

NaviPlan User Manual: Calculators & Assessments

(Volume II of IV)

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Canadian version

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Chapter 1: Using this manual

The NaviPlan user manual series includes all the instructions you need to use NaviPlan effectively. This chapter will help you use all the manuals in this series. More manuals are available on the [Learning Centre](#).

In this chapter:

NaviPlan User Manual Series

NaviPlan user manuals are organized by the tasks you can accomplish in each level. If you are a new NaviPlan user, start with the *Introduction* user manual.

User manual	Tasks covered
<i>Introduction</i>	<ul style="list-style-type: none"> ■ Setting up user preferences. ■ Creating and managing client engagements. ■ Determining which assessment or plan level to select. ■ Using NaviPlan workflow.
<i>Calculators and Assessments</i>	<ul style="list-style-type: none"> ■ Using calculators to model specific aspects of your clients' finances. ■ Assessing your clients' current financial situation. ■ Entering account information. ■ Determining your clients' investor profile.
<i>Level 1 and Level 2 Plans – Entering client data and goals</i>	<ul style="list-style-type: none"> ■ Entering financial planning assumptions. ■ Entering detailed net worth, cash flow, and insurance information. ■ Adding holdings to accounts. ■ Entering saving and redemption strategies. ■ Entering client goals. ■ Generating client reports.
<i>Level 1 and Level 2 Plans – Analyzing client goals</i>	<ul style="list-style-type: none"> ■ Analyzing your clients' goals using Scenario Manager. ■ Conducting detailed cash flow and net worth analyses. ■ Generating Monte Carlo simulations. ■ Creating goal scenarios. ■ Generating client reports.

Conventions

This user manual uses the following conventions.

- The names of items on the screen are bolded and 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.

The screenshot shows the NaviPlan Premium interface. On the left is a navigation menu with the following items: Client Information (Client List), Plan List, Modules, Assumptions, Asset Allocation, Enter Financial Data (highlighted), Net Worth (highlighted), Cash Flow, Strategies, Insurance Coverage, Tax Details, Set Goals, and Retirement. The main content area is titled 'Net Worth' and has tabs for Assets/Liabilities, Accounts (selected), Holding Companies, and Asset Class Weightings. Below the tabs, there are instructions: 'Enter new accounts, define how...' and 'To edit investment income earned...'. A button 'Previously Incurred Investment Activity...' is visible. Below this is a section titled 'Registered and Non-Registered Accounts' with a table. A callout box labeled 'Section' points to 'Enter Financial Data' in the menu. A callout box labeled 'Page' points to the 'Accounts' tab. A callout box labeled 'Category' points to the 'Registered and Non-Registered Accounts' section header.

Account Name	Account Type	Owner	Market Value	Co
John's RRSP	RRSP	John	\$50,000	
Joint Savings	Non-Registered	Joint	\$50,000	
Jane's RPP	RPP - money purchase	Jane	\$25,000	

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.
- **Level 1** – Indicates that the step or paragraph applies to Level 1 Plans only.
- **Level 2** – Indicates that the step or paragraph applies to Level 2 Plans only.
- **A. Tax** – Indicates that the step or paragraph only applies when you are using the Average Tax method.
- **D. Tax** – Indicates that the step or paragraph only applies when you are using the Detailed Tax method.

NaviPlan Resources

Advicent provides several resources to help you use NaviPlan. 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 item within NaviPlan is to use the application Help. To access Help, select NaviPlan Help from the Help & Resources menu. Help includes a glossary of terms.
Functional documents	Functional documents explain NaviPlan functionality, underlying assumptions, and results calculations. You can access functional documents from the NaviPlan Learning Centre .
Quick Reference Guides (QRGs)	Quick Reference Guides are designed to get you started with a particular workflow in NaviPlan. You can access QRGs from the NaviPlan Learning Centre .
User Manuals	You can also access other user manuals in this series . You can access manuals from the NaviPlan Learning Centre .
Help Videos	Help videos are designed to give you an overview of each section in NaviPlan. You can access help videos from the NaviPlan Learning Centre .

Partner Support

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)

Contact us by email at

support@advicentsolutions.com

Chapter 2: Using the calculators

For a quick snapshot of your clients' current financial situation, future goals, and objectives, use the calculators in NaviPlan. To develop a general needs analysis or for more detailed planning, use the assessment or plan types.

In this chapter:

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Opening a calculator

To save the calculator details for later use, you must open the client file first, and then open the calculator. This means that the calculator must be opened from within a client file in order to be saved.

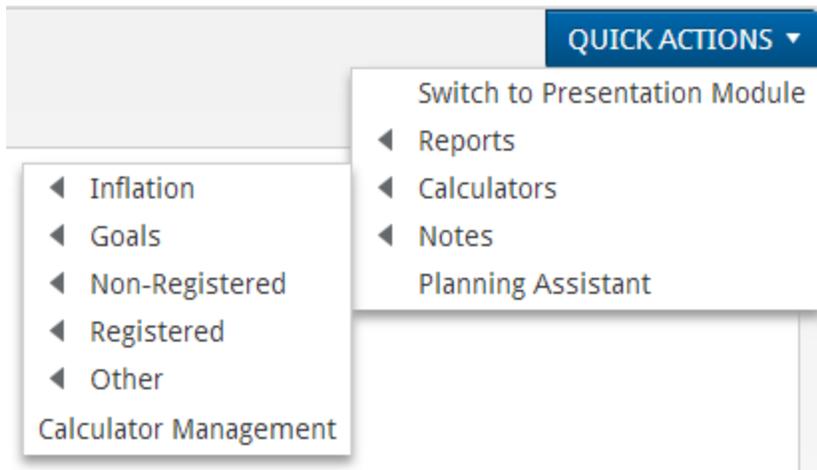
To open a calculator, follow these steps:

1. From any page in the application once you have opened a client file, go to the **Quick Actions** menu in the upper-right corner of the window, select **Calculators**, and then choose a calculator.

OR

Go to the **Plan Management** section – **Plan List** category – **Plans** page and click **New**.

Select the **Calculator** option, and then select a calculator from the menu.



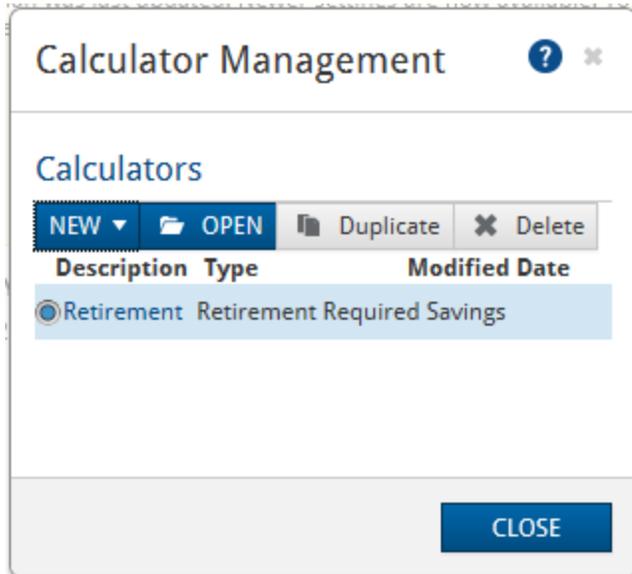
Quick Actions menu (displaying the Calculators sub-menu)

2. To open a previously saved calculator, select it from the menu on the **Plans** page.

Managing calculators

NaviPlan allows you to manage multiple calculators in a client file. You can create, open, duplicate, and delete calculators in the **Calculator Management** dialog box.

To manage multiple calculators, in an open client file, go to the **Calculators** menu, and then select **Calculator Management**.



Calculators menu – Calculator Management – Calculator Management dialog box

To...	Do this...
Create a new calculator	Click New , and then select a calculator. Enter the required data, and then click OK .
Open an existing calculator	Select a calculator to open, and then click Open , or click the link for the calculator you want to open.
Duplicate a calculator	Select the calculator you want to duplicate, and then click Duplicate . Note: The Inflation calculators cannot be duplicated.
Delete a calculator	Select the calculator you want to delete, and then click Delete .

Reviewing and printing calculator results

After entering the clients' information, in most of the calculators the calculator results appear under **Analysis Results** on the **Details** tab in the **<calculator>** dialog box.

Retirement Required Savings Calculator ? ✕

Details
Reports

Use this calculator to determine the amount of monthly savings required to meet your desired retirement income needs.

Retirement Information

Description Retirement Required

Annual Income Needs (paid monthly)

Desired Income (after tax) \$50,000

In Today's Dollars

Index at 3.00%

From Age 65 To Age 90

Assumptions

Initial Investment \$0

Average Tax Rate 40.00%

RRSP/RRIF

Return Rate for RRSP/RRIF 6.00%

Ignore RRIF Minimums

Delay RRIF Minimums Until Age 71

Interest Only

Interest 6.00%

Capital Gains 0.00%

Dividends 0.00%

Deferred Growth 0.00%

Savings Information

Index Required Monthly Savings at 3.00%

From Age 35 To Age 65

Analysis Results

You need to save **\$3,068** per month (indexed at 3.00% annually) to a Non-Registered Account from age 35 to 65. As of age 65, the Market Value will be **\$2,889,975** and the Adjusted Cost Base will be **\$2,889,975**.

OK
CANCEL

Quick Actions menu – Calculators – Goals – Retirement Required Savings – Retirement Required Savings Calculator dialog box – Details tab

To view a detailed report, go to the **Reports** tab in the **<calculator>** dialog box.

To generate a printer-friendly version of the report, click either the **PDF** or the **Word** button.

Inflation calculators

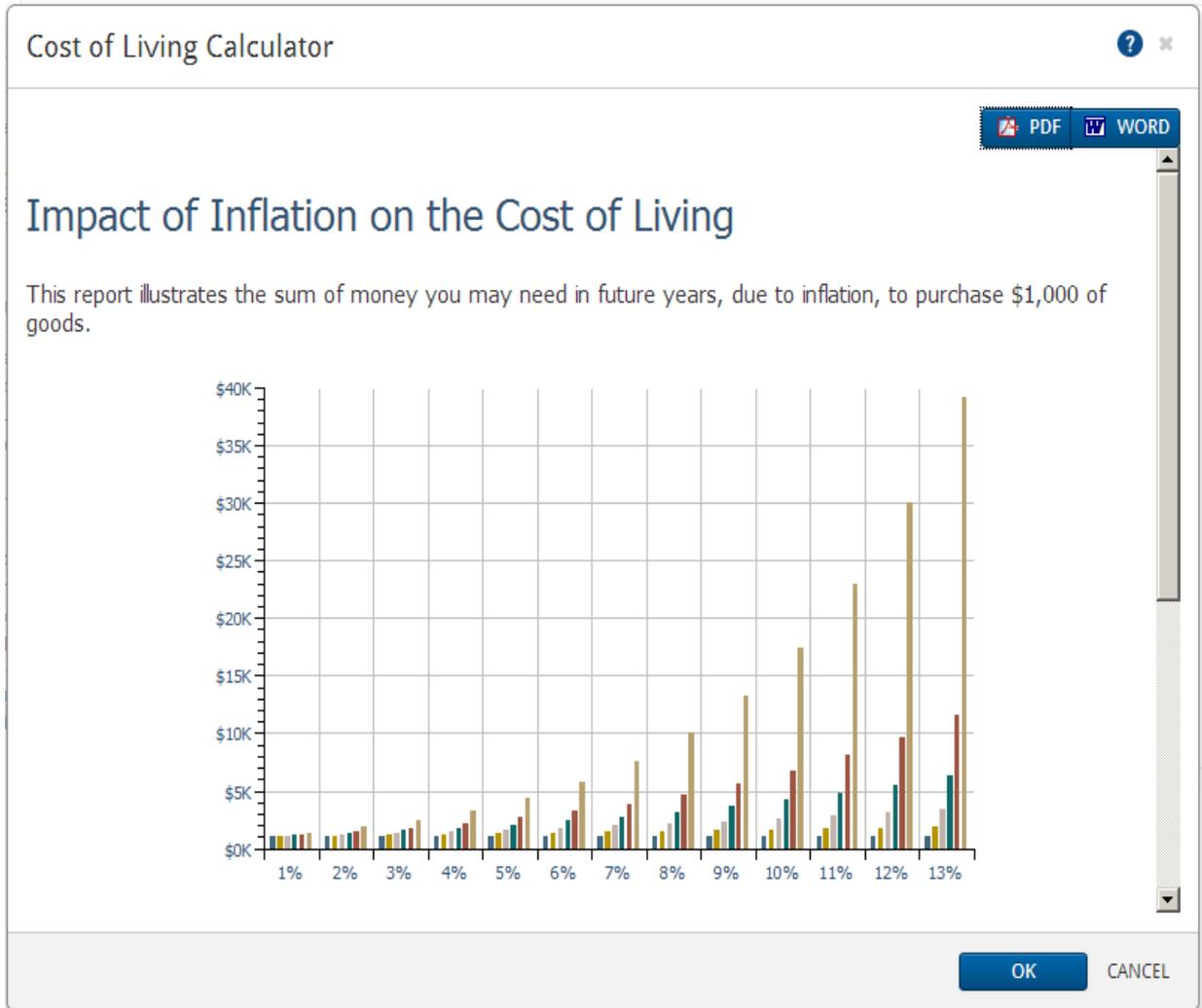
Four types of inflation calculators are available:

- *Cost of Living* calculator
- *Purchasing Power* calculator
- *Inflation History* calculator
- *Historical Returns* calculator

Cost of Living calculator

The **Cost of Living** calculator shows how much money is required in the future to purchase \$1,000 worth of goods today based on inflation rates ranging from 1% to 13%.

Note: This calculator displays historical data only and cannot be modified or duplicated.

