

Retirement Plan Reporting

In addition to the three highlighted one-pagers, the reports below are powerful tools to help explain the benefits of an annuity.

Retirement Income Page

What eMoney Shows

Income sources like Social Security, pension plans, and annuities can help offset your retirement expenses. Total inflows during retirement can also include planned distributions, investment income, and other inflows such as insurance benefits, asset sales, and income from a business or trust.

Why Use eMoney

An advisor can use this page to illustrate to a client how much an annuity can increase the percent of expenses in retirement covered by income.

How eMoney Shows an Annuity

Annuity income will appear as part of the “Planned Distributions,” but it will not expressly display the increased income as “Annuity Distributions”—hence the importance of including a separate page with the Base Facts.

Selling Considerations

The most important thing wholesalers should note is the change in the “Percentage Funded by Income.” Clients can increase their peace of mind knowing that a more significant portion of their anticipated retirement expenses are being funded by an income source.

Guaranteed Inflows versus Expenses

What eMoney Shows

Guaranteed inflows often include Social Security, deferred income such as pension plans, deferred annuities with living benefit guarantees, and annuitized and immediate annuity income. This report compares guaranteed inflows to total expenses. Note that any annuity guarantees are subject to the claims paying ability of the issuer.

Why Use eMoney

Having meaningful guaranteed inflow sources is one of the best ways to increase the likelihood of a successful retirement plan. This page helps an advisor show the client how much of their retirement is funded by a guaranteed income source.

How eMoney Shows an Annuity

On this page of the report, the annuity income will appear as a “Guaranteed Withdrawal,” and will be displayed on the graph produced using a separate color making it easier to distinguish than on other pages of the report.

Selling Considerations

This page is one of the most important pages for illustrating the power of the annuity inside the plan. Clients concerned about running out of money in retirement will feel more secure knowing that a larger percentage of their retirement expenses have guaranteed funding. It is also one of the only pages that clearly breaks out the income generated by the annuity. Even if the annuity doesn't create a surplus for the client, it is still more comforting for the client to have a larger portion of their retirement guaranteed.

Retirement Withdrawals

What eMoney Shows

This report breaks down the client's supplemental withdrawals and planned withdrawals. The illustration shows what percentage of the assets will be needed to cover expenses. Withdrawals from portfolio assets are a critical component of all retirement plans. The size and frequency of withdrawals will go a long way to determining if your portfolio assets will last for your lifetime. Withdrawals can be made from taxable or tax deferred accounts, each providing different tax consequences.

Why Use eMoney

The client should always be mindful of their total withdrawals to make sure they are not liquidating their assets too quickly. It is not unusual to make supplemental withdrawals during retirement, but care must be taken to ensure the portfolio assets last. This allows the advisor to have the conversation of how those assets will be invested.

How eMoney Shows an Annuity

In this page of the report, the annuity and the income it is producing are shown in the illustration as "Annuity Assets" under the section of "Planned Withdrawals."

Selling Considerations

The advisor is trying to show their client how they will fund their retirement. This page will show how much of the client's retirement expenses will need to be funded by supplemental withdrawals. We can help the advisor lower that percentage. With an increase in the amount of retirement expenses covered by a guarantee, the advisor can have a little more freedom in how they invest other parts of the client's portfolio.

Looking at Everything

What eMoney Shows

This report illustrates just what the name implies--a look at everything in the plan. From Income Flows and Planned Distributions to Total Outflows and Net Cash Flow, the advisor will be able to show the client how the plan is being funded and its probability of success.

Why Use eMoney

By comparing the combination of these resources with the expected retirement expenses, the advisor can get a picture of how successful the client may be in financing their retirement. The advisor will be able to show the client if there is a funding shortfall or a funding surplus, as well as how many years are unfunded (if any).

How eMoney Shows an Annuity

Much like the "Retirement Income" page, annuity income will not be expressly represented. It will be lumped in as part of the "Planned Distributions." It's important to have a separate page illustrating the Base Facts to show next to the new scenario.

Selling Considerations

Seeing a funding shortfall with unfunded years could be jarring for a client. They've built this financial plan and now it looks like they won't have the income required to make it through retirement. This page allows you as a wholesaler to show the advisor how we can close that income gap; and allow the advisor to do the same for his client.

Options for Meeting Retirement Needs

What eMoney Shows

Based upon the assumptions utilized in this report, the plan may reveal a funding shortfall. This page will provide options that might allow the client to meet their retirement objectives. Examples include: Save More Before You Retire, Retire Later, or Spend Less During Retirement.

