under *GSTT Exemption Allocation*, if you want NaviPlan to make the GSTT exemption equal to the set funding amount, select the **Funding Amount** check box. Otherwise, clear the check box, and then in the *Fixed Amount* field, enter a dollar value.
- On the *Beneficiaries* tab, enter beneficiary information. See "Entering testamentary trust beneficiaries" on page 79 for more information.
- Go to the **Return Rates** tab, enter the return rates that apply to the trust. By default, the investment income is reinvested into the trust.

### Entering a QTIP testamentary trust

To enter a QTIP testamentary trust, follow these steps:

- In the *Scenario Manager* dialog box, click the **Estate Planning** link, and then go to the **Estate Distribution** tab.
- Under *Testamentary Trusts*, click the **Add Trust** button, and then select **Qualified Terminable Interest Property**. The *Trust Details* dialog box opens.

The screenshot shows the "Trust Details" dialog box with the following configuration:

- New QTIP**
  - Description\*: Qualified Terminable Interest Property
  - At Death of\*: 1st to Die
  - Reverse QTIP:
  - Trust Tax Rate: 40.00%
- Funding**
  - Value (\$)\*: \$0
  - Remainder:
  - Autofund:
  - Asset Transfer:
- GSTT Exemption Allocation**
  - Funding Amount:
  - Fixed Amount: \$0
- Bottom tabs: Beneficiaries, Asset Transfers, Return Rates

Figure 59: Trust Details dialog box (showing a QTIP trust)

3. Under *New QTIP*, enter the general details of the trust.
4. If applicable, select the **Reverse QTIP** check box to treat the trust property as if the QTIP election had not been made (that is, the assets are considered transferred from the donor spouse to the remainder beneficiaries, for GSTT purposes). Any remaining GSTT exemption of the donor is applied against any GSTT that results from the trust. If this check box is not selected, GSTT implications on the death of the owner selected will be considered.
5. Under *Funding*, select one of the following trust funding methods:

If you select...	The trust is funded in this manner...
<i>Remainder</i>	NaviPlan transfers to the trust an amount equal to the client's estate remainder. Once estate fees, liabilities, and taxes have been settled, solely owned non-qualified assets and cash remaining in the estate form the remainder. Lifestyle assets, real estate assets, business assets, joint assets, and qualified assets do not form part of the remainder.
<i>Autofund</i>	NaviPlan transfers to the trust an amount equal to the value entered in the <i>Value (\$)</i> field.
<i>Asset Transfer</i>	The <i>Asset Transfers</i> tab appears, allowing you to select the client's assets to be transferred to the trust.

6. If you selected *Asset Transfer* in the previous step, go to the **Asset Transfers** tab, and then see "Entering asset transfers for a testamentary trust" on page 78.
7. Under *GSTT Exemption Allocation*, if you want NaviPlan to make the GSTT exemption equal to the set funding amount, select the **Funding Amount** check box. Otherwise, clear the check box, and then in the *Fixed Amount* field, enter a dollar value.
8. Go to the **Beneficiaries** tab, and then enter beneficiary information. See "Entering testamentary trust beneficiaries" on page 79 for more information.
9. Go to the **Return Rates** tab, and then enter the return rates that apply to the trust. By default, the investment income is reinvested into the trust.

## Entering marital testamentary trusts

To enter a marital testamentary trust, including a QDOT, follow these steps:

1. In the *Scenario Manager* dialog box, click the **Estate Planning** link, and then go to the **Estate Distribution** tab.
2. Under *Testamentary Trusts*, click the **Add Trust** button, and then select **Marital Trust**. The *Trust Details* dialog box appears.

Figure 60: Trust Details dialog box (showing a marital trust)

3. Under *New Marital Trust*, enter the general details of the trust.
4. Under *Funding*, select one of the following trust funding methods:

If you select...	The trust is funded in this manner...
<i>Remainder</i>	NaviPlan transfers to the trust an amount equal to the client's estate remainder. Once estate fees, liabilities, and taxes have been settled, solely owned non-qualified assets and cash remaining in the estate form the remainder. Lifestyle assets, real estate assets, business assets, joint assets, and qualified assets do not form part of the remainder.
<i>Autofund</i>	NaviPlan transfers to the trust an amount equal to the value entered in the <i>Value (\$)</i> field.
<i>Asset Transfer</i>	The <i>Asset Transfers</i> tab appears allowing you to select the client's assets to be transferred to the trust.

5. If you selected *Asset Transfer* in the previous step, go to the **Asset Transfers** tab, and then see "Entering asset transfers for a testamentary trust" on page 78.

6. Under *GSTT Exemption Allocation*, if you want NaviPlan to make the GSTT exemption equal to the set funding amount, select the **Funding Amount** check box. Otherwise, clear the check box, and then in the *Fixed Amount* field, enter a dollar value.
7. If the clients have beneficiaries, go to the **Beneficiaries** tab, and then enter beneficiary information. See "Entering testamentary trust beneficiaries" on page 79 for more information.
8. Go to the **Return Rates** tab, and then enter the return rates that apply to the trust.

### Entering generic testamentary trusts

To enter a generic testamentary trust, follow these steps:

1. In the *Scenario Manager* dialog box, click the **Estate Planning** link, and then go to the **Estate Distribution** tab.
2. Under *Testamentary Trusts*, click the **Add Trust** button, and then select **Generic Testamentary Trust**. The *Trust Details* dialog box opens.

Figure 61: Trust Details dialog box (showing a generic testamentary trust)

3. Under *New Generic Testamentary Trust*, enter the general details of the trust.



4. Under *Funding*, select one of the following trust funding methods:

If you select...	The trust is funded in this manner...
<i>Remainder</i>	NaviPlan transfers to the trust an amount equal to the client's estate remainder. Once estate fees, liabilities, and taxes have been settled, solely owned non-qualified assets and cash remaining in the estate form the remainder. Lifestyle assets, real estate assets, business assets, joint assets, and qualified assets do not form part of the remainder.
<i>Maximum Exclusion</i>	NaviPlan transfers to the trust an amount equal to the client's maximum remaining applicable exclusion amount.
<i>Fixed Amount</i>	NaviPlan transfers to the trust the amount entered in the adjacent field. At death, this is the value that the surviving client will receive.

5. If you selected either *Maximum Exclusion* or *Fixed Amount* in the previous step, see "Entering asset transfers for a testamentary trust" on page 78.
6. Under *Allocation for GSTT Exemption*, if you want NaviPlan to make the GSTT exemption equal to the set funding amount, select the **Funding Amount** check box. Otherwise, clear the check box, and then in the *Fixed Amount* field, enter a dollar value.
7. If a percentage of the trust's market value is to be distributed as income, under *Unitrust*, select the **Unitrust** check box, and then enter the income distribution details.
8. Go to the **Beneficiaries** tab, and then see "Entering testamentary trust beneficiaries" on page 79.
9. Go to the **Return Rates** tab, and then enter the return rates that apply to the trust.

## Entering a testamentary charitable lead trust

To enter a testamentary charitable lead trust, follow these steps:

1. In the *Scenario Manager* dialog box, click the **Estate Planning** link, and then go to the **Estate Distribution** tab.
2. Under *Testamentary Trusts*, click the **Add Trust** button, and then select **Testamentary Charitable Lead Trust**. The *Trust Details* dialog box opens.

The screenshot shows the 'Trust Details' dialog box with the following fields and options:

- Description\***: Testamentary Charitable Lead Trust
- At Death Of\***: 1st to Die
- Trust Tax Rate**: 40.00%
- Payment Distribution**: Annuity
- Zero-Out TCLAT**:
- Trust Payment %**: 5.00%
- Annual Payment Amount**: \$0
- Payment Frequency\***: Monthly
- Payment Period\***: Term Certain
- Term in Years**: 10
- IRC 7520 Rate**: 4.00%
- Funding**:  Remainder,  Fixed Amount, \$0
- Navigation tabs: Beneficiaries, Asset Transfers, Return Rates

Figure 62: Trust Details dialog box (showing a testamentary charitable lead trust)

3. Under *New TCTL*, enter the general details of the trust.
4. If you want to set the trust payment so the taxes are zeroed out, select the **Zero-Out TCLAT** check box. NaviPlan calculates the *Trust Payment %* value.  
**Note:** The *Zero-Out TCLAT* check box is not available if the *Payment Distribution* is *Unitrust*.

- Under *Funding*, select one of the following trust funding methods:

If you select...	The trust is funded in this manner...
<i>Remainder</i>	NaviPlan transfers to the trust an amount equal to the client's estate remainder. Once estate fees, liabilities, and taxes have been settled, solely owned non-qualified assets and cash remaining in the estate form the remainder. Lifestyle assets, real estate assets, business assets, joint assets, and qualified assets do not form part of the remainder.
<i>Fixed Amount</i>	NaviPlan transfers to the trust the amount entered in the adjacent field. At death, this is the value that the surviving client will receive.

