

# **Income Planning Worksheet**

With the help of your financial professional, the first step in becoming Income Savvy is to consider your retirement income needs.

### Assess your income needs

Determine how much money you're going to need each year—this is your "Income Number." It's the sum of your Essential Lifestyle Expenses plus your Discretionary Lifestyle Expenses.

Begin by calculating your current expenses and then adjust them based on your desired lifestyle in retirement.

Essential Lifestyle Expenses	Annual Cost
Housing mortgage payments, rent, insurance, property tax	\$
Utilities gas, water, electricity, telephone, cable	\$
Food/Groceries/Meals	\$
Transportation car payments, gas, car insurance, maintenance	\$
Personal clothing, haircuts, dry cleaning, toiletries	\$
Healthcare/Medicare Premiums supplemental medical insurance, prescriptions and other out-of-pocket expenses	\$
Life, Disability and Long-Term Care Insurance	\$
Income Taxes federal, state	\$
Other	\$
Annual Essential Lifestyle Expenses	\$

Discretionary Lifestyle Expenses	Annual Cost
Entertainment movies, theater, sporting events & restaurants	\$
Travel & Recreation hotels, airfare and RV/boat expenses	\$
Memberships golf, health club and yoga	\$
Gifts and Donations	\$
Other	\$
Annual Discretionary Lifestyle Expenses	\$
<u> </u>	

Annual Essential Lifestyle Expenses	\$
Annual Discretionary Lifestyle Expenses	\$
Total Annual Expenses (Essential Lifestyle + Discretionary Lifestyle)	\$

This is your "Income Number"

# Determine your annual protected income

Once you have obtained the needed estimates for Social Security and a pension, if applicable, you can determine your annual income from guaranteed sources.

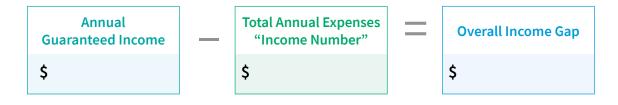
Guaranteed Sources of Retirement Income	Annual Income
Social Security	\$
Pensions	\$
Annuities	\$
Other	\$
Total Annual Guaranteed Income	\$

#### See if you're facing an income gap

First determine if you have enough guaranteed income to cover your Annual Essential Lifestyle Expenses. This is a priority for many retirees and key to creating an Income Savvy Plan.



Of course, you may want some or all of your Discretionary Lifestyle Expenses to also be covered with protected income. So next, examine your Total Annual Expenses (that is, your Essential Lifestyle Expenses PLUS your Discretionary Lifestyle Expenses) to see if you're facing an overall income gap.

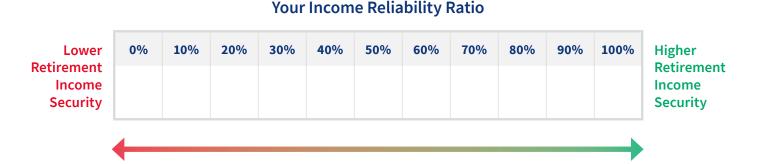


## **Calculate your Income Reliability Ratio**

Another factor you may want to consider is your Income Reliability Ratio. Your Income Reliability Ratio can help you assess where you stand in terms of your retirement income security. If your Income Reliability Ratio is low, you may want to consider how challenges such as a market decline or living longer than expected could impact your long-term retirement income strategy.



Indicate on the chart below where your Income Reliability Ratio currently falls.



If your Income Reliability Ratio is further to the left, consider if you are comfortable with your retirement income being funded from your current savings and investments, or other non-guaranteed sources such a part-time job or rental income. This type of income may be less predictable due to market volatility, changes in interest rates or other factors, and may result in lower retirement income security.

**If your Income Reliability Ratio is further to the right,** you have the assurance of knowing that a greater portion of your total annual expenses in retirement will be covered with income that's guaranteed for a higher level of retirement income security.

Your financial professional can help you review your situation and help you assess your comfort level with your current Income Reliability Ratio.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Products and features may vary by state and may not be available in all states. The purchase of an annuity is not required for, and is not a term of, the provision of any banking service or activity.

Annuities issued by American General Life Insurance Company (AGL), Houston, TX. Certain annuities issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. AGL and VALIC do not issue annuities in New York. In New York, annuities issued by The United States Life Insurance Company in the City of New York (US Life). Variable annuities are distributed by AIG Capital Services, Inc. (ACS), Member FINRA, 21650 Oxnard Street, Suite 750, Woodland Hills, CA 91367-4997, 1-800-445-7862. AIG Life & Retirement is part of American International Group, Inc. (AIG). It includes Individual Retirement, Group Retirement, Life Insurance and Institutional Markets, as well as issuing companies AGL, VALIC and US Life. ACS is a member of AIG.

Not FDIC or NCUA/NCUSIF Insured

May Lose Value • No Bank or Credit Union Guarantee
Not a Deposit • Not Insured by any Federal Government Agency

We see the future in you.<sup>™</sup> — AIG