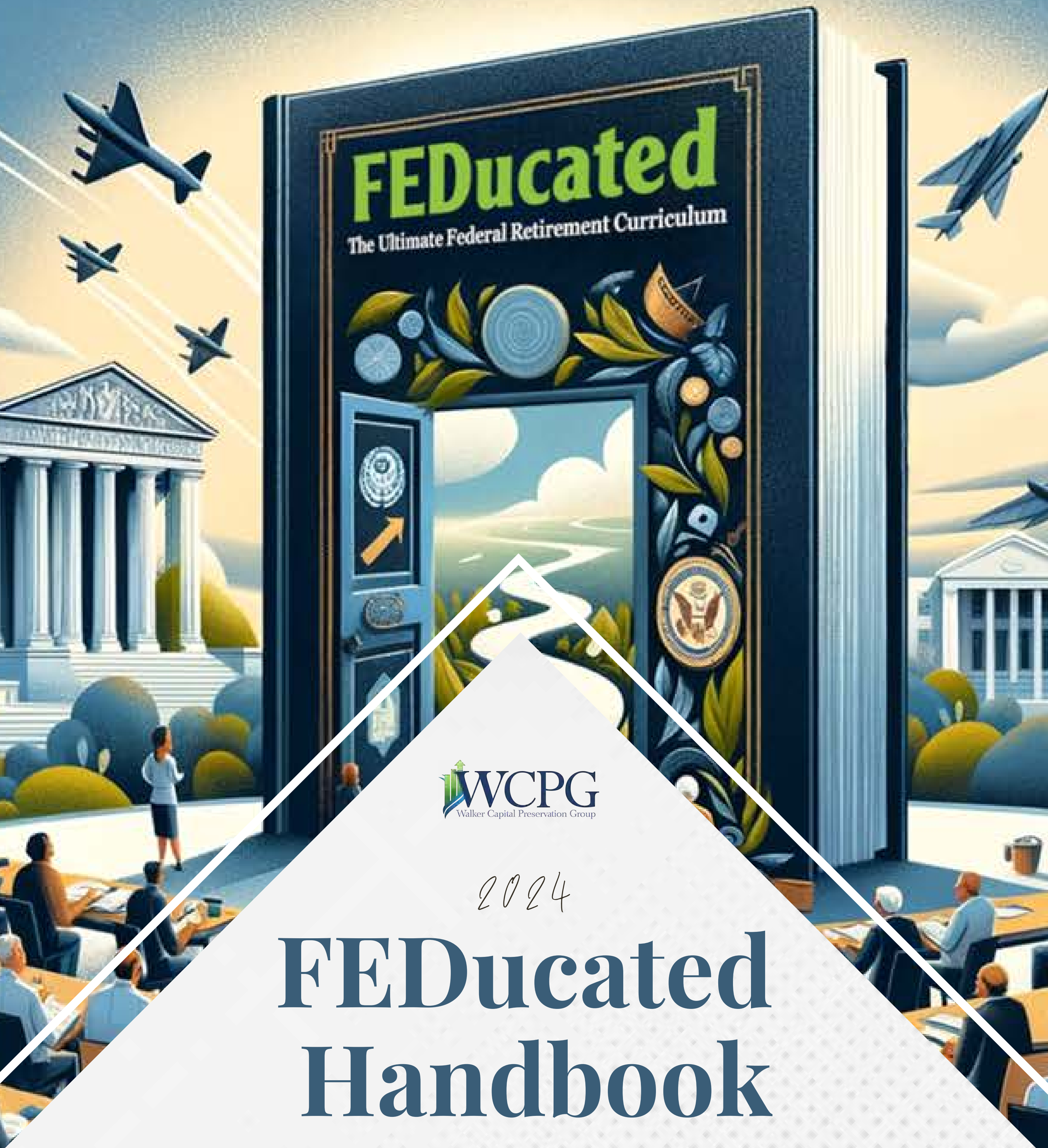


WCPG
Walker Capital Preservation Group

2024

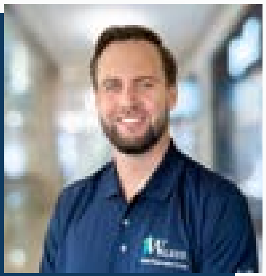
FEDucated Handbook Pt. Five

Life-Proof: Is Your Retirement Protected?

OUR MISSION

Since 2014, Walker Capital's Mission has been to educate & empower today's Federal Employee to maximize their Retirement through proper positioning & seamless coordination of their Federal Benefits & Personal Assets.

MEET THE EXPERTS



TOM WALKER, ChFEBC
Best-Selling Retirement Author

Master Elite IRA Advisor
Ed Slott's Tax Planning Group

Retirement Tax Services
CPA Tax Planning Partners of WCPG

As seen on

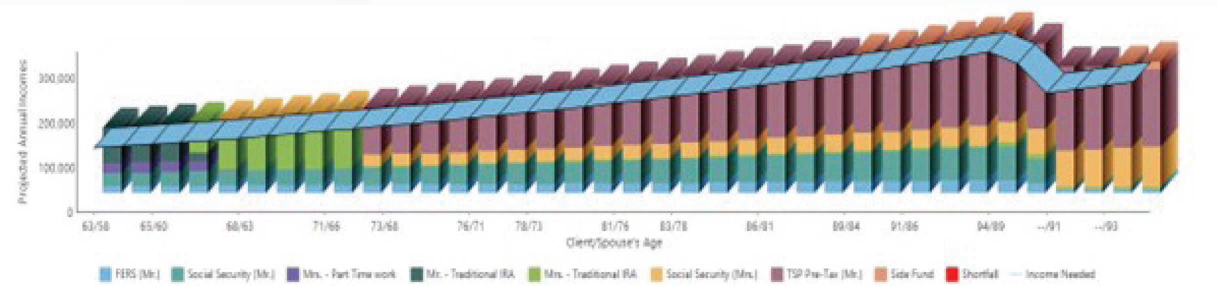
WCPG RETIREMENT BENEFITS FORECASTS

What is a **Retirement Benefits Forecast** and why do I need one?

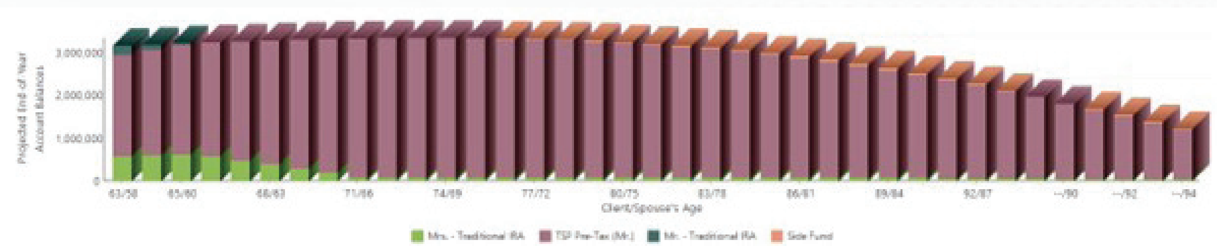
This powerful analysis offers a completely personalized model of your current retirement trajectory that includes:

- Your CSRS/FERS Pension
- FERS Supplement (if applicable)
- Social Security benefits (+ Spousal Benefits)
- TSP & IRA Withdrawals, RMDs, and Tax Treatment
- Personal Retirement Budget (adjusted for inflation)
- Current vs Future Tax Liability

Sample: Desired Income & Income Sources Through Retirement



Retirement Assets & Remaining Account Balances Through Retirement



The best part? Building a personalized projection with the Retirement Strategists at WCPG is just the start!

