

DYNAMIC CASH FLOW SUMMARY

Alex and Abigail Adams

January_2023

Notes and assumptions:

We can use the Roth Conversion Roadmap to open up discussions about a number of other financial planning topics, including investments, tax efficiency and estate planning/legacy planning/transfer of assets.

For this particular client, we compared their current strategy to a proposed strategy with Roth conversions to the top of the 24% tax bracket in years 2023 – 2025 and the top of the 25% tax bracket in 2026 & 2027. This strategy results in the following:

- An increase in liquid investments. Our advisors (typically) invest Roth accounts more aggressively than other accounts. Therefore, the increase in value is due in large part to our assumption that Tax Advantaged Accounts have a 7% rate of return vs. the 5% rate of return for tax-deferred accounts.
- Alex's RMDs decrease significantly. Instead of being forced to take an RMD that would be taxed at Ordinary Income Tax Rates (10%, 12%, 22%, 24%, 32%, and so on), he can use other assets to cover a shortfall, such as cash or NQ assets, which are taxed at 0%, 15% or 20%.
- Also related to Alex's RMDs: By completing the conversion now at 22% or 24% (filling up those brackets), he is paying less in tax than he would if he waited until after the tax law change in 2026 when tax rates and brackets are higher (10%, 15%, 25%, etc).
- Also related to Alex's RMDs: Assuming Alex has children, we are potentially helping him pass those Roth assets on to the children tax-free. This is especially beneficial if the kids are in high tax brackets in the year they would take distributions and assumes Alex and Abby don't take distributions from the Roth accounts in future years.

DCFI simulations can also be used to illustrate charitable giving strategies, realizing capital gains, moving to a different state, laying out executive compensation (deferred comp, RSUs, NQSOs, etc.). In each of these situations, we listen to what the client's goals are and then tailor the DCFI accordingly.

These projections should not be considered tax advice. Please consult with a qualified tax professional.

Advisory services offered through Wealth Enhancement Advisory Services, LLC, a registered investment advisor and affiliate of Wealth Enhancement Group. 1-05362361 03/23

