

Prevention Is the
Best Medicine

LIFETIME INCOME CASE STUDY

Presented by Puplava Financial Services, Inc.
Registered Investment Advisor

Vince & Maria Lopez

Important Notice:

This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.

ESSENTIAL INFORMATION

Client:	Vince & Maria Lopez.
Ages:	Vince 56 & Maria 51.
Retirement:	Both retiring when 60.
Life expectancy:	Vince age 88. Maria age 94.
Risk tolerance:	Moderately conservative.
Investment objective:	Income and preservation of capital.



WHO ARE VINCE & MARIA LOPEZ?

Name: Vince

Age: 56

Job: Project Manager

Vince has worked hard and looks forward to not having to wake up early and endure the daily hour commute to work. He is ready to begin a new chapter and figure out “what he wants to do when he grows up.” He is very concerned about making sure his wife is covered throughout retirement since she is younger and expected to outlive him.

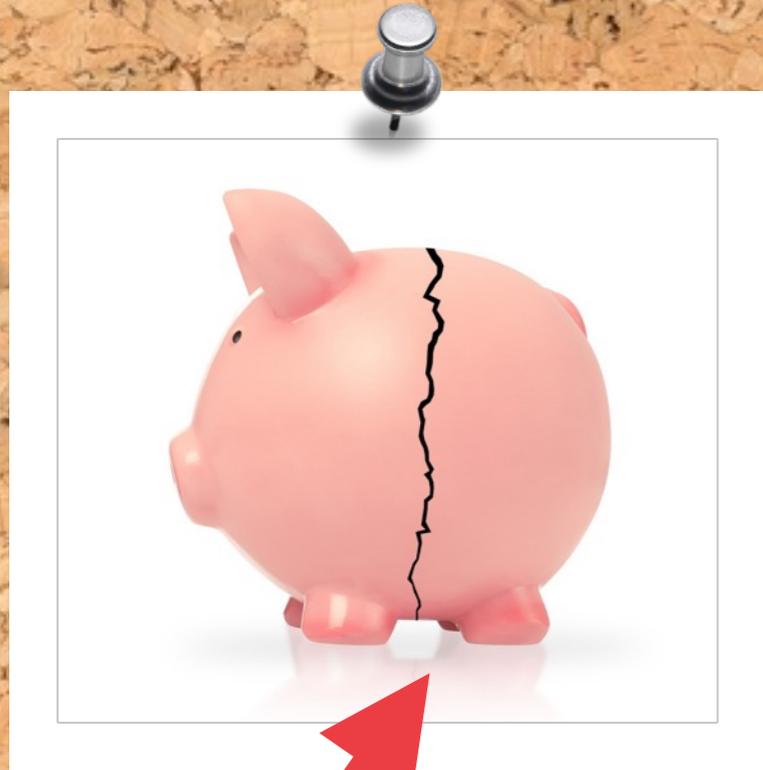
Name: Maria

Age: 51

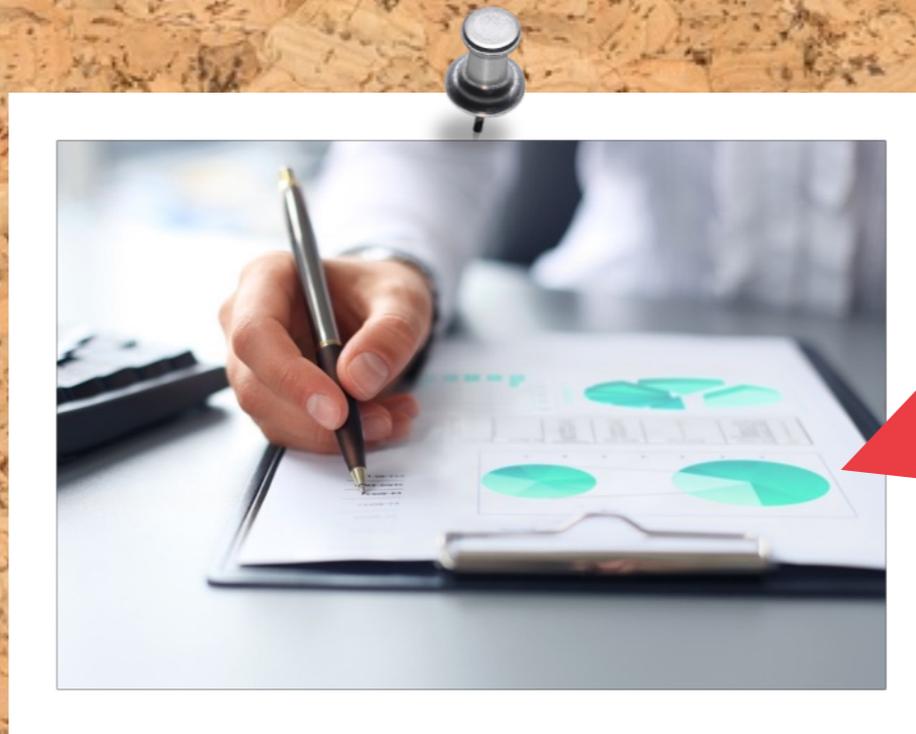
Job: Teacher

Maria is very excited about the prospect of retiring early with her spouse. She looks forward to traveling and having more time for her hobbies. What concerns her is being able to outlive retirement given that she is expected to live much longer.

WHAT IS IMPORTANT TO VINCE & MARIA?



**Not outliving
their assets**



**Retiring as early
as possible**

**Maximizing
retirement income**



VINCE & MARIA'S CURRENT BUDGET

✓ Essentials:	\$65,000
✓ Discretionary:	\$50,000

TOTAL: \$115,000

Combined Salary: \$210,000

Surplus: \$95,000



VINCE & MARIA'S RETIREMENT BUDGET

✓ Essentials:	\$40,000
✓ Discretionary:	\$60,000

TOTAL: \$100,000

Pension/Social Security: \$130,000

Surplus: \$30,000



VINCE & MARIA'S ASSETS

Non-Investment Assets

✓ Real Estate: \$575,000

Investment Assets

✓ Vince's Retirement: \$660,000

✓ Maria's Retirement: \$331,000

✓ Total Joint Assets: \$180,000

Total Investment Assets \$1,171,000

Total Assets: \$1,746,000

Liabilities: -\$200,000