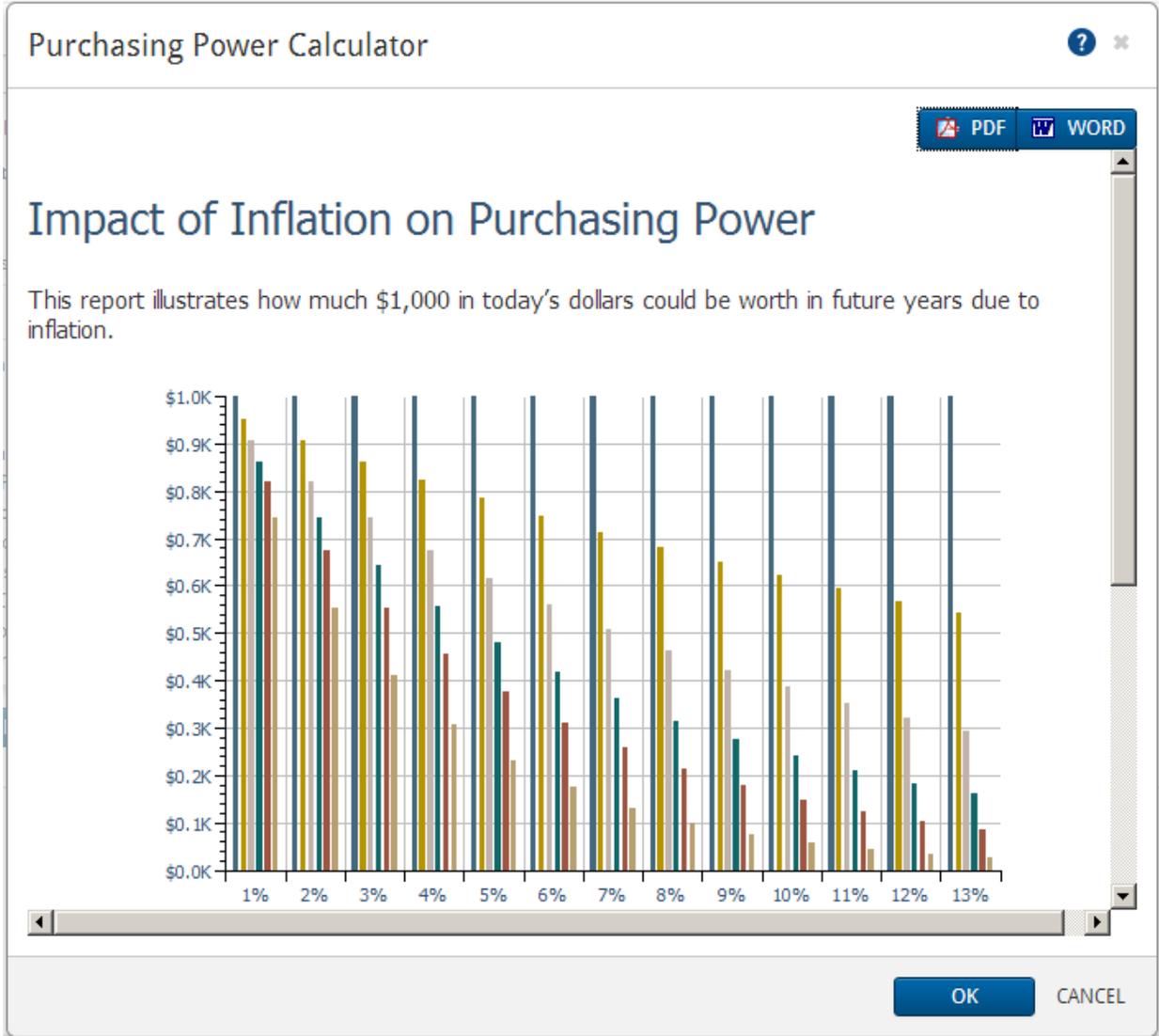


Quick Actions menu – Calculators – Inflation – Cost of Living – Cost of Living Calculator dialog box

Purchasing Power calculator

The **Purchasing Power** calculator shows how varying inflation rates reduce the value of \$1,000 over time.

Note: This calculator displays historical data only and cannot be modified or duplicated.

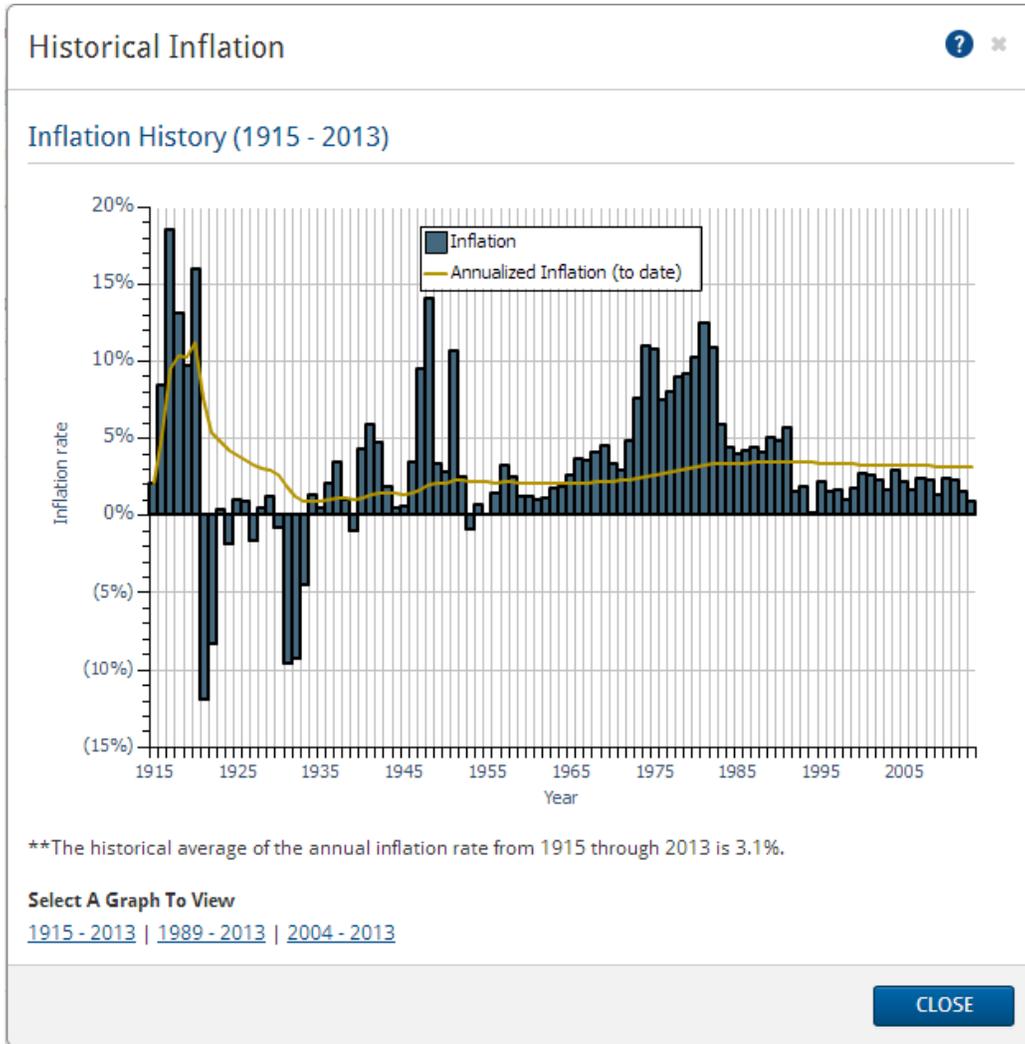


Quick Actions menu – Calculators – Inflation – Purchasing Power – Purchasing Power Calculator dialog box

Inflation History calculator

The **Inflation History** calculator shows the history of the rate of inflation over time.

Note: This calculator displays historical data only and cannot be modified or duplicated.

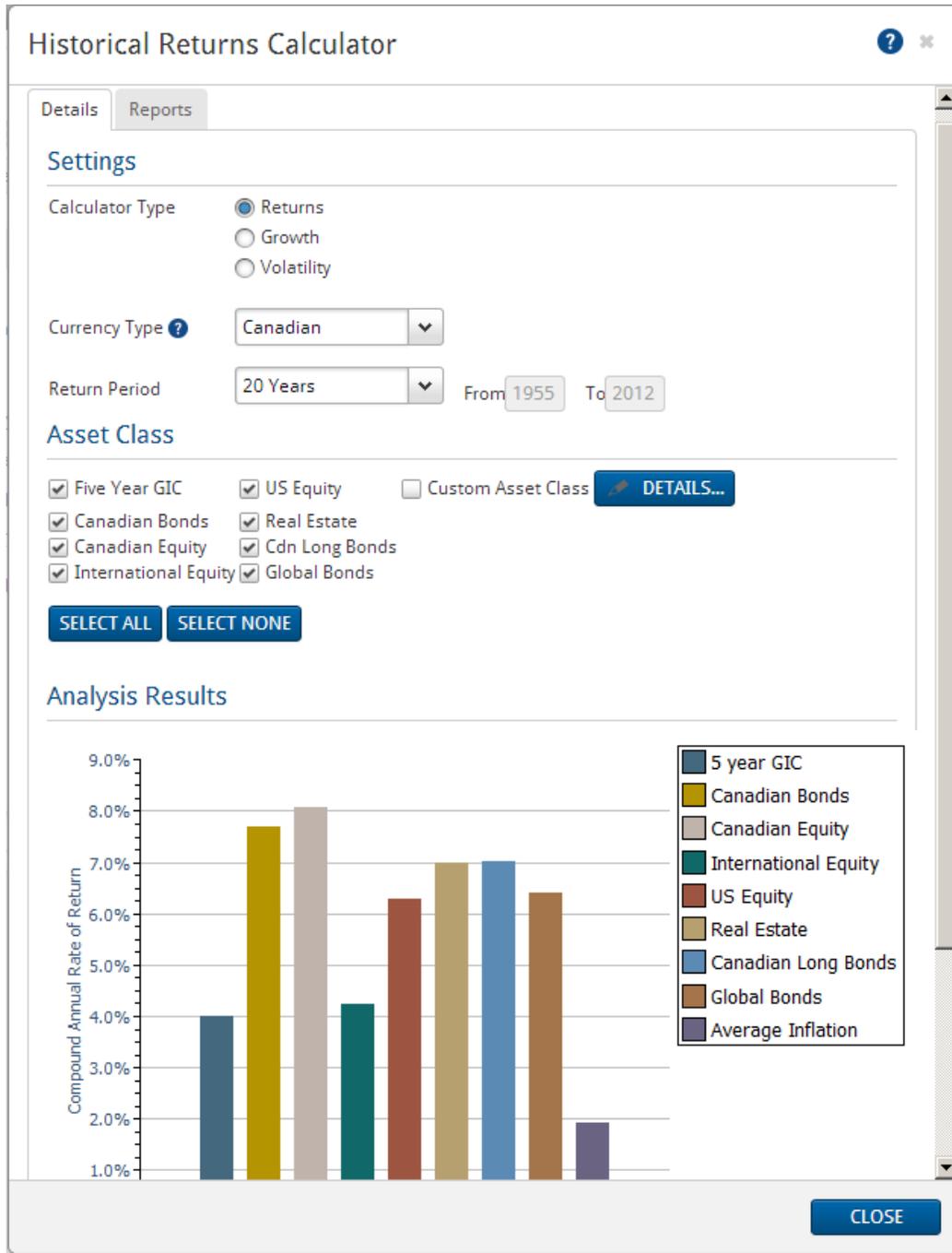


Quick Actions menu – Calculators – Inflation – Inflation History – Inflation History Calculator dialog box

To change the time span shown in the report, select one of the **Period** options. The report updates.

Historical Returns calculator

The **Historical Returns** calculator allows you to model historical returns, growth, or volatility based on a varying asset mix.



Quick Actions menu – Calculators – Inflation – Historical Returns – Historical Returns Calculator dialog box – Details tab

Goals calculators

Planning calculators are available for retirement planning, major purchase, education, life insurance, and critical illness goals.

This guide provides a general description of all the goals calculators. For detailed instructions and field descriptions, see Help.

Retirement calculators

- [*Retirement Required Savings*](#)
- [*Retirement Available Savings*](#)
- [*Retirement Capital Required*](#)
- [*Retirement Capital Available*](#)

Major purchase calculators

- [*Major Purchase Required Savings*](#)
- [*Major Purchase Available Savings*](#)

Education calculators

- [*Education Savings*](#)

Insurance calculators

- [*Life Insurance*](#)
- [*Critical Illness*](#)

Retirement Required Savings calculator

The **Retirement Required Savings** calculator calculates the amount the client needs to save monthly to meet his or her desired retirement income based on the initial investment, savings time frame, average tax rate in retirement, and assumed return rates.

Retirement Required Savings Calculator ? ✕

Details
Reports

Use this calculator to determine the amount of monthly savings required to meet your desired retirement income needs.

Retirement Information

Description Retirement Required

Annual Income Needs (paid monthly)

Desired Income (after tax) \$50,000

In Today's Dollars

Index at 3.00%

From Age 65 To Age 90

Savings Information

Index Required Monthly Savings at 3.00%

From Age 35 To Age 65

Assumptions

Initial Investment \$0

Average Tax Rate 40.00%

RRSP/RRIF

Return Rate for RRSP/RRIF 6.00%

Ignore RRIF Minimums

Delay RRIF Minimums Until Age 71

Interest Only

Interest 6.00%

Capital Gains 0.00%

Dividends 0.00%

Deferred Growth 0.00%

Analysis Results

You need to save **\$3,068** per month (indexed at 3.00% annually) to a Non-Registered Account from age 35 to 65. As of age 65, the Market Value will be **\$2,889,975** and the Adjusted Cost Base will be **\$2,889,975**.

CLOSE

Quick Actions menu – Calculators – Goals – Retirement Required Savings – Retirement Required Savings Calculator dialog box – Details tab

Retirement Available Savings calculator

The **Retirement Available Savings** calculator calculates the amount of annual, after-tax income the client will receive in retirement based on the initial investment, monthly savings, tax rates, savings time frame, and assumed return rates.

Retirement Available Savings Calculator
?
✕

Details
Reports

Use this calculator to determine the amount of attainable retirement income to meet a desired income need based on a possible monthly savings plan.

Possible Savings Plan

Description

Initial Investment

Monthly Savings

Index at

From Age To Age

Assumptions

Average Tax Rate

RRSP/RRIF

Return Rate for RRSP/RRIF

Ignore RRIF Minimums

Delay RRIF Minimums Until Age

Interest Only

Interest

Capital Gains

Dividends

Deferred Growth

Retirement Information

Index Retirement Income at

From Age To Age

Report Results In Today's Dollars

Analysis Results

Based on your current savings strategy, you may be able to attain a retirement income of **\$0** (in today's dollars).
As of age 65, the Market Value will be **\$0** and the Adjusted Cost Base will be **\$0**.

OK
CANCEL

Quick Actions menu – Calculators – Goals – Retirement Available Savings – Retirement Available Savings Calculator dialog box – Details tab

Retirement Capital Required

The Retirement Capital Required calculator shows the capital required to finance your client’s retirement and the total market value of the investment from the time of the initial investment until the client’s death.

Retirement Capital Required Calculator

? ✖

Details

Reports

Use this calculator to determine how much capital you need to meet your retirement goals.

Calculator Name

Investment Information

Invested at Age

Average Tax Rate

Non-Registered Investments

Interest Only

Interest

Capital Gains

Dividends

Deferred Growth

RRSP/RRIF

Return Rate

Retirement Information

Retirement Age to

Desired After-Tax Income

Today's Dollars

Indexed At

Ignore RRIF Minimums

Delay RRIF Minimums Until Age

Analysis Results

To retire with \$50,000 a year (in today's dollars), you will need to invest **\$1,000,234** by age 35.

CLOSE

Quick Actions menu – Calculators – Goals – Retirement Capital Required – Retirement Capital Required Calculator dialog box – Details tab

Retirement Capital Available

The Retirement Capital Available calculator shows the after-tax income that could be provided by the client's capital.

Retirement Capital Available Calculator

? ✖

Details
Reports

Use this calculator to determine how much after-tax retirement income will be provided by your capital.

Calculator Name

Investment Information

Initial Capital

Invested at Age

Average Tax Rate

Non-Registered Investments

Interest Only

Interest

Capital Gains

Dividends

Deferred Growth

RRSP/RRIF

Return Rate

Retirement Information

Retirement Age to

Indexed At

Report Results in Today's Dollars

Ignore RRIF Minimums

Delay RRIF Minimums Until Age

Analysis Results

Your investment of \$500,000 can provide you with an indexed, after-tax retirement income of **\$24,994**.

Quick Actions menu – Calculators – Goals – Retirement Capital Available – Retirement Capital Available Calculator dialog box – Details tab

Major Purchase Required Savings calculator

The **Major Purchase Required Savings** calculator determines how much money your clients need to save each month to meet a desired major purchase goal.

Major Purchase Required Savings Calculator ? ✕

Details
Reports

Enter information in the fields below to determine the amount of savings required to meet a major purchase goal.

Major Purchase Information

Description

Major Purchase Goal

2013 Dollars Index at

Starting Year

Purchase Year

Stop Savings Year

Index Required Monthly Savings at

Assumptions

Initial Investment

Average Tax Rate

Interest Only

Interest

Capital Gains

Dividends

Deferred Growth

Analysis Results

You need to save **\$0** per month (indexed at 3.00% annually) from 2013 to 2018.

