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Retirement Plan Distribution Analysis

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Important Notes

These pages depict certain wealth preservation strategies concerning possible methods for taking distributions from your qualified retirement plan and may recommend strategies that propose the purchase of a new life insurance policy. For purposes of this analysis, several of your qualified retirement plans may be aggregated and shown as one single plan. This report provides only broad, general guidelines, which may be helpful in shaping your thinking about and discussing your wealth preservation needs with your professional advisors. This report provides estimates based on our general understanding of current tax laws. This retirement income distribution analysis may be used as supporting documentation in the development of a financial plan offered as an advisory service by Thrivent Investment Management Inc., subject to the Investment Advisers Act of 1940. However, the analysis may also be used to support other recommendations outside the context of an investment advisory relationship, and does not, in and of itself, constitute a financial plan.

Each scenario shown illustrates your current situation or an alternative strategy and its possible effects on the financial situation you provided. Inclusion of one or more of these strategies does not constitute a recommendation of that strategy over any other strategy.

Calculations contained in this analysis are estimates only based on the information you provided, such as the value of your assets today, and the rate at which the assets appreciate. The actual values, rates of growth, and tax rates may be significantly different from those illustrated. These assumptions are only a “best guess.” No guarantee can be made regarding values, as all rates are the hypothetical rates you provided. These computations are not a guarantee of future performance of any asset, including insurance or other financial products.

No legal or accounting advice is being rendered either by this report or through any other oral or written communications. Nothing contained in this report is intended to be used on any tax form or to support any tax deduction. Unless indicated, the tax aspect of the federal Generation-Skipping Transfer Tax (GSTT) is not reflected. The GSTT is similar to an additional level of estate tax on certain transfers to grandchildren, or individuals two or more generations removed from the transferor. State laws vary regarding the distribution of property, and individual circumstances are unique and subject to change. You should discuss all strategies, transfers, and assumptions with your legal and tax advisors.

To implement a strategy, it may be necessary to restructure the ownership of property, or change designated beneficiaries before specific will or trust provisions, prepared by the client’s counsel, become effective. The transfer of a life insurance policy may not result in its removal from the estate of the prior owner for three years.

Strategies may be proposed to support the purchase of various products such as insurance and other financial products. When this occurs, additional information about the specific product (including a prospectus, if required, or an insurer provided policy illustration) will be provided for your review.

These computations do not apply the net unrealized appreciation (NUA) technique to your qualified plan distributions. NUA is a technique which allows a former employee to pay taxes at the most favorable long-term capital gain rate on the appreciation value of any employer securities held within the employer's retirement plan. Please consult with your tax advisor to see if this technique is available to you.

IMPORTANT: The projections or other information generated by this investment analysis tool (Retirement Plan Distribution Analysis) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

IRS CIRCULAR 230 NOTICE: To ensure compliance with requirements imposed by the IRS, this notice is to inform you that any U. S. federal tax advice contained in this presentation is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this presentation.

Estate and gift taxes in 2011 and 2012 use the rates and provisions of the 2010 Tax Act.

Important Notes (Continued)

Bank products and trust services are offered through Thrivent Financial Bank, (Member FDIC, Equal Housing Lender), a wholly owned subsidiary of Thrivent Financial for Lutherans. Insurance, securities, investment advisory services, and trust and investment management accounts are not deposits, are not guaranteed by Thrivent Financial Bank, are not insured by the FDIC or any other federal government agency, and may go down in value.

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Decisions Regarding Your Roth IRA Account

Determining How Long Distributions Can Be Taken

Beneficiary Designation—determines who will benefit from your Roth IRA and for how long. It involves:

- Naming the beneficiary(ies)
- Giving a spouse the ability to roll over to a Roth IRA
- Deciding if and when to split into multiple Roth IRAs

Your choice of beneficiary determines the life expectancy over which distributions can be taken after your death.

The longer the life expectancy, the longer the distribution period

Proper beneficiary designations may "stretch" distributions for a longer period of time

Distributions—determine when and how much to take from your Roth IRA.

- You may take qualified distributions, income and penalty tax free, starting the later of five years after the Roth IRA is established, or attaining age 59½.
- You are not required to take minimum distributions during your (or your spouse's) lifetime.
- Your beneficiaries are required to take minimum distributions from the Roth IRA, according to the same rules as Inherited Traditional IRAs.
- Your beneficiary's life expectancy is determined the year following your death using the Single Life Expectancy Table, and reduced by one every year thereafter.

Illustration of Multi-Generational Approaches

Total Distributions Compared

Beginning Account Balance February 3, 2011: $300,000

Converted Roth IRA Rollover Approach

Owner's Converted Roth IRA

Distributions to Jack: $0

Spouse's Rollover Roth IRA

Distributions to Diane: $0

Decedent's Roth IRA

Distributions to Beneficiaries: $2,715,602

Total Distributions: $2,715,602

Converted Next-Generation Roth IRA[SM] Rollover and Split Approach

Owner's Converted Roth IRA

Distributions to Jack: $0

Spouse's Rollover Roth IRA

Distributions to Diane: $0

Decedent's Roth IRA | Decedent's Roth IRA

Distributions to Beneficiaries: $2,802,447

Total Distributions: $2,802,447

Converted Next-Generation Roth IRA[SM] Non-Spouse Split Approach

Owner's Converted Roth IRA

Distributions to Jack: $0

Roth IRA Continues to Non-Spouse Beneficiaries

(No Distributions to Spouse)

Decedent's Roth IRA | Decedent's Roth IRA

Distributions to Beneficiaries: $2,457,064

Total Distributions: $2,457,064

NOTE: See Comparing Multi-Generational Approaches for details.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Comparing Multi-Generational Approaches

An Explanation of Different Techniques

Converted Roth IRA Rollover Approach

- You convert your Traditional IRA to a Roth IRA and name Diane as your primary beneficiary for this Roth IRA. You take distributions of $0 during your lifetime and, at your death, Diane rolls over the Roth IRA.
- Diane names beneficiaries for the Roth IRA. Diane's lifetime distributions are $0.
- At Diane's death, if the Roth IRA does not split into separate shares, distributions continue to each beneficiary based on the oldest beneficiary's life expectancy. The distributions[1] to the beneficiaries are $2,715,602.