DYNAMIC CASH FLOW ILLUSTRATION

Alex and Abigail Adams

State of Residence: New Jersey

January-23

INCOME SOURCE	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
ALEX'S AGE AT YEAR END	68	69	70	71	72	73	74	75	76	77
ABBY'S AGE AT YEAR END	68	69	70	71	72	73	74	75	76	77
Private Pension - Abigail	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400
Social Security - Alex	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,785	\$ 34,461	\$ 35,150	\$ 35,853
Social Security - Abigail	\$ 34,800	\$ 35,496	\$ 36,206	\$ 36,930	\$ 37,669	\$ 38,422	\$ 39,190	\$ 39,974	\$ 40,774	\$ 41,589
TOTAL INCOME	\$ 121,200	\$ 122,496	\$ 123,818	\$ 125,166	\$ 126,542	\$ 127,944	\$ 129,375	\$ 130,835	\$ 132,324	\$ 133,842
Lifestyle Expenses (Excl. Taxes)	\$ 144,000	\$ 148,320	\$ 152,770	\$ 157,353	\$ 162,073	\$ 166,935	\$ 171,944	\$ 177,102	\$ 182,415	\$ 187,887
Estimated Medicare Premiums	\$ 4,082	\$ 4,082	\$ 4,082	\$ 4,082	\$ 4,082	\$ 4,082	\$ 4,082	\$ 8,935	\$ 8,935	\$ 8,935
Total Expenses (Excl. Taxes)	\$ 148,082	\$ 152,402	\$ 156,852	\$ 161,435	\$ 166,156	\$ 171,018	\$ 176,026	\$ 186,037	\$ 191,350	\$ 196,823
Taxes (Est.)	\$ 21,500	\$ 22,200	\$ 22,800	\$ 24,700	\$ 28,200	\$ 54,800	\$ 57,700	\$ 60,900	\$ 63,800	\$ 66,600
TOTAL EXPENSES (INCL. TAXES)	\$ 169,582	\$ 174,602	\$ 179,652	\$ 186,135	\$ 194,356	\$ 225,818	\$ 233,726	\$ 246,937	\$ 255,150	\$ 263,423
SURPLUS / (SHORTFALL)	\$ (48,382)	\$ (52,106)	\$ (55,834)	\$ (60,969)	\$ (67,814)	\$ (97,873)	\$ (104,351)	\$ (116,102)	\$ (122,827)	\$ (129,581)
Total Beginning Portfolio Value	\$ 3,835,973	\$ 3,976,970	\$ 4,121,107	\$ 4,268,536	\$ 4,417,946	\$ 4,567,639	\$ 4,693,253	\$ 4,818,348	\$ 4,937,358	\$ 5,055,258
Non-qualified Inv. Accts	\$ 1,959,887	\$ 2,007,080	\$ 2,052,722	\$ 2,096,732	\$ 2,137,552	\$ 2,173,225	\$ 2,273,992	\$ 2,377,740	\$ 2,478,892	\$ 2,582,788
Tax-Deferred Accounts	\$ 1,876,086	\$ 1,969,890	\$ 2,068,385	\$ 2,171,804	\$ 2,280,394	\$ 2,394,414	\$ 2,419,262	\$ 2,440,608	\$ 2,458,466	\$ 2,472,470
Tax-Advantaged Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ESTIMATED PORTFOLIO WITHDRAWAL RATE (excl. annuity distributions)	1.3%	1.3%	1.4%	1.4%	1.5%	2.1%	2.2%	2.4%	2.5%	2.6%
SURPLUS SAVINGS / (SHORTFALL) SOURCING	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
(Savings)/Shortfall	\$ 48,382	\$ 52,106	\$ 55,834	\$ 60,969	\$ 67,814	\$ 97,873	\$ 104,351	\$ 116,102	\$ 122,827	\$ 129,581
Non-retirement - Brokerage Accounts	\$ (48,382)	\$ (52,106)	\$ (55,834)	\$ (60,969)	\$ (67,814)	\$ (7,518)	\$ (9,478)	\$ (16,890)	\$ (19,094)	\$ (21,612)
Est. RMD (excl. annuity dist.) - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (90,355)	\$ (94,873)	\$ (99,212)	\$ (103,733)	\$ (107,968)
Tax-Deferred Distrib. (non-RMDs) - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax-Advantaged Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURPLUS / (SHORTFALL)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL GAINS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Non-Qualified Sales Proceeds	\$ 48,382	\$ 52,106	\$ 55,834	\$ 60,969	\$ 67,814	\$ 7,518	\$ 9,478	\$ 16,890	\$ 19,094	\$ 21,612
Cost Basis	\$ 36,287	\$ 39,080	\$ 41,876	\$ 45,727	\$ 50,861	\$ 5,639	\$ 7,108	\$ 12,668	\$ 14,320	\$ 16,209
TOTAL CAPITAL GAINS	\$ 12,096	\$ 13,027	\$ 13,959	\$ 15,242	\$ 16,954	\$ 1,880	\$ 2,369	\$ 4,223	\$ 4,773	\$ 5,403
ROTH CONVERSIONS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Roth Conversions - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ROTH CONVERSIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAX METRICS										
AGI	\$ 162,773	\$ 165,750	\$ 168,718	\$ 172,028	\$ 175,725	\$ 252,912	\$ 261,151	\$ 270,659	\$ 279,019	\$ 287,253
Taxable Income	\$ 134,073	\$ 137,050	\$ 140,018	\$ 146,328	\$ 150,025	\$ 227,212	\$ 235,451	\$ 244,959	\$ 253,319	\$ 261,553
Marginal Ordinary Income Tax Rate	22%	22%	22%	25%	25%	28%	28%	28%	28%	28%
Marginal Capital Gains	15.0%	15.0%	15.0%	15.0%	15.0%	18.8%	18.8%	18.8%	18.8%	18.8%
Effective Tax Rate	14%	14%	14%	15%	16%	21%	21%	21%	21%	22%
Effective Tax Rate (Including Medicare)	17%	17%	17%	17%	19%	22%	23%	25%	25%	25%
Cumulative Tax Paid	\$ 21,500	\$ 43,700	\$ 66,500	\$ 91,200	\$ 119,400	\$ 174,200	\$ 231,900	\$ 292,800	\$ 356,600	\$ 423,200

Advisory services offered through Wealth Enhancement Advisory Services, LLC, a registered investment advisor and affiliate of Wealth Enhancement Group®.