OK
CANCEL

Quick Actions menu – Calculators – Goals – Major Purchase Required Savings – Major Purchase Required Savings Calculator dialog box – Details tab

Major Purchase Available Savings calculator

The **Major Purchase Available Savings** calculator determines the after-tax value of funds that will be available for your clients for use toward a major purchase, based on a monthly savings amount and time frame.

You can view the results as today's value (discounted by inflation) or, as a future value.

Major Purchase Available Savings Calculator

?

Details
Reports

Use this calculator to determine how much money you will have for a major purchase goal based on a monthly savings plan.

Major Purchase Information

Description

Monthly Savings Index at

Starting Year

Purchase Year

Stop Savings Year

Major Purchase Index At

Report Results in Today's Dollars

Assumptions

Initial Investment

Average Tax Rate

Interest Only

Interest

Capital Gains

Dividends

Deferred Growth

Analysis Results

You will accumulate **\$0** (in 2013 dollars) towards your major purchase goal in 2018.

OK
CANCEL

Quick Actions menu – Calculators – Goals – Major Purchase Available Savings – Major Purchase Available Savings Calculator dialog box – Details tab

Education Savings calculator

The **Education Savings** calculator determines how much money your clients need to save each month to plan for a child’s education. You can use either a registered education savings plan (RESP) or a non-registered savings account.

Education Savings Calculator

Details
Reports

Enter information in the fields below to determine the amount of savings required to meet an education goal.

Education Information

Description:

Education Savings 1

Education for:

Age at End of Year:

Education Start Age:

Annual Education Cost (in today's \$):

Number of Years:

Cost Indexed at

Assumptions

Initial Investment:

Registered Education Savings Plan:

Estimated Net Family Income:

Index Required Monthly Savings at:

Starting Year:

Contributor Tax Rate:

Student Tax Rate:

Interest Only:

Interest:

Capital Gains:

Dividends:

Deferred Growth:

Return Rate for RESP:

Analysis Results

For Student, you need to save **\$124** per month (indexed at 3.00% annually) from 2013 to 2026.

Quick Actions menu – Calculators – Goals – Education Savings – Education Savings Calculator dialog box – Details tab

Life Insurance calculator

The **Life Insurance** calculator estimates how much life insurance your clients may require to protect the income and assets of surviving beneficiaries. The tabs on which you enter information are **General**, **Expenses at Death**, **Future Income Needs**, and **Current Assets & Insurance**.

Life Insurance Calculator

?

Enter applicable expenses, income needs, and existing assets on the tabs below to determine life insurance needs.

General
Expenses at Death
Future Income Needs
Current Assets & Insurance
Reports

Life Insurance Information

Description

Insured

Beneficiary

Assumptions

Inflation Rate		3.00%	DETAILS...
Assumed Return Rate		6.00%	
Less: Tax Rate	40.00%	=	-2.4%
After-Tax Yield on Capital		3.60%	
Less: Inflation Rate on Income and Expenses		-3.00%	
Real Return on Capital (after tax and inflation)		0.60%	

[OK](#)
[CANCEL](#)

Quick Actions menu – Calculators – Goals – Life Insurance – Life Insurance Calculator dialog box – General tab

On the **General** tab, under **Assumptions**, you can edit the inflation rate, assumed return rate, and tax rate that NaviPlan will use to calculate the real rate of return (after taxes and inflation) earned on life insurance proceeds that have been invested.

On the **Expenses at Death** tab, you can enter all the lump-sum expenses that the surviving client will incur following the client's or co-client's death.

Life Insurance Calculator ? ✕

Enter applicable expenses, income needs, and existing assets on the tabs below to determine life insurance needs.

General
Expenses at Death
Future Income Needs
Current Assets & Insurance
Reports

Future Income Needs

	Total	Until Children are self-supporting	After Children are self-supporting	During Retirement
Number of Years	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
Annual Living Expenses of Survivor (current dollars)		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Less: Estimated CPP/QPP Benefits		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Survivor's Earned Income		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Other Assured Income		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Old Age Security		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Plus: Taxes Payable		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Annual Income Needs - Deficiency (Surplus)		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

Capital Needs

Choose one of the following methods to calculate the required capital amount.

Method ▼

OK
CANCEL

Quick Actions menu – Calculators – Goals – Life Insurance – Life Insurance Calculator dialog box – Future Income Needs tab

On the **Future Income Needs** tab, you can determine the annual income that will be required by the survivor throughout his or her life cycle. For example, you can enter different expense amounts for the following:

- Before the children are self-supporting.
- When the children are self-supporting.
- During the survivor's retirement.

On this tab, you will also choose one of the following methods to calculate the family's required capital after the insured dies:

- **Capital Retention** – NaviPlan leaves the bulk of the client's estate untouched. Only the growth of the life insurance proceeds and realizable net worth are used to cover expenses. Additional insurance coverage is required.
- **Capital Depletion** – The growth of the client's life insurance proceeds and realizable net worth are used to cover required expenses. Insurance coverage can be lower, however the client's net worth may be significantly reduced.

On the **Current Assets & Insurance** tab, you can enter the total amount of the family's realizable assets, the amount of the insured's existing life insurance coverage, and the amount of CPP/QPP death benefit payment expected, if any.

The **Reports** tab shows you the results based on the life insurance information entered and recommends additional life insurance that may be required.

Critical Illness calculator

The **Critical Illness** calculator analyzes the clients' critical illness needs over time.

Critical Illness Calculator ? ✕

Details
Reports

This calculator allows you to analyze a client's critical illness insurance needs over time.

Calculator Name

Financial Security in the Event of Critical Illness

In the event of a critical illness:

How much debt would you like to pay?	<input style="width: 80px;" type="text" value="\$0"/>
How much cash would you like to have available for alternative medical treatment?	<input style="width: 80px;" type="text" value="\$0"/>
How large is the monthly income supplement would you like to create?	<input style="width: 80px;" type="text" value="\$0"/>
For how many months would you like the income supplement to continue?	<input style="width: 80px;" type="text" value="0"/>

Portion of Gross Coverage Provided by Existing Insurance

Enter the amount and duration of existing critical illness coverage:

Monthly benefits provided by existing disability insurance coverage	<input style="width: 80px;" type="text" value="\$0"/>
Months of benefits provided by existing disability insurance coverage	<input style="width: 80px;" type="text" value="0"/>
Total non-medical benefit provided by existing critical illness coverage	<input style="width: 80px;" type="text" value="\$0"/>
Total medical benefit provided by existing critical illness coverage	<input style="width: 80px;" type="text" value="\$0"/>

Analysis Results

In the event of a critical illness, you will require **\$0** additional capital.

Quick Actions menu – Calculators – Goals – Critical Illness – Critical Illness Calculator dialog box – Details tab

Non-registered calculators

Four types of non-registered asset calculators are available:

- **Capital Growth**
- **Regular Investments**
- **Payout Duration**
- **Indexed Payout**

This guide provides a general description of all the calculators. For detailed instructions and field descriptions, see the Help.

Capital Growth calculator

The **Capital Growth** calculator shows the effect of inflation and taxes on the growth of a non-registered asset.

Capital Growth Calculator ? ✕

Details
Reports

Use this calculator to estimate how much your invested capital will be worth in the future.

Calculator Name

Investment Information

Initial Market Value

Interest Only

Initial Adjusted Cost Base

Average Tax Rate

Capital Growth Period

Start Year

Start Age

Number Of Years

Return Rates

Interest

Capital Gains

Dividends

Deferred Growth

Assumptions

Inflation

Analysis Results

In 20 years , the \$100,000 you invested will be worth **\$202,859**, or **\$112,318** after tax and inflation.

Quick Actions menu – Calculators – Non-Registered – Capital Growth – Capital Growth Calculator dialog box – Details tab

Regular Investments calculator

The **Regular Investments** calculator shows the effect of periodic savings on the growth of a non-registered asset.

Regular Investments Calculator ? ✕

Details
Reports

This calculator shows you how your non-registered investment contributions will grow over time.

Calculator Name
Regular Investments

General Information

Initial Market Value \$1,000

Initial Adjusted Cost Base \$1,000

Average Tax Rate 40.00%

Start Year 2013

Start Age 40

Number of Years 25

New Investments

Amount \$100

Frequency Monthly ▼

Time of Year N/A ▼

Index At 3.00%

Return Rates

Interest Only

Interest 6.00%

Dividends 0.00%

Capital Gains 0.00%

Deferred Growth 0.00%

Analysis Results

In 25 years, you will have accumulated **\$69,129** in after-tax capital.

OK
CANCEL

Quick Actions menu – Calculators – Non-Registered – Regular Investments – Regular Investments Calculator dialog box – Details tab

Payout Duration calculator

The **Payout Duration** calculator calculates the length of time payouts from a non-registered investment will last.

Payout Duration Calculator ? ✕

Details
Reports

Use this calculator to show how long an investment can provide a specified amount of income.

Calculator Name

Investment Information

Initial Market Value

Interest Only

Initial Adjusted Cost Base

Average Tax Rate

Payout Period

Start Year

Start Age

Number of Years

Return Rates

Interest

Capital Gains

Dividends

Deferred Growth

Payout Options

Annual Payout Amount

Indexed At

Frequency

Time of Year

Calculator Options

Expanded Table

Analysis Results

Your investment of \$500,000 can provide you with an indexed, after-tax income of \$50,000 for **10** years.

Quick Actions menu – Calculators – Non-Registered – Payout Duration – Payout Duration Calculator dialog box – Details tab

Indexed Payout calculator

The **Indexed Payout** calculator calculates how much after-tax income the non-registered investment can provide over a specific period of time.

Indexed Payout Calculator ? x

Details
Reports

Use this calculator to show how much income an investment can provide over a specified period of time.

Calculator Name
Indexed Payout

Investment Information

Initial Market Value

Interest Only

Initial Adjusted Cost Base

Average Tax Rate

Payout Period

Start Year

Start Age

Number of Years

Return Rates

Interest

Capital Gains

Dividends

Deferred Growth

Payout Options

Indexed At

Frequency ▼

Time of Year ▼

Calculator Options

Expanded Table

Analysis Results

Your investment of \$500,000 can provide an indexed, after-tax payout of **\$1,815** per month for 25 years.

Quick Actions menu – Calculators – Non-Registered – Indexed Payout – Indexed Payout Calculator dialog box – Details tab

Registered calculators

Six types of registered asset calculators are available:

- [*RRIF Payout*](#)
- [*LRIF Payout*](#)
- [*LIF Payout*](#)
- [*Life Annuity Payout*](#)
- [*Term Annuity Payout*](#)
- [*RRSP Savings*](#)

This guide provides a general description of all the calculators. For detailed instructions and field descriptions, see the Help.

RRIF Payout calculator

Use the **RRIF Payout** calculator to calculate the following:

- How much income the registered retirement income fund (RRIF) can provide over a specific period of time.
- The minimum annual withdrawal required for a specified RRIF.
- How long a RRIF can provide a specified income.

RRIF Payout Calculator
?

Details
Reports

Use this calculator to determine the following:

- the minimum registered retirement income fund (RRIF) payout.
- the indexed income that can be generated during a specific number of years.
- the duration of the RRIF if a specific amount of money is withdrawn on a regular basis.

Calculator Name

RRIF Payout Calculator

RRIF Information

Initial Capital

Return Rate

Average Tax Rate

Qualifying RRIF

Existing RRIF

Payout Options

Withdrawal Type ▼

\$ or % Net (After Tax)

Indexed At

Frequency ▼

Time of Year ▼

Elect Payout in First Year

Use Younger Partner's Age for Minimums (as of Jan 1 of Start Year)

Delay Minimums Until Age

Payout Period

Start Year

Age (as of Jan 1 of Start Year)

Duration of Payout

Number of Years

Age

OK
CANCEL

Quick Actions menu – Calculators – Registered – RRIF Payout – RRIF Payout Calculator dialog box – Details tab

LRIF Payout calculator

Use the **LRIF Payout** calculator to calculate the minimum and maximum annual withdrawal amounts required for a locked-in retirement income fund (LRIF). The **LRIF Payout** calculator calculates the appropriate amounts based on the information entered and current provincial legislation.

LRIF Payout Calculator
? ✕

Details
Reports

Use this calculator to explore distribution options from a locked-in retirement income fund (LRIF) on a regular basis for a specific period of time.

Calculator Name

LRIF Information

Initial Capital

Return Rate

Average Tax Rate

Existing LRIF

Payout Period

Start Year

Age (as of Jan 1 of Start Year)

Duration of Payout
 Number of Years
 Age

Life Annuity Information

Convert to Annuity

At Age

Interest Rate

Amount per \$1000

Gender

Payout Options

Withdrawal Type

\$ or % Net (After Tax)

Indexed At

Frequency

Time of Year

Elect Payout in First Year

Use Younger Partner's Age for Minimums (as of Jan 1 of Start Year)

Include Temporary Income Provisions

OK
CANCEL

Quick Actions menu – Calculators – Registered – LRIF Payout – LRIF Payout Calculator dialog box – Details tab

LIF Payout calculator

Use the **LIF Payout** calculator to calculate the minimum, maximum, and annual withdrawal required for a specified life income fund (LIF). The **LIF Payout** calculator calculates the appropriate amounts based on the information entered and current provincial legislation. LIFs are not available under Prince Edward Island legislation.

LIF Payout Calculator
? ✕

Details
Reports

Use this calculator to explore distribution options from a life income fund (LIF) on a regular basis for a specific period of time.

Calculator Name

LIF Payout Calculator

LIF Information

Initial Capital	\$0
Return Rate	6.00%
Average Tax Rate	40.00%
CANSIM Rate	6.000%
Reference Rate	6.500%
Origin of Plan	Newfoundland and Labrado ▼
Existing LIF	<input type="checkbox"/>

Payout Period

Start Year	2013
Age (as of Jan 1 of Start Year)	65
Duration of Payout	<input checked="" type="radio"/> Number of Years 25
	<input type="radio"/> Age 90

Life Annuity Information

Convert to Annuity	<input checked="" type="checkbox"/>
At Age	80
Interest Rate	5.000%
Amount per \$1000	\$184.06
Gender	Male ▼

Payout Options

Withdrawal Type	Minimum ▼
\$ or %	0.00% <input type="checkbox"/> Net (After Tax)
Indexed At	0.00%
Frequency	Annual ▼
Time of Year	Beginning of Year ▼
Elect Payout in First Year	<input type="checkbox"/>
Use Younger Partner's Age for Minimums (as of Jan 1 of Start Year)	<input type="checkbox"/> 65
Include Temporary Income Provisions ?	<input type="checkbox"/>

OK
CANCEL

Quick Actions menu – Calculators – Registered – LIF Payout – LIF Payout Calculator dialog box – Details tab

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Life Annuity Payout calculator

The **Life Annuity Payout** calculator shows the maximum, annual after-tax lifetime payout that a specified life annuity can support.

Life Annuity Payout Calculator

?

Details

Reports

Use this calculator to find the maximum annual withdrawals that your annuity can support.

Calculator Name

Annuity Information

Initial Capital	<input style="width: 60%;" type="text" value="\$1,200,000"/>
Interest	<input style="width: 60%;" type="text" value="5.000%"/>
Average Tax Rate	<input style="width: 60%;" type="text" value="40.00%"/>
Amount per \$1000	<input style="width: 60%;" type="text" value="\$8.60"/>
Gender	<input style="width: 60%;" type="text" value="Male"/> ▼

Payout Period

Start Year	<input style="width: 60%;" type="text" value="2013"/>
Start Age	<input style="width: 60%;" type="text" value="65"/>

Payout Options

Frequency	<input style="width: 60%;" type="text" value="Monthly"/> ▼
Time of Year	<input style="width: 60%;" type="text" value="N/A"/> ▼

Analysis Results

Your annuity worth \$1,200,000 can provide a maximum lifetime payout of **\$74,343** (after tax) per year.