- If you selected *Fixed Amount* in the previous step, see "Entering asset transfers for a testamentary trust" on page 78.
- If the clients have beneficiaries, go to the **Beneficiaries** tab, and then enter beneficiary information. See "Entering testamentary trust beneficiaries" on page 79 for more information.
- Go to the **Return Rates** tab, and then enter the return rates that apply to the trust.

### Entering asset transfers for a testamentary trust

This procedure assumes you are already on the *Trust Details* dialog box – *Asset Transfers* tab for a testamentary trust.

To enter an asset transfer, follow these steps:

- Under *Existing Transfers*, click the **Add Asset Transfer** button, and then select an asset from which you want to transfer funds. Additional data-entry fields appear.

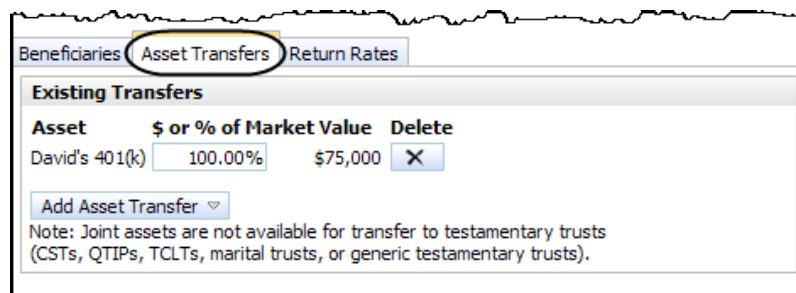


Figure 63: Trust Details dialog box – Asset Transfers tab (401(k) selected)

2. Enter the amount or percentage of the asset your client wants to transfer.
3. If applicable, go to the **Beneficiaries** tab.

### Entering testamentary trust beneficiaries

In addition to entering income and remainder beneficiaries, you can specify the percentage of income or remainder to be allocated to each beneficiary. This procedure assumes you are already on the *Trust Details* dialog box – *Beneficiaries* tab for a testamentary trust. The fields on the *Beneficiaries* tab may vary slightly depending on the trust type.

The screenshot shows the 'Beneficiaries' tab of the 'Trust Details' dialog box. At the top, there are three tabs: 'Beneficiaries' (which is selected and circled), 'Asset Transfers', and 'Return Rates'. Below the tabs is an 'Instructions' link. The main area is divided into two panels: 'Remainder Beneficiaries' and 'Income Beneficiaries'.  
 In the 'Remainder Beneficiaries' panel, there is a table with columns 'Beneficiary\*', 'Percent\*', and 'Delete'. One row contains 'Julia' and '100%'. A 'Total' row shows '100%'. There are 'Add Beneficiary' and 'Pro-rata' buttons.  
 In the 'Income Beneficiaries' panel, there is a 'Surviving Client' field with '75%'. Below it is another table with columns 'Beneficiary\*', 'Percent\*', and 'Delete'. One row contains 'Other' and '25%'. A 'Total' row shows '100%'. There are 'Add Beneficiary' and 'Pro-rata' buttons.

Figure 64: Trust Details dialog box – Beneficiaries tab

To enter beneficiary details for a testamentary trust, follow these steps:

1. To add a beneficiary, under *Remainder Beneficiaries* or *Income Beneficiaries*, click the **Add Beneficiary** button, and then select the beneficiary you are adding.
2. To delete a beneficiary from the trust, click the **Delete** button next to the beneficiary you are removing.
3. To assign equal distribution of income or remainder trust proceeds, click the **Pro-rata** button. Each beneficiary receives an equal share.
4. To assign a different distribution percentage for each beneficiary, enter the percentage in the applicable *Percent* field.
5. If applicable, enter the percentage of trust income that will go to the surviving client. The remaining income amount is divided among the remaining income beneficiaries.

## Entering general bequests

To enter general bequests, follow these steps:

1. To override the client's current plan estate distribution strategies for this scenario, select the **Override** check box.
2. Click **General Bequests**, click the **Add General Bequest** button, and then select **Cash** or **Remainder**.

If you select...	The bequest is funded in this manner...
<i>Cash</i>	Surpluses or cash accounts fund the bequest. If no cash or surpluses exist, an asset must be liquidated to satisfy the bequest. Cash distributions must be specified using a dollar amount.
<i>Remainder</i>	Residual assets are distributed intact at their residual values to satisfy the distribution. Once estate fees, liabilities, and taxes have been settled, solely owned non-qualified assets and cash remaining in the estate form the remainder. Remainder distributions can be specified as a percentage or a dollar amount. Dollar amounts are distributed first followed by percentages to their respective beneficiaries.

3. To bequeath cash or residual assets up to the client's remaining applicable exclusion amount at death, select the **Max Excl.** check box.
4. Enter the dollar amount or percentage of the bequest.
5. From the *At Death Of* list, select the client who is making the bequest.

## Entering asset bequests

To enter general bequests, follow these steps:

1. To override the client's current plan estate distribution strategies for this scenario, select the **Override** check box.
2. Click **Asset Bequests**, and then click the **Add Asset Bequest** button for each bequest you are creating.
3. From the *Source Asset* list, select an asset. All non-qualified and lifestyle assets owned by the clients are available. Jointly owned assets are not available until the second death.

4. Enter the dollar value or percentage of the asset the clients are bequeathing.
5. If applicable, from the *At Death Of* list, select when the asset will be bequeathed.

## Entering asset estate details

NaviPlan Premium allows you to determine how all the assets owned in the plan will be dispersed upon the clients' deaths. You can control who owns the asset, whether or not probate and administration fees are applicable for specific assets, the asset beneficiary, and income in respect of a decedent (IRD) taxes.

To enter asset estate details into an estate planning scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Estate Planning** link.
2. Go to the **Asset Estate Details** tab.

Asset Name	Market Value	New Owner	Probate Fees	Admin Fees	Not Available For Estate Needs	Primary Beneficiary	Contingent Beneficiary
Joint savings (Non-...	\$15,000	Joint	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Surviving Client	Julia
Real Estate (Joint)	\$500,000	Joint	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Estate	
520 Thomas St. (J...	\$300,000	Joint	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Estate	

Figure 65: Scenario Manager dialog box – Estate Planning link – Asset Estate Details tab

3. To prevent probate from being assessed against all assets in the client's and co-client's gross estate, select the **Living Trust** check box.
4. To override the clients' current plan asset estate details strategy for this scenario, select the **Override** check box.
5. To retitle a non-qualified or lifestyle asset, under *Non-Qualified and Lifestyle*, from the *New Owner* list, select a new owner (for example, change a separately owned asset to joint ownership).
6. To control the application of probate and administration fees for particular assets, select or clear the appropriate check boxes.

**Note:** By default, the *Probate* and *Admin Fees* check boxes are selected for all assets. However, probate and administration fees do not apply to joint assets on the first death, nor for any qualified assets listed, even though these check boxes are selected by default. By default, probate and administration fees are applied to annuity assets on the second death where the surviving co-client is listed as the beneficiary.

7. To prevent assets from being liquidated to cover estate settlement costs, select the appropriate **Not Available For Estate Needs** check boxes.
8. To specify a beneficiary for a qualified or annuity asset on the death of the owner, click **Qualified and Annuities**, and then select beneficiaries for each asset.
9. If the contingent beneficiary of the qualified asset is someone other than the co-client and IRD taxes should not apply, under *Qualified and Annuities*, select the **Multi-Generational** check box.
10. To control the application of probate and administration fees for business assets, click **Business Assets**, and then select or clear the appropriate check boxes.

**Note:** The *Business Planning* module must be selected on the *Plan Management* section – *Modules* category – *Modules* page.



## Entering gifting strategies

The clients' current plan gifting strategies should be entered on the *Set Goals* section – *Estate Planning* category – *Estate Strategy* page – *Gifting* tab to ensure that they appear in the *Estate Planning* report. If gifts are entered in the *Enter Financial Data* section – *Cash Flow* category, they do not appear in the *Estate Planning* report.

Gifting strategies can be used as a means of distributing the clients' estate and effectively reducing estate taxes upon death. In many cases, gifting has the dual advantage of not only removing the asset itself from the taxable estate, but also removing the appreciation on that asset. In general, a lifetime transfer of property can be subject to gift taxes depending on the type of gift and its value.

Under the annual gift tax exclusion, an individual can give up to \$14,000 in 2013 (this amount is subject to change over time) to each of any number of recipients without incurring a gift-tax or any gift tax effect. This \$14,000 amount is adjusted for inflation (in \$1,000 increments) for gifts made after 1998. A gift of this type can be made to as many individuals each year as long as the \$43,000 per recipient limit is not exceeded. Gifts in excess of this amount will first reduce the lifetime applicable exclusion before being subject to tax.

An effective gifting strategy can allow for a significant reduction in overall estate taxes that may be due on death. For example, a married couple can each gift \$14,000 a year to each child for a total of \$28,000 per year. If the couple has two children, the taxable estate could be reduced by up to \$56,000 per year.

