

Annuity Income in Needs Analysis

Easily illustrate the need for an annuity in a client account.

What eMoney Shows

With eMoney, advisors can input the annuity's minimum withdrawal rate, the deferral rate, and the number of years deferring income. Using this data, eMoney will determine how much of a client's assets should be re-positioned to the annuity to cover any potential guaranteed income shortfall.

Why Use eMoney

eMoney helps advisors distinguish the client's income needs in retirement between basic (essential) expenses and discretionary expenses. The advisor can select the percentage of the client's basic or discretionary expenses they would like covered by guaranteed income.

How eMoney Displays the Annuity

To access the annuity, select *Plans > Tools > Needs Analysis*. Then select *Add > Annuity Income*.

The screenshot displays the eMoney interface for a Needs Analysis. On the left, a 'Selected Analysis' menu lists 'Annuity Income' with a green arrow pointing to it. Below the menu is a summary table:

Annual Retirement Expenses	\$85,500
Retirement Expenses to Cover	\$45,500
Annual Guaranteed Income	\$21,000
Guaranteed Income Shortfall	(\$24,500)

To the right of the table is a text box explaining the analysis: 'During retirement, you can expect to have both basic and discretionary expenses. Basic expenses are just that; expenses required for day to day living. If necessary, you can forego discretionary expenses. For this analysis, you can expect basic expenses to be \$45,500 per year and discretionary expenses to be \$40,000 per year. This, or have enough income to 100.00% of the basic discretionary expenses will be covered.' Below this is the 'Annuity Repositioning' section, which includes a 'Recalculate' button and a summary of the results:

Non-Guaranteed Sources of Income	\$1,110,000
Assets to be Repositioned	\$345,070
Remaining Non-Guaranteed Sources of Income	\$764,930
Guaranteed Income Shortfall	\$0

From there, click the drop-down menu next to *Annuity Income Analysis*. This will provide three options: *Retirement Expenses*, *Creating Guaranteed Income*, and *Annuity Repositioning*.

1. Retirement Expenses

- This page will allow advisors to establish which of their client's expenses are basic expenses versus discretionary expenses.
- Advisors can select how much of each expense they would like covered by a guaranteed income source (Social Security, Pensions, etc).
- After you press 'Recalculate,' eMoney will display the client's Guaranteed Income Shortfall.

2. Creating Guaranteed Income

- Once the client's withdrawal rate, number of years to defer income, and guaranteed growth rate for the annuity are entered, eMoney will provide the asset amount needed to reposition into an annuity to close the guaranteed income gap.

3. Annuity Repositioning

- This page will give advisors a work flow of the repositioning process.
- It shows a breakdown of the assets before repositioning to the number of investment assets left in the client's non-guaranteed accounts after repositioning.