Quick Actions menu – Calculators – Registered – Life Annuity Payout – Life Annuity Payout Calculator dialog box – Details tab

Term Annuity Payout calculator

The **Term Annuity Payout** calculator shows the annual after-tax payouts that an annuity can support for a specified time frame.

Term Annuity Payout Calculator ? ✕

Details

Reports

Use this calculator to find the maximum annual withdrawals that your annuity can support.

Calculator Name

Annuity Information

Initial Capital	<input style="width: 60%;" type="text" value="\$1,200,000"/>
Interest	<input style="width: 60%;" type="text" value="5.000%"/>
Average Tax Rate	<input style="width: 60%;" type="text" value="40.00%"/>
Amount per \$1000	<input style="width: 60%;" type="text" value="\$5.64"/>

Payout Period

Start Year	<input style="width: 60%;" type="text" value="2013"/>
Start Age	<input style="width: 60%;" type="text" value="65"/>
End Age	<input style="width: 60%;" type="text" value="90"/>

Payout Options

Frequency	<input style="width: 60%;" type="text" value="Monthly"/> ▼
Time of Year	<input style="width: 60%;" type="text" value="N/A"/> ▼

Analysis Results

Your annuity worth \$1,200,000 can provide a 25 year payout of **\$48,766** per year.

Quick Actions menu – Calculators – Registered – Term Annuity Payout – Term Annuity Payout Calculator dialog box – Details tab

RRSP Savings calculator

The **RRSP Savings** calculator shows the effect regular contributions have on the growth of a registered retirement savings plan.

RRSP Savings Calculator

?

Details

Reports

Use this calculator to show how much your RRSP will grow over a specified period of time.

Calculator Name

General Information

Initial Market Value

Marginal Tax Rate

Start Year

Start Age

Number of Years

New Investments

Amount

Frequency

Time of Year

Index At

Return Rate

Analysis Results

In 20 years, your RRSP will have a market value of **\$61,037**.

Quick Actions menu – Calculators – Registered – RRSP Savings – RRSP Savings Calculator dialog box – Details tab

The marginal tax rate is used in the calculation of the **Estimated Tax Deduction** which appears on the **Reports** tab.

Other calculators

Five types of other calculators are available:

- [*RRSP vs. Mortgage*](#)
- [*Leverage vs. Savings*](#)
- [*Loan Comparison*](#)
- [*Mortgage Comparison*](#)
- [*TFSA Savings & Comparison*](#)

This guide provides a general description of all the calculators. For detailed instructions and field descriptions, see Help.

RRSP vs. Mortgage calculator

Use the **RRSP vs. Mortgage** calculator to help you decide on the best use of your clients' available funds. The calculator compares the changes to net worth based on how available funds are used, and shows the corresponding annual payout your clients may receive from the underlying investments. Using this calculator, you can model any combination of the following scenarios:

- RRSP with resulting tax deduction directed to a savings plan.
- Mortgage; once paid off, all funds are directed to a savings plan.
- RRSP with resulting tax deduction directed to the mortgage.
- Mortgage; once paid off, all funds are directed to an RRSP.

RRSP vs. Mortgage Calculator ? ✕

Details
Reports

Use this calculator to compare different investment strategies to see which will provide the greatest net worth and retirement payout.

Calculator Name

Investment Information

Tax Rate on Savings

Interest Only

Interest

Capital Gains

Dividends

Deferred Growth

Return Rate for RRSP

Retirement Information

Years until Retirement

Number of Years

Payout Indexed At

Payout Tax Rate

In Today's Dollars

Mortgage Information

Mortgage Date

End of Amortization

Original Principal

Annual Interest Rate

Compounded

Current Value of House

House Value Indexed At

Payment Information

Type

Frequency

Amount

Payment Strategies

RRSP w/ Savings

Mortgage w/ Savings

RRSP w/ Mortgage

Mortgage w/ RRSP

Analysis Results

	RRSP w/ Savings	Mortgage w/ Savings	RRSP w/ Mortgage	Mortgage w/ RRSP
Net Worth	\$611,698	\$546,626	\$640,761	\$614,582
Annual Payout	\$19,711	\$9,606	\$20,977	\$20,625

Quick Actions menu – Calculators – Other – RRSP vs. Mortgage – RRSP vs. Mortgage Calculator dialog box – Details tab

Leverage vs. Savings calculator

The **Leverage vs. Savings** calculator allows you to compare the effects of taking out a loan to purchase an investment, and then repaying the loan versus investing the same loan payments on a regular basis.

Leverage vs. Savings Calculator ? ✕

Details
Reports

This calculator compares taking out a loan to purchase an investment and then paying off that loan, versus using the same loan payments to invest on a regular basis.

Calculator Name

Liability Information

Loan Amount

Interest Rate

Compounded ▼

Payment Method ▼

Number of Years

Payment Amount

Percentage of Interest on Loan that is Tax Deductible

Investment Information

Marginal Tax Rate

Return Rates

Interest Only

Interest

Dividends

Capital Gains

Deferred Growth

Please Note

- Proposals for leveraging should include an explanation of potential risk in the transaction and projections of potential negative outcomes.
- Interest on a loan obtained for investment purposes may not be fully deductible for tax purposes, if the funds were used to acquire an investment that does not earn income. Clients should consult their tax advisors if they require information on their own situation.

Analysis Results

In 20 years, you could earn **\$14,098** after tax from leverage, compared to **\$9,561** after tax from savings.

Loan Comparison calculator

The **Loan Comparison** calculator allows you to compare various loan alternatives, such as payment frequency, compound frequency, interest rate, amortization period, or payment amount. You can compare up to three different scenarios. You can also include an amortization schedule for one of the three scenarios in the report.

Loan Comparison Calculator

?
✖

Details
Reports

Use this calculator to compare loan payment alternatives by payment frequency, compound frequency, interest rate, amortization period, or by payment amount.

Calculator Name

Loan Information

Start Date

Loan Amount

Payment Type ▼

Loan Comparison

Field to Calculate ▼

	Original	Alternative 1	<input checked="" type="checkbox"/> Alternative 2
Payment Frequency	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="Monthly"/> ▼	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="Monthly"/> ▼	<input checked="" type="checkbox"/> <input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="Monthly"/> ▼
Compound Frequency	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="Semi-annual"/> ▼	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="Semi-annual"/> ▼	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="Semi-annual"/> ▼
Interest Rate	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="10.000%"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="10.000%"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="10.000%"/>
Amortization (yrs/periods)	<input style="width: 40px;" type="text" value="10.00"/> <input style="width: 40px;" type="text" value="120"/>	<input style="width: 40px;" type="text" value="15.00"/> <input style="width: 40px;" type="text" value="180"/>	<input style="width: 40px;" type="text" value="25.00"/> <input style="width: 40px;" type="text" value="300"/>
Payment Amount	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$1,310"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$1,062"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$894"/>
Total Payments in Year	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$15,724"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$12,747"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$10,734"/>
Total Remaining Interest	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$57,240"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$91,209"/>	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="\$168,346"/>
Include Amortization Schedule for	<input style="border: none; border-bottom: 1px solid #ccc;" type="text" value="None"/> ▼		
Compare Payment Frequencies	<input style="border: none; border-bottom: 1px solid #ccc;" type="text"/> ▼		

Quick Actions menu – Calculators – Other – Loan Comparison – Loan Comparison Calculator dialog box – Details tab

Select the **Field to Calculate** from the menu, the results are displayed in the corresponding fields below.

The loan alternative columns allow you to show your clients different loan parameters, such as how reducing their interest rate will allow them to pay the loan off more quickly.

Mortgage Comparison calculator

The **Mortgage Comparison** calculator allows you to compare various mortgage alternatives, such as interest rate, amortization, payment amount, or principal. You can compare up to three different scenarios. You can also include an amortization schedule for one of the three scenarios in the report.

Mortgage Comparison Calculator ? ✕

Details Reports

Use this loan calculator to compare mortgage payment alternatives by payment frequency, interest rate, amortization period, or payment amount.

Calculator Name

Loan Information

Start Date
 Original Principal

Mortgage Comparison

Field to Calculate

	Original	Alternative 1		<input checked="" type="checkbox"/> Alternative 2	
Payment Frequency	<input type="text" value="Monthly"/>				
Mortgage Type	<input type="text" value="Fixed Rate"/>				
Term (years)	<input type="text" value="5"/>				
Interest Rate	<input type="text" value="10.000%"/>				
Amortization (yrs/periods)	<input type="text" value="10.00"/> <input type="text" value="120"/>	<input type="text" value="15.00"/> <input type="text" value="180"/>	<input type="text" value="25.00"/> <input type="text" value="300"/>	<input type="text" value="10.00"/> <input type="text" value="120"/>	<input type="text" value="15.00"/> <input type="text" value="180"/>
Accelerated to	<input type="text" value="10.00"/> <input type="text" value="120"/>	<input type="text" value="15.00"/> <input type="text" value="180"/>	<input type="text" value="25.00"/> <input type="text" value="300"/>	<input type="text" value="10.00"/> <input type="text" value="120"/>	<input type="text" value="15.00"/> <input type="text" value="180"/>
Payment Amount	<input type="text" value="\$1,310"/>	<input type="text" value="\$1,062"/>	<input type="text" value="\$894"/>	<input type="text" value="\$1,310"/>	<input type="text" value="\$1,062"/>
Total Payments in Year	<input type="text" value="\$15,724"/>	<input type="text" value="\$12,747"/>	<input type="text" value="\$10,734"/>	<input type="text" value="\$15,724"/>	<input type="text" value="\$12,747"/>
Total Interest Cost for Amortization Period	<input type="text" value="\$57,240"/>	<input type="text" value="\$91,209"/>	<input type="text" value="\$168,346"/>	<input type="text" value="\$57,240"/>	<input type="text" value="\$91,209"/>

Include Amortization Schedule for

Compare Payment Frequencies

Quick Actions menu – Calculators – Other – Mortgage Comparison – Mortgage Comparison Calculator dialog box – Details tab

Select the **Field to Calculate** from the menu, the results are displayed in the corresponding fields below.

The mortgage alternative columns allow you to show different mortgage parameters to your clients, such as how increasing their payment frequency can shorten their amortization.

TFSA Savings & Comparison calculator

The **TFSA Savings & Comparison** calculator allows you to model the growth of a tax-free savings account (TFSA) over a specified period of time, including the initial investment and systematic savings, and compare the growth of TFSA, RRSP, and/or non-registered investments using the same rates of return and contributions.

TFSA Savings & Comparison Calculator

?

Details

Reports

Use this calculator to compare the growth of a TFSA, RRSP, and/or non-registered investment using similar rates of return and contributions.

Calculator Name

General Information

Start Year

Start Age

Number of Years

Marginal Tax Rate

Pre-Retirement

Retirement

Investment Information

Lump Sum Contribution

Regular Contribution Amount

Indexed At

Frequency

Time of Year

Reinvest RRSP tax deduction

Return Rates

Interest Only

Interest

Dividends

Capital Gains

Deferred Growth

Total

Comparison Results

Asset Type	Total Investment Amount	Estimated After-Tax Total	Delete
TFSA	\$0	\$0	
<input style="background-color: #0056b3; color: white; padding: 2px 10px;" type="button" value="ADD ASSET TYPE FOR COMPARISON"/>			

Quick Actions menu – Calculators – Other – TFSA Savings & Comparison – TFSA Savings & Comparison Calculator dialog box – Details tab

Chapter 3: Entering Financial Assessments

To quickly obtain a picture of your clients' current financial situation and to assess if your clients' financial goals will be met, create a Financial Assessment, and then generate a **Financial Needs Assessment** report to analyze the results.

Note: This manual assumes that you have already used NaviPlan to create and open a client file, engagement, and a Financial Assessment. For information about creating and managing client files and Financial Assessments, see the *NaviPlan User Manual: Introduction*.

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Selecting modules to assess

The **Select Modules** page displays the assessment’s modules and available options.

Assessment Name 

Financial Assessment

Enabled modules are checked. Click **Select Modules** to change the available modules in this assessment.

Modules

- ✓ Retirement
- ✓ Education
- ✓ Major Purchase
- ✓ Insurance

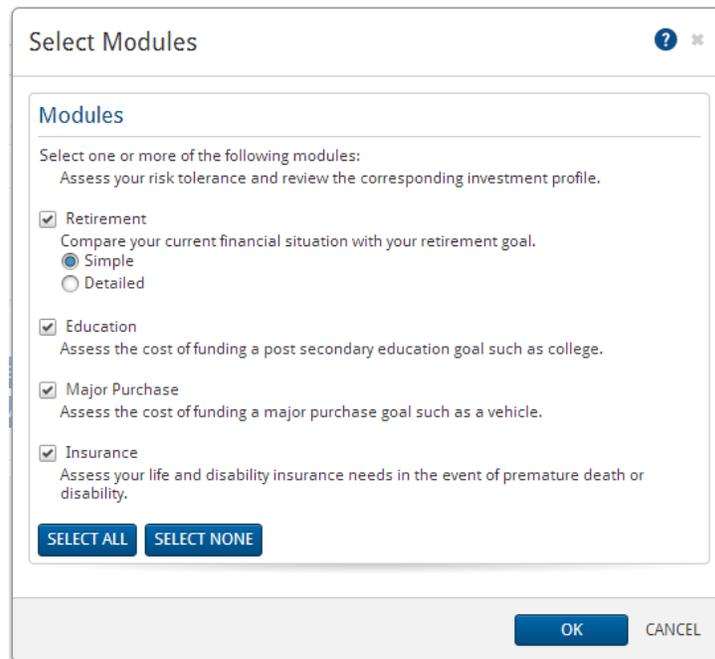
SELECT MODULES...

CONVERT TO DETAILED RETIREMENT

CONVERT TO DETAILED INCOME TAX

Financial Assessment section – Financial Assessment category – Select Modules page (Average Tax method selected)

To change the selected modules, go to the **Select Modules** page, and then click **Select Modules**. A dialog box opens where you can clear or select modules.



Select Modules dialog box

Two types of tax methods are available in Financial Assessments: Average Tax and Detailed Tax.

By default, the Average Tax method is used in new Financial Assessments. When the Average Tax method is used, average tax rates including province tax rates specified on the **Settings** menu – **Plan Settings – General** tab) apply to income during three different time periods: pre-retirement, retirement, and in the year of death. The tax rates can be edited on the **Assumptions** page.

When using the Detailed Tax method, NaviPlan applies the bracketed federal and province rates (including tax deductions and credits), to taxable income on a year-by-year basis. These tax rates are not editable.

If you selected the Average Tax method during assessment creation, you can convert to the Detailed Tax method by clicking **Convert to Detailed Income Tax** on the **Select Modules** page. Once you have converted to the Detailed Tax method, you cannot revert to the Average Tax method.

The **Retirement** module can either be Simple or Detailed. To enter specific details for the clients' government benefits or defined benefit pension benefits, model retirement accounts such as spousal RRSPs, defined contribution pension plans, and locked-in retirement accounts (LIRAs), or specify to which account type (non-registered, RRSP, or RRSP spousal) additional savings should be directed, click **Convert to Detailed Retirement**.

To use the detailed retirement mode, either click **Convert to Detailed Retirement** on the **Select Modules** page or dialog box.

OR

Select the **Detailed** option in the **Plan Creation – Modules** stage during assessment creation.