Total Distributions: $2,715,602

Converted Next-Generation Roth IRA℠ Rollover and Split Approach

- You convert your Traditional IRA to a Roth IRA and name Diane as your primary beneficiary for this Roth IRA. You take distributions of $0 during your lifetime and, at your death, Diane rolls over the Roth IRA.
- Diane names beneficiaries for the Roth IRA. Diane's lifetime distributions are $0.
- At Diane's death, the Roth IRA is split into separate Roth IRAs with named beneficiaries. Distributions continue to each beneficiary based on his or her life expectancy. The distributions[1] to the beneficiaries are $2,802,447.

Total Distributions: $2,802,447

Converted Next-Generation Roth IRA℠ Non-Spouse Split Approach

- You convert your Traditional IRA to a Roth IRA and take distributions of $0 during your lifetime.
- At your death, the Roth IRA is split into separate Roth IRAs with named beneficiaries. Distributions continue to each beneficiary based on his or her life expectancy. The distributions[1] to the beneficiaries are $2,457,064.

Total Distributions: $2,457,064

[1] Although the intent is to show the beneficiaries stretching the distributions over as many years as possible, each beneficiary could elect to take his or her share in a lump sum. The estimated lump sum available at the spouse's death in the Converted Roth IRA Rollover Approach would be $1,281,324 to be split among all named beneficiaries. The estimated lump sum available at the spouse's death in the Converted Next-Generation Roth IRA℠ Rollover and Split Approach would be $1,281,324 to be split among all named beneficiaries. The estimated lump sum available at the owner's death in the Converted Next-Generation Roth IRA℠ Non-Spouse Split Approach would be $957,480 to be split among all named beneficiaries.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Converted Roth IRA—Roth IRA Rollover Approach

A Multi-Generational Approach for Continuing Distributions

Jack's IRA

IRA Value Now (2011): $300,000

Death Assumed (age 75): $957,480

Jack's death assumed in 2030. No income or estate tax due on Roth IRA at death.

$0
Distributions during Jack's lifetime

Diane rolls over the value at Jack's death.

Value of Diane's Rollover Roth IRA in 2030: $957,480

Diane dies in 2035. Values included in estate.

The estate must have liquidity of $186,865 for federal estate taxes attributable to the Roth IRA to provide the total distributions shown on this page.

$0
Distributions during Diane's lifetime

At Diane's death, minimum distributions continue to each beneficiary based on the life expectancy of the oldest designated beneficiary.

Total Distributions to:
All Non-Spouse Beneficiaries
$2,715,602

Total distributions during lives of Jack, Diane and beneficiaries: $2,715,602

Converted Roth IRA—Roth IRA Rollover Approach

A Multi-Generational Approach for Continuing Distributions

Beginning Account Balance February 3, 2011: $300,000

Year	Client Age	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Account Balance
2011	56	62		16,460	0	0	0	0	0	255,952	316,460
2012	57	63		18,988	0	0	0	0	0	262,607	335,447
2013	58	64		20,127	0	0	0	0	0	269,434	355,574
2014	59	65		21,334	0	0	0	0	0	276,440	376,908
2015	60	66		22,615	0	0	0	0	0	283,627	399,523

Jack converts the Traditional IRA to a Roth IRA in 2016. Taxes of $139,833 are due on the conversion and are paid from Other Assets.

Year	Client Age	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[7]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2016	61	67		423,494	0	0	0	0	0	291,281	423,494
2017	62	68		25,410	0	139,833	0	0	-139,833	155,724	448,904
2018	63	69		26,934	0	0	0	0	0	159,782	475,838
2019	64	70		28,550	0	0	0	0	0	163,945	504,389
2020	65	71		30,263	0	0	0	0	0	168,217	534,652
2021	66	72		32,079	0	0	0	0	0	172,600	566,731
2022	67	73		34,004	0	0	0	0	0	177,097	600,735
2023	68	74		36,044	0	0	0	0	0	181,712	636,779
2024	69	75		38,207	0	0	0	0	0	186,446	674,986
2025	70	76		40,499	0	0	0	0	0	191,305	715,485

[1] Jack's death is assumed to occur in 2030. Diane is named beneficiary. For Traditional IRA, 403(b) or other Qualified Plans, Jack takes required minimum distributions (RMDs) at age 70½ and calculates life expectancy annually based on the Uniform Lifetime Table. After conversion to Roth IRA, Jack no longer takes RMDs.
[2] Assumes qualified plan earns 6.00% interest. Also includes contributions, if any. After Roth Conversion, also includes amount converted to Roth IRA.
[3] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding periodafter Roth conversion.
[4] Taxes and any applicable penalties are paid at the start of the calendar year following the tax liability. See the Assumptions pages for information on distributions from a Traditional IRA with an original after-tax amount of $0. After Roth Conversion, includes the estimated income taxes on the Traditional IRA taxable amount converted to Roth IRA, except for any after-tax amount.
[5] Actual Distributions less Taxes and Penalties, Non-Premium Gifts and Spending. After Roth conversion, Other Assets are used to the extent possible to pay the income taxes on Traditional IRA taxable amounts converted to Roth IRA.
[6] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 4.00% interest and are taxed at a 30.00% income tax rate that changes to 35.00% starting in 2011. Does not include the death benefit of life insurance.
[7] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding period after Roth conversion.

Converted Roth IRA—Roth IRA Rollover Approach (Continued)

A Multi-Generational Approach for Continuing Distributions

Year	Client Age	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2026	71	77		42,929	0	0	0	0	0	196,289	758,414
2027	72	78		45,505	0	0	0	0	0	201,404	803,919
2028	73	79		48,235	0	0	0	0	0	206,652	852,154
2029	74	80		51,129	0	0	0	0	0	212,037	903,283
2030	75	81		54,197	0	0	0	0	0	217,562	957,480

Jack dies and Diane rolls over the Roth IRA. Total distributions during Jack's lifetime are $0.

Year	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2031	82		57,449	0	0	0	0	0	223,231	1,014,929
2032	83		60,896	0	0	0	0	0	229,048	1,075,825
2033	84		64,549	0	0	0	0	0	235,016	1,140,374
2034	85		68,422	0	0	0	0	0	241,140	1,208,797
2035	86		72,528	0	0	0	0	0	247,463	1,281,324

Total distributions during Diane's lifetime are $0. At Diane's death, the Roth IRA is distributed to the named beneficiaries. Estate taxes of $186,865 will be due on these amounts.