Our team is committed to helping you identify and address FERS/CSRS retirement pitfalls while building a relationship that enables us to help **you** get both **TO** and **THROUGH** your golden years succesfully!

Ready to Start? Click Here

WORKING WITH WALKER CAPITAL

What to expect

WCPG proudly offers Webcast Attendees & Federal Employees a **Complimentary Consultation** to review your retirement, this consultation is broken down into two parts:

- Part 1 – **Introduction Phone Call (~30 min.)**
  - **Goals:** Meet your Retirement Strategist & review your situation
    - **Discuss:** Retirement Timeline, Goals, Family & Concerns
  - Gather data to build retirement model that will be reviewed with you during a Video Strategy Session in Part 2
    - We provide a “What to Bring Email” to make it easy for you to have the key information available for your Introduction Call
- Part 2 - **Strategy Session Video Conference (~60 min.)**
  - **Goals:** Design & Discuss Retirement Benefits Forecast
    - Work through “What if Scenarios” & “Stress Tests”
      - What if I retired earlier? How about if I worked longer?
      - How may inflation, LTC, or higher tax rates impact my retirement?
  - Identify Strengths & Weaknesses of current retirement trajectory
  - Identify WCPG Services that align with your concerns & can improve your retirement

Ready to Start? Click Here

WALKER CAPITAL'S SERVICES OFFERED

Retirement planning

- Retirement planning is the process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets. Future cash flows are estimated to determine if the retirement income goal will be achieved.

Federal Benefits Optimizations

- The Federal Retirement systems available today still offer some of the best large-scale benefits available… if you can successfully navigate the maze of program acronyms, rules, caveats, & pitfalls. During your career, it is important to understand the benefits you currently carry & how they may change over time. As you enter retirement, it is critical that you maximize your benefits in order to leverage your years of public service into your retirement. There are a number of critical coordinates to mapping out a successful retirement. For example, it is critical that you coordinate your FEGLI & SSB with your spousal FEHB & income continuation needs. Retirement is a journey, let Walker Capital help guide you through!

Tax Planning

- Truly Holistic Retirement Planning requires a braintrust of like minded experts with complimentary areas of expertise which is why Walker Capital has partnered with a Tax Professor & CPA to help you understand your current tax equation and how it may change in coming years.The key is to be proactive in addressing these concerns today because taxes are only going to be 'on-sale' for a few more years and the IRS has already put major restrictions on how much you can contribute in each of those years!

Estate Planning

- What happens to your hard-earned assets after you are gone? Having a plan for your estate can help ensure that your legacy is distributed efficiently and that you can clearly outline your wishes/goals for how that legacy could be used even after you are no longer around to provide those instructions. Have a goal of leaving money to the grandkids for education? Looking to avoid probate costs and delays? Do you have a child with special needs? An estate plan – like a Living Trust + Pour-Over Will + Powers of Attorney – is here to help!

Insurance Planning

- When properly utilized, insurance can help protect the quality of both you & your family's lifestyle throughout your career, in retirement, & even after (legacy). Whether looking to sleep easier knowing Living Benefits will help protect your lifestyle, looking to utilize Cash Value Life Insurance as a tool to help navigate future tax risk, or looking to ensure your loved ones have access to a highly leveraged tax-free death benefit – todays innovative policy design offerings allow Walker Capital to help your insurance plans evolve with your needs as they change over time!

Ready to Start? Click Here

Web #5 | Life-Proof

Is Your Retirement Protected?

DISCLAIMER

- This presentation is intended as an educational overview and is not intended to provide specific advice, financial or otherwise, to any individuals without further consultation.
- WalkerCPG does not provide legal, tax or accounting advice. Please consult with a qualified attorney or CPA for proper legal, tax or accounting counsel.
- This educational presentation is not intended to sell any specific product, company, or strategy but to educate and empower attendees while emphasizing the importance of planning ahead
- Walker Capital Preservation Group, Inc. (WCPG) is not affiliated with, endorsed, or sponsored by the Federal Government or any U.S. Government agency. No Federal Government agency has reviewed or endorsed any of the information contained in this presentation.
- Due to the amount of material that will be covered today, please write down questions to be reviewed at the end of the presentation

Today's Presenter

CPAs on Retainer

CPA Partners & Tax Consultants

WCPG proudly partners with the CPA's at Retirement Tax Services to help ensure our clients have access to a team of highly trained experts to help with tax planning

Tom Walker, ChFEBC

Retirement Strategist

Tom is a best-selling author & Federal Retirement Strategist with **10+ years experience** working closely with federal employees.

Ongoing Tax Education

Tax & Distribution Annual Education

Tom's continued dedication to learning has earned him prestigious admittance into the Master Elite IRA Advisor Group offered by Ed Slott & Company

OUR MIS

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AGENDA

1. Principles of Protection Planning
2. Protect | Ability to Earn Income
3. Protect | Survivor Income Continuation
4. Protect | Tax-Efficient Legacy
5. Protect | Aging Gracefully
6. Long-Term Care Case Study

Principles of Protection Planning

What Do We Insure?

What Do All the Different Kinds of Insurance Have in Common?

We Insure Our Lifestyle

- Home/Auto
- Health/Vision/Dental
- Cancer/Disability
- SSB/FEGLI
- FLTC/LTC

Power Of Leveraging

- By pooling risk amongst many plan participants, insurances allow us to use "pennies" of premium to purchase "dollars" of protection
- Individuals cannot pool risk alone

The Insurance Paradox

If we had a crystal ball that told us exactly which type of insurances we would ever need, we would simply cherry-pick which coverages we choose to pay for!

If there were no cost to purchasing additional insurance, we would check the box for every type of coverage that they offered… …Free Dinosaur Insurance?! WHY NOT!

But when the crystal ball isn't working & there is a cost to carrying additional coverages, then the flexibility of your protection is key! Flexible coverage means each dollar used can protect you from as many "what-if" scenarios as possible (ie. Cancer + LTC + Death)

Protect: Ability to Earn Income

Understanding the Risk

Heart Attack

1 in 6

healthcare dollars are spent on cardiovascular disease1

Cancer

$150 billion

Per year being spent nationally for cancer care2

Stroke

$34 billion

Per year being spent nationally as a result of Stroke.3

- This is the real reason most Americans file for bankruptcy. CNBC. Feb 2019. https://www.cnbc.com/2019/02/11/this-is-thereal-reason-most-americans-file-for-bankruptcy.html
- Get Sick, Get Out: The Medical Causes of Home Mortgage Foreclosures. Health Matrix. Feb 2008. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1416947
- 10 Statistics about US Medical Debt that Will Shock You. National Bankruptcy Forum. Dec 2017. https://www.natlbankruptcy.com/us-medical-debt-statistics/

The Risk

The economic impact of critical, chronic, and terminal illness.