The screenshot shows the 'Plan Creation' dialog box in the 'Modules' stage. The 'Assessment Name' is 'Financial Assessment' and the 'Plan Year' is '2013'. The 'Modules' section is active, showing a list of modules to be assessed. The 'Retirement' module is checked, and the 'Detailed' option is selected. The 'Education', 'Major Purchase', and 'Insurance' modules are also checked. The 'Simple' option is unselected. The 'SELECT ALL' and 'SELECT NONE' buttons are visible at the bottom of the module list. The 'Back', 'Next', 'FINISH', and 'CANCEL' buttons are at the bottom of the dialog box.

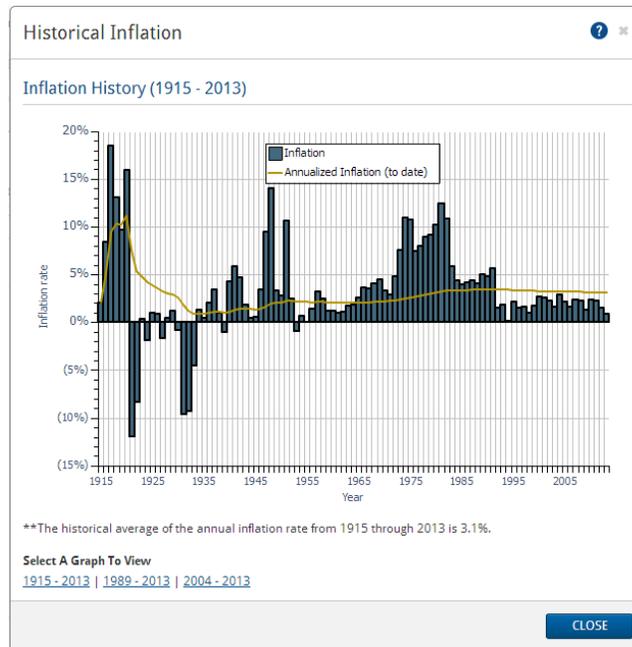
Plan Creation dialog box – Modules stage (showing the Detailed Retirement mode selection)

Enter inflation, tax, and historical assumptions

On the **Assumptions** page using the Average Tax method, you can specify the base inflation rate and the client’s and co-client’s income tax brackets before and during retirement, and in the year of death. The tax rate for dependants can also be defined. On the **Historical Data** tab, you can also specify amounts that will affect the clients’ RRSP contributions, such as the previous year’s income or pension adjustments. You can also enter TFSA and RESP contributions.

To enter the clients’ inflation, tax, and historical assumptions, follow these steps:

1. Go to the **Financial Assessment** section – **Assumptions** page.
2. To view a graph of historical inflation rates, click the **Inflation Rate Graph** button under **Economic Factors**. By default, the graph displays inflation rate information from 1915 to the present. You can generate graphs displaying inflation rate information for the last 25 years or the last 10 years by clicking the links under **Select a Graph to View**. When done viewing, click **Close**.



Financial Assessment section - Assumptions page - General tab - Inflation Rate Graph dialog box

3. To change the inflation rate, enter a different percentage in the **Base Inflation Rate** field.

Economic Factors

Base Inflation Rate INFLATION RATE GRAPH...

Financial Assessment category - Financial Assessment section - Assumptions page - General tab - Economic Factors section

4. To apply inflation rates to additional registered and non-registered savings, enter rates in the fields under ***Index Additional Savings***.
5. Under ***Tax Rates***, select the appropriate taxable income range from the ***Tax Bracket*** menu. NaviPlan automatically populates the ***Average*** and ***Marginal*** tax rate fields for the defined income. You can override the calculated tax rates by entering the desired rates into the appropriate fields. If any of the tax rates change, a note appears on the page and an arrow appears beside each edited tax rate to remind you that the tax rate has been modified.

When using the Detailed Tax method, the tax rates section on the ***Assumptions*** page – ***General*** tab is not available as NaviPlan applies bracketed federal and provincial taxes, which consider an extensive number of deductions and credits.

6. To enter historical RRSP, TFSA, and RESP contribution information, go to the ***Historical Data*** tab.

Financial Assessment section – Assumptions page – Historical Data tab – RRSP Contributions tab (Detailed Tax method)

6. To enter historical RRSP information, go to the ***RRSP Contributions*** tab.
 - Enter the clients' previous year's income.
 - If either of the clients are a member of a pension plan at work, enter the pension adjustment amount (from the T4 statement). This value will be deducted from the allowable limit.
 - If either of the clients have an outstanding overcontribution balance, enter the overcontribution amount in the ***RRSP Overcontribution Balance*** field. This value will be deducted from the allowable limit for the current year.
 - If either of the clients have not made contributions that meet their maximum allowable contribution, enter the RRSP deduction carryforward amount from the client's Notice of Assessment. This value is added to the allowable limit for the current year.
7. ***D. Tax*** Under ***Home Buyers' Plan - RRSP Repayments***, if the client withdrew funds from an RRSP to participate in the Home Buyers' Plan, in the ***HBP Balance Owing*** field, enter the remaining balance. If the value is left at \$0, NaviPlan will assume that no loan exists. In the ***Years Left to Repay*** field, enter the number of years the client has to repay the balance (must be less than 16 years). In the ***Begin Repayments In*** field, enter the year in which the repayments must begin.

RRSP Contributions	TFSA Contributions	RESP Contributions
TFSA Contributions		
	Robert	Sarah
TFSA Overcontribution Balance	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Unused TFSA Contribution Room	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

Financial Assessment category – Assumptions page – Historical Data tab – TFSA Contributions tab

8. To enter historical TFSA information, go to the **TFSA Contributions** tab.
 - If either of the clients have not made TFSA contributions that meet their maximum allowable contribution, enter the TFSA deduction carryforward amount from the client’s Notice of Assessment. This value is added to the allowable limit for the current year.
 - If either of the clients have an outstanding TFSA overcontribution balance, enter the overcontribution amount in the **TFSA Overcontribution Balance** field. This value will be deducted from the allowable limit for the current year.

RRSP Contributions	TFSA Contributions	RESP Contributions
RESP Contributions		
	Clients	
As of Dec 31st 2013 where the beneficiary is:	Survo	Surva
Total RESP Contributions from All Subscribers	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
CESG eligibility carry forward	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Total CESG Payment Received	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

Financial Assessment section – Financial Assessment category – Assumptions page – Historical Data tab – RESP Contributions tab

9. To enter historical RESP contributions, go to the **RESP Contributions** tab. You can manually track your clients’ RESP contributions, their CESG eligibility, total CESG payment received, and net income for the previous year.

Modelling the current financial picture

On the **Financial Picture** page, you can model the clients' current financial situation. NaviPlan uses this information to calculate the clients' net worth.

To enter your clients' financial picture using the Financial Assessment, follow these steps:

1. Go to the **Financial Picture** page.

Lifestyle Assets	
Asset	Amount
Principal Residence	<input type="text" value="\$0"/>
Cottage	<input type="text" value="\$0"/>
Personal Use Property	<input type="text" value="\$0"/>
Listed Personal Property	<input type="text" value="\$0"/>
Total	<input type="text" value="\$0"/>

Annual Income		
	Robert	Sarah
Annual Income	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

Liabilities			
Liability	Outstanding Amount	Interest Rate	Monthly Payments
Mortgage	<input type="text" value="\$0"/>	<input type="text" value="7.00%"/>	<input type="text" value="\$0"/>
Car Loans	<input type="text" value="\$0"/>	<input type="text" value="8.00%"/>	<input type="text" value="\$0"/>
Personal Loans	<input type="text" value="\$0"/>	<input type="text" value="8.00%"/>	<input type="text" value="\$0"/>
Other	<input type="text" value="\$0"/>	<input type="text" value="12.00%"/>	<input type="text" value="\$0"/>
Total	<input type="text" value="\$0"/>		<input type="text" value="\$0"/>

Monthly Expense	
Expense	Amount
Housing (e.g. utilities, repairs)	<input type="text" value="\$0"/>
Food	<input type="text" value="\$0"/>
Transportation (e.g. gas, insurance)	<input type="text" value="\$0"/>
Entertainment (e.g. restaurants, movies)	<input type="text" value="\$0"/>
Personal (e.g. clothing, hobbies)	<input type="text" value="\$0"/>
Other (e.g. child care, travel)	<input type="text" value="\$0"/>
Mortgage	<input type="text" value="\$0"/>
Car Loans	<input type="text" value="\$0"/>
Personal Loans	<input type="text" value="\$0"/>
Other	<input type="text" value="\$0"/>
Total	<input type="text" value="\$0"/>

Note: Income and expenses entered on this page apply to the pre-retirement period only.

Financial Assessment section – Financial Assessment category – Financial Picture page

2. Enter all applicable lifestyle assets, liabilities, incomes, and expenses.

Assessing retirement needs

In NaviPlan, retirement begins on January 1 of the year in which the first client to retire turns the specified retirement age on the date specified for the first client and ends December 31 of the year when the last client dies. NaviPlan assesses needs in each year of the retirement period and compares them to the resources available for retirement funding. If either a shortfall or overfunding is expected, NaviPlan presents recommendations.

Retirement needs include desired annual retirement income and liability payments that extend into the retirement period. Do not include taxes or life insurance premiums; NaviPlan calculates taxes automatically, and life insurance premiums (if applicable) are entered elsewhere in the application.

Retirement resources include estimated annual pension income, Canada/Quebec pension plan benefits, and all registered and non-registered accounts.

Lifestyle assets, such as homes, are not sold to fund retirement needs.

Two modes of data-entry are available for the Retirement module: **Simple** and **Detailed**.

- **Simple** retirement mode – NaviPlan assumes that the clients are 100% eligible for CPP/QPP and OAS benefits starting at retirement. You can enter summary information about the clients' registered accounts (which NaviPlan converts to RRIFs at retirement) and non-registered retirement accounts.
- **Detailed** retirement mode – You can enter specific details for the clients' CPP/QPP and OAS benefits or defined benefit pension benefits, model retirement accounts such as spousal RRSPs, defined contribution pension plans, or LIRAs, enter details for the conversion of assets to retirement income funds, and specify to which account type (RRSP, RRSP Spousal, TFSA, or non-registered) additional savings should be directed.

To use the detailed retirement mode, you must either:

- Click **Convert to Detailed Retirement** on the **Financial Assessment** section – **Select Modules** page.
OR
- Select the **Detailed** option on the **Plan Creation** dialog box – **Modules** screen during assessment creation.

Simple retirement mode

To assess retirement needs in **Simple** retirement mode, follow these steps:

1. Go to the **Retirement** page.

Retirement Information

Desired annual retirement income (in today's \$ after tax) Index at

Retirement Age

Life Expectancy

Estimated Annual Pension Income (in today's \$)

Investment Accounts for Retirement

	Robert	Sarah	Joint
Non-Registered Accounts			
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Current Monthly Savings	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Registered Accounts			
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
Current Monthly Savings	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
TFSAs			
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
Current Monthly Savings	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
Assumed Return Rate	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>

 100%

[WHAT ARE MY OPTIONS?](#)

Financial Assessment section – Financial Assessment category – Retirement page (Simple retirement mode)

2. Under **Retirement Information**, enter the clients' combined desired after-tax income upon retirement, in today's dollars.

Note: This amount should be large enough to include all lifestyle expenses that are expected during retirement.

3. To index the retirement income to inflation, enter the rate of inflation in the **Index at** field.
4. Enter the retirement age and life expectancy for each client.
5. Enter the clients' estimated annual pension income, in today's dollars. This amount should not include government pensions, such as CPP and OAS.
6. Under **Investment Accounts for Retirement**, enter the current value of non-registered, registered accounts, and TFSAs, and the monthly amount of client and employer contributions. Monthly savings start January 1 of the plan year and end December 31 of the year before retirement.
- Note:** Enter only non-registered and TFSA accounts that are being used to fund the retirement goal.
7. Enter the rate of return you expect the investment accounts to earn.

Note: The bar graph on this page updates as you enter different values. NaviPlan calculates the percentage of the retirement goal that is expected to be covered, based on the information you entered.

8. Click **What are my options?**. Under **Options**, alternative strategies are shown that would, if implemented, enable your clients to achieve their retirement goal.

Detailed retirement mode

To assess retirement needs in **Detailed** retirement mode, follow these steps:

1. Go to the **Retirement** page.

Retirement Information

Desired annual retirement income (in today's \$ after tax) Index at

	Robert	Sarah
Retirement Age	<input type="text" value="92"/>	<input type="text" value="65"/>
Life Expectancy	<input type="text" value="117"/>	<input type="text" value="90"/>
CPP/QPP Eligibility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
OAS Eligibility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Annual Defined Benefit Pension	<input type="text" value="\$0"/> DETAILS	<input type="text" value="\$0"/> DETAILS

[Non-Registered](#)
[RRSP](#)
[RRSP Spousal](#)
[TFSA](#)
[Defined Contribution](#)
[LIRA](#)

	Robert	Sarah	Joint
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Monthly Savings (\$ or % of Salary)	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>
Pre-Retirement Return Rate	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>
Retirement Return Rate	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>

Goal Coverage

100%

[WHAT ARE MY OPTIONS?](#)

Savings Settings

	Robert	Sarah
RRSP	<input type="checkbox"/>	<input type="checkbox"/>
RRSP-Spousal	<input type="checkbox"/>	<input type="checkbox"/>
TFSA	<input type="checkbox"/>	<input type="checkbox"/>
Non-Registered - Joint	<input checked="" type="checkbox"/>	

Financial Assessment section – Financial Assessment category – Retirement page (Detailed retirement mode)

2. Under **Retirement Information**, enter the clients' combined desired after-tax income of the client and co-client upon retirement.

Note: This amount should be large enough to include all lifestyle expenses and insurance premiums that are expected during retirement.
3. To index the retirement income to inflation, enter the rate of inflation in the **Index at** field.
4. Enter the retirement age and life expectancy for each client, and then select the **CPP/QPP Eligibility** and **OAS Eligibility** options for each client who is eligible to receive these benefits.
5. To enter additional details regarding the clients' CPP/QPP and OAS eligibility, click [DETAILS](#), and then make your changes in the **CPP/QPP & OAS Details** dialog box.
 - To model deferred OAS benefits, change the **Benefit Start Date** in the **CPP/QPP & OAS Details**.
6. In the **Annual Defined Benefit Pension** field, enter the clients' estimated annual pension income. To enter more detailed pension information, click [DETAILS](#). Select a calculation method, either **Estimate** or **Formula**, enter the pension details, and then click **OK** to return to the **Retirement** page.
7. Complete all of the following procedures that apply to accounts being used to fund the retirement goal:
 - **Entering non-registered account information** on the next page
 - **Entering RRSP/RRSP spousal account information** on page 59
 - **Entering TFSA account information** on page 60
 - **Entering defined contribution information** on page 61
 - **Entering LIRA information** on page 62

Entering RRSP/RRSP spousal account information

Note: This procedure does not apply to the *Simple* retirement mode.

To enter the clients' RRSP and RRSP spousal account information, follow these steps:

1. On the **Retirement** page, go to the **RRSP** or **RRSP Spousal** tab.

	Robert	Sarah
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Monthly Savings (\$, % of Salary, or MAX)	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>
Conversion	<input type="button" value="DETAILS"/>	<input type="button" value="DETAILS"/>
Assumed Return Rate		
Pre-Retirement	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>
Retirement	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>

Financial Assessment section – Financial Assessment category – Retirement page – RRSP tab (Detailed retirement mode)

2. Enter the current value of each client's RRSP or RRSP spousal account.
3. Enter monthly savings that will be contributed to the registered accounts.
4. To set up the conversion to a retirement income fund, click **Details**.