[1] Jack's death is assumed to occur in 2030. Diane is named beneficiary. For Traditional IRA, 403(b) or other Qualified Plans, Jack takes required minimum distributions (RMDs) at age 70½ and calculates life expectancy annually based on the Uniform Lifetime Table. After conversion to Roth IRA, Jack no longer takes RMDs.
[2] Assumes qualified plan earns 6.00% interest. Also includes contributions, if any. After Roth Conversion, also includes amount converted to Roth IRA.
[3] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding period after Roth conversion.
[4] Taxes and any applicable penalties are paid at the start of the calendar year following the tax liability. See the Assumptions pages for information on distributions from a Traditional IRA with an original after-tax amount of $0. After Roth Conversion, includes the estimated income taxes on the Traditional IRA taxable amount converted to Roth IRA, except for any after-tax amount.
[5] Actual Distributions less Taxes and Penalties, Non-Premium Gifts and Spending. After Roth conversion, Other Assets are used to the extent possible to pay the income taxes on Traditional IRA taxable amounts converted to Roth IRA.
[6] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 4.00% interest and are taxed at a 30.00% income tax rate that changes to 35.00% starting in 2011. Does not include the death benefit of life insurance.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Converted Roth IRA—Roth IRA Rollover Approach

Next Generation after Diane's Death

Account Balance: $1,281,324

Year	Age	Life Exp.[1]	Actual Distributions[2]	Account Balance[3]
2036	64	21.8	58,776	1,299,427
2037	65	20.8	62,472	1,314,921
2038	66	19.8	66,410	1,327,406
2039	67	18.8	70,607	1,336,443
2040	68	17.8	75,081	1,341,549
2041	69	16.8	79,854	1,342,188
2042	70	15.8	84,949	1,337,770
2043	71	14.8	90,390	1,327,647
2044	72	13.8	96,206	1,311,099
2045	73	12.8	102,430	1,287,336
2046	74	11.8	109,096	1,255,479
2047	75	10.8	116,248	1,214,560
2048	76	9.8	123,935	1,163,499
2049	77	8.8	132,216	1,101,093
2050	78	7.8	141,166	1,025,993
2051	79	6.8	150,881	936,671
2052	80	5.8	161,495	831,376
2053	81	4.8	173,203	708,056
2054	82	3.8	186,330	564,209
2055	83	2.8	201,503	396,558
2056	84	1.8	220,310	200,041
2057	85	0.8	212,044	0
	Total:		**$2,715,602**	

[1] Calculated on December 31 of the year following death and reduced by one each year thereafter.
[2] Distributions from Roth IRA are assumed to be income tax free.
[3] Assumes qualified plan earns 6.00% interest.

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The Next-Generation Roth IRA[SM]—Rollover to Spouse and Split

A Multi-Generational Approach for Continuing Distributions

Jack's IRA

IRA Value Now (2011):	$300,000
Death Assumed (age 75):	$957,480

Jack's death assumed in 2030. No income or estate tax due on Roth IRA at death.

$0
Distributions during Jack's lifetime

Diane rolls over the value at Jack's death.

Value of Diane's Roth IRA in 2030: $957,480

The estate must have liquidity of $186,865 for federal estate taxes attributable to the Roth IRA to provide the total distributions shown on this page.

Diane dies in 2035. Values included in estate.

$0
Distributions during Diane's lifetime

Roth IRA splits into separate shares at Diane's death. Distributions are based on the life expectancy of each named beneficiary.

Total Distributions to:
Junior
$1,357,802

Total Distributions to:
Missy
$1,444,645

Total distributions during lives of Jack, Diane and beneficiaries: $2,802,447

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The Next-Generation Roth IRA[SM]—Rollover to Spouse and Split

A Multi-Generational Approach for Continuing Distributions

Beginning Account Balance February 3, 2011: $300,000

Year	Client Age	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Account Balance
2011	56	62		16,460	0	0	0	0	0	255,952	316,460
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2013	58	64		20,127	0	0	0	0	0	269,434	355,574
2014	59	65		21,334	0	0	0	0	0	276,440	376,908
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Jack converts the Traditional IRA to a Roth IRA in 2016. Taxes of $139,833 are due on the conversion and are paid from Other Assets.

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2017	62	68		25,410	0	139,833	0	0	-139,833	155,724	448,904
2018	63	69		26,934	0	0	0	0	0	159,782	475,838
2019	64	70		28,550	0	0	0	0	0	163,945	504,389
2020	65	71		30,263	0	0	0	0	0	168,217	534,652
2021	66	72		32,079	0	0	0	0	0	172,600	566,731
2022	67	73		34,004	0	0	0	0	0	177,097	600,735
2023	68	74		36,044	0	0	0	0	0	181,712	636,779
2024	69	75		38,207	0	0	0	0	0	186,446	674,986
2025	70	76		40,499	0	0	0	0	0	191,305	715,485

[1] Jack's death is assumed to occur in 2030. Diane is named beneficiary. For Traditional IRA, 403(b) or other Qualified Plans, Jack takes required minimum distributions (RMDs) at age 70½ and calculates life expectancy annually based on the Uniform Lifetime Table. After conversion to Roth IRA, Jack no longer takes RMDs.
[2] Assumes qualified plan earns 6.00% interest. Also includes contributions, if any. After Roth Conversion, also includes amount converted to Roth IRA.
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[5] Actual Distributions less Taxes and Penalties, Non-Premium Gifts and Spending. After Roth conversion, Other Assets are used to the extent possible to pay the income taxes on Traditional IRA taxable amounts converted to Roth IRA.
[6] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 4.00% interest and are taxed at a 30.00% income tax rate that changes to 35.00% starting in 2011. Does not include the death benefit of life insurance.
[7] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding period after Roth conversion.

The Next-Generation Roth IRA[SM]—Rollover to Spouse and Split

A Multi-Generational Approach for Continuing Distributions

Year	Client Age	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Allocation of Distributions: Prem. & Non-Prem. Gifts	Allocation of Distributions: Spending	Allocation of Distributions: Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2026	71	77		42,929	0	0	0	0	0	196,289	758,414
2027	72	78		45,505	0	0	0	0	0	201,404	803,919
2028	73	79		48,235	0	0	0	0	0	206,652	852,154
2029	74	80		51,129	0	0	0	0	0	212,037	903,283
2030	75	81		54,197	0	0	0	0	0	217,562	957,480

Jack dies and Diane rolls over the Roth IRA. Total distributions during Jack's lifetime are $0.