Foreclosure

Bankruptcy

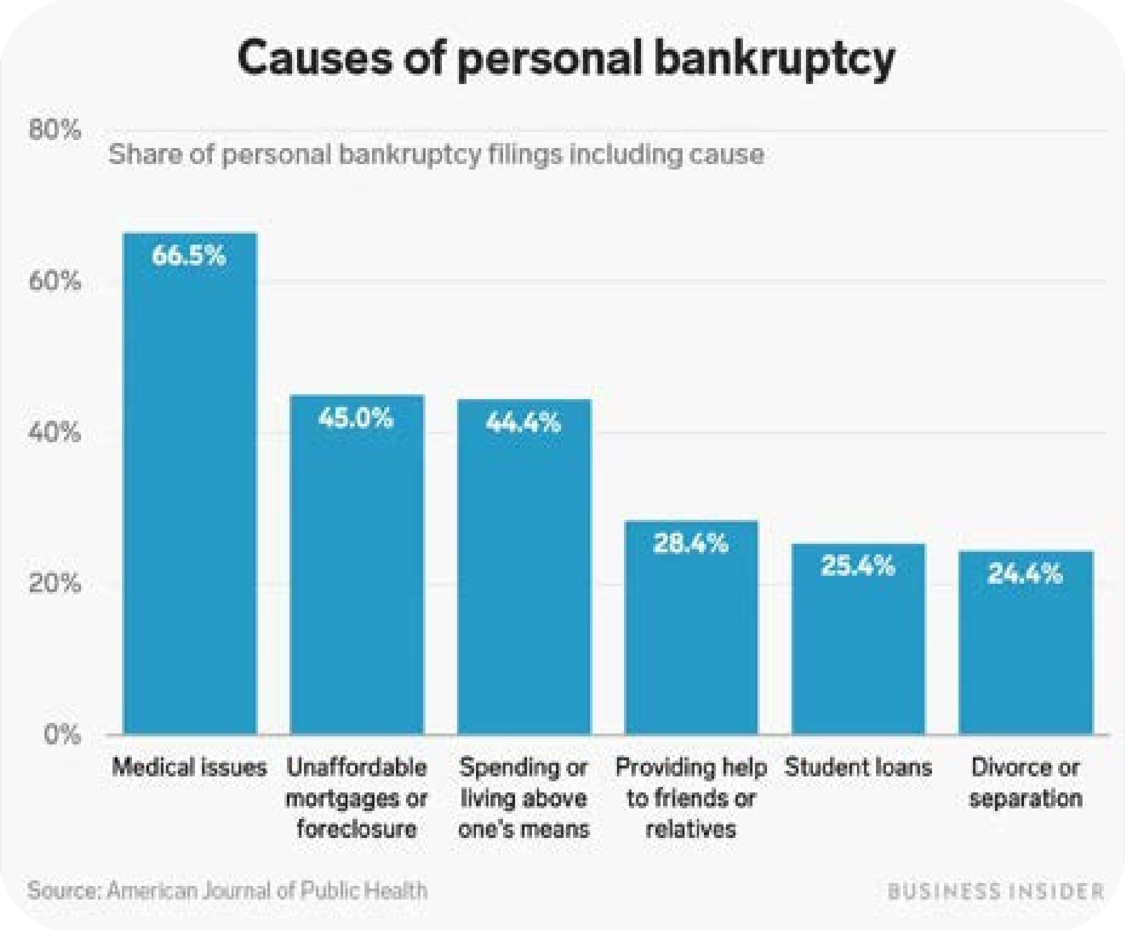
Liquidated Assets

- This is the real reason most Americans file for bankruptcy. CNBC. Feb 2019. https://www.cnbc.com/2019/02/11/this-is-thereal-reason-most-americans-file-for-bankruptcy.html
- Get Sick, Get Out: The Medical Causes of Home Mortgage Foreclosures. Health Matrix. Feb 2008. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1416947
- 10 Statistics about US Medical Debt that Will Shock You. National Bankruptcy Forum. Dec 2017. https://www.natlbankruptcy.com/us-medical-debt-statistics/

Protecting Income

- Almost **60% of US adults** have had medical debt at some point in their life
- **70% of Americans** with medical bills had to cut their food expenses to avoid bankruptcy
- **Almost half** of those who filed for medical bankruptcy cite hospital bills as their most considerable expense
- **20% of medical bankruptcy filers** are in the 55+ age group

Source: https://www.singlecare.com/blog/medical-debt-statistics/



Medical Debt

How Do Americans Try To Pay Their Medical Debt?

Actions Reported by Americans with Medical Debt Problems

- 37% — Borrow Money from Friends or Family
- 34% — Increase Their Credit Card Debt
- 41% — Take Another Job or Work More Hours
- 70% — Cut Spending on Food, Clothing, Household Items
- 59% — Use Up Most or All of Their Savings

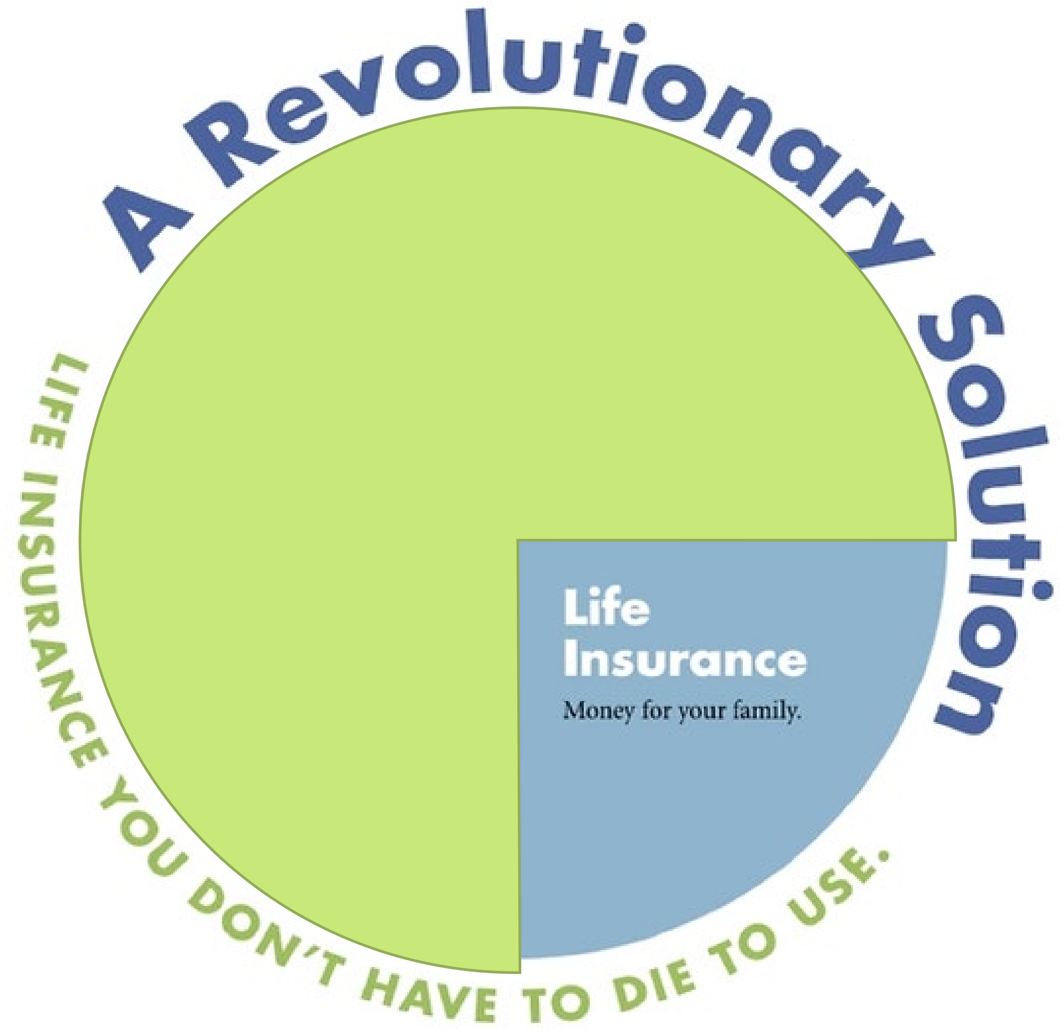
Source: https://www.singlecare.com/blog/medical-debt-statistics/