Net Worth: \$1,546,000

VINCE & MARIA'S FINANCIAL PLAN CHALLENGES

- 1.** Longevity is a concern since Maria is healthy and has a long life expectancy.
- 2.** Meeting income needs since they want to retire early.
- 3.** Maximizing pensions to produce income and protect against longevity.



VINCE & MARIA'S RETIREMENT INCOME STRATEGY

Vince's Pension w/ 75% Survivor Benefit	\$55,000
Maria's Pension w/ 25% Survivor Benefit	\$25,000
Vince & Maria's Social Security	\$50,000

Investment Income

Vince's Retire. \$660K	Fixed Income & Dividend payers @ 3.1% ¹	\$20,460
Maria's Retire. \$331K	Fixed Income & Dividend payers @ 3.1% ²	\$10,261
Tot. Joint/ROS \$180K	Dividend payers & Muni Bonds @ 2.5% ³	\$4,500
	Total investment income	\$35,221
		Grand total income 165,221
		Less budget \$100,000
		Surplus \$65,221

1, 2 & 3: Yields are for current portfolio yields as of 9/20/16. Please see disclosures at the end of this presentation for security risks.

GOAL BASED RECOMMENDATIONS FOR VINCE & MARIA LOPEZ

What am I afraid of?

- ▶ Starting retirement early.
- ▶ Maximizing retirement income.
- ▶ Outliving assets.

Strategy

- ▶ Suggest a semi-retirement to cover expenses through income earned & Maria's pension, which will allow them to retire at age 60 when Vince's pension begins.
- ▶ Recommend Maria take her pension with a 25% survivor benefit and Vince with 75% to maximize income produced for Maria.
- ▶ Due to Maria's good health and expected longevity, recommend they have a Long Term Care policy to cover future expenses.

Disclosures:

- 1. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
- 2. The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
- 3. Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

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If you have any specific questions or comments, please give us a call at

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We're happy to speak with you.

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