Year	Spouse Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Allocation of Distributions: Prem. & Non-Prem. Gifts	Allocation of Distributions: Spending	Allocation of Distributions: Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2031	82		57,449	0	0	0	0	0	223,231	1,014,929
2032	83		60,896	0	0	0	0	0	229,048	1,075,825
2033	84		64,549	0	0	0	0	0	235,016	1,140,374
2034	85		68,422	0	0	0	0	0	241,140	1,208,797
2035	86		72,528	0	0	0	0	0	247,463	1,281,324

Total distributions during Diane's lifetime are $0. At Diane's death, the Roth IRA is distributed to the named beneficiaries. Estate taxes of $186,865 will be due on these amounts.

[1] Jack's death is assumed to occur in 2030. Diane is named beneficiary. For Traditional IRA, 403(b) or other Qualified Plans, Jack takes required minimum distributions (RMDs) at age 70½ and calculates life expectancy annually based on the Uniform Lifetime Table. After conversion to Roth IRA, Jack no longer takes RMDs.
[2] Assumes qualified plan earns 6.00% interest. Also includes contributions, if any. After Roth Conversion, also includes amount converted to Roth IRA.
[3] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding period after Roth conversion.
[4] Taxes and any applicable penalties are paid at the start of the calendar year following the tax liability. See the Assumptions pages for information on distributions from a Traditional IRA with an original after-tax amount of $0. After Roth Conversion, includes the estimated income taxes on the Traditional IRA taxable amount converted to Roth IRA, except for any after-tax amount.
[5] Actual Distributions less Taxes and Penalties, Non-Premium Gifts and Spending. After Roth conversion, Other Assets are used to the extent possible to pay the income taxes on Traditional IRA taxable amounts converted to Roth IRA.
[6] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 4.00% interest and are taxed at a 30.00% income tax rate that changes to 35.00% starting in 2011. Does not include the death benefit of life insurance.

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The Next-Generation Roth IRA[SM]—Rollover to Spouse and Split

Next Generation after Diane's Death

	Junior				Missy			
	Account Balance: $640,662				*Account Balance:* $640,662			
Year	**Age**	**Life Exp.**[1]	**Actual Distributions**[2]	**Account Balance**[3]	**Age**	**Life Exp.**[1]	**Actual Distributions**[2]	**Account Balance**[3]
2036	64	21.8	29,388	649,714	62	23.5	27,262	651,840
2037	65	20.8	31,236	657,460	63	22.5	28,971	661,979
2038	66	19.8	33,205	663,703	64	21.5	30,790	670,908
2039	67	18.8	35,303	668,222	65	20.5	32,727	678,436
2040	68	17.8	37,541	670,774	66	19.5	34,792	684,350
2041	69	16.8	39,927	671,094	67	18.5	36,992	688,419
2042	70	15.8	42,474	668,885	68	17.5	39,338	690,386
2043	71	14.8	45,195	663,823	69	16.5	41,842	689,968
2044	72	13.8	48,103	655,550	70	15.5	44,514	686,852
2045	73	12.8	51,215	643,668	71	14.5	47,369	680,694
2046	74	11.8	54,548	627,740	72	13.5	50,422	671,114
2047	75	10.8	58,124	607,280	73	12.5	53,689	657,691
2048	76	9.8	61,967	581,750	74	11.5	57,191	639,962
2049	77	8.8	66,108	550,547	75	10.5	60,949	617,411
2050	78	7.8	70,583	512,996	76	9.5	64,991	589,465
2051	79	6.8	75,441	468,336	77	8.5	69,349	555,484
2052	80	5.8	80,748	415,688	78	7.5	74,065	514,749
2053	81	4.8	86,602	354,028	79	6.5	79,192	466,442
2054	82	3.8	93,165	282,104	80	5.5	84,808	409,621
2055	83	2.8	100,752	198,279	81	4.5	91,027	343,171
2056	84	1.8	110,155	100,021	82	3.5	98,049	265,712
2057	85	0.8	106,022	0	83	2.5	106,285	175,370
	Total:		**$1,357,802**		84	1.5	116,913	68,979
					85	0.5	73,118	0
					Total:		**$1,444,645**	

[1] Calculated on December 31 of the year following death and reduced by one each year thereafter.
[2] Distributions from Roth IRA are assumed to be income tax free.
[3] Assumes qualified plan earns 6.00% interest.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

The Next-Generation Roth IRA℠—Non-Spouse Beneficiary Approach

A Multi-Generational Approach for Continuing Distributions (with a Non-Spouse Beneficiary)

Jack's IRA

IRA Value Now (2011): $300,000

Death Assumed (age 75): $957,480

Value of Jack's Roth IRA in 2030: $957,480

The estate must have liquidity of $0 for federal estate taxes attributable to the Roth IRA to provide the total distributions shown on this page.

Jack dies in 2030. Values included in estate.

$0
Distributions during Jack's lifetime

Roth IRA splits into separate shares at Jack's death. Distributions are based on the life expectancy of each named beneficiary.

Total Distributions to:
Junior
$1,187,371

Total Distributions to:
Missy
$1,269,693

Total distributions during lives of Jack and beneficiaries: $2,457,064

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

The Next-Generation Roth IRA[SM]—Non-Spouse Beneficiary Approach

A Multi-Generational Approach for Continuing Distributions

Beginning Account Balance February 3, 2011: $300,000

Year	Client Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Account Balance
2011	56		16,460	0	0	0	0	0	255,952	316,460
2012	57		18,988	0	0	0	0	0	262,607	335,447
2013	58		20,127	0	0	0	0	0	269,434	355,574
2014	59		21,334	0	0	0	0	0	276,440	376,908
2015	60		22,615	0	0	0	0	0	283,627	399,523

Jack converts the Traditional IRA to a Roth IRA in 2016. Taxes of $139,833 are due on the conversion and are paid from Other Assets.

Year	Client Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[7]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2016	61		423,494	0	0	0	0	0	291,281	423,494
2017	62		25,410	0	139,833	0	0	-139,833	155,724	448,904
2018	63		26,934	0	0	0	0	0	159,782	475,838
2019	64		28,550	0	0	0	0	0	163,945	504,389
2020	65		30,263	0	0	0	0	0	168,217	534,652

[1] Jack's death is assumed to occur in 2030. Each beneficiary continues to receive a distribution based on his or her life expectancy. For Traditional IRA, 403(b) or other Qualified Plans, Jack takes required minimum distributions (RMDs) at age 70½ and calculates life expectancy annually based on the Uniform Lifetime Table. After conversion to Roth IRA, Jack no longer takes RMDs.
[2] Assumes qualified plan earns 6.00% interest. Also includes contributions, if any. After Roth Conversion, also includes amount converted to Roth IRA.
[3] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding periodafter Roth conversion.
[4] Taxes and any applicable penalties are paid at the start of the calendar year following the tax liability. See the Assumptions pages for information on distributions from a Traditional IRA with an original after-tax amount of $0. After Roth Conversion, includes the estimated income taxes on the Traditional IRA taxable amount converted to Roth IRA, except for any after-tax amount.
[5] Actual Distributions less Taxes and Penalties, Non-Premium Gifts and Spending. After Roth conversion, Other Assets are used to the extent possible to pay the income taxes on Traditional IRA taxable amounts converted to Roth IRA.
[6] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 4.00% interest and are taxed at a 30.00% income tax rate that changes to 35.00% starting in 2011. Does not include the death benefit of life insurance.
[7] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding period after Roth conversion.