FOR ILLUSTRATION PURPOSES ONLY

DYNAMIC CASH FLOW ILLUSTRATION

Alex and Abigail Adams

State of Residence: New Jersey

January-23

INCOME SOURCE	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
ALEX'S AGE AT YEAR END	78	79	80	81	82	83	84	85	86	87
ABBY'S AGE AT YEAR END	78	79	80	81	82	83	84	85	86	87
Private Pension - Abigail	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400
Social Security - Alex	\$ 36,570	\$ 37,301	\$ 38,047	\$ 38,808	\$ 39,584	\$ 40,376	\$ 41,184	\$ 42,007	\$ 42,847	\$ 43,704
Social Security - Abigail	\$ 42,421	\$ 43,269	\$ 44,135	\$ 45,018	\$ 45,918	\$ 46,836	\$ 47,773	\$ 48,728	\$ 49,703	\$ 50,697
TOTAL INCOME	\$ 135,391	\$ 136,971	\$ 138,582	\$ 140,226	\$ 141,902	\$ 143,612	\$ 145,357	\$ 147,136	\$ 148,950	\$ 150,801
Lifestyle Expenses (Excl. Taxes)	\$ 193,524	\$ 199,330	\$ 205,310	\$ 211,469	\$ 217,813	\$ 224,347	\$ 231,078	\$ 238,010	\$ 245,150	\$ 252,505
Estimated Medicare Premiums	\$ 8,935	\$ 11,856	\$ 11,856	\$ 11,856	\$ 11,856	\$ 11,856	\$ 11,856	\$ 14,774	\$ 14,774	\$ 14,774
Total Expenses (Excl. Taxes)	\$ 202,459	\$ 211,186	\$ 217,166	\$ 223,325	\$ 229,669	\$ 236,203	\$ 242,934	\$ 252,784	\$ 259,925	\$ 267,279
Taxes (Est.)	\$ 69,700	\$ 73,100	\$ 76,800	\$ 80,100	\$ 83,800	\$ 87,300	\$ 91,100	\$ 95,000	\$ 98,700	\$ 102,500
TOTAL EXPENSES (INCL. TAXES)	\$ 272,159	\$ 284,286	\$ 293,966	\$ 303,425	\$ 313,469	\$ 323,503	\$ 334,034	\$ 347,784	\$ 358,625	\$ 369,779
SURPLUS / (SHORTFALL)	\$ (136,768)	\$ (147,315)	\$ (155,383)	\$ (163,199)	\$ (171,567)	\$ (179,891)	\$ (188,677)	\$ (200,649)	\$ (209,674)	\$ (218,978)
Total Beginning Portfolio Value	\$ 5,171,961	\$ 5,286,953	\$ 5,396,620	\$ 5,503,298	\$ 5,607,104	\$ 5,707,314	\$ 5,803,794	\$ 5,895,873	\$ 5,979,985	\$ 6,058,826
Non-qualified Inv. Accts	\$ 2,689,234	\$ 2,798,583	\$ 2,907,660	\$ 3,019,267	\$ 3,133,316	\$ 3,250,241	\$ 3,369,626	\$ 3,492,132	\$ 3,613,803	\$ 3,737,788
Tax-Deferred Accounts	\$ 2,482,727	\$ 2,488,370	\$ 2,488,959	\$ 2,484,031	\$ 2,473,787	\$ 2,457,072	\$ 2,434,168	\$ 2,403,740	\$ 2,366,182	\$ 2,321,038
Tax-Advantaged Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ESTIMATED PORTFOLIO WITHDRAWAL RATE (excl. annuity distributions)	2.6%	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.4%	3.5%	3.6%
SURPLUS SAVINGS / (SHORTFALL) SOURCING	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
(Savings)/Shortfall	\$ 136,768	\$ 147,315	\$ 155,383	\$ 163,199	\$ 171,567	\$ 179,891	\$ 188,677	\$ 200,649	\$ 209,674	\$ 218,978
Non-retirement - Brokerage Accounts	\$ (23,917)	\$ (29,383)	\$ (32,168)	\$ (35,156)	\$ (37,848)	\$ (41,073)	\$ (43,786)	\$ (50,415)	\$ (54,005)	\$ (57,795)
Est. RMD (excl. annuity dist.) - Alex	\$ (112,851)	\$ (117,932)	\$ (123,216)	\$ (128,043)	\$ (133,718)	\$ (138,818)	\$ (144,891)	\$ (150,234)	\$ (155,670)	\$ (161,183)
Tax-Deferred Distrib. (non-RMDs) - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax-Advantaged Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURPLUS / (SHORTFALL)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL GAINS	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Non-Qualified Sales Proceeds	\$ 23,917	\$ 29,383	\$ 32,168	\$ 35,156	\$ 37,848	\$ 41,073	\$ 43,786	\$ 50,415	\$ 54,005	\$ 57,795
Cost Basis	\$ 17,938	\$ 22,037	\$ 24,126	\$ 26,367	\$ 28,386	\$ 30,805	\$ 32,840	\$ 37,811	\$ 40,503	\$ 43,346
TOTAL CAPITAL GAINS	\$ 5,979	\$ 7,346	\$ 8,042	\$ 8,789	\$ 9,462	\$ 10,268	\$ 10,947	\$ 12,604	\$ 13,501	\$ 14,449
ROTH CONVERSIONS	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Roth Conversions - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ROTH CONVERSIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAX METRICS										
AGI	\$ 296,157	\$ 306,135	\$ 315,666	\$ 324,869	\$ 334,924	\$ 344,621	\$ 355,243	\$ 366,205	\$ 376,515	\$ 387,029
Taxable Income	\$ 270,457	\$ 280,435	\$ 289,966	\$ 299,169	\$ 309,224	\$ 318,921	\$ 329,543	\$ 340,505	\$ 350,815	\$ 361,329
Marginal Ordinary Income Tax Rate	28%	28%	33%	33%	33%	33%	33%	33%	33%	33%
Marginal Capital Gains	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%
Effective Tax Rate	22%	22%	23%	23%	23%	23%	24%	24%	24%	24%
Effective Tax Rate (Including Medicare)	25%	26%	27%	27%	27%	27%	27%	28%	28%	28%
Cumulative Tax Paid	\$ 492,900	\$ 566,000	\$ 642,800	\$ 722,900	\$ 806,700	\$ 894,000	\$ 985,100	\$ 1,080,100	\$ 1,178,800	\$ 1,281,300