Note: For help with the conversion to a retirement income fund, see [Converting an RRSP or spousal RRSP to a RRIF](#) on page 64

5. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Entering TFSA account information

Note: This procedure does not apply to the *Simple* retirement mode.

To enter the clients' TFSA information, follow these steps:

1. On the *Retirement* page, go to the **TFSA** tab.

	Robert	Sarah
Current Value	\$0	\$0
Monthly Savings (\$ or % of Salary)	0.00%	0.00%
Assumed Return Rate		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%

Financial Assessment section – Financial Assessment category – Retirement page – TFSA tab (Detailed retirement mode)

2. Enter the current value of each client's TFSA.
3. Enter monthly savings that will be contributed to the TFSA.
4. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Entering defined contribution information

Note: This procedure does not apply to the *Simple* retirement mode.

To enter the clients' defined contribution information, follow these steps:

1. On the **Retirement** page, go to the **Defined Contribution** tab.

	Robert	Sarah
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Employee Monthly Savings (\$ or % of Salary)	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>
Employer Monthly Savings (\$ or % of Salary)	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>
Conversion	<input type="button" value="DETAILS"/>	<input type="button" value="DETAILS"/>
Assumed Return Rate		
Pre-Retirement	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>
Retirement	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>

Financial Assessment section – Financial Assessment category – Retirement page – Defined Contribution tab (Detailed retirement mode)

2. Enter the current value of each client's registered pension plans (RPP money purchase plan type).
3. Enter the monthly employee and employer savings that will be contributed to the clients' registered pension plans.
4. To enter conversion details, click **Details**.
5. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Entering LIRA information

Note: This procedure does not apply to the *Simple* retirement mode.

To enter the clients' locked-in retirement account (LIRA) information, follow these steps:

1. On the **Retirement** page, go to the **LIRA** tab.

	Robert	Sarah
Current Value	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Conversion	<input type="button" value="DETAILS"/>	<input type="button" value="DETAILS"/>
Assumed Return Rate		
Pre-Retirement	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>
Retirement	<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>

Financial Assessment section – Financial Assessment category – Retirement page – LIRA tab (Detailed retirement mode)

2. Enter the current value of each client's LIRA.
3. To enter conversion details, click **Details**.

Note: For help with the conversion to a retirement income fund, see [Converting a defined contribution pension plan or a LIRA to a LIF](#) on page 66

4. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Setting up the conversion of registered plans to retirement income funds

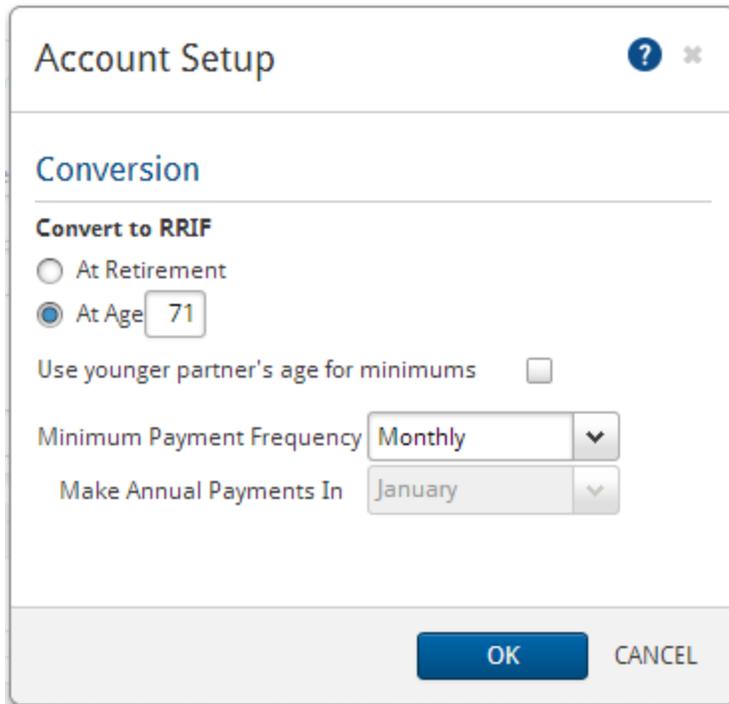
Note: This procedure does not apply to *Simple Retirement* mode.

In a Financial Assessment, you can set up the conversion of the following registered plans to retirement income funds:

- Registered retirement savings plans (RRSP) or spousal RRSPs can be converted to registered retirement income funds (RRIFs).
- Defined contribution pension plans or locked-in retirement accounts (LIRAs) can be converted to a life income fund (LIF).
- All registered plan types can be converted to an annuity.

Converting an RRSP or spousal RRSP to a RRIF

1. On the **Retirement** page, go to the **RRSP** or **RRSP Spousal** tab.
2. Click **Details**.



The screenshot shows a dialog box titled "Account Setup" with a question mark icon and a close button. The main heading is "Conversion". Under "Convert to RRIF", there are two radio button options: "At Retirement" (unselected) and "At Age" (selected). The "At Age" option has a text input field containing the number "71". Below this is a checkbox labeled "Use younger partner's age for minimums" which is unchecked. There are two dropdown menus: "Minimum Payment Frequency" set to "Monthly" and "Make Annual Payments In" set to "January". At the bottom, there are two buttons: "OK" and "CANCEL".

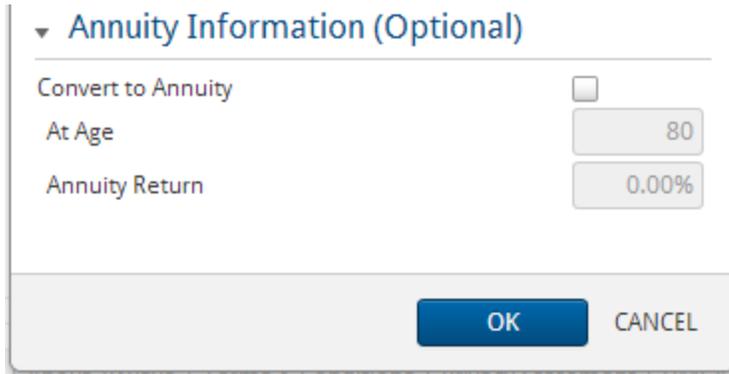
Account Setup dialog box (Convert to RRIF)

3. Under **Convert to RRIF**, define when the RRSP will be converted. If you select **At Age**, specify the age when the RRSP will be converted.
Note: Conversion must take place by age 71 at the latest.
4. To use the younger client's age to calculate RRIF minimum payments, select the **Use younger partner's age for minimums** option.
5. From the **Minimum Payment Frequency** menu, select **Monthly** or **Annual**. If you selected **Annual**, select the payment month from the **Make Annual Payments In** menu.
6. Click **OK**.

Converting the plan to an annuity (applies to all registered plan types except RESPs)

Note: Accounts converted to a life annuity do not carry over to the spouse should the owner die.

1. On the **Retirement** page, go to the **<registered plan>** tab, and then click **Details**.
2. Click the **Annuity Information (Optional)** link.



▼ **Annuity Information (Optional)**

Convert to Annuity	<input type="checkbox"/>
At Age	80
Annuity Return	0.00%

OK CANCEL

Account Setup dialog box (Annuity Information shown)

3. Select the **Convert to Annuity** option.
4. Specify the age when the plan is to be converted.

Note: Annuity legislation is constantly changing. In some legislative jurisdictions, conversion is mandatory at age 80, while in other areas 90 is the mandatory age. Some jurisdictions have removed this restriction all together and leave it to the plan owner to decide when best to convert to an annuity. It is up to you to ensure that the applicable legislation is followed.
5. Enter the expected annuity return rate.
6. Click **OK**.

Converting a defined contribution pension plan or a LIRA to a LIF

1. On the **Retirement** page, go to the **Defined Contribution** or **LIRA** tab, and then click **Details**.

Note: The **LIF** option is selected by default, and the **LRIF** option is no longer accessible. This is due to recent legislative changes where existing LRIFs are being converted to LIFs.

Account Setup [?] [x]

Conversion

Convert to

LIF
 LRIF

Conversion Preference

Automatic
 Conversion will occur at first occurrence of a deficit during retirement, no earlier than age

At Retirement
 At Age

Payout Options

Use maximum payout amount

Rate for determining maximum payout

Governing legislative area [v]

Minimum Payment Frequency [v]

Make Annual Payments In [v]

OK **CANCEL**

Account Setup dialog box (Convert to LIF)

2. Under **Conversion Preference**, indicate when the plan is to be converted. To specify the age, select **At Age**, and then enter the age.
3. To use the maximum payout amount, select the **Use maximum payout amount** option.
Note: This option is not accessible if **Automatic** was selected under **Conversion Preference**.
4. Select the governing legislative area.
5. From the **Minimum Payment Frequency** menu, select **Monthly** or **Annual**. If you selected **Annual**, select the payment month from the **Make Annual Payments In** menu.
6. Click **OK**.

Determining whether the retirement goal is achievable

Once you have completed the fields under **Retirement Information** on the **Retirement** page, NaviPlan can provide feedback on current strategies.

Under **Goal Coverage** in **Detailed** retirement mode and **Investment Accounts for Retirement** in **Simple** retirement mode, the graph displays the percentage of the goal that is achievable using current strategies.

To see suggestions for other possible strategies, click **What are my options?**. A graph displays the percentage of the goal that is achievable using current strategies. Some suggestions for other possible strategies appear at the bottom of the dialog box.

Directing additional monthly savings to account types

Note: This procedure does not apply to the **Simple** retirement mode.

On the **Retirement** page under **Savings Settings**, select the account types to which additional monthly savings will be directed.

Assessing education needs

In general, NaviPlan assesses all needs associated with the education goal for each dependant and compares those to the resources available for education funding. If a shortfall or overfunding is expected, NaviPlan presents recommendations for each dependant’s education goal. In the Financial Assessment, each dependant can only have one education goal.

In the Financial Assessment, education assessments can only be done for dependants; they cannot be done for the client or co-client. If no dependant was added when the client file was created, go to the **Client Management – Client Information – Personal Information** page, and then add the family member.

To assess education needs for a dependant, follow these steps:

1. Go to the **Education** page.

Education Objectives

Jeremy	
Annual Education Costs (in today's \$)	\$6,000
Index Costs by	3.00%
Education Start Age	18 2020
Number of Years	4
Total Projected Cost	\$30,872

Savings Information

Jeremy	
Non-Registered Accounts	
Current Amount Saved	\$0
Current Monthly Savings	\$0
Assumed Return Rate	6.00%
RESP Accounts	
Current Amount Saved	\$4,500
Current Monthly Savings	\$80
Assumed Return Rate	6.00%

WHAT ARE MY OPTIONS?

66%



Financial Assessment section – Financial Assessment category – Education page

2. Under **Education Objectives**, enter:

- the estimated annual education costs in today's dollars.
- a percentage to index costs by.
- the dependant's age when the education goal begins.
- the duration of the education goal.

NaviPlan calculates the **Total Projected Cost** value by indexing each annual cost individually by the rate entered in the **Index Costs by** field from January 1 of the plan year to December 31 of the year before the year the expense occurs.

3. Under **Savings Information**, enter the current amount saved, the current monthly savings, and the assumed rate of return.

- All amounts saved earn the rate of return specified in the **Assumed Return Rate** field until the account is depleted.
- Non-registered savings are assumed to be deposited into a joint non-registered account.
- For RESP accounts, NaviPlan automatically calculates and includes the 20% Canada Education Savings Grant (CESG) for **Current Monthly Savings** and this is reflected in goal coverage.
- The amounts in the **Current Amount Saved** fields are assumed to be saved on January 1 of the plan year, whereas monthly savings begin in the current month. The monthly savings end on December 31 of the year before the last year of the goal.

Note: The graphs on this page update as you enter different values. NaviPlan calculates the percentage of each education goal that is expected to be covered based on the information you entered.

4. Click **What are my options?**. Under **Options**, alternative strategies are shown that would, if implemented, enable your clients to meet their education goal(s).

Assessing major purchase needs

In general, NaviPlan assesses all needs associated with the major purchase goal and compares those needs to the clients' resources available to fund major purchases. Whether a shortfall or overfunding is expected, in either event NaviPlan presents recommendations for each major purchase goal. In the Financial Assessment, you can enter up to three major purchase goals.

To assess major purchase needs, follow these steps:

1. Go to the **Major Purchase** page.

Major Purchase Objectives

	Goal One	Goal Two	Goal Three
Description	Car Down Payment	Major Purchase 2	Major Purchase 3
Purchase Date	Jan 1 2018	Jan 1 2018	Jan 1 2018
Cost (in today's \$)	\$15,000	\$0	\$0
Index Costs by	3.00%	3.00%	3.00%
Total Projected Cost	\$17,389	\$0	\$0

Savings Information

	Goal One	Goal Two	Goal Three
Non-Registered Accounts			
Current Amount Saved	\$7,300	\$0	\$0
Current Monthly Savings	\$50	\$0	\$0
TFSA's			
Current Amount Saved	\$0	\$0	\$0
Current Monthly Savings	\$0	\$0	\$0
Assumed Return Rate	5.00%	5.00%	5.00%

☰ WHAT ARE MY OPTIONS?

65%



Financial Assessment section – Financial Assessment category – Major Purchase page

2. Under **Major Purchase Objectives**, enter all applicable information for the clients' planned purchase(s).

- Major purchase goals cannot occur in the month of the plan date or in the following month. For example, if the plan date is April 12, 2014, the date entered must be June 1, 2014, or later.
- NaviPlan calculates the **Total Projected Cost** value by indexing the value of each major purchase goal by the rate entered in the **Index Costs by** field from January 1 of the plan year to December 31 of the year before the year the expense occurs.

3. Under **Savings Information** for non-registered accounts and TFSAs, enter the current amount saved, the current monthly savings for the major purchase(s), and the assumed rate of return.

- All amounts saved earn the rate of return specified in the **Assumed Return Rate** field until the account is depleted.
- Accounts used to save toward major purchase goals are assumed to be joint, non-registered accounts or TFSAs.
- The amounts in the **Current Amount Saved** fields are assumed to be saved on January 1 of the plan year, whereas monthly savings start at the beginning of the month following the plan date. The monthly savings end on the month before the purchase date.

Note: The graphs on this page update as you enter different values. NaviPlan calculates the percentage of each major purchase goal that is expected to be covered based on the information you entered.

4. Click **What are my options?**. Under **Options**, alternative strategies are shown that would, if implemented, enable your clients to meet their major purchase goal(s).

Assessing insurance needs

Life insurance needs are determined by simulating the death of either the client, co-client, or both on December 31 of the plan year. When death is simulated, NaviPlan assesses needs and compares them to existing resources and life insurance coverage. If available resources are not sufficient to meet needs, NaviPlan recommends additional coverage. NaviPlan assumes a capital depletion method for the life insurance analysis, which depletes available assets and existing life insurance policies as needed.

Disability insurance needs are determined by simulating either the client or co-client being disabled on January 1 of the year after the plan year. The annual income of the disabled client is discontinued during the disability period. Cash flow throughout disability is projected and, if deficits result, a need for further disability income coverage is reported. The disability period ends at retirement, at which time the retirement goal assumes the fulfillment of needs until death.