The Next-Generation Roth IRA℠—Non-Spouse Beneficiary Approach

A Multi-Generational Approach for Continuing Distributions

Year	Client Age	Life Exp.[1]	Earnings & Contributions[2]	Actual Distributions[3]	Allocation of Distributions: Income Taxes Paid[4]	Prem. & Non-Prem. Gifts	Spending	Reinvested Distributions[5]	Total of All Other Assets[6]	Roth Account Balance
2021	66		32,079	0	0	0	0	0	172,600	566,731
2022	67		34,004	0	0	0	0	0	177,097	600,735
2023	68		36,044	0	0	0	0	0	181,712	636,779
2024	69		38,207	0	0	0	0	0	186,446	674,986
2025	70		40,499	0	0	0	0	0	191,305	715,485
2026	71		42,929	0	0	0	0	0	196,289	758,414
2027	72		45,505	0	0	0	0	0	201,404	803,919
2028	73		48,235	0	0	0	0	0	206,652	852,154
2029	74		51,129	0	0	0	0	0	212,037	903,283
2030	75		49,559	0	0	0	0	0	217,562	957,480

Total distributions during Jack's lifetime are $0. At Jack's death, the Roth IRA is distributed to the named beneficiaries. Estate taxes of $0 attributable to the account balance will be due at Jack's death.

[1] Jack's death is assumed to occur in 2030. Each beneficiary continues to receive a distribution based on his or her life expectancy. For Traditional IRA, 403(b) or other Qualified Plans, Jack takes required minimum distributions (RMDs) at age 70½ and calculates life expectancy annually based on the Uniform Lifetime Table. After conversion to Roth IRA, Jack no longer takes RMDs.

[2] Assumes qualified plan earns 6.00% interest. Also includes contributions, if any. After Roth Conversion, also includes amount converted to Roth IRA.

[3] For Traditional IRA, 403(b) or other Qualified Plans, Actual Distributions is the greater of distribution required to generate the Desired Distribution (see Assumptions page) or RMD. After conversion to Roth IRA, distributions are assumed to be made from Other Assets during the 5 year holding period after Roth conversion.

[4] Taxes and any applicable penalties are paid at the start of the calendar year following the tax liability. See the Assumptions pages for information on distributions from a Traditional IRA with an original after-tax amount of $0. After Roth Conversion, includes the estimated income taxes on the Traditional IRA taxable amount converted to Roth IRA, except for any after-tax amount.

[5] Actual Distributions less Taxes and Penalties, Non-Premium Gifts and Spending. After Roth conversion, Other Assets are used to the extent possible to pay the income taxes on Traditional IRA taxable amounts converted to Roth IRA.

[6] All Other Assets and Cumulative Reinvested Distributions are assumed to earn 4.00% interest and are taxed at a 30.00% income tax rate that changes to 35.00% starting in 2011. Does not include the death benefit of life insurance.

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The Next-Generation Roth IRA℠—Non-Spouse Beneficiary Approach

Next Generation after Jack's Death

	Junior				Missy			
	Account Balance: $478,740				*Account Balance:* $478,740			
Year	**Age**	**Life Exp.**[1]	**Actual Distributions**[2]	**Account Balance**[3]	**Age**	**Life Exp.**[1]	**Actual Distributions**[2]	**Account Balance**[3]
2031	59	26.1	18,343	489,122	57	27.9	17,159	490,305
2032	60	25.1	19,487	498,982	58	26.9	18,227	501,497
2033	61	24.1	20,705	508,217	59	25.9	19,363	512,224
2034	62	23.1	22,001	516,709	60	24.9	20,571	522,386
2035	63	22.1	23,380	524,217	61	23.9	21,857	531,765
2036	64	21.1	24,844	530,826	62	22.9	23,221	540,450
2037	65	20.1	26,409	536,266	63	21.9	24,678	548,199
2038	66	19.1	28,077	540,365	64	20.9	26,230	554,861
2039	67	18.1	29,854	542,933	65	19.9	27,882	560,271
2040	68	17.1	31,750	543,758	66	18.9	29,644	564,243
2041	69	16.1	33,774	542,610	67	17.9	31,522	566,576
2042	70	15.1	35,934	539,232	68	16.9	33,525	567,045
2043	71	14.1	38,243	533,343	69	15.9	35,663	565,404
2044	72	13.1	40,713	524,630	70	14.9	37,947	561,382
2045	73	12.1	43,358	512,750	71	13.9	40,387	554,678
2046	74	11.1	46,194	497,321	72	12.9	42,998	544,960
2047	75	10.1	49,240	477,921	73	11.9	45,795	531,863
2048	76	9.1	52,519	454,077	74	10.9	48,795	514,980
2049	77	8.1	56,059	425,263	75	9.9	52,018	493,860
2050	78	7.1	59,896	390,883	76	8.9	55,490	468,002
2051	79	6.1	64,079	350,256	77	7.9	59,241	436,841
2052	80	5.1	68,678	302,594	78	6.9	63,310	399,742
2053	81	4.1	73,803	246,946	79	5.9	67,753	355,973
2054	82	3.1	79,660	182,103	80	4.9	72,648	304,684
2055	83	2.1	86,716	106,313	81	3.9	78,124	244,841
2056	84	1.1	96,649	16,044	82	2.9	84,428	175,104
2057	85	0.1	17,006	0	83	1.9	92,160	93,450
	Total:		**$1,187,371**		84	0.9	99,057	0
					Total:		**$1,269,693**	

[1] Calculated on December 31 of the year following death and reduced by one each year thereafter.
[2] Distributions from Roth IRA are assumed to be income tax free.
[3] Assumes qualified plan earns 6.00% interest.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Understanding IRAs, Roth IRAs, Conversions