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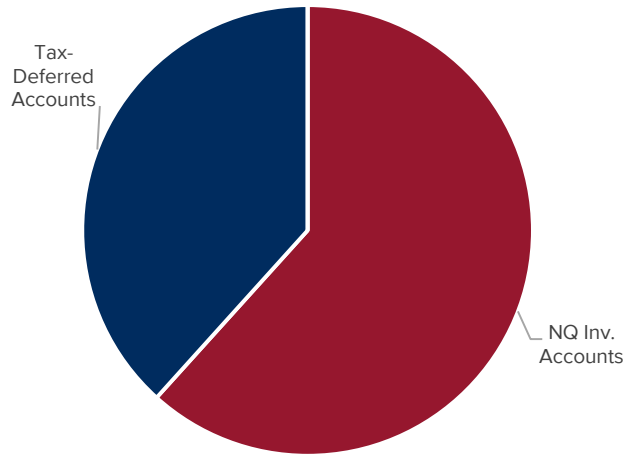
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Roth Conversion Roadmap

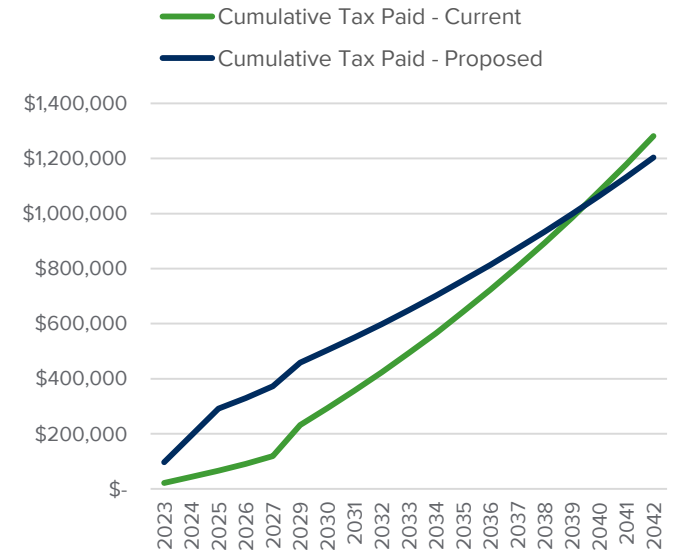
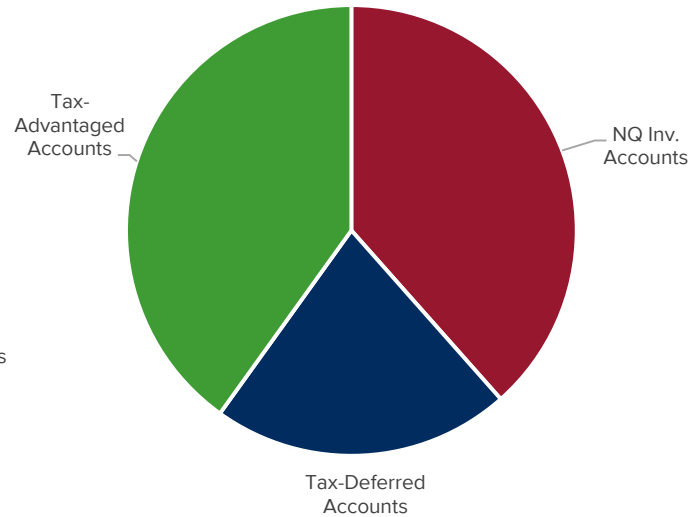
Alex and Abigail Adams

January-23

Current



Proposed



Account Values (2041)	
NQ Cash Accounts	\$0
NQ Inv. Accounts	\$3,737,788
Tax-Deferred Accounts	\$2,321,038
Tax-Advantaged Accounts	\$0
Total Liquid Investments	\$6,059,000

Required Minimum Distributions	
First RMD: Alex	\$90,355
First RMD: Abigail	\$0
2041 RMD: Alex	\$161,183
2041 RMD: Abigail	\$0

Tax Metrics	
First RMD Marginal Tax Bracket:	28%
2041 Marginal Tax Bracket:	33%
Estimated Cumulative Tax Paid:	\$1,281,300

Account Values (2041)	
NQ Cash Accounts	\$0
NQ Inv. Accounts	\$2,514,963
Tax-Deferred Accounts	\$1,403,068
Tax-Advantaged Accounts	\$2,621,273
Total Liquid Investments	\$6,539,000

Required Minimum Distributions	
First RMD: Alex	\$54,620
First RMD: Abigail	\$0
2041 RMD: Alex	\$97,435
2041 RMD: Abigail	\$0

Tax Metrics	
First RMD Marginal Tax Bracket:	28%
2041 Marginal Tax Bracket:	28%
Estimated Cumulative Tax Paid:	\$1,203,500

Roth Conversions	
Total Roth Conversions:	\$790,000
Breakeven In Total Taxes Paid:	2040

Summary	
Liquid Inv. Change:	\$480,000
RMD Reduction	
First RMD: Alex	\$35,735
First RMD: Abigail	\$0
2041 RMD: Alex	\$63,748
2041 RMD: Abigail	\$0
Tax Savings	
First RMD Tax Bracket	0.0%
2041 Tax Bracket	5.0%
Est. Cumulative Tax	\$77,800