Disability Protection

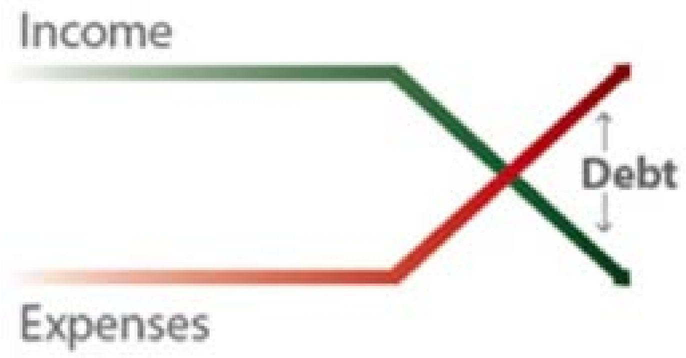
- Federal Employees are offered base Disability Insurance through the government
  - **Replaces 0% of income during first 12 months**
    - Avoid LWOP by stockpiling sick/annual leave
  - **Replaces 60% if eligible (months 12 – 24)**
  - **Replaces 40% if still eligible (months 24+)**
    - Benefit can continue for life for qualifying recipients

How can you supplement the base coverage offered through your employer to protect your income?

Life Insurance + Living Benefits



Impact On The Monthly Budget



Experiencing a terminal, critical, or chronic illness leads to increased expenses and decreased income. Once your expenses reach a number higher than your income, you begin creating debt.

Life insurance with living benefits provides benefits when they are needed the most – helping to fill the gaps a health insurance policy doesn't cover, especially non-medical expenses, such as mortgage, car, food, etc.

Living Benefits

Chronic Illness

Critical Illness

Terminal Illness

Critical Injury

Provide Robustly Flexible Financial Solutions

Protect: Tax-Efficient Legacy

FEGLI Overview

Limited Access During Your Life

BASIC
Base Pay + $2,000

Gov't pays 33% of prem.
Extra Benefit (Double's Basic coverage under 35)
Extra Benefit gone by 45
Can be continued in retirement for free (reduced)

Postal Employees pay 0%
Basic coverage has Terminal Illness Rider

OPTION A
$10,000 DB

Must have Basic to elect
Optional FEGLI coverages
Optional coverage must be elected upon hire, with life event, or during infrequent FEGLI Open Season

Option A Benefit provides a flat $10,000 in tax free Death Benefit but is not accessible during life

OPTION B
1-5x of Salary

Priced in 5-Year Banded Term
Scheduled premium increases hit hardest in retirement
Cost effective coverage for younger employees

Option B offers no access to DB through Living Benefit Riders

OPTION C
$25,000 Spousal

Spouse: 1-5x @ $5,000 (Max $25,000)
Child: 1-5x @ $2,500 (Max $12,500)
Kids are eligible through age 22 w/ out special exemption