To enter gifting strategies into a What-if estate planning scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Estate Planning** link, and then go to the **Gifting** tab.

Description*	Gifted By*	Gifted To*	Split Gift	Max. Annual Gift Exclusion	Annual Amount*	Start Date*	End Date*	Infl +/- Add'l	Delete
Regular Cash Gift	David	Julia	<input type="checkbox"/>	<input type="checkbox"/>	\$1,000	Jan 1 2011	Death (Owner)	+	0.00%

Figure 66: Scenario Manager dialog box – Estate Planning link – Gifting tab (showing Regular Cash Gifts details)

2. To override the clients' current plan gifting strategies, select the **Override** check box.
3. Click **Regular Cash Gifts**, **Lump Sum Cash Gifts**, and **Asset Gifts** for each applicable gift, and then click the **Add <Regular Cash Gift/Lump Sum Cash Gift/Asset Gift>** button to create a new data-entry row.
4. For regular or lump-sum cash gifts, select the individual giving the gift and the recipient of the gift. For asset gifts, select the asset being gifted and the recipient.
5. To split the gift tax consequences between the client and co-client, for each applicable gift, select the **Split Gift** check box.

The *Split Gift* check box is selected by default for joint assets. For community property assets, the check box is inaccessible since the gift is provided equally by the client and co-client. The check box does not appear for single or unmarried clients.

6. To provide an amount that is equal to the maximum annual gift exclusion, for each applicable gift, select the **Max. Annual Gift Exclusion** check box. The *Annual Amount* or the *Value (\$ or %)* field is not accessible. By law, *Max. Annual Gift Exclusion* gifts the maximum annual exclusion amount allowed gift-tax free. This amount does not apply to charitable beneficiaries.
7. For each applicable gift, enter the dollar amount of the gift or, if you are gifting a percentage of an asset, enter a percentage instead.

8. For each gift entered, do one of the following:

If the gift type is...	Do this...
Regular cash gift	Under <i>Regular Cash Gifts</i> , enter the start and end dates for the annual gifts.
Lump-sum cash gift	Under <i>Lump Sum Cash Gifts</i> , enter the date when the gift is expected to occur.
Asset gift	Under <i>Asset Gifts</i> , select the frequency of the gift and enter the start and end dates for annual, quarterly, and monthly gifts. If the gift is a lump-sum gift, enter the date when the gift is expected to occur.

**Note:** Click the **Event Calendar** to use event dates. Offsets can also be used (e.g., retirement +5).

9. To index a regular or lump-sum cash gift to inflation, select the applicable **Infl** check box, and then enter the rate of additional savings above or below the inflation rate.  
**Note:** If the *Max. Annual Gift Exclusion* check box is selected, you cannot set the inflation rate.

## Entering inter vivos trust strategies

On the *Estate Planning: Trusts* tab in the *Scenario Manager* dialog box, you can enter, edit, and delete your clients' planned inter vivos trusts. Existing trusts (those that are already active and funded) should be entered on the *Set Goals* section – *Estate Planning* category – *Funded Trusts* page.

Only trusts that will be established during the clients' lifetimes (inter vivos) are entered on the *Trusts* tab. Testamentary trusts are entered on the *Estate Distribution* tab. (See "Defining the clients' estate distribution" on page 69.)

You can enter the following types of inter vivos trusts:

- Irrevocable trust
- Irrevocable life insurance trust – existing insurance (ILIT)
- Irrevocable life insurance trust – new insurance (ILIT)
- Family limited partnership (FLP)\*
- Qualified personal residence trust (QPRT)\*
- (Rolling) Grantor retained annuity trust (GRAT)\*
- Grantor retained trust (GRT)\*
- Charitable remainder trust (CRT)\*
- Charitable lead trust (CLT)\*

\*These trusts are available only if the Detailed Tax method is used, and the optional *Detailed Cash Flow* and *Advanced Estate* modules are included in the plan.

To enter inter vivos trust strategies into an estate planning scenario, follow these steps:

1. In the *Scenario Manager* dialog box under *Analyze Goals*, click the **Estate Planning** link, and then go to the **Trusts** tab.

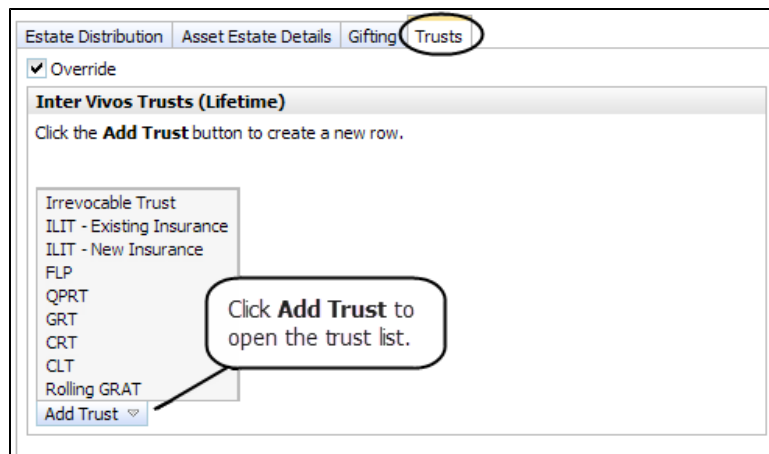


Figure 67: Scenario Manager dialog box – Estate Planning link – Trusts tab

2. To override the clients' current plan strategy for trusts in this scenario, select the **Override** check box.
3. Click the **Add Trust** button, and then select one of the following options:

Trust type	Description
Irrevocable Trust	A trust that cannot be amended once the trust has been established. The assets in the trust, including any future appreciation, are not included in the gross estate for estate tax purposes. Non-qualified, qualified, and lifestyle assets can be held in trust. Life insurance policies are not included.
ILIT - Existing Insurance	A trust similar to other irrevocable trusts, which holds an existing life insurance policy that was entered on the <i>Enter Financial Data</i> section – <i>Insurance Coverage</i> category – <i>Insurance Coverage</i> page.
ILIT - New Insurance	A trust similar to ILIT - Existing Insurance, except that it holds a new life insurance policy that has not been entered on the <i>Enter Financial Data</i> section – <i>Insurance Coverage</i> category – <i>Insurance Coverage</i> page. When the ILIT is created, the life insurance policy is created at the same time.
FLP	A family limited partnership trust.
QPRT	A qualified personal residence trust.

Trust type	Description
GRT	A grantor retained trust.
CRT	A charitable remainder trust.
CLT	A charitable lead trust.

- The *Trust Details* dialog box opens. The fields to be completed will vary depending on the type of trust being added. To see the varying trust details in the *Trust Details* dialog box for each of the trusts, see Figure 69 to Figure 76 immediately after this procedure.

The screenshot shows the 'Trust Details' dialog box with the following fields and options:

- Detailed Trusts** section:
  - Description\*: New Irrevocable
  - Grantor\*: Joint
  - Transfer to Trust\*: Dec 31 2011
  - Trust Tax Rate: 40.00%
  - Crummey Trust:
- End Date** section:
  - Never (years 0.0) - selected
  - Retirement Date: David + 0 years
- Beneficiaries** section (selected):
  - Remainder Beneficiaries**: Includes an 'Add Beneficiary' button and a 'Pro-rata' option.
  - Income Beneficiaries**: Includes a 'Surviving Client' field set to 0% and another 'Add Beneficiary' button with a 'Pro-rata' option.
- Navigation: 'Add Trust', 'Previous Entry', 'Next Entry', 'OK', and 'Cancel' buttons.

Figure 68: Trust Details dialog box (showing new irrevocable trust details)

Some of the following steps may not be applicable to all inter vivos trusts. For example, the FLP trust has a few unique tabs, and it does not have a *Beneficiaries* tab.

- If applicable, go to the **Beneficiaries** tab. Under *Remainder Beneficiaries*, click **Add Beneficiary**, select a beneficiary from the list, and then enter the percentage of the remainder income attributable to the beneficiary. Alternatively, select **Add all** to add all beneficiaries in the plan to the trust. To split the remainder equally among all beneficiaries, click **Pro-rata**.
- If the trust has income beneficiaries, and if any trust income is to go to the surviving client, under *Income Beneficiaries*, enter the percentage that will go to the surviving client.
- If any trust income is to go to other beneficiaries, click **Add Beneficiary**, select the beneficiaries from the list, and then enter the percentage of the trust income attributable to the

beneficiary. To split the remainder equally among all beneficiaries, click **Pro-rata**.

8. If applicable, go to the **Asset Transfers** tab, and then enter the transfer information.
9. If applicable, go to the **Return Rates** tab, and then enter the rate of return information.
10. To generate a report that describes the trust, click the **Report** button on the *Trusts* tab for the appropriate trust.
11. To delete a trust you have entered, click the **Delete** button on the *Trusts* tab next to the appropriate trust.