DYNAMIC CASH FLOW ILLUSTRATION - Roth Conversions

Alex and Abigail Adams

State of Residence: New Jersey

January-23

INCOME SOURCE	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
ALEX'S AGE AT YEAR END	68	69	70	71	72	73	74	75	76	77
ABBY'S AGE AT YEAR END	68	69	70	71	72	73	74	75	76	77
Private Pension - Abigail	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400
Social Security - Alex	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122	\$ 33,785	\$ 34,461	\$ 35,150	\$ 35,853
Social Security - Abigail	\$ 34,800	\$ 35,496	\$ 36,206	\$ 36,930	\$ 37,669	\$ 38,422	\$ 39,190	\$ 39,974	\$ 40,774	\$ 41,589
TOTAL INCOME	\$ 121,200	\$ 122,496	\$ 123,818	\$ 125,166	\$ 126,542	\$ 127,944	\$ 129,375	\$ 130,835	\$ 132,324	\$ 133,842
Lifestyle Expenses (Excl. Taxes)	\$ 144,000	\$ 148,320	\$ 152,770	\$ 157,353	\$ 162,073	\$ 166,935	\$ 171,944	\$ 177,102	\$ 182,415	\$ 187,887
Estimated Medicare Premiums	\$ 14,774	\$ 14,774	\$ 14,774	\$ 14,774	\$ 14,774	\$ 6,012	\$ 6,012	\$ 6,012	\$ 6,012	\$ 6,012
Total Expenses (Excl. Taxes)	\$ 158,774	\$ 163,094	\$ 167,544	\$ 172,127	\$ 176,848	\$ 172,947	\$ 177,956	\$ 183,114	\$ 188,427	\$ 193,899
Taxes (Est.)	\$ 96,800	\$ 97,000	\$ 97,200	\$ 38,500	\$ 43,200	\$ 41,700	\$ 43,400	\$ 45,200	\$ 46,900	\$ 48,600
TOTAL EXPENSES (INCL. TAXES)	\$ 255,574	\$ 260,094	\$ 264,744	\$ 210,627	\$ 220,048	\$ 214,647	\$ 221,356	\$ 228,314	\$ 235,327	\$ 242,499
SURPLUS / (SHORTFALL)	\$ (134,374)	\$ (137,598)	\$ (140,926)	\$ (85,461)	\$ (93,506)	\$ (86,703)	\$ (91,980)	\$ (97,479)	\$ (103,003)	\$ (108,657)
Total Beginning Portfolio Value	\$ 3,835,973	\$ 3,891,279	\$ 3,950,886	\$ 4,015,247	\$ 4,143,099	\$ 4,271,074	\$ 4,413,921	\$ 4,559,792	\$ 4,708,707	\$ 4,860,895
Non-Qualified Inv. Accts	\$ 1,959,887	\$ 1,916,788	\$ 1,868,149	\$ 1,813,584	\$ 1,814,530	\$ 1,807,075	\$ 1,863,741	\$ 1,920,567	\$ 1,977,215	\$ 2,033,764
Tax-Deferred Accounts	\$ 1,876,086	\$ 1,728,390	\$ 1,573,310	\$ 1,410,475	\$ 1,428,499	\$ 1,447,424	\$ 1,462,444	\$ 1,475,348	\$ 1,486,144	\$ 1,494,609
Tax-Advantaged Accounts	\$ -	\$ 246,100	\$ 509,427	\$ 791,187	\$ 900,070	\$ 1,016,575	\$ 1,087,735	\$ 1,163,877	\$ 1,245,348	\$ 1,332,522