No underwriting necessary for spousal coverage

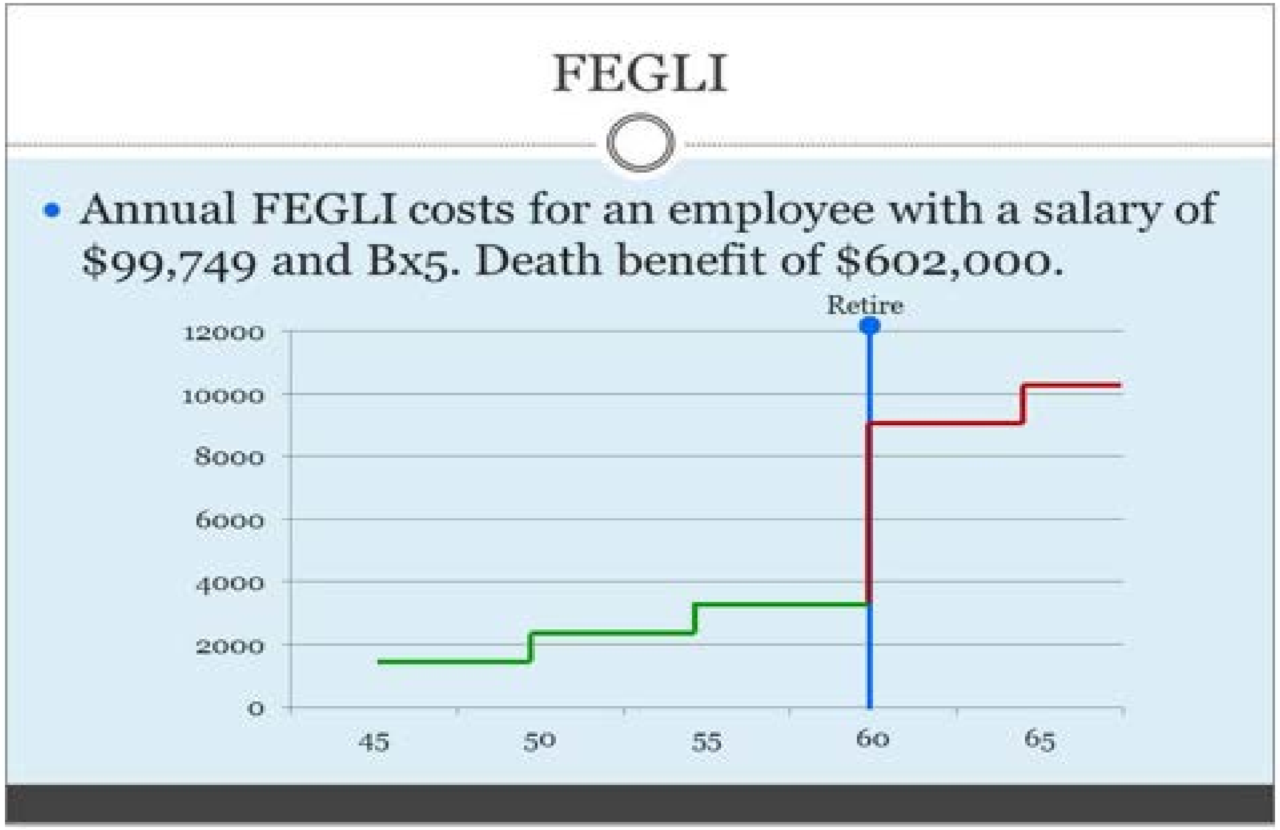
FEGLI Option B Premiums

FEGLI OPTION B
COST INCREASE CHART

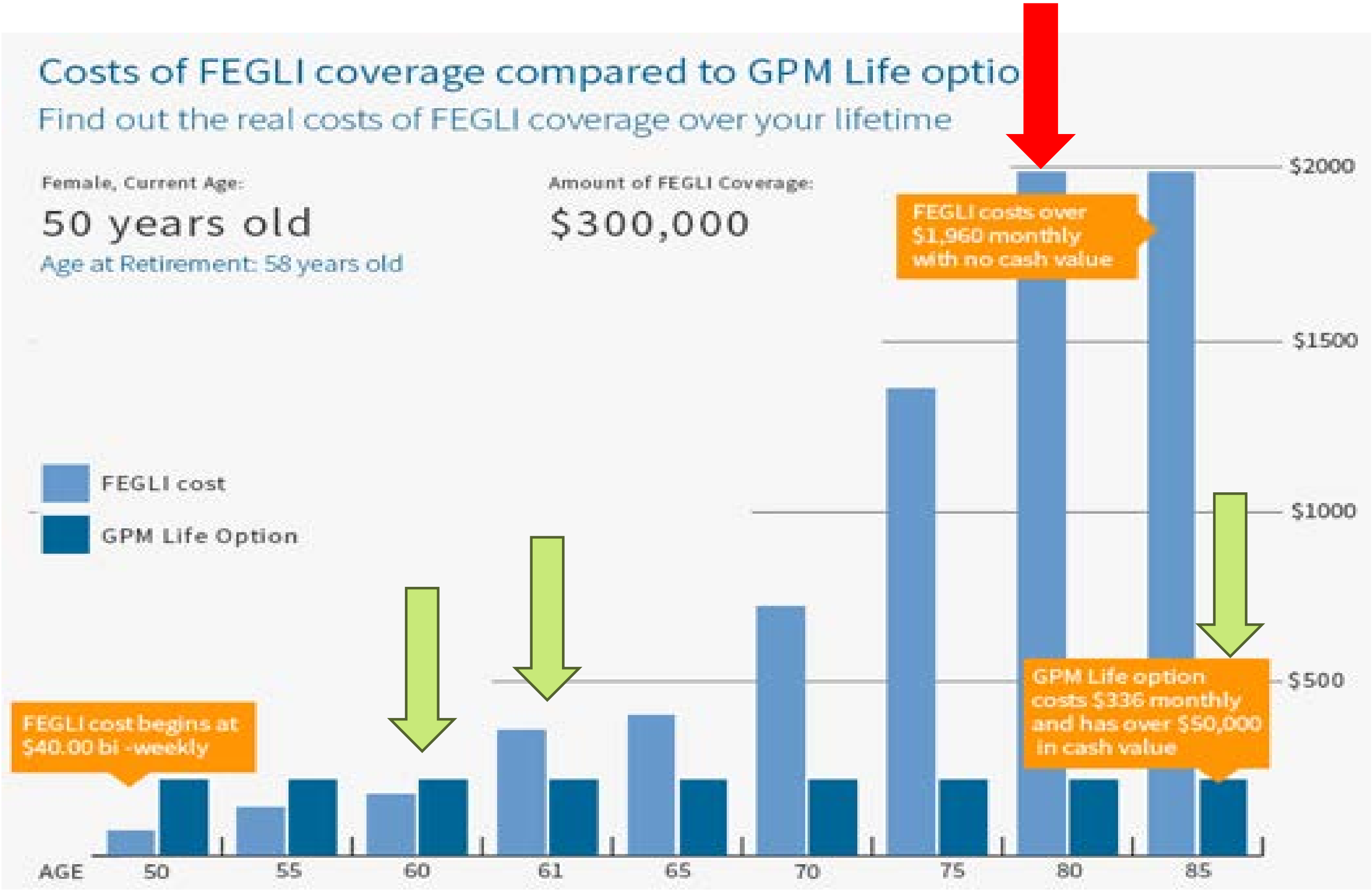
Age	Monthly Cost (per $1,000 of coverage)	% Increase	COVERAGE $100k	$200k	$300k	$400k	$500k
35 <	$0.043		$4.30	$8.60	$12.90	$17.20	$21.50
35 - 39	$0.065	51%	$6.50	$13.00	$19.50	$26.00	$32.50
40 - 44	$0.087	34%	$8.70	$17.40	$26.10	$34.80	$43.50
45 - 49	$0.152	75%	$15.20	$30.40	$45.60	$60.80	$76.00
50 - 54	$0.238	56%	$23.80	$47.60	$71.40	$95.20	$119.00
55 - 59	$0.433	82%	$43.30	$86.60	$129.90	$173.20	$216.50
60 - 64	$0.953	120%	$95.30	$190.60	$285.90	$381.20	$476.50
65 - 69	$1.170	22%	$117.00	$234.00	$351.00	$468.00	$585.00
70 - 74	$2.080	78%	$208.00	$416.00	$624.00	$832.00	$1,040.00
75 - 79	$3.900	87%	$390.00	$780.00	$1,170.00	$1,560.00	$1,950.00
> 80	$5.720	47%	$572.00	$1,144.00	$1,716.00	$2,288.00	$2,860.00

AGE:	39 - 55	44 - 60	44 - 65	59 - 60	49 - 75
% INCREASE:	566%	955%	1,244%	120%	2,465%

FEGLI Option B Premiums



FEGLI Option B Premiums



03

Protect:
Survivor Income Continuation

Surviving Spouse Benefit

Gov't Approach To Income Continuation

Surviving Spouse Income For Employees

Phase 1: Employed

- If 10 years or less of service (min 18 mo)
    - $34,500 lump sum
    - 50% Lump sum of greater of Salary or Hi-3
- 10+ Years of Service
    - $34,500 lump sum
    - 50% Lump sum of greater of Salary or Hi-3
    - 50% FERS Survivor Annuity
    - FERS Supplement Until Age 62