To assess insurance needs, follow these steps:

1. Go to the **Insurance** page.

Life Insurance Information

	Robert	Sarah
Existing Coverage	\$300,000	\$175,000
Monthly Premium	\$100	\$90

Disability Insurance Information

Include in Analysis

Percent of Expenses to Cover 100.00%

	Robert	Sarah
Short-Term Coverage		
Monthly Benefits	\$4,500	\$1,000
Duration (months)	3	3
Monthly Premium	\$100	\$100
Long-Term Coverage		
Monthly Benefits	\$4,500	\$1,000
Benefits End at Age	65	65
Monthly Premium	\$100	\$100

☰ WHAT ARE MY OPTIONS?

Financial Assessment section – Financial Assessment category – Insurance page

2. Under Life Insurance Information, enter the Existing Coverage and Monthly Premium

- Life insurance policies in the Financial Assessment are assumed to be 10-year term policies that do not lapse, where the insured owns the policy and pays the premium, while the beneficiary is the non-insured client.

Disability policies in the Financial Assessment are assumed to provide non-taxable flat dollar amounts that are not indexed for inflation. The owner of the policy is expected to pay for the premiums and be the recipient of disability benefits. The policies have the following payout terms:

Policy type	Waiting period	Benefits end
Short term	Two weeks	In three months*
Long term	Three months	At age 65*

*These are default values in NaviPlan, but can be modified as required.

3. Click **What are my options?**. Under **Options**, NaviPlan displays the percentage and dollar value of the goal that can be met and the amount by which coverage would have to be increased to meet the goal.

Analyzing Life Insurance needs with the Life Insurance Quick Assessment

The need for additional life insurance can be determined quickly using NaviPlan. On the **Insurance Analysis** page, these needs are determined using the following method:

- First, NaviPlan totals the data in the **Lump Sum Needs** and **Ongoing Needs** sections.
- Next, the total from the **Available Assets to Offset Needs** section is deducted.
- Finally, the total recommended additional insurance is displayed (along with a summary of the calculation) in the **Results** section.

This method makes the calculation easy to understand, increasing your clients' confidence.

To analyze your clients' need for additional insurance, follow these steps:

1. Go to the **Insurance Analysis** page.

If Robert dies
If Sarah dies
If Both Die

Include in Analysis

Lump Sum Needs Lump Sum Needs Override ?

Mortgage Principal	\$0
All Other Loans	\$0
Education Goals	\$23,032
Emergency Fund	\$0
Final Expenses (burial, probate, etc.)	\$0
Any Additional Needs	\$0
Total Lump Sum Needs	\$23,032

Ongoing Needs

Annual Ongoing Needs are for years

You require \$0 to meet your calculated ongoing need.

Available Assets to Offset Needs Available Asset Override ?

Realizable Assets	\$11,800
Existing Life Insurance Policies	\$300,000
Total Available Assets	\$311,800

Assumptions

Inflation Rate	3.00%
Assumed Return Rate	5.00%
Survivor's Tax Rate	30.00%

Results

Total Lump Sum Needs	\$23,032
plus: Total Ongoing Needs	\$0
less: Total Available Assets	\$311,800
Additional Life Insurance Needed	\$0

Financial Assessment section – Financial Assessment category – Insurance Analysis page

Page 74 of 106

2. Use the tabs along the top of the page to select a survivorship situation.
3. Enter all lump sum needs in the **Lump Sum Needs** container.

Note: Mortgage Principal, All Other Loans, and Education Goals are calculated by based on data collected from elsewhere in the assessment. To manually enter data for these fields, select the **Lump Sum Needs Override** option.

4. Enter all **Ongoing Needs** your client will need to pay in the selected survivorship situation. The default entry is based on data entered elsewhere in the plan and is meant to show the amount of annual income necessary to replace the decedent's income.
 - To modify these assumptions, select  and modify any of the assumptions in the **Ongoing Needs** dialog box.
 - You can also specify how much of the decedent's income is necessary to replace for different time periods:
 1. From the **Ongoing Needs** section, enter an ongoing need and a number of years for the first row. This comprises the first period.
 2. Click **Add Ongoing Need**.
 3. Enter an annual ongoing need and a number of years for the newly created row. This comprises the second period and immediately follows the previous period.
 4. Repeat step 3 until you are satisfied.
5. Enter all assets available to cover needs in the selected survivorship situation. These assets are divided into two categories:
 - **Realizable Assets:** This field represents the value of assets that are easily converted to cash in the event of a death.
 - **Existing Life Insurance Policies:** This field represents the value of existing life insurance policies already entered in the assessment.

The value of these assets is calculated by NaviPlan; to modify these values select **Available Asset Override** and enter new data.
6. Review the information NaviPlan is using for this analysis in the **Assumptions** container and make any changes you wish.
7. NaviPlan now calculates your clients' need for additional life insurance and displays its recommendations in the **Results** container.

Viewing results

To view the results of the Financial Assessment, go to the **Summary** page. An overview of the Financial Assessment is generated for each of the modules selected.

The results on the **Summary** page are updated automatically whenever you make changes on any of the previous pages, and can be used throughout the planning process to show the clients' goal achievement and alternative strategies. This page can be shared with your clients since the information here is presented in the same format as the **Financial Needs Assessment** client report.

Chapter 4: Entering Asset Allocation Assessments

The Asset Allocation Assessment in NaviPlan allows you to enter the clients' accounts and create a suggested asset mix. You can also create a suggested asset mix in minutes by having your clients complete the asset allocation questionnaire.

Note: This manual assumes that you have already used NaviPlan to create and open a client file and an Asset Allocation Assessment. For information about creating and managing client files and Asset Allocation Assessments, see the *NaviPlan User Manual: Introduction*.

In this chapter:

Using predefined asset allocation	78
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Using user-defined asset allocation	82
Defining the clients' investor profile using user-defined asset allocation	84
Modifying asset allocation settings for the plan	84
Selecting the clients' investor profile	84
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Using predefined asset allocation

With predefined asset allocation, begin by using the questionnaire to determine your clients' investor profile or suggested asset mix, which is used as an asset allocation target throughout the Asset Allocation Assessment. While the questionnaire must be filled out to proceed, you can override the results or modify the suggested asset mix.

Note: The **Questionnaire** page is only available if you are using NaviPlan with the predefined asset allocation option. If you do not have this option, you need to determine the investor profile yourself.

To generate a proposed portfolio, follow these steps:

1. Go to the **Questionnaire** page. A list of questions appears to help you identify your clients' investor profile.
2. Select your clients' responses to all the questions. NaviPlan calculates risk scores based on the answers you provided and then recommends an investor profile.
3. Go to the **Profile** page.
4. To view the asset allocation risk scores for the investor profile, click **Scoring**. The **Scoring Summary** dialog box displays the time horizon and investor profile that NaviPlan has calculated.
5. To view the predefined asset classes, investor profiles, and portfolios defined by Ibbotson, click **Settings**.

Overriding the investor profile

If you do not feel that the investor profile accurately reflects your clients' risk tolerance and you have appropriate permissions, you can override the investor profile in the following ways:

- Select a different investor profile.
- Adjust the weightings manually for the investor profile using the **Weightings** feature.
- Use the **Optimize** feature to determine an optimal asset mix using Ibbotson's Mean Variance Optimizer.

To override the clients' investor profile, follow these steps:

1. Go to the **Profile** page to view the asset mix suggested for the clients with the calculated investor profile.

Asset Allocation section – Asset Allocation category – Profile page

2. Select **Override Investor Profile**, and then choose another investor profile.

Note: If you have NaviPlan with user-defined asset allocation, you can override the investor profile without selecting an option.

You can modify the suggested asset mix by clicking **Customize Asset Mix**, and then selecting either **Weightings** or **Optimize**.

- To manually adjust the asset class weightings, select **Weightings**.
- To use the Ibbotson Mean Variance Optimizer to generate a new portfolio based on an efficient frontier graph, select **Optimize**.

Customizing the asset mix using the Weightings feature

To use the **Weightings** feature, follow these steps:

1. On the **Profile** page, click **Customize Asset Mix**, and then select **Weightings**.

Asset Class Weightings ? ✖

Asset Class Weightings

Override default asset class weightings

Class Name	Class Percentage	Class Name	Class Percentage
Large Cap Growth Equity	8.00%	Large Cap Value Equity	11.00%
Mid Cap Equity	5.00%	Small Cap Equity	3.00%
US REITs	2.00%	International Equity	11.00%
Emerging Markets Equity	0.00%	Long Term Bonds	7.00%
Intermediate Term Bonds	17.00%	Short Term Bonds	17.00%
High Yield Bonds	6.00%	International Bonds	7.00%
Cash	6.00%		
		Total	100.00%

OK
CANCEL

Asset Class Weightings dialog box

2. Select **Override default asset class weightings**, and then enter the desired weightings. The total must equal 100%.

Note: Asset classes with a zero percent weighting do not appear.
3. Click **OK**.

To revert to the original asset class weightings, on the **Profile** page click **Customize Asset Mix**, and then select **Revert to Defaults**.

Customizing the asset mix using the Optimize feature

To restrict the suggested asset classes, but still generate an optimal suggested asset mix, follow these steps:

1. On the **Profile** page, click the **Customize Asset Mix** button, and then select **Optimize**.

For more information about this graph, see the Help.

Optimize
?

Portfolio Statistics

Override Standard Deviation

	Current	Similar Return to Current	Similar Risk to Current	Suggested	Assumed
Return	4.31%	4.31%	6.83%	6.69%	6.69%
Risk	8.72%	4.80%	8.72%	8.49%	8.49%

Suggested Asset Mix

Class Name	Class Percentage	Class Name	Class Percentage
Large Cap Value Equity	12.81%	Emerging Markets Equity	11.00%
Long Term Bonds	21.57%	High Yield Bonds	33.33%
International Bonds	8.52%	Cash	12.77%

[INDIVIDUAL CONSTRAINTS...](#)

OK
CANCEL

Optimize dialog box

2. To manually enter a new standard deviation, select **Override Standard Deviation**, and then enter the standard deviation in the **Suggested Risk** field. The graph will show the entered standard deviation.

Note: Clicking anywhere on the **Efficient Frontier** line shows the standard deviation and return rate at that point. Double-clicking on the line selects the point as the new suggested asset mix. Use this process as an alternative to overriding the standard deviation manually.

3. To exclude asset classes and set minimum and maximum inclusion values for the suggested asset mix, click **Individual Constraints**.

Individual Constraints
?

Asset Class Exclusion

Class Name	Minimum Holding	Maximum Holding
<input checked="" type="checkbox"/> Large Cap Growth Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Large Cap Value Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Mid Cap Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Small Cap Equity	0.00%	100.00%
<input checked="" type="checkbox"/> US REITs	0.00%	100.00%
<input checked="" type="checkbox"/> International Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Emerging Markets Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Long Term Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> Intermediate Term Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> Short Term Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> High Yield Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> International Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> Cash	0.00%	100.00%

[REVERT TO DEFAULTS](#)

Please indicate a reason for the exclusion:

OK
CANCEL

Individual Constraints dialog box

4. If applicable, clear the options for asset classes that you want excluded from the suggested asset mix, or modify the minimum and maximum holding percentage for the included asset classes.
5. (Optional) In the text field at the bottom of the dialog box, enter the reason(s) for the exclusion(s).

To revert to the original asset class weightings, on the *Profile* page, click the **Customize Asset Mix** button, and then select **Revert to Defaults**.

Using user-defined asset allocation

If you are using user-defined asset allocation (not predefined in NaviPlan), asset allocation defaults for all new assessments and plans are found under **Plan Settings – Asset Allocation Settings – Asset Allocation Settings**. You can override these defaults for an individual Asset Allocation Assessment if you need to.

1. Go to the **Asset Allocation – Asset Allocation – Profile** page.
2. Click **Settings**.
3. Click **Add Asset Class** to enter additional asset classes. For each asset class, enter a unique description, such as **Cash** or **Bonds**, and then define the return rates and standard deviation values that apply.

Asset Allocation Settings *Required ? ✖

Asset Classes Correlations Investor Profiles Portfolios

Use this page to enter new asset classes, their return rates, and standard deviation, as well as to edit existing asset classes.

Asset class data entered on this page will only affect asset class defaults for future plans. Existing plans will not be affected but may be edited upon opening a plan.

Asset Classes ADD ASSET CLASS

Description	Interest	Dividends	Capital Gains	Deferred Growth	Total	Standard Deviation	Actions
Large Cap Equity	0.000%	2.400%	3.010%	5.250%	10.660%	19.610%	✖
Small Cap Equity	0.000%	1.470%	5.060%	7.840%	14.370%	28.900%	✖
International Equity	0.000%	1.580%	4.300%	5.100%	10.980%	24.650%	✖
Aggregate Bonds	4.910%	0.000%	0.000%	0.000%	4.910%	7.110%	✖
Cash	3.130%	0.000%	0.000%	0.000%	3.130%	3.010%	✖

OK CANCEL

Asset Allocation Settings dialog box – Asset Classes tab

4. Once you have made the required changes, go to the **Correlations** tab. Correlation measures how much you can expect your clients’ investments to change in price relative to each other.

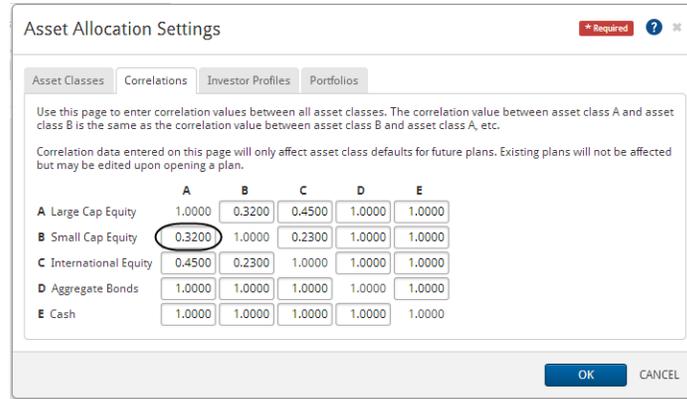
Correlation value

Historical relationship of the two asset classes

1.0 The two assets move in exactly the same direction.

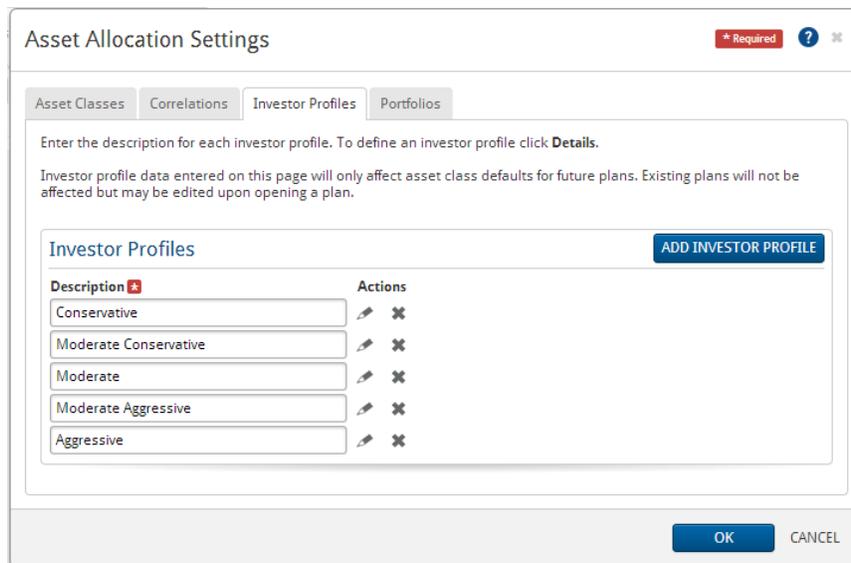
-1.0 The two assets move in exactly the opposite direction.