ESTIMATED PORTFOLIO WITHDRAWAL RATE (excl. annuity distributions)	3.5%	3.5%	3.6%	2.1%	2.3%	2.0%	2.1%	2.1%	2.2%	2.2%
SURPLUS SAVINGS / (SHORTFALL) SOURCING	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
(Savings)/Shortfall	\$ 134,374	\$ 137,598	\$ 140,926	\$ 85,461	\$ 93,506	\$ 86,703	\$ 91,980	\$ 97,479	\$ 103,003	\$ 108,657
Non-retirement - Brokerage Accounts	\$ (134,374)	\$ (137,598)	\$ (140,926)	\$ (85,461)	\$ (93,506)	\$ (32,083)	\$ (34,629)	\$ (37,505)	\$ (40,297)	\$ (43,391)
Est. RMD (excl. annuity dist.) - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (54,620)	\$ (57,351)	\$ (59,974)	\$ (62,706)	\$ (65,267)
Tax-Deferred Distrib. (non-RMDs) - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax-Advantaged Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURPLUS / (SHORTFALL)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL GAINS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Non-Qualified Sales Proceeds	\$ 134,374	\$ 137,598	\$ 140,926	\$ 85,461	\$ 93,506	\$ 32,083	\$ 34,629	\$ 37,505	\$ 40,297	\$ 43,391
Cost Basis	\$ 100,781	\$ 103,199	\$ 105,695	\$ 64,096	\$ 70,130	\$ 24,062	\$ 25,972	\$ 28,129	\$ 30,223	\$ 32,543
TOTAL CAPITAL GAINS	\$ 33,594	\$ 34,400	\$ 35,232	\$ 21,365	\$ 23,377	\$ 8,021	\$ 8,657	\$ 9,376	\$ 10,074	\$ 10,848
ROTH CONVERSIONS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Roth Conversions - Alex	\$ 230,000	\$ 230,000	\$ 230,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ROTH CONVERSIONS	\$ 230,000	\$ 230,000	\$ 230,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
TAX METRICS										
AGI	\$ 414,271	\$ 415,317	\$ 416,300	\$ 222,488	\$ 225,687	\$ 215,995	\$ 221,712	\$ 227,431	\$ 233,260	\$ 239,015
Taxable Income	\$ 385,571	\$ 386,617	\$ 387,600	\$ 196,788	\$ 199,987	\$ 190,295	\$ 196,012	\$ 201,731	\$ 207,560	\$ 213,315
Marginal Ordinary Income Tax Rate	24%	24%	24%	25%	25%	28%	28%	28%	28%	28%
Marginal Capital Gains	18.8%	18.8%	18.8%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Effective Tax Rate	20%	20%	20%	16%	18%	19%	19%	19%	19%	20%
Effective Tax Rate (Including Medicare)	24%	24%	24%	24%	26%	22%	22%	22%	22%	22%
Cumulative Tax Paid	\$ 96,800	\$ 193,800	\$ 291,000	\$ 329,500	\$ 372,700	\$ 414,400	\$ 457,800	\$ 503,000	\$ 549,900	\$ 598,500