Key Concepts & Rules

Traditional IRAs

- Contributions are limited to $5,000 for 2010 ($6,000 if 50 or over) and are generally tax deductible.
- If you are eligible for a retirement plan at work and your modified adjusted gross income (MAGI) is $89,000 - $109,000 in 2010 (married, filing jointly), deductibility phases out and is eliminated thereafter. If your spouse is covered by a retirement plan at work, but you are not, the phase out is $166,000 - $176,000 for married, filing joint. (The phase out is $55,000 - $65,000 for single taxpayers.)
- Funds grow tax-deferred, but are taxed as ordinary income upon distribution.
- Minimum distributions are required annually beginning on the Required Beginning Date (RBD[1]).
- Distributions taken prior to age 59½ are subject to a 10% early distribution penalty tax, with certain exceptions.
- Distributions after your death (or your spouse's death) are taxed as ordinary income to the beneficiary as distributions are received.
- At your death (or your spouse's death), the entire account value is includible in the gross estate for federal estate tax purposes, and may be subject to estate taxes.

Roth IRAs

- Contributions are limited to $5,000 for 2010 ($6,000 if 50 or over) and are NOT income tax deductible.
- Ability to contribute is phased out if you earn $166,000-$176,000 for married, filing jointly in 2010, and eliminated thereafter. The phase out is $105,000 - $120,000 for single taxpayers.
- Funds grow tax deferred and are generally not taxable upon withdrawal.
- No minimum distributions are required from Roth IRAs, during your (or your spouse's) lifetime.
- Withdrawals of contributions to Roth IRAs, prior to age 59½, are not subject to the 10% early withdrawal penalty tax. Withdrawals of earnings within 5 years of establishing a Roth IRA are taxed as ordinary income. Earnings taken prior to age 59½ are taxed as ordinary income, and may be subject to a 10% early withdrawal penalty tax, with certain exceptions.
- Distributions after your death are received by the beneficiary income-tax free, assuming the 5 year period has been satisfied.
- At your death (or your spouse's death, if spouse is considered owner of Roth IRA at death), the entire account value is includible in the gross estate for federal estate tax purposes, and may be subject to estate taxes.

Conversions (from a Traditional IRA to a Roth IRA)

- **A Conversion is a taxable event.** The entire (or partial) amount of the Traditional IRA (less any non-deductible contributions) is taxable as ordinary income upon conversion (or distribution). The conversion amount may move you into a higher marginal income tax bracket. Due to a special provision in the tax law, for amounts converted in 2010, half the conversion can be reported as taxable income in 2011 and the other half is reported in 2012.
- Beginning in 2010 there is no income limit for Roth IRA conversions.
- If you pay the taxes out of the Traditional IRA, it will reduce the benefits of the conversion to a Roth IRA, and if you are under age 59½, the amount used to pay income taxes will be subject to the 10% early distribution penalty tax.
- Withdrawals of converted amounts within 5 years of each separate conversion to Roth IRAs may be subject to a 10% early distribution penalty tax and withdrawals of earnings may be subject to a 10% early distribution penalty tax and/or taxed as ordinary income.
- Distributions from a Traditional IRA must be deposited into a Roth IRA within 60 days (not applicable for trustee-to-trustee transfers).
- You do not have to convert your entire Traditional IRA. A partial conversion is allowed, but you must follow the same rules as any other distribution regarding nondeductible contributions.

[1] The RBD is no later than April 1st of the year following the year in which the IRA owner attains age 70½ for Traditional IRAs, SEPs, and SIMPLE IRAs. For qualified retirement plans, the RBD is the later of April 1 of the year following the year in which the owner reaches age 70½ or retires, if less than a 5% owner.

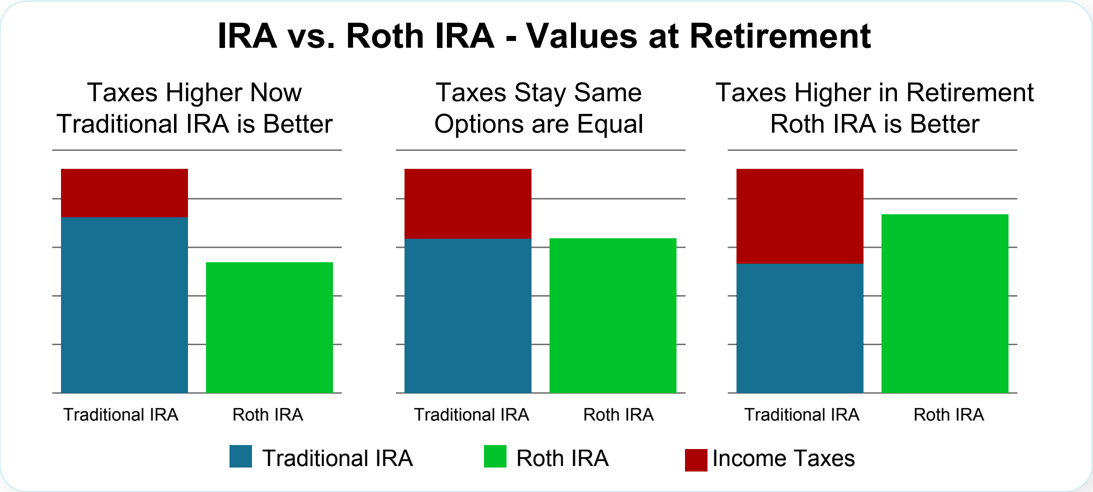
Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Retirement Savings Options

IRA vs. Roth vs. Taxable Accounts

Pay Taxes Now or Later?

The deciding factor between choosing an IRA or Roth IRA is whether you prefer paying taxes on your contributions (Roth IRA) or on your distributions (Traditional IRA). So when will your taxes be higher – during your working years or during retirement? When comparing, be sure to consider your income level during each phase (both income and withdrawals from assets), in addition to potential legislative changes.



The Flexibility of the Roth IRA

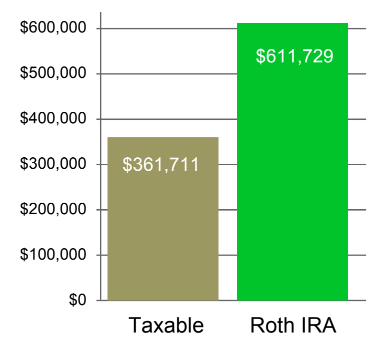
A major advantage of the Roth IRA is the flexibility of distributions before and during retirement:

- Withdrawals from Traditional IRAs may be subject to an additional 10% penalty tax, with some exceptions, while there is no penalty tax on withdrawals of contributions from a Roth IRA, assuming distributions are qualified and not from assets converted within 5 years.
- Required Distributions (after 70½) — Traditional IRAs require minimum distributions each year, while a Roth IRA has no required distributions for the Roth IRA owner

For conceptual purposes only. See your personalized illustration for information based on your specific circumstances.