### New irrevocable trust details (inter vivos)

Description*	Grantor*	Transfer to Trust*	Trust Tax Rate	Crummey Trust
New Irrevocable	Joint	Dec 31 2011	40.00%	<input checked="" type="checkbox"/>

**End Date**

Never (years 0.0)

Retirement Date David + 0 years

Select this check box to permit the transfer of funds to the trust, while using the annual gift exclusion.

Figure 69: Trust Details dialog box (showing new irrevocable trust details)

### New ILIT with existing insurance details (inter vivos)

Description*	Trust Tax Rate	Crummey Trust	Transfer to Trust (End of Year)*	Transfer Policy*
ILIT	40.00%	<input checked="" type="checkbox"/>	2011	David's Life Insurance

**Death Benefit Payable to Trust**  
100.00%

In the *Transfer to Trust (End of Year)* field, enter the year when the grantor will be transferring the insurance policy to the trust.

From the *Transfer Policy* list, select the existing life insurance policy that you want transferred into the trust.

Figure 70: Trust Details dialog box (showing new ILIT with existing insurance details)

### New ILIT with new insurance details (inter vivos)

**New ILIT - New Insurance**

Description\* ILIT Trust Tax Rate 40.00% Crummey Trust

Death Benefit Payable to Trust 100.00%

Policy Beneficiaries Return

**Details**

Policy Type\* Whole Life Insured\* David Effective Date\* Jan 1 2011

**Benefit Details**

Death Benefit\* \$0 Cease Coverage At Age On Date\* Never

**Premiums**

Payer\* David Amount\* \$0 Frequency\* Annual Cease Premiums At Age On Date\* Never Waived at Disability

From the *Policy Type* list, select the type of life insurance policy that will be used to fund the trust. The fields under *Benefit Details* and *Premiums* vary based on the policy type selected.

Enter the details of the life insurance benefits and premiums.

Figure 71: Trust Details dialog box (showing new ILIT with new insurance details)

### New FLP details (inter vivos)

**New FLP**

Description\* Family Limited Partnership Marketability Discount Rate 0.00% Minority Interest Discount Rate 0.00% Transfer To Trust\* Dec 31 2011

Partners Income Distributions Asset Transfers Gifting Return Rates

Click the **Add Partner** button to create a new row.

Add Partner

Figure 72: Trust Details dialog box (showing new FLP trust details - Partners tab)

### New QPRT details (inter vivos)

**New QPRT**

Description\* Qualified Personal Residence Trust Grantor\* Joint Transfer To Trust\* Dec 31 2011

IRC 7520 Rate 4.00%

Term in Years 10 Growth Rate 0.00%

Rate used to calculate the value of the transfer.

Family member whose assets fund the trust.

Figure 73: Trust Details dialog box (showing new QPRT details)



### New GRT details (inter vivos)

New GRT						
<b>Description*</b>	<b>Grantor*</b>	<b>Transfer To Trust*</b>				
Grantor Retained Trust	David	Dec 31 2011				
<b>IRC 7520 Rate</b>						
4.00%						
<b>Income Distribution</b>						
						<b>Transfer</b>
<b>Type</b>	<b>Annual Payment Amount</b>	<b>Trust Payment %</b>	<b>Payment Frequency</b>	<b>In Kind</b>	<b>To Account</b>	<small>Account Details</small>
Annuity	\$0	5.00%	Monthly	<input type="checkbox"/>		
<b>Payment Period</b>		<b>Term in Years</b>				
Term Certain		10				

If selected, and the income earned is not enough to cover the in-trust payments, an in-kind transfer makes up the balance of the payment. If cleared, trust assets may be sold to cover trust payments, resulting in tax consequences.

Figure 74: Trust Details dialog box (showing new GRT details)

### New Rolling GRAT details (inter vivos)

**Trust Details** [?] [X]

Setup **GRAT Series**

**Funded Rolling GRAT**

Description\* Rolling GRAT Grantor Wayne Grantor Created On (End of Year) 2011

IRC 7520 Rate	GRATs in Series	GRAT Term in Years	Total Years Remaining	Payment Frequency
1.00%	2	2	3	Annual

**Final Payment Transfer**

In Kind  To Account  Account Details [Details]

Beneficiaries **Return Rates**

▶ Instructions

**Remainder Beneficiaries**

Click the **Add Beneficiary** button to create a new row.

Add Beneficiary [v] Pro-rata

Add Trust [v] ◀ Previous Entry Next Entry ▶ OK Cancel

### New CRT details (inter vivos)

**New CRT**

Description\* Charitable Remainder Trust Grantor\* Joint Grantor Transfer To Trust\* Dec 31 2011

IRC 7520 Rate 4.00%

**Income Distribution**

Type	Annual Payment Amount	Optimize Trust Payment	Trust Payment %	Payment Frequency	In Kind	To Account	Account Details
Annuity	\$0	<input type="checkbox"/>	5.00%	Monthly	<input type="checkbox"/>		[Details]

Payment Period Term in Years

Term Certain 10

Figure 75: Trust Details dialog box (showing new CRT details)

## New CLT details (inter vivos)

Description*		Grantor*	Non-Grantor	Trust Tax Rate	Payment Distribution	Transfer To Trust*
Charitable Lead Trust		Joint	<input checked="" type="checkbox"/>	40.00%	Annuity	Dec 31 2011
Zero-Out CLAT	Trust Payment %	Annual Payment Amount	Payment Frequency*	Payment Period*	Term in Years	IRC 7520 Rate
<input type="checkbox"/>	5.00%	\$0	Monthly	Term Certain	10	4.00%

Figure 76: Trust Details dialog box (showing new CLT details)

## Entering beneficiaries for an inter vivos trust

You can enter trust income and remainder beneficiaries and allocate a percentage of the trust to each beneficiary. This procedure assumes you are already on the *Trust Details* dialog box – *Beneficiaries* tab for an inter vivos trust.

Beneficiaries		Asset Transfers	Return Rates													
<p>Instructions</p> <p><b>Remainder Beneficiaries</b></p> <table border="1"> <thead> <tr> <th>Beneficiary*</th> <th>Percent*</th> <th>Delete</th> </tr> </thead> <tbody> <tr> <td>Julia</td> <td>0%</td> <td>X</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td>0%</td> </tr> </tbody> </table> <p>Add Beneficiary Pro-rata</p>				Beneficiary*	Percent*	Delete	Julia	0%	X	<b>Total</b>		0%				
Beneficiary*	Percent*	Delete														
Julia	0%	X														
<b>Total</b>		0%														
<p><b>Income Beneficiaries</b></p> <table border="1"> <thead> <tr> <th>Surviving Client</th> <th>Percent*</th> </tr> </thead> <tbody> <tr> <td></td> <td>0%</td> </tr> </tbody> </table> <p><b>Income Beneficiaries</b></p> <table border="1"> <thead> <tr> <th>Beneficiary*</th> <th>Percent*</th> <th>Delete</th> </tr> </thead> <tbody> <tr> <td>Other</td> <td>0%</td> <td>X</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td>0%</td> </tr> </tbody> </table> <p>Add Beneficiary Pro-rata</p>				Surviving Client	Percent*		0%	Beneficiary*	Percent*	Delete	Other	0%	X	<b>Total</b>		0%
Surviving Client	Percent*															
	0%															
Beneficiary*	Percent*	Delete														
Other	0%	X														
<b>Total</b>		0%														

Figure 77: Trust Details dialog box – Beneficiaries tab

To enter beneficiary details for an inter vivos trust, follow these steps:

1. To add a beneficiary, under *Remainder Beneficiaries* or *Income Beneficiaries*, click the **Add Beneficiary** button, and then select the beneficiary you are adding.
2. To assign equal distribution of income or remainder trust proceeds, click the **Pro-rata** button. Each beneficiary receives an equal share.  
OR  
To assign a different distribution percentage for each beneficiary, enter the percentage in the applicable *Percent* field.
3. If applicable, under *Income Beneficiaries*, enter the percentage of trust income that will go to the surviving client.
4. If a portion of the trust income will go to other beneficiaries, click **Add Beneficiary**, select the beneficiary, and then enter the percentage of trust income to be received. Any income that is not distributed is reinvested into the trust.

## Generating comparison reports

NaviPlan Premium allows you to compare multiple estate planning scenarios for your clients' estate planning goals without having to create duplicate plans. Once you have an appropriate scenario that you can apply to your clients' plan, you can recommend it. Recommended scenarios apply to reports where the *Recommended* plan type is used. For information on recommending scenarios, see "Recommending a scenario" on page 18.

To generate comparison reports for the estate planning scenario, follow these steps:

1. Go to the **Results** section – **Analyze Goals** category – **Scenarios** page.
2. Click **Include Alternatives In Reports**. The *Include Alternatives In Reports* dialog box opens. By default, the *Current Plan* scenario and *Recommended Plan* scenario are included. See "Adding Alternative Plan scenarios" on page 11 for more information.