Surviving Spouse Benefit

Gov't Approach To Income Continuation

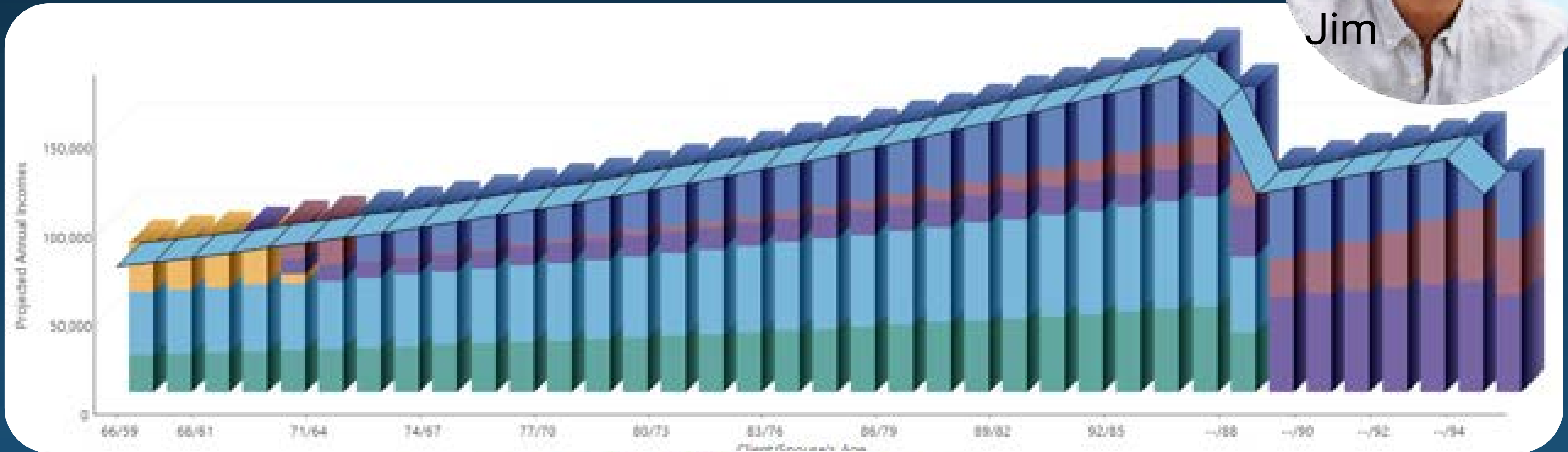
Surviving Spouse Income for Retirees

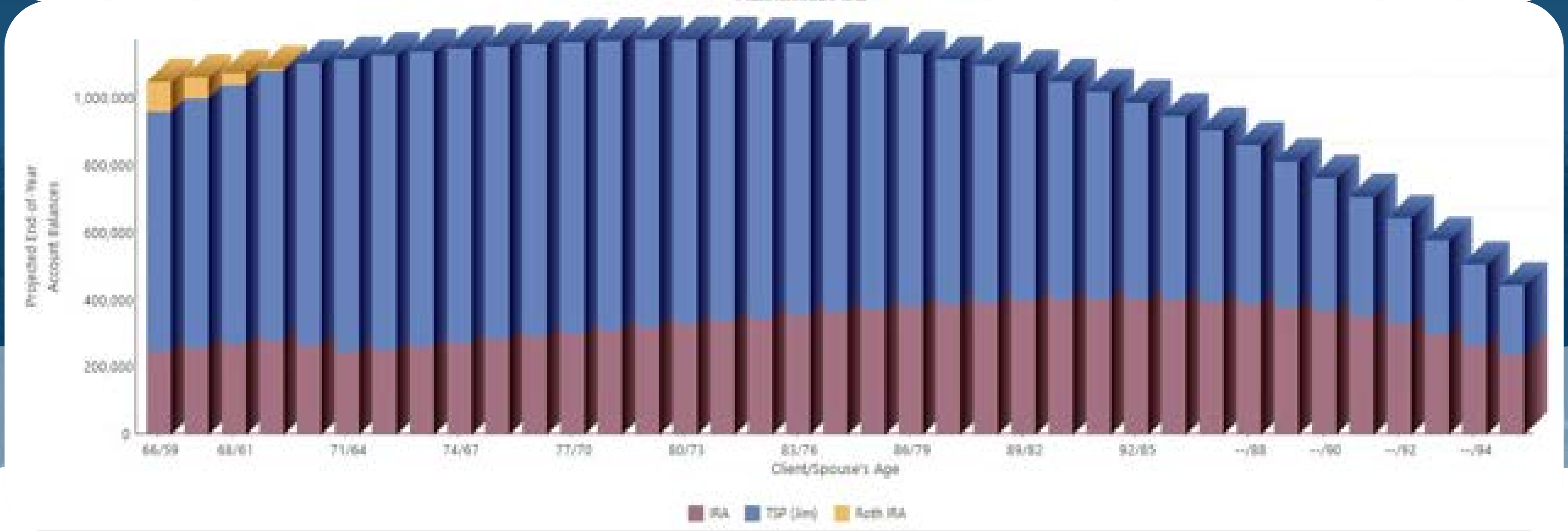
Phase 2: Retirement

- If 10 years or less of service (min 18 mo)
  - Pension continuation options reduce FERS pension
  - Surviving Spouse Benefit elected @ Retirement
  - Electing SSB is required for survivor FEHB subsidized coverage
    - Assuming spouse is not eligible based on federal service
- Pension Continuation Options
  - 10% Pension Reduction = 50% Survivor Annuity
  - 5% Pension Reduction = 25% Survivor Annuity