The Case Against "Taxable Accounts" (Savings Accounts)

Contributions to taxable accounts are made after-tax (just like a Roth IRA), but unlike a Roth IRA, interest and dividends generated are taxable each year, and capital gains taxes are due when liquidating an investment held for more than a year. This combination of taxes can significantly reduce your ability to accumulate retirement funds over the long-term, and may affect or limit your investment options and the frequency of changes to your investments over the long-term. The upside is that there are no penalties or restrictions on withdrawals from taxable accounts before retirement, making them perfect for short-term savings.



These graphs compare account balances after 30 years of $5,000 annual contributions (after tax) growing at 8%. All growth in the taxable account is taxed each year at 35% while the Roth IRA grows tax free.

Use taxable accounts for short-term savings.
Use IRAs and Roth IRAs for long-term retirement funding.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

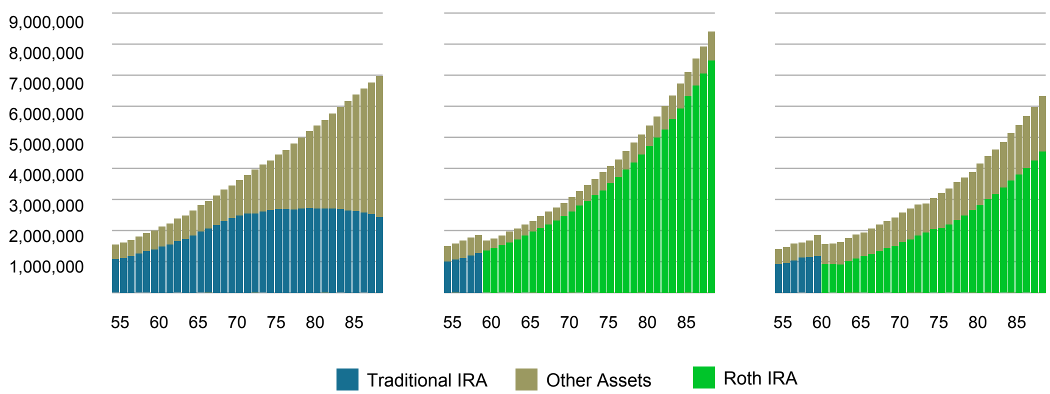
Comparing IRA with Roth IRA Conversion

Hypothetical Sample Conversion of Traditional IRA to Roth IRA

Example:

- Currently age 55
- Considering conversion to Roth IRA at age 60
- Believes that income tax rates will be higher during retirement
- **$1,000,000 IRA** growing at an assumed 6%
- **$500,000 Other Assets** earning 6% before taxes

Traditional IRA	Roth IRA	Roth IRA
No Conversion Taxes	*Using Other Assets for Taxes*[1]	*Using IRA for Taxes*[1]



Age	IRA[2]	Other Assets	Total	Roth IRA	Other Assets	Total	Roth IRA	Other Assets	Total
55	1,000,000	500,000	1,500,000	1,000,000	500,000	1,500,000	1,000,000	500,000	1,500,000
60	1,418,519	651,130	2,069,649	1,418,519	316,574	1,735,093	1,063,889	666,185	1,730,074
65	1,898,299	811,427	2,709,725	1,898,299	396,035	2,294,333	1,423,724	831,714	2,255,438
75	2,700,282	1,593,510	4,293,792	3,399,564	585,518	3,985,082	2,549,673	1,227,897	3,777,569
85	2,825,207	3,360,645	6,185,852	6,088,101	838,001	6,926,101	4,566,075	1,752,932	6,319,007

Total Funds at Age 90[3]	Total Funds at Age 90	Total Funds at Age 90
$6,247,566	**$9,149,932**	**$8,205,030**

Major Difference-Distributions

Traditional IRAs

- Must take required minimum distributions at age 70½.
- Distributions are generally taxable as ordinary income.

Roth IRAs

- No required distributions during owner's lifetime.
- Income taxes are generally paid on the taxable amount of the Tradtional IRA converted to Roth IRA.
- Qualified distributions are received income tax-free.

Roth IRA qualified distributions provide a source of income tax-free proceeds to use or leave to heirs.

[1] For this illustration, income tax rates are assumed to be 25% for 15 years, and 40% thereafter. Example assumes the net distributions after taxes are deposited into the Other Assets.
[2] IRA is subject to income tax upon distribution, except for the after-tax amount, if any.
[3] For comparison purposes, calculation assumes taxes of $1,026,275 are paid out of Traditional IRA and reduce the Traditional IRA's value from $2,565,687 to $1,539,412.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Assumptions

Details and Assumptions for Next-Generation Roth IRA[SM] Calculations

General Assumptions

Jack's DOB: December 3, 1955 and Diane's DOB: November 30, 1949

Calculations assume that the value of All Other Assets (excluding life insurance) is equal to $250,000. These assets are assumed to earn 4.00% interest. Hypothetical rates of return illustrated are not associated with any particular investment product.

Calculations assume an ordinary income tax rate of 30.00% that changes to 35.00% starting in 2011.

The Account Balance and Other Assets are grown pro-rata based on the date entered.

Traditional IRA/Qualified Plan Assumptions

Current Traditional IRA/Qualified Plan amount is $300,000, which includes the original after-tax amount of $0, and assumes a growth rate of 6.00%. Calculations assume all non-deductible and after-tax contributions (also known as basis, investment in the contract, and non-taxable portion) are included in the original after-tax amount of $0. Hypothetical rates of return illustrated are not associated with any particular investment product.

A portion of the distributions from the Traditional IRA/Qualified Plan that includes any after-tax amount may not be taxable. These illustrations assume there are no other Traditional IRA/Qualified Plan account balances for calculations that include any after-tax amount.

Elections:

Distributions are at least the Required Minimum Distribution using the Uniform Lifetime Table.

Roth IRA Assumptions

Conversion Occurs: Year 2016

Roth IRA is assumed to earn 6.00%. Hypothetical rates of return illustrated are not associated with any particular investment product. There are no required minimum distributions during participant's or spouse's lifetime.