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DYNAMIC CASH FLOW ILLUSTRATION - Roth Conversions

Alex and Abigail Adams

State of Residence: New Jersey

January-23

INCOME SOURCE	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
ALEX'S AGE AT YEAR END	78	79	80	81	82	83	84	85	86	87
ABBY'S AGE AT YEAR END	78	79	80	81	82	83	84	85	86	87
Private Pension - Abigail	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400
Social Security - Alex	\$ 36,570	\$ 37,301	\$ 38,047	\$ 38,808	\$ 39,584	\$ 40,376	\$ 41,184	\$ 42,007	\$ 42,847	\$ 43,704
Social Security - Abigail	\$ 42,421	\$ 43,269	\$ 44,135	\$ 45,018	\$ 45,918	\$ 46,836	\$ 47,773	\$ 48,728	\$ 49,703	\$ 50,697
TOTAL INCOME	\$ 135,391	\$ 136,971	\$ 138,582	\$ 140,226	\$ 141,902	\$ 143,612	\$ 145,357	\$ 147,136	\$ 148,950	\$ 150,801
Lifestyle Expenses (Excl. Taxes)	\$ 193,524	\$ 199,330	\$ 205,310	\$ 211,469	\$ 217,813	\$ 224,347	\$ 231,078	\$ 238,010	\$ 245,150	\$ 252,505
Estimated Medicare Premiums	\$ 8,935	\$ 8,935	\$ 8,935	\$ 8,935	\$ 8,935	\$ 8,935	\$ 8,935	\$ 8,935	\$ 11,856	\$ 11,856
Total Expenses (Excl. Taxes)	\$ 202,459	\$ 208,265	\$ 214,245	\$ 220,404	\$ 226,748	\$ 233,283	\$ 240,013	\$ 246,945	\$ 257,006	\$ 264,361
Taxes (Est.)	\$ 50,700	\$ 52,600	\$ 54,800	\$ 56,900	\$ 59,200	\$ 61,400	\$ 63,800	\$ 66,100	\$ 68,600	\$ 70,900
TOTAL EXPENSES (INCL. TAXES)	\$ 253,159	\$ 260,865	\$ 269,045	\$ 277,304	\$ 285,948	\$ 294,683	\$ 303,813	\$ 313,045	\$ 325,606	\$ 335,261
SURPLUS / (SHORTFALL)	\$ (117,768)	\$ (123,894)	\$ (130,463)	\$ (137,078)	\$ (144,046)	\$ (151,070)	\$ (158,456)	\$ (165,910)	\$ (176,656)	\$ (184,460)
Total Beginning Portfolio Value	\$ 5,016,500	\$ 5,172,185	\$ 5,331,217	\$ 5,493,440	\$ 5,659,113	\$ 5,828,199	\$ 6,000,980	\$ 6,177,445	\$ 6,357,902	\$ 6,539,305
Non-Qualified Inv. Accts	\$ 2,089,892	\$ 2,142,359	\$ 2,194,243	\$ 2,245,178	\$ 2,294,776	\$ 2,343,141	\$ 2,389,786	\$ 2,434,862	\$ 2,477,757	\$ 2,514,963
Tax-Deferred Accounts	\$ 1,500,809	\$ 1,504,220	\$ 1,504,577	\$ 1,501,597	\$ 1,495,405	\$ 1,485,301	\$ 1,471,455	\$ 1,453,062	\$ 1,430,358	\$ 1,403,068
Tax-Advantaged Accounts	\$ 1,425,799	\$ 1,525,605	\$ 1,632,397	\$ 1,746,665	\$ 1,868,931	\$ 1,999,757	\$ 2,139,740	\$ 2,289,521	\$ 2,449,788	\$ 2,621,273