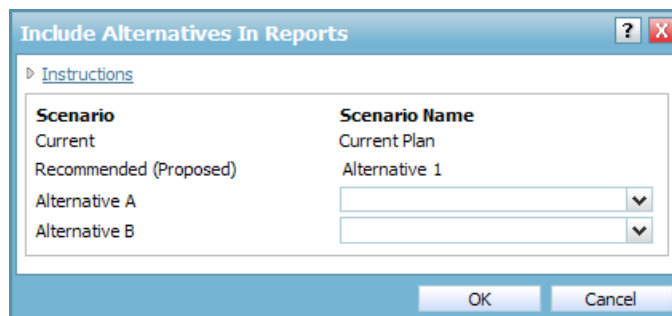


Figure 78: Include Alternatives In Reports dialog box

3. Select any additional alternative scenarios you want to compare. You can compare up to four scenarios.
4. Go to the **Reports** menu, and then select **Estate Planning – General – Summary – Estate Planning Comparison Summary** OR **Estate Planning – General – Detailed – Estate Planning Detailed Comparison**. The *Assign Settings* dialog box opens.

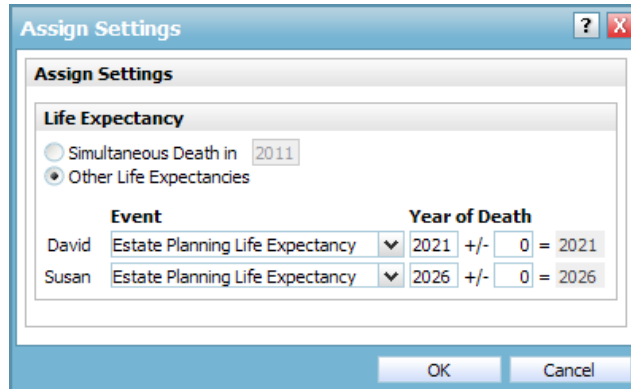


Figure 79: Assign Settings dialog box

5. Select the settings you want to use, and then click **OK**. A window opens displaying an analysis of the two scenarios you selected.

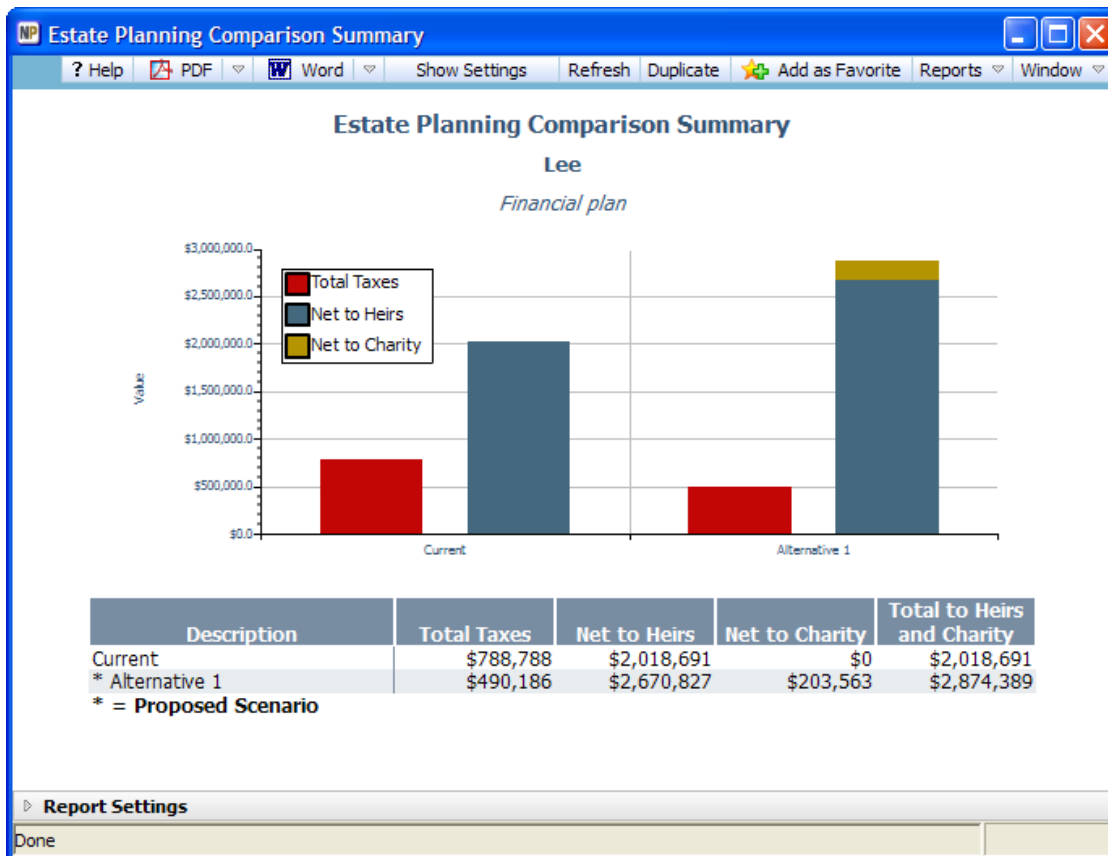


Figure 80: Estate Planning Comparison Summary report

## Chapter 6: Examining results

After you have entered your clients' financial information and goals into a plan, you can prepare and generate results. When you are satisfied with the results, you can generate professionally designed client reports that you can distribute to your clients.

### In this chapter:

<b>Generating stand-alone reports and graphs</b>	<b>97</b>
<b>Using the Planning Assistant</b>	<b>101</b>
<b>Preparing user-defined text for client reports</b>	<b>103</b>
<b>Generating client and progress reports</b>	<b>104</b>
<b>Using the Client Report Monitor (Online)</b>	<b>108</b>
<b>Adding notes for your own personal use</b>	<b>109</b>

### Generating stand-alone reports and graphs

After you have entered your clients' financial information and goals, you can verify the results by generating stand-alone reports and graphs. NaviPlan Premium provides a large selection of reports and graphs from the *Reports* menu. Level 2 Plans have access to a larger number of reports than Level 1 Plans.

<b>Stand-alone report categories</b>	<b>Examples of the tasks you can perform</b>
<i>Favorite Reports</i>	Keep reports that you use frequently readily available.
<i>Summary</i>	View an action plan for the clients' investments, redemptions, insurance, and debt. View a synopsis of the data entered into the plan. View the results of the <i>Planning Assistant</i> <sup>TM</sup> report. Compare differences between the current plan and the recommended plan.
<i>Net Worth</i>	View account and holding details. Compare summary or detailed changes in net worth over time. View composition and activity details for the clients' assets and liabilities.

<b>Stand-alone report categories</b>	<b>Examples of the tasks you can perform</b>
<i>Cash Flow</i>	<p>Monitor changes in cash flow activity.</p> <p>Examine current and projected cash flow on a single or multi-year basis.</p> <p>View the effects of taxes and capital loss carryovers.</p> <p>Monitor changes in projected surpluses and deficits.</p>
<i>Income Tax</i>	<p>Monitor income tax changes and capital loss carryovers.</p> <p>If you are using the Detailed Tax method, additional income tax reports are available.</p>
<i>Goals</i>	<p>View details of goals and goal savings.</p> <p>Compare goal needs with current and projected goal funding.</p> <p>View summaries for each goal.</p>
<i>Asset Allocation</i>	<p>Compare current and suggested asset mixes, asset class weightings, and the efficient frontier.</p> <p>If you are using Ibbotson asset allocation, examine risk score and questionnaire results.</p>
<i>Insurance</i>	<p>Analyze the effects of death, disability, long-term care, and insurance on cash flow.</p> <p>Analyze the effects of asset redemptions at death, during disability, and for long-term care.</p>
<i>Estate Planning</i>	<p>Compare estate planning scenarios.</p> <p>View a synopsis report of estate data entered in the plan.</p> <p>Monitor gift and trust activity.</p> <p>Analyze the effects of taxes on the estate planning scenario.</p> <p>View asset distribution details.</p>
<i>Fact Finder</i>	<p>View an input summary and prepopulated Fact Finder.</p>
<i>Needs vs. Abilities</i>	<p>Compare goal type needs with abilities to meet those goals (all goals of the same type are grouped together in the same graph).</p>
<i>Capital Accumulation and Redemption</i>	<p>Analyze the accumulation and redemption of capital used to fund a goal type or all goals.</p>
<i>Deficit Coverage</i>	<p>Compare deficit coverage assets to deficit coverage sells (Detailed Tax method only).</p>
<i>Monte Carlo</i>	<p>Analyze the probability of plan success given random asset returns based on the standard deviation assigned to each account and holding.</p>

To generate a stand-alone report or graph, follow these steps:

1. Go to the **Reports** menu, select a report category (and if applicable, a subcategory), and then select the report or graph you want to generate.