Why Use eMoney

The advisor can show their client all of the options available to them for meeting their retirement goals. You can also use the new scenario to show that the client may have more success with an annuity.

How eMoney Shows an Annuity

eMoney doesn't expressly show the annuity. However, when the scenarios are shown side by side, it will show if any changes to the original plan need to be made.

Selling Considerations

Showing the annuity in the plan can help the advisor with client conversations around retiring later or spending less that otherwise could have been difficult.

Earliest Retirement

What eMoney Shows

Depending on whether the client has a funding surplus or shortfall, they may be able to retire earlier, or they may have to consider delaying their retirement. This report will show the earliest possible retirement date without a funding shortfall of funding. It provides the results of a hypothetical scenario.

Why Use eMoney

eMoney helps advisors further illustrate the options available to the client. If a surplus exists, an earlier retirement date may be an option. If the client faces a shortfall, by delaying retirement, the client can grow their savings, increase the number of years they're saving, and reduce the total cost of retirement.

How eMoney Shows an Annuity

Like many of the other pages in the report, annuity distributions will appear as part of the "Planned Distributions."

Selling Considerations

Depending on the scenario, this page will allow the advisor to show the client how an annuity can help them achieve their target retirement date.

Minimum Additional Savings

What eMoney Shows

With this report, if there is a funding shortfall, the advisor will be able to give the client an idea of the amount of savings needed to close that gap.

Why Use eMoney

Similar to the “Earliest Retirement” page, this provides additional options available to the client. If they have a retirement funding shortfall, they may still be able to achieve their current retirement objectives by saving. If a surplus exists, no additional savings are required.

How eMoney Shows an Annuity

eMoney doesn't expressly show the annuity. However, when the scenarios are shown side by side, it will show if the annuity scenario produces a surplus. If the surplus exists, then no additional savings are required.

Selling Considerations

If the annuity scenario produces a surplus, then it further illustrates the power of the annuity to close the income gap in retirement. Spending less than otherwise could have been difficult.

Assets

What eMoney Shows

This report is one of the few that will break down the base scenario and annuity scenario side by side. It illustrates both scenarios with all assets through the end of life.

Why Use eMoney

The advisor will be able to walk the client through each scenario year by year. This allows the client to see a hypothetical results of the proposed advanced plan.

How eMoney Shows an Annuity

This page contains a bar graph and a hypothetical illustration. The bar graph will show the 'Annuity Assets' broken out as a separate color.

Selling Considerations

This page provides wholesalers with two hypotheticals to compare side by side.

Deferred Annuity Analysis

What eMoney Shows

On this page, the advisor is given a full breakdown of the annuity with a graph and a hypothetical illustration using the assumed returns and guarantees used when building the annuity.

Why Use eMoney

If the advisor is going to use an annuity, they will need this page to display how the guarantees in the advanced plan are being used.

How eMoney Shows an Annuity

This page is similar to a Jackson Illustration. The columns are BOY Assumed Value, Growth, Contributions, Guaranteed High Water Mark Base, Guaranteed Withdrawal Privilege, Withdrawals, EOY Assumed Value, and Death Benefit.

Selling Considerations

This page shows increases to the high water mark of which the guarantee will be paid. It's a perfect opportunity to discuss the rate of returns the advisor assumed within the annuity and to walk through how investment freedom gives the client a better opportunity to achieve those returns and achieve market step-ups.

Monte Carlo

What eMoney Shows

This report page shows a full Monte Carlo simulation using the selected scenario.

Why Use eMoney

Monte Carlo Analysis runs multiple simulations of the client's financial plan against future market conditions. The result of introducing random investment volatility to the analysis produces a range of values that demonstrate how changing investment markets may impact the client's future plans.

How eMoney Shows an Annuity

This page doesn't break out annuity assets. It does allow for the advisor to show the client his probability of success; as well as, the upside, downside, and median case scenarios.

Selling Considerations

Because this page is showing the client and advisor the probability of success, you will need to show one Monte Carlo without the annuity and one with the annuity. If it closes the income gap for the client, it will obviously increase the probability.

But be aware that in some instances the software causes annuities to lower the client's chance of success. If this happens, remind the advisor that a Monte Carlo considers dying with \$1 left in the plan successful. Would it be a great experience if the client thinks that if they don't pass away in the year that was projected, then they are out of money? With Jackson's variable annuities the client will have income for life.