Retirement Projection

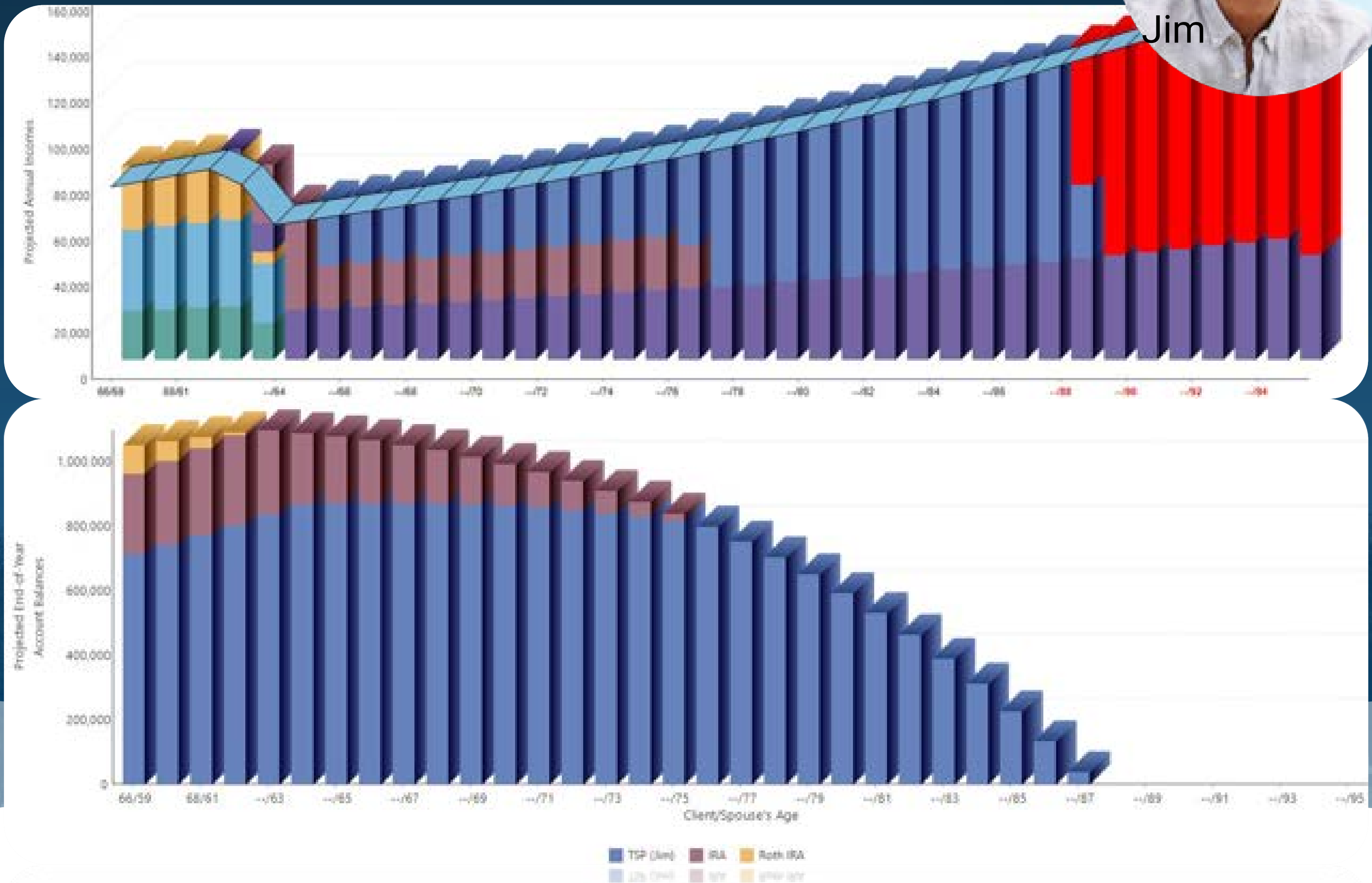
No Early Death





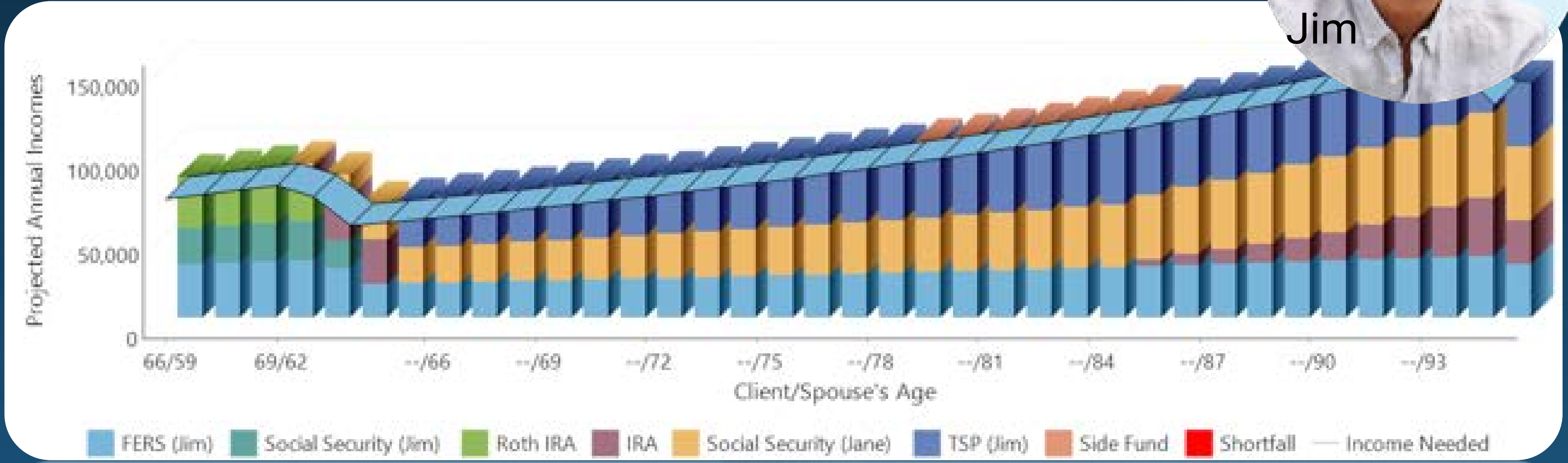
Retirement Projection

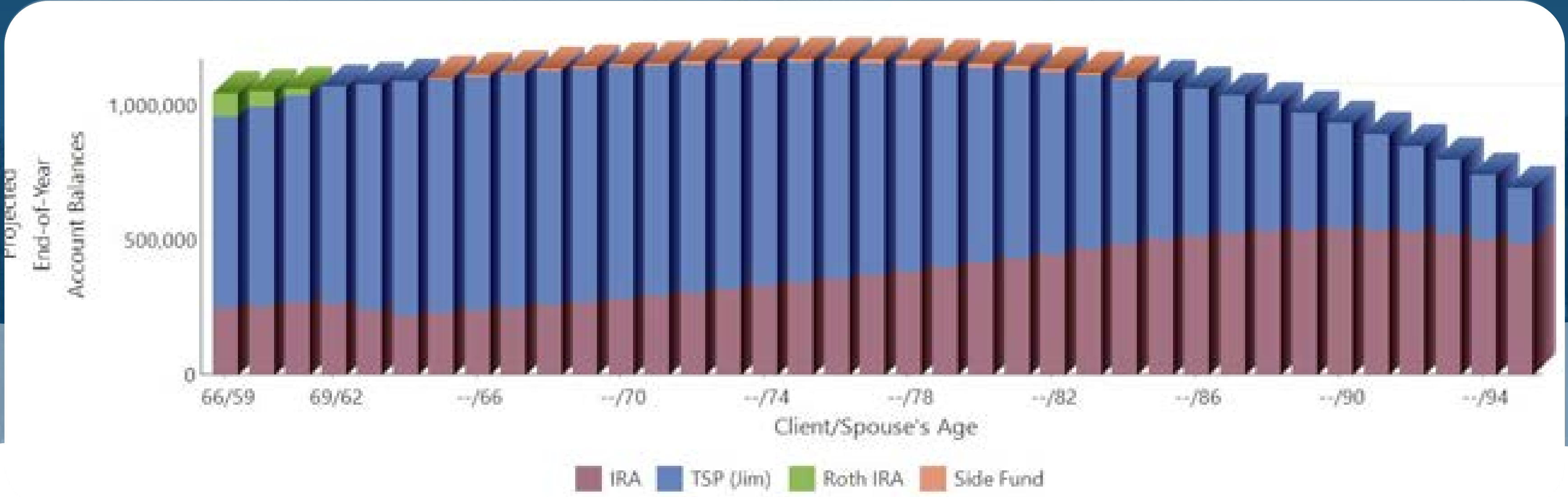
Jim Pass @ 70, 0% Income Continuation



Retirement Projection

Jim Pass @ 70, 50% SSB





The Surviving Spouse Benefit

PROS

- No medical underwriting to qualify for coverage
- Continues access to FEHB (& Subsidized Coverage) to survivor
- Income continuation guaranteed for life of Surviving Spouse
- Replace 25%-50% of Pension