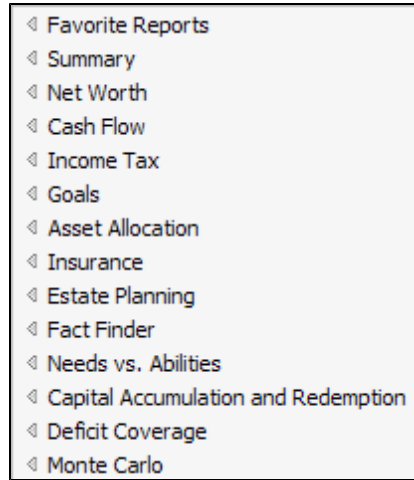


Figure 81: Reports menu (Level 2 Plan, Detailed Tax method)

Depending on the report or graph type selected, the *Assign Settings* dialog box may open. The contents of this dialog box varies depending on the report selected.

2. If applicable, enter the settings details, and then click **OK** to generate the report or graph. See the Help for more information about assigning report settings.

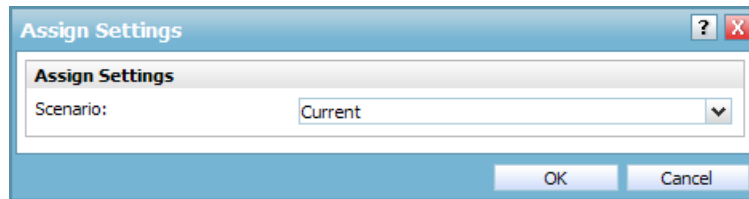


Figure 82: Assign Settings dialog box

3. If a *Report Year* field appears in the *Assign Settings* dialog box (e.g., for the *Cash Flow Details* report) and you want to report on a different year, after you have generated the report in the report window, click the **Previous Year** or **Next Year** button. NaviPlan redisplayes the report based on the applicable year.




	David	Susan	Family
<b>Cash Inflows</b>			
Employment Inflows	\$82,000	\$60,000	\$142,000
Investment Inflows	\$6,498	\$6,498	\$12,995
Pension Inflows	\$0	\$1,720	\$1,720
<b>Total Cash Inflows</b>	<b>\$88,498</b>	<b>\$68,218</b>	<b>\$156,716</b>
<b>Cash Outflows</b>			
Lifestyle Expenses	\$35,400	\$35,400	\$70,800
Taxes	\$20,990	\$15,999	\$36,988
Miscellaneous Expenses	\$4,900	\$3,700	\$8,600
Non-Qualified Contributions and Reinvestments	\$1,365	\$1,365	\$2,730
Qualified Contributions	\$1,200	\$2,000	\$3,200
<b>Total Cash Outflows</b>	<b>\$63,855</b>	<b>\$58,464</b>	<b>\$122,319</b>
<b>Current Surplus/(Deficit)</b>			<b>34,397</b>
<b>Ending Surplus/(Deficit)</b>			<b>34,397</b>

**Report Settings**  
Scenario: Current  
Report Year: 2011

**Report Section Selection**  
 Summary View  
 Show Family column only  
 Show rows with zero values  
 Hide dependents

Apply Settings

Figure 83: Cash Flow Details report

4. To redisplay the report settings, click **Report Settings** at the bottom of the report window. To hide the settings again, click **Report Settings**.
5. To generate a report or graph that you can print or distribute, beside the *PDF* or *Word* button, click the  button, and then select **Automatic**, **Portrait**, or **Landscape**. The report or graph generates as a PDF or Word file.  
**Note:** Selecting **Automatic** generates a report or graph using NaviPlan's default printer orientation.
6. If you made changes to the plan and the report window is still open, click the **Refresh** button to update the report.
7. To duplicate the report or graph, click the **Duplicate** button. NaviPlan creates a duplicate and displays it next to the original in the same window.
8. To generate a report or graph from within an open stand-alone report or graph window, click the **Reports** button. The *Reports* menu opens.

## Using the Planning Assistant

The *Planning Assistant*<sup>TM</sup> displays a broad overview of the potential success of the plan. It summarizes potential problems, opportunities, and questions. You can use the *Planning Assistant* reports to analyze the financial data in your clients' current or recommended plan.

These reports identify the strengths and weaknesses of the plan. In some cases, the reports identify something discretionary that does not apply to the current plan and can be ignored. In other cases, the reports identify an improvement that could be made with a simple data change. Sometimes, following the recommendations requires using one or more financial planning strategies.

### Opening the Planning Assistant

To open the *Planning Assistant*, follow these steps:

1. Click the **Planning Assistant** button near the upper-right corner of the NaviPlan window. The *Planning Assistant* dialog box opens and displays the *Overview* report for the current plan.

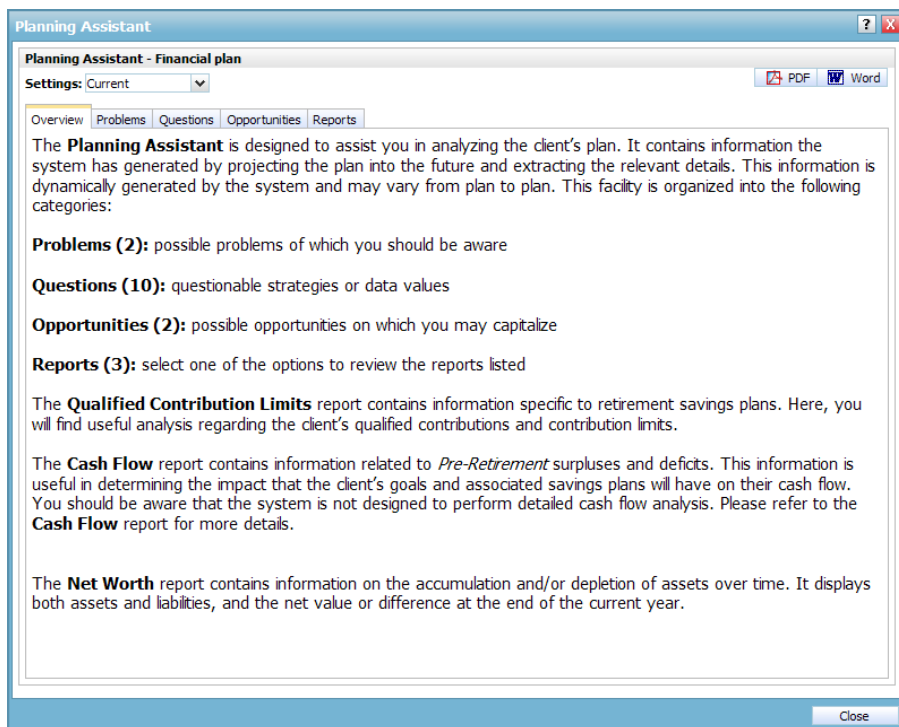


Figure 84: Planning Assistant dialog box

2. From the *Settings* menu, select the plan type you want to analyze. The *Current* option is based on the plan in which you are working. The *Recommended* option represents the

*Recommended Plan* scenario, which takes into account additional assumptions and strategies including those selected in the *What Are My Options?* dialog boxes found throughout NaviPlan.

3. Detailed information is available on the tabs. Click the appropriate one: **Problems**, **Questions**, or **Opportunities**.
4. To close the *Planning Assistant* dialog box, click **Close**.

## Viewing and/or printing the Planning Assistant reports

The *Reports* tab and the *Overview* tab provide a synopsis of the other *Planning Assistant* reports.

To view or print the *Planning Assistant* reports, follow these steps:

1. Open the *Planning Assistant*, select either **Current** or **Recommended**, and then go to the **Reports** tab.

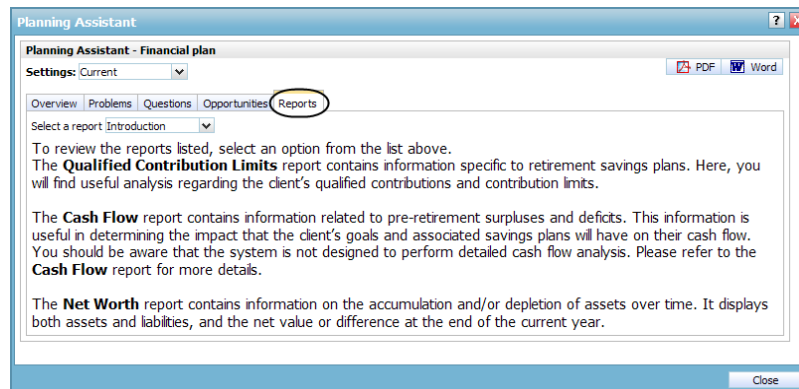


Figure 85: Planning Assistant dialog box – Reports tab

2. Select one of the following reports:
  - **Introduction** – A summary of each of the reports available to you in the *Planning Assistant*.
  - **Qualified Contribution Limits** – Analysis and recommendations specific to IRAs, 457, 401(k), 403(b), and SARSEP plans including contributions, contribution limits, and unused room. This analysis includes catch-up contribution room when available.
  - **Cash Flow** – Summary of pre-retirement cash flow surpluses and deficits. This information is useful for seeing how the clients' cash flow is affected by their goals and associated savings strategies.  
**Note:** The *Planning Assistant* is not designed to perform a detailed cash flow analysis. For a more detailed report, you can access the *Cash Flow Details* report from the

*Reports* menu.