0.0 The two assets have no relationship.



Asset Allocation Settings dialog box – Correlations tab

- To change the correlation between two asset classes, enter the new correlation value at the intersection of a row and column for the two asset classes. The default value is updated. For example, to change the correlation between **Large Cap Equity** and **Small Cap Equity**, go to the field that intersects row A and column B, and then enter a new correlation value.
- Go to the **Investor Profiles** tab to view the investor profiles entered in the **User Preferences** menu.
- Investor profiles should be added from lowest to highest risk tolerance. To add a new investor profile to the Asset Allocation Assessment, click the **Add Investor Profile** button, enter a name such as **Conservative**, and then click . A dialog box opens where you can enter the details of the new profile.



Asset Allocation Settings dialog box – Investor Profiles tab

8. Go to the **Portfolios** tab to edit the composition of all possible investor profiles in the assessment.

Asset Allocation Settings * Required ? ✖

Asset Classes Correlations Investor Profiles **Portfolios**

Use this page to display the asset class weightings for any investor profile.

Portfolio Criteria

Select Your Default Profile Conservative ▼

Investor Profiles Conservative ▼

Portfolios

Class Name	Weightings (%)	Class Name	Weightings (%)
Large Cap Equity	<input type="text" value="50.00%"/>	Small Cap Equity	<input type="text" value="50.00%"/>
International Equity	<input type="text" value="0.00%"/>	Aggregate Bonds	<input type="text" value="0.00%"/>
Cash	<input type="text" value="0.00%"/>		
Total			<input type="text" value="100.00%"/>

Asset Allocation Settings dialog box – Portfolios tab

9. Under **Portfolio Criteria**, select the **Investor Profile** you want to change, and then under **Portfolios**, enter the asset class percentages for this profile.
10. To revert to the default asset mix values entered in the **User Preferences** menu, click **Reset Asset Allocation**. This button only appears when the default asset mix is overridden.
- If no default values exist, clicking this button deletes what you have entered without replacing it.

Defining the clients' investor profile using user-defined asset allocation

On the **Profile** page, you can

- Modify asset allocation settings for the plan.
- Select and modify the clients' investor profile.
- View the asset mix recommended for the investor profile.
- Modify the suggested asset mix.

Modifying asset allocation settings for the plan

To modify asset allocation settings for the plan, follow these steps:

1. Go to the **Profile** page.
2. Click **Settings**.
3. Modify the settings. Modifications will only affect the plan you have open.

Selecting the clients' investor profile

To select the clients' investor profile, follow these steps:

1. Go to the **Profile** page.
2. Under **Investor Profile**, select the profile you want to use for this plan.

Modifying the suggested asset mix

To modify the suggested asset mix, follow these steps:

1. Go to the **Profile** page.
2. Click **Settings**.
3. Go to the **Portfolios** tab.
4. Under **Portfolio Criteria**, select an investor profile from the menu.
5. Under **Portfolio**, edit the weightings of the portfolio, and then click **OK**.
6. Under **Investor Profile**, select the appropriate investor profile.

Entering account information

You can enter one account for each of your clients' investments, or you can group similar holdings together within one account. You cannot combine registered and non-registered holdings within the same account. Also, you cannot combine holdings owned by different people within the same account.

To enter an investment account in an Asset Allocation Assessment, follow these steps:

1. Go to the **Accounts** page.

Registered and Non-Registered Accounts

Description 	Account Type	Owner	Market Value	Cost Base	Asset Class Weightings	Return Rates	Holdings	Actions
Joint Savings	Non-Registered	Joint	\$15,000	\$0	Cash	2.50%	Add...	 
Robert's RRSP	RRSP	Robert	\$50,000	\$0	Investment account	11.00%	Add...	 
Sarah's RRSP	RRSP	Sarah	\$50,000	\$0	Investment account	11.00%	Add...	 
Robert's TFSA	TFSA	Robert	\$12,000	\$12,000	Investment account	11.00%	Add...	 
Sarah's TFSA	TFSA	Sarah	\$10,000	\$10,000	Investment account	11.00%	Add...	 

Asset Allocation section – Asset Allocation category – Accounts page

2. Click **Add Account** or click  beside **Add Account**, and then select the type of account you want to create.
3. In the **Description** field, enter a unique name or account number to identify this account.
4. From the **Account Type** menu, select the tax category of the account (such as non-registered or RRSP).
5. From the **Owner** menu, select the owner of the account.
6. If you are entering a simple account, enter the current **Market Value** and, for a non-registered account, enter its basis in the **Base** field. If you're entering any other type of account, the **Market Value** and the **Base** fields will populate as you enter holdings for the account.
7. If the account is fully weighted in one asset class, select the asset class under **Asset Class Weightings**.
OR
If the account is weighted in multiple asset classes, select **Manual Classification** under **Asset Class Weightings**. Assign percentages to various asset classes to equal 100%, and then click **OK**.
8. To add holdings to a simple account, on the **Accounts** page, click **Add** under **Holdings**.
9. To enter additional account information, click . The following topics explain how to use this dialog box:
 - **Entering holdings** on the next page
 - **Entering return rates** on page 88

Searching for asset class weightings

To use the predefined Asset Allocation option to search for asset class weightings for an account, you can search the Ibbotson Asset Allocation database as follows:

1. From the **Asset Class Weightings** menu in various NaviPlan locations, click **Search**.

Accounts page – Asset Class Weightings – Search – Asset Class Weightings Details dialog box - Search container

2. Under **Asset Class Weightings Options**, select **Use Asset Classifier Search**.
3. Under **Search**, enter the search criteria, and then click **Search**. If you are unsure of all the letters in a symbol or name, insert an asterisk (*) for wildcard searches. For example, to search for assets that begin with “br”, enter br* in the **Ticker Symbol** field.
4. Under **Results**, select the appropriate asset, and then click **OK**.

Entering holdings

To add holdings to an account, follow these steps:

1. Go to the **Accounts** page.
2. Under **Holdings**, click **Add** (or the numbered link) or  for the appropriate account.
3. If holdings already exist and you are adding new holdings to the account, click **Add Holding** for each new holding you want to add or click  beside **Add Holding**, and then select an option.
4. If you are using predefined asset allocation, enter the holding's **Symbol**, and then click **Classify**. NaviPlan enters the symbol's description and asset class weighting.
OR
If the holding is fully weighted in one asset class, select the class from the **Asset Class Weightings** menu.
OR
If the holding is weighted in multiple asset classes, select **Manual Classification** from the **Asset Class Weightings** menu. Assign percentages to various asset classes to equal 100%, and then click **OK**.
6. Enter the remaining details for each holding you added.

Entering return rates

To enter return rates for an account, follow these steps:

1. Go to the **Accounts** page.
2. Under **Return Rates**, click the link for the appropriate account.

	Pre-Retirement	Retirement
Reinvestment Strategy (after-tax income)	Reinvest ▼	Reinvest ▼
<input type="checkbox"/> Override		
	Pre-Retirement	Retirement
Interest	2.00%	2.00%
Dividends	0.50%	0.50%
Capital Gains	0.00%	0.00%
Deferred Growth	0.00%	0.00%
Total	2.50%	2.50%
Standard Deviation	58.00%	58.00%

Account Details dialog box – Return Rates tab

3. To manually set the return rates for the account, select **Override**, and then enter the appropriate pre-retirement and retirement return rates and standard deviations.

Converting a registered account to an annuity

This optional procedure applies to all registered retirement account types.

Note: Accounts converted to a life annuity do not carry over to the spouse should the owner die.

To convert a registered account to an annuity, follow these steps:

1. Go to the **Accounts** page and click  for the account you want to convert.
2. Go to the **Registered Account Setup** tab.

▼ Annuity Information (Optional)

Convert to Annuity	<input type="checkbox"/>
At Age	<input type="text" value="80"/>
Annuity Return	<input type="text" value="11.00%"/>

Account Details dialog box – Registered Account Setup tab - Annuity Information section

3. Select the **Convert to Annuity** option.
4. Specify the owner's age when the plan is to be converted.
Note: Annuity legislation is constantly changing. In some legislative jurisdictions, conversion is mandatory at age 80, while in other areas 90 is the mandatory age. Some jurisdictions have removed this restriction altogether and leave it to the plan owner to decide if or when it is best to convert to an annuity. It is up to you to ensure that the applicable legislation is followed.
5. Enter the assumed return rate.

Comparing the current portfolio and suggested asset mix

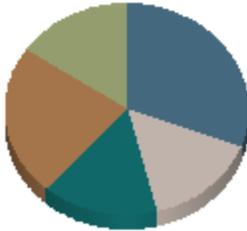
Before you generate the Asset Allocation client report, you can compare the breakdown of the clients' current asset mix with NaviPlan's suggested asset mix in the Asset Allocation Assessment.

Go to the **Summary** page. Two graphs appear on the page, as follows:

Graph

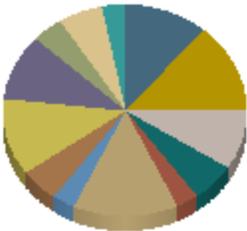
Details

Current Asset Mix



The current asset mix reflects the weighted asset mix of all accounts in the clients' current portfolio. The text includes the expected rate of return and the expected standard deviation.

Suggested Asset Mix



The graph displays a proportional breakdown of the assets in the suggested asset mix.

- With predefined asset allocation, the suggested asset mix reflects the clients' responses to the asset allocation questionnaire.
- With user-defined asset allocation, the asset mix is based on your selection on the **Profile** page.

The **Summary** includes the expected rate of return, the expected standard deviation, the proposed investor profile, and the proposed time horizon.

Viewing results

To view the results of the Asset Allocation Assessment, go to the **Summary** page. An overview of the Asset Allocation Assessment is generated for each of the modules selected.

	Current Asset Mix	Suggested Asset Mix
▲ Large Cap Growth Equity	23.13%	8.00%
▲ Large Cap Value Equity	23.13%	11.00%
▲ Mid Cap Equity	0.00%	5.00%
▲ Small Cap Equity	0.00%	3.00%
▲ US REITs	0.00%	2.00%
▲ International Equity	0.00%	11.00%
▲ Long Term Bonds	0.00%	7.00%
▲ Intermediate Term Bonds	0.00%	17.00%
▲ Short Term Bonds	0.00%	17.00%
▲ High Yield Bonds	0.00%	6.00%
▲ International Bonds	0.00%	7.00%
▲ Cash	0.00%	6.00%
▲ Unclassified	53.74%	0.00%
Summary		
Expected rate of return	4.31%	5.69%
Expected standard deviation	8.72%	8.49%
Proposed investor profile		Moderate
Proposed time horizon		Intermediate

Asset Allocation section – Asset Allocation category – Summary page

The **Summary** page is easy to access and can be used throughout the planning process to show the clients’ current and suggested asset mixes. This page can be shared with your clients since the information here is presented in the same format as the **Asset Allocation Assessment** client report.

Chapter 5: Client Reports

The **Client Report** page is similar in both Financial Assessments and Asset Allocation Assessments—only the name of the client report is different.

In this chapter:

Generating a client report	93
Creating report templates	94
Using the Client Report Monitor	95

Generating a client report

To generate the *Financial Needs Assessment* or *Asset Allocation* client report, follow these steps:

1. Go to the *Client Report* page.
2. Click **Select Document Sections**.

Select Document Sections - (Default Template)

Select the sections to be included in the report, and then click **Generate Report** to continue.

The order in which document sections appear in the report can be changed. To change where a section appears, drag it to the preferred location in the list.

- Client Information
- Overview
- Risk Tolerance Analysis
- Asset Class Details
- Account Details
- Current Asset Mix
- Current Portfolio Breakdown
- Summary
- Details
- Conclusion
- Appendix
 - Important Terminology
 - Disclaimer
 - Asset Allocation Rate Approval
 - Delivery Acknowledgement

Save as Template... Select All Select None **GENERATE REPORT** OK CANCEL

Select Document Sections dialog box

Note: The sections shown in the dialog box vary depending on the client report.

3. To view the subsections for a section, click the plus (+) sign beside that section. The list expands and subsections appear. Select or clear the options for the appropriate subsections.
4. Select all sections you want included in the client report.
5. To reorganize the sections in the client report, click and drag the applicable section to a new location.
6. Click **OK**.
7. To generate the report, click **Generate**. If you generated this report before, this button appears as **Regenerate**.

You can use the *Client Report Monitor* to monitor your recent report request and the requests for other client reports. For more information, see [Using the Client Report Monitor](#) on page 95

Creating report templates

To create a template (a group of selections) that you can reuse for the client report type, follow these steps:

1. Go to the **Client Report** page.
2. Click **Select Document Sections**.
3. Modify the report sections as explained in **Generating a client report** on the previous page.
4. Click **Save as Template**.
5. Enter a name for the template, and then click **OK**.

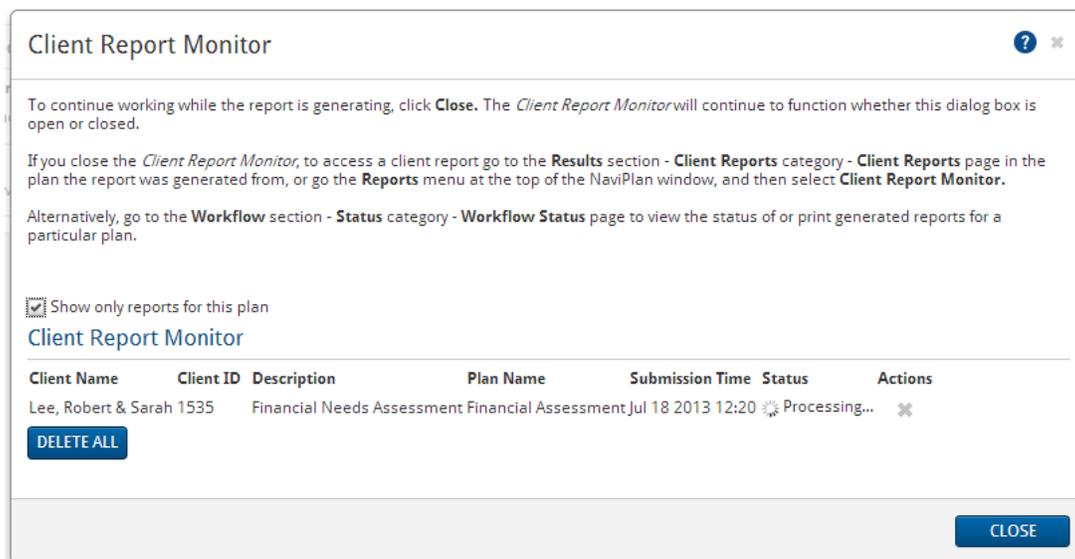
Note: You can delete templates on the **Settings** menu - **System Settings** - **Templates** tab.

Using the Client Report Monitor

The **Client Report Monitor** allows you to continue using NaviPlan when generating time-intensive reports. Each time you click **Generate** for a client report, NaviPlan creates a request in the **Client Report Monitor** and generates the report. Generating a client report 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 client reports. You can only open reports with a **Completed** status. The **Client Report Monitor** is available from the following areas:

- **Reports** menu
- **Financial Assessment** category – **Client Report** page
- **Asset Allocation** category – **Client Report** page
- **Workflow** section – **Status** page



Client Report Monitor dialog box

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

1. Generate a client report, or from the **Quick Actions** menu, access **Reports** and then select **Client Report Monitor**.
2. Perform one of the following steps:

To...	Do this...
List all client reports for which you have access.	Clear the Show only reports for this plan option.
View a completed report.	Click the link for a client report with the Completed status. The client report opens using the format specified on the Settings menu - System Settings - Report Setup tab.
Delete a report.	Click X for the applicable report or click the Delete All button to delete listed client reports.

3. Click **Close**. 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.

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