CONS

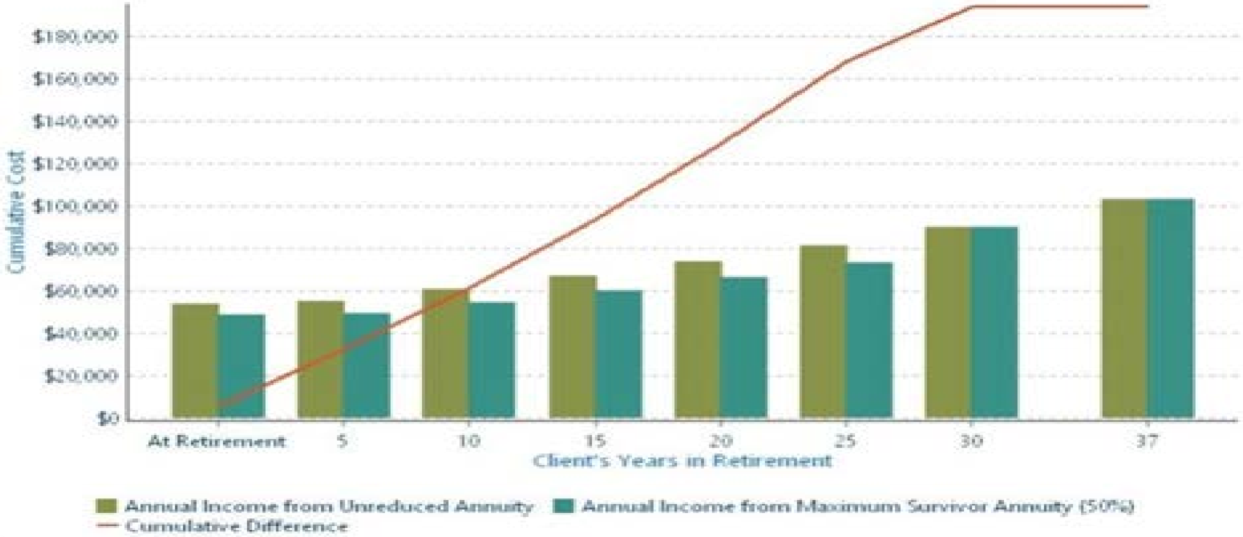
- Inflexible benefit payouts – monthly income only
- Only pays 1 beneficiary (spouse)
- No contingent beneficiaries
- No Lump Sum access
- “Use it or Lose it” design
- Provides a taxable benefit
    - Spending power is depleted if tax rates increase

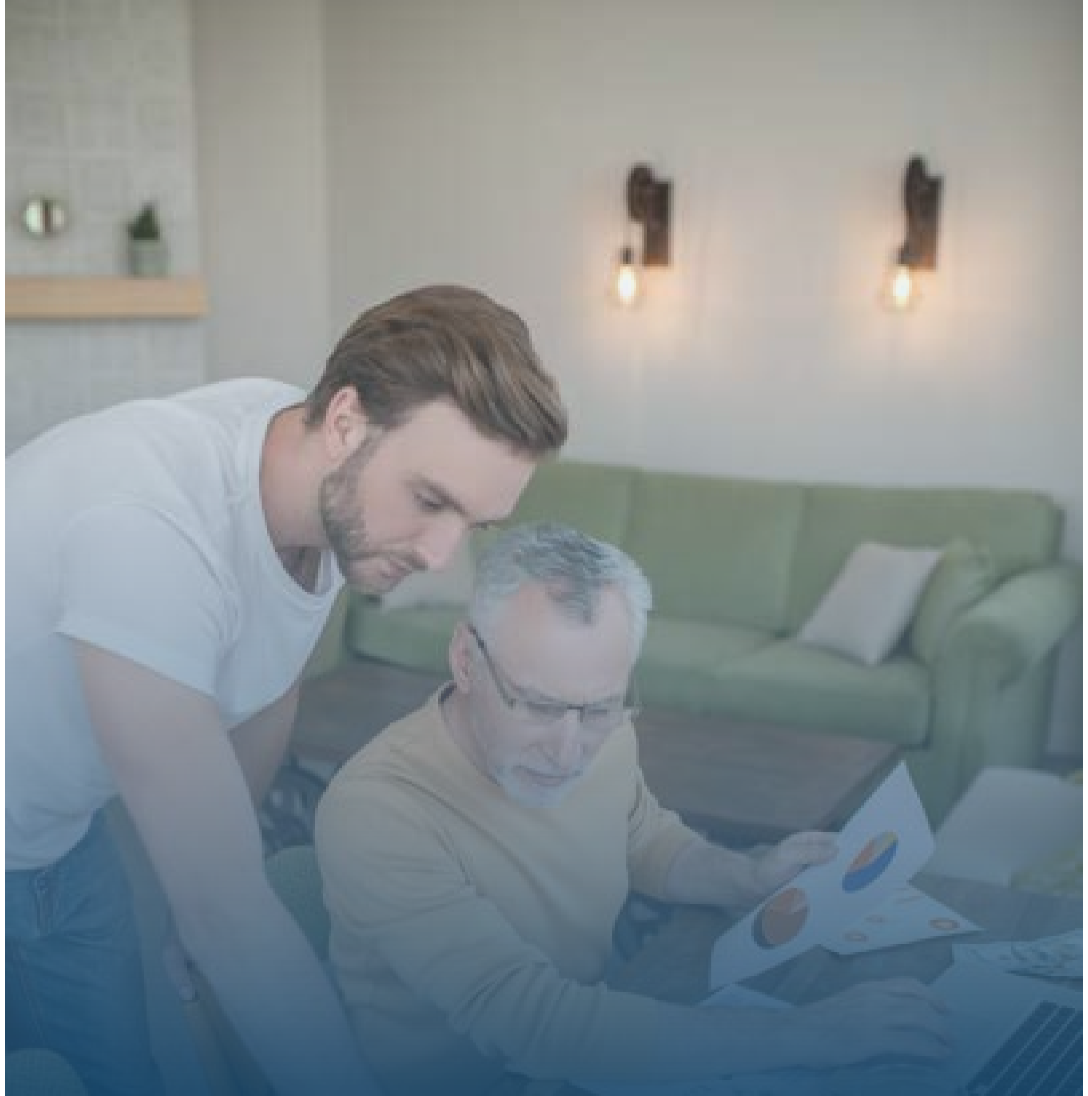
The Cumulative Costs of the Survivor Benefit Option

Selecting Maximum Survivor Annuity (50%) instead of Unreduced Annuity reduces your monthly income from $4,493 to $4,044. The income difference may not seem significant, but let's look at what this difference might cost you over the course of your retirement.

Detailed Cost Analysis

Cost Analysis for Selecting Maximum Survivor Annuity (50%) Rather Than Unreduced Annuity





Cost of the SSB Over Retirement

Income Continuation + Legacy: The Gov't Approach

SSB