- **Net Worth** – Summary of all the assets and liabilities entered into the plan for the clients (client, co-client, and joint ownership) and the net value and accumulated surplus/deficit at the end of the plan year.
3. To print the *Planning Assistant* report displayed on the current tab, click the **PDF** or **Word** button. The report generates in its own window and can be printed from your desktop.

## Preparing user-defined text for client reports

In NaviPlan Premium, you can create and customize text that will be included in client reports. You can enter personalized objectives, recommendations, and action plans for financial planning reports, for reports related to goals, and for estate planning reports.

To enter personalized text for reports, follow these steps:

1. Go to the **Results** section – **User Defined Text** category – **User Defined Text** page.
2. Under *User Defined Text Summary*, select the goal or category for the user-defined text.
3. To add an objective, recommendation, or action plan, click the appropriate **Add** button. The *User Defined Text Entry* dialog box opens.

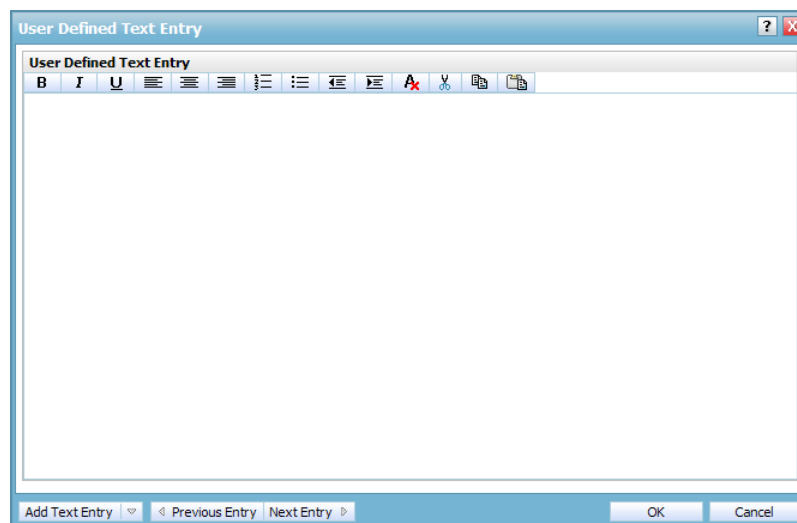


Figure 86: User Defined Text Entry dialog box

4. Enter the text in the dialog box, and then use the formatting buttons where applicable.

- To close the dialog box, click **OK**. Under *Objectives*, *Recommendations*, or *Action Plan*, a new row appears.  
**Note:** A spelling checker is not available. You can copy and paste plain text from Microsoft Word into the *User Defined Text Entry* dialog box. Graphics are not supported.

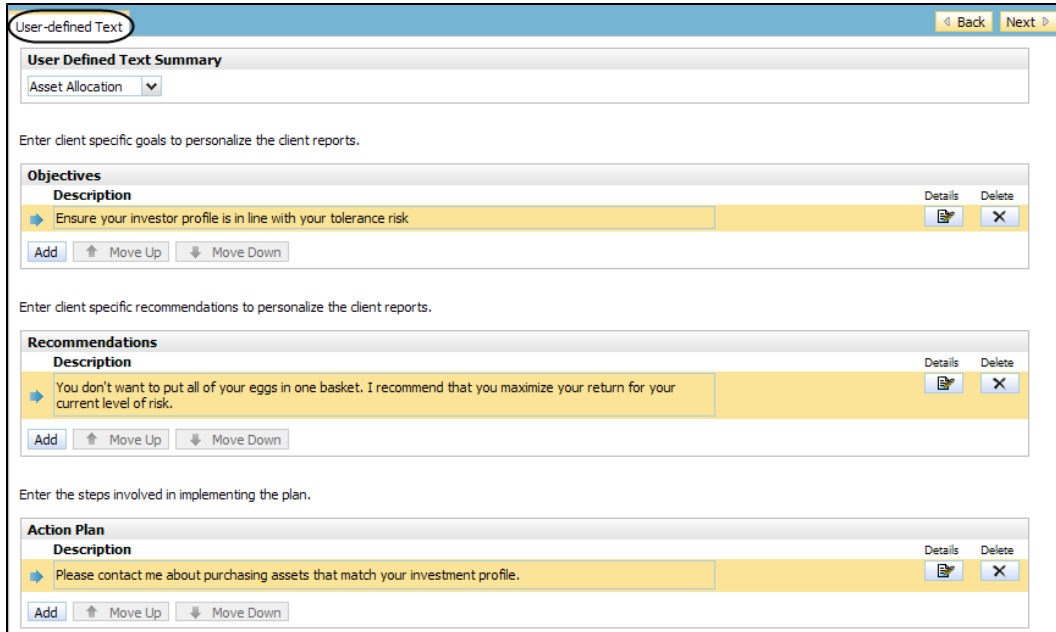


Figure 87: Results section – User-defined Text category – User-defined Text page

- To edit an existing entry, click the appropriate **Details** button to reopen the *User Defined Text Entry* dialog box for that entry.
- To reorder entries within a category, click the **Move Up** or **Move Down** buttons.
- Repeat steps 2–7 until all your entries are complete.

## Generating client and progress reports

The following client reports are available in NaviPlan Select for Level 1 and Level 2 Plans and are accessible from the *Results* section – *Client Reports* category – *Client Report* page:

Client report	Description
<i>Financial Needs Assessment</i>	This report provides an overview of the clients' current financial situation and indicates whether the clients' goals are attainable.
<i>Asset Allocation</i>	This report demonstrates the effects that the clients' time horizon, risk tolerance, and asset allocation have on their portfolio returns. The clients' portfolio is calculated based on their existing accounts and related holdings.

Client report	Description
<i>Financial Needs Summary</i>	This report provides an overview of your clients' current financial situation with special emphasis on their retirement goal. Typically, this report is used when the recommended plan has been finalized as the final presentation to the clients.
<i>Retirement Distribution Summary</i>	This report is useful to clients who are nearing or at retirement, and provides an in-depth review of the plan retirement period and the distribution of income the clients may expect in retirement. The report focuses on the apparent risks in the clients' current plan and how those risks have been reduced by strategies implemented in the proposed plan. It also shows a review of the fixed and total incomes as well as expenses during retirement.
<i>Financial Needs Analysis</i>	<b>Level 2</b> This report provides a comprehensive view of the entire plan, including a summary of the clients' needs and objectives, the financial assumptions used in preparing the financial analysis, as well as additional strategies that could be implemented to achieve the objectives. The report includes summaries of the various analyses performed and recommendations and strategies that could be used to meet the clients' objectives. A synopsis of the analysis data is included.

In an update plan (an approved financial plan in *Update Plan* status), you can generate a *Progress* report which compares the updated plan information with the approved plan. This report compares the clients' current and previous net worth, cash flow, and asset allocation mixes, and also tracks the success of each goal. The *Progress* report will help you determine whether your clients are staying on track towards attaining their financial goals.

To generate a client (or progress) report, follow these steps:

1. Go to the **Results** section – **Client Reports** category – **Client Report** page.

OR

If you are generating a progress report, go to the **Results** section – **Progress Report** category – **Progress Report** page.

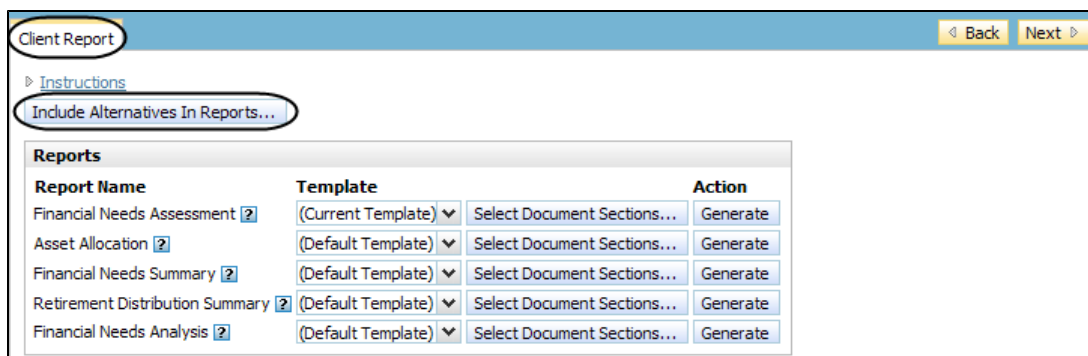


Figure 88: Results section – Client Reports category – Client Report page

2. To include alternative plans in the client reports, click **Include Alternatives In Reports**, and then select the alternative plans to include.