ESTIMATED PORTFOLIO WITHDRAWAL RATE (excl. annuity distributions)	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.7%	2.8%	2.8%
SURPLUS SAVINGS / (SHORTFALL) SOURCING	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
(Savings)/Shortfall	\$ 117,768	\$ 123,894	\$ 130,463	\$ 137,078	\$ 144,046	\$ 151,070	\$ 158,456	\$ 165,910	\$ 176,656	\$ 184,460
Non-retirement - Brokerage Accounts	\$ (49,550)	\$ (52,604)	\$ (55,979)	\$ (59,676)	\$ (63,213)	\$ (67,155)	\$ (70,870)	\$ (75,093)	\$ (82,554)	\$ (87,024)
Est. RMD (excl. annuity dist.) - Alex	\$ (68,219)	\$ (71,290)	\$ (74,484)	\$ (77,402)	\$ (80,833)	\$ (83,915)	\$ (87,587)	\$ (90,816)	\$ (94,102)	\$ (97,435)
Tax-Deferred Distrib. (non-RMDs) - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax-Advantaged Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SURPLUS / (SHORTFALL)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL GAINS	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Non-Qualified Sales Proceeds	\$ 49,550	\$ 52,604	\$ 55,979	\$ 59,676	\$ 63,213	\$ 67,155	\$ 70,870	\$ 75,093	\$ 82,554	\$ 87,024
Cost Basis	\$ 37,162	\$ 39,453	\$ 41,984	\$ 44,757	\$ 47,410	\$ 50,366	\$ 53,152	\$ 56,320	\$ 61,915	\$ 65,268
TOTAL CAPITAL GAINS	\$ 12,387	\$ 13,151	\$ 13,995	\$ 14,919	\$ 15,803	\$ 16,789	\$ 17,717	\$ 18,773	\$ 20,638	\$ 21,756
ROTH CONVERSIONS	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Roth Conversions - Alex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ROTH CONVERSIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAX METRICS										
AGI	\$ 245,946	\$ 252,173	\$ 258,618	\$ 264,876	\$ 271,608	\$ 278,097	\$ 285,113	\$ 291,812	\$ 299,364	\$ 306,132
Taxable Income	\$ 220,246	\$ 226,473	\$ 232,918	\$ 239,176	\$ 245,908	\$ 252,397	\$ 259,413	\$ 266,112	\$ 273,664	\$ 280,432
Marginal Ordinary Income Tax Rate	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Marginal Capital Gains	15.0%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%
Effective Tax Rate	20%	20%	20%	20%	21%	21%	21%	21%	21%	22%
Effective Tax Rate (Including Medicare)	24%	24%	24%	24%	24%	24%	25%	25%	26%	26%
Cumulative Tax Paid	\$ 649,200	\$ 701,800	\$ 756,600	\$ 813,500	\$ 872,700	\$ 934,100	\$ 997,900	\$ 1,064,000	\$ 1,132,600	\$ 1,203,500

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