There are no required minimum distributions during participant's or spouse's lifetime (if spouse is considered as owner).

Beneficiary Information

Beneficiary Name	Date of Birth	Percentage Split
Junior	November 1, 1972	50.00%
Missy	October 9, 1974	50.00%

These illustrations assume all distributions to non-spouse beneficiaries are income tax free.

Life insurance contract premiums may vary based on many factors, incuding the age, gender, and health of the insured. Illustrated life insurance benefits and values are not guaranteed and the assumptions on which they are based are subject to change by the insurer. Actual benefits and values may be more or less favorable than those illustrated. Please see the attached illustration which includes guaranteed elements and other important information.

Past performance is not an indication of future results. Projections are based on assumptions that are believed to be reasonable. Actual results may vary, perhaps to a material degree.

Assumptions (Continued)

Details and Assumptions for Next-Generation Roth IRA℠ Calculations

Traditional IRA

Contributions may be tax deductible and earnings are tax-deferred. Annual contribution amounts are limited, and deductibility of contributions is based on modified adjusted gross income (MAGI), and not being a participant in an employer-sponsored retirement plan. Consult your tax advisor to determine the maximum tax-deductible contribution amount allowed annually. Contributions may also be non-deductible (after-tax), but earnings are tax deferred. These illustrations assume there are no other Traditional IRA/Qualified Plan account balances for calculations that include any after-tax amount. Required minimum distributions must begin by age 70½.

Roth IRA

Contributions are *not* tax deductible but earnings are tax-deferred. Annual contribution amounts are limited, and the ability to contribute is based on modified adjusted gross income (MAGI). Consult your tax advisor to determine the maximum contribution amount allowed annually. Withdrawals of contributions to Roth IRAs are not subject to income tax or the 10% early withdrawal penalty tax. Withdrawals of earnings from a Roth IRA are considered qualified distributions after the 5-taxable year holding period for which a contribution or conversion was made to any Roth IRA *and* the owner is age 59½ or older. Withdrawals of earnings within 5 years of establishing a Roth IRA are taxed as ordinary income. Earnings taken prior to age 59½ are taxed as ordinary income, and may be subject to a 10% early distribution penalty tax, with certain exceptions. There is no required minimum distributions at any age.

Conversion of Traditional IRA to Roth IRA

Beginning in 2010, a Traditional IRA can be converted to a Roth IRA. Amounts converted from the Traditional IRA (except for any after-tax amount) are taxable in the year of the conversion. These illustrations assume there are no other Traditional IRA/Qualified Plan account balances for calculations that include any after-tax amount. Withdrawals of earnings from a Roth IRA are considered qualified distributions after the 5-taxable year holding period for which a conversion or contribution was made to any Roth IRA *and* the owner is age 59or older. Withdrawals of converted amounts within five years of each conversion to Roth IRA may be subject to the 10% early distribution penalty tax, and withdrawals of earnings may be subject to the 10% early distribution penalty tax and/or taxed as ordinary income.

Final Regulations

Required Minimum Distributions are calculated based on the Uniform Lifetime Table. If your beneficiary is your spouse (who is more than 10 years younger than you) distributions during your life may be calculated using the Joint and Last Survivor Table.

Roth IRA Rollover Assumptions

Jack is not required to take distributions. Diane is named beneficiary.

Each non-spouse beneficiary takes distributions based on the single life expectancy of the oldest beneficiary, minus one each year, if the beneficiaries failed to split the Roth IRA into separate accounts by December 31 of the year following the year of your death.

Assumptions (Continued)

Details and Assumptions for Next-Generation Roth IRA℠ Calculations

Next-Generation Roth IRA℠-Rollover and Split Assumptions

Jack is not required to take distributions. Diane is named beneficiary.

At Diane's death, the Roth IRA is split into separate Roth IRAs with named beneficiaries.

Distributions continue to each beneficiary at Diane's death calculated on the named beneficiary's life expectancy as of 12/31 in the year following Diane's death.

Diane's estate is assumed to have cash liquidity to fund estate taxes outside of Roth IRAs for this analysis.

Next-Generation Roth IRA℠-Non-Spouse Beneficiary Assumptions

Jack is not required to take distributions. At Jack's death, the Roth IRA is split into Roth IRAs for each non-spouse beneficiary.

Jack's death is assumed in year 2030. Your estate is assumed to have enough cash liquidity outside of Roth IRAs in this analysis.

Each non-spouse beneficiary starts taking the required minimum distributions based on his or her life expectancy and is assumed to live to the life expectancy used in the illustration.

Distributions continue to each beneficiary at Jack's death calculated on the named beneficiary's life expectancy as of 12/31 following Jack's death.

Distribution Assumptions

Qualified distributions from Roth IRA are not subject to federal income tax or the additional 10% penalty tax. These illustrations assume non-qualified distributions of earnings from a Roth IRA are taxed as ordinary income *and* subject to the additional 10% penalty tax on early distributions if owner or spouse is not 59½ or older.

Distributions from the Traditional IRA/Qualified Plan that does ***not*** include any after-tax amount are taxable. A portion of the distributions from the Traditional IRA/Qualified Plan that includes any after tax amount is not taxable. The non-taxable portion is the amount of the distribution that bears the same ratio to the total amount of the distribution received as the total remaining after-tax amount bears to the Traditional IRA/Qualified Plan account balance at the end of the year.

Early retirement distributions are not exempt from the IRC Section 72(t) penalty.

Desired distributions for premiums, expenses, and/or gifts are deducted from the Account Balance or Roth Account Balance of the owner or spouse before conversion to Roth, and after expiration of the 5-taxable year holding period following Roth conversion. These desired distributions are deducted from "Other Assets" during the 5-taxable year holding period following conversion to Roth, and if the Account Balance or Roth Account Balance is not sufficient.

Assumptions (Continued)

Details and Assumptions for Next-Generation Roth IRA[SM] Calculations

2010 Tax Act

The Tax Relief, Unemployment Insurance Authorization, and Job Creation Act of 2010 became law December 17, 2010. It applies to deaths and gifts made in years 2011 and 2012. Unless Congress extends any of the Act's provisions, rates and procedures will revert to those in effect without regard to the 2010 Tax Act. Calculations for deaths or gifts in 2011 and 2012 reflect the rates within the 2010 Tax Act. All other calculations assume that Congress does **not** extend any of the provisions of this law.

Note: Footnotes and references may not be applicable for deaths and gifts in 2011 and 2012 even though the rates and calculations are according to the 2010 Tax Act.