**Note:** The current and recommended plans are always included.

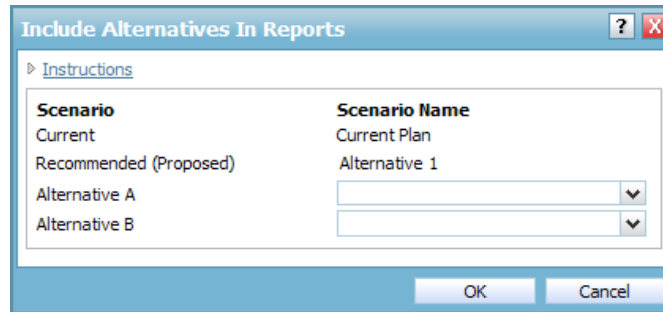


Figure 89: Include Alternatives In Reports dialog box

3. If applicable, select a template to use for the report.
4. Click the **Select Document Sections** button for the report you want to generate. The *Select Document Sections* dialog box opens.

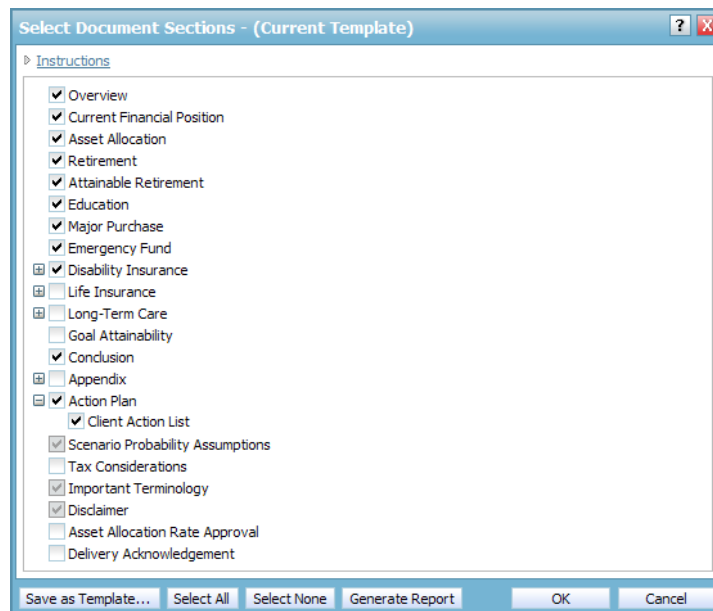


Figure 90: Select Document Sections dialog box

5. Select the sections you want included in the report.
6. To view the subsections for a section, click the + beside that section. The list expands and subsections appear. Select or clear the check boxes for the appropriate subsections.
7. To reorder report sections, click an applicable section, and then drag it to another location.

8. To save your selections as a template for this type of client report, click the **Save as Template** button. The *Save Template* dialog box opens. Enter a name for the template, and then click **OK**. The *Save Template* dialog box closes. The templates you create can be managed on the *User Preferences - System Settings* dialog box – *Templates* tab (*User Preferences* menu – *System Settings*).
9. Click **OK**. NaviPlan Premium saves your selections and the *Select Document Sections* dialog box closes.
10. To generate the report, click the **Generate** button. If you generated this report before, this button appears as *Regenerate*. If you are using NaviPlan Premium Online, the *Status* column updates. To view the report or view the status of other reports, see "Using the Client Report Monitor (Online)" on page 108.  
**Note:** In NaviPlan Premium Offline, you may have to click *Refresh* to update the *Status* column.



## Using the Client Report Monitor (Online)

The *Client Report Monitor* allows you to continue using NaviPlan Premium when generating time-intensive client reports and progress reports. Each time you click the *Generate* button for a report, NaviPlan creates a request in the *Client Report Monitor* and generates the report. Generating reports can take between a few seconds to a few minutes. The *Client Report Monitor* allows you to monitor your recent request and the requests for other reports. You can only open reports with a *Completed* status. The *Client Report Monitor* is available from all the following areas in NaviPlan Premium Online:

- *Reports* menu
- *Results* section – *Client Reports* category – *Client Report* page
- *Results* section – *Progress Report* category – *Progress Report* page
- *Workflow* section – *Status* category – *Status* page

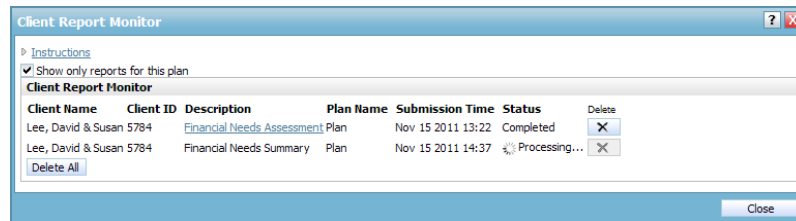


Figure 91: Client Report Monitor dialog box

To use the *Client Report Monitor*, follow these steps:

1. Generate a client or progress report, or from the *Reports* menu, select **Client Report Monitor**. The *Client Report Monitor* dialog box opens.
2. Do one of the following:

To...	Do this...
List all reports for which you have access	Clear the <b>Show only reports for this plan</b> check box. The dialog box updates and expands the list of reports.
View a complete report	Click the link for a report with the <i>Completed</i> status. The report opens using the format specified on the <i>User Preferences</i> menu – <i>User Preferences - System Settings</i> dialog box – <i>Report Format</i> tab.

To...	Do this...
Delete a report	Click the <b>Delete</b> button for the applicable report, or click the <b>Delete All</b> button to delete all listed reports, and then click <b>OK</b> for the message that appears.

3. Click **Close**. The *Client Report Monitor* dialog box closes. Any reports that have not yet generated will continue to process while you work in other areas of NaviPlan. If needed, you can generate additional reports while other reports are being processed. NaviPlan generates each report independently.

## Adding notes for your own personal use

In NaviPlan Premium, you can add notes for yourself that are not seen by the clients.

To enter personalized text for reports, follow these steps:

1. On any page within an open plan, go to the **Notes** menu, and then select **Add Note**. The *Notes* dialog box opens.

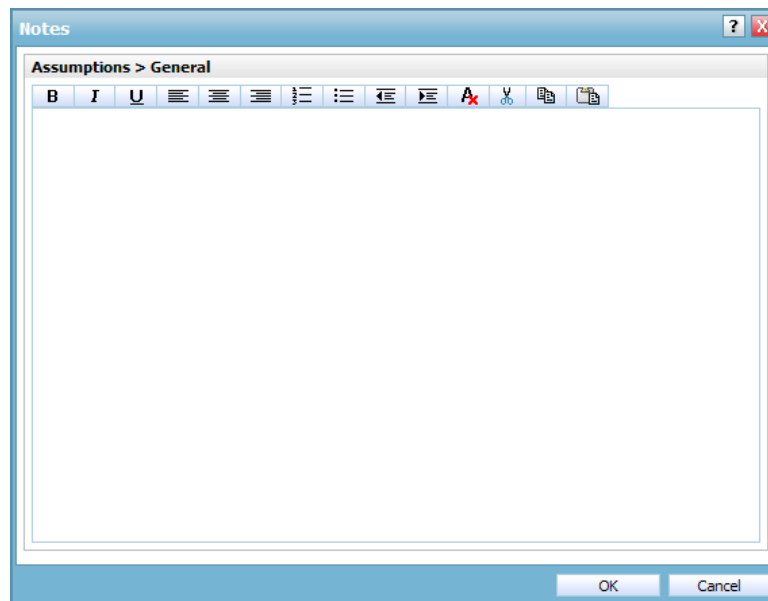


Figure 92: Notes menu – Add Note – Notes dialog box

2. Enter the text into the dialog box, and then use the formatting buttons where applicable.  
**Note:** A spelling checker is not available. You can copy and paste plain text from Microsoft Word into the *Notes* dialog box. Graphics are not supported.

To view and print all notes that were entered for this plan, follow these steps:

1. On any page within an open plan, go to the **Notes** menu, and then select **View All Notes**. The *Notes Summary* dialog box opens.

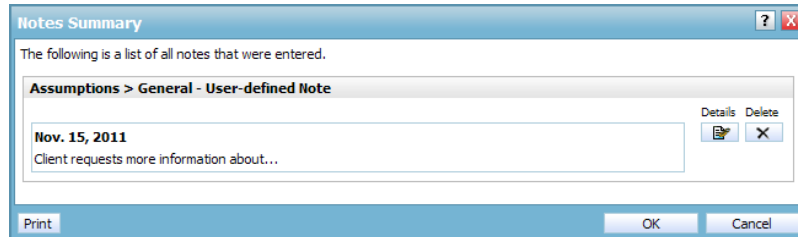


Figure 93: Notes menu – View All Notes – Notes Summary dialog box

2. To edit the notes, click **Details**. The *Notes* dialog box opens, where you can edit the information.
3. To print the notes, click **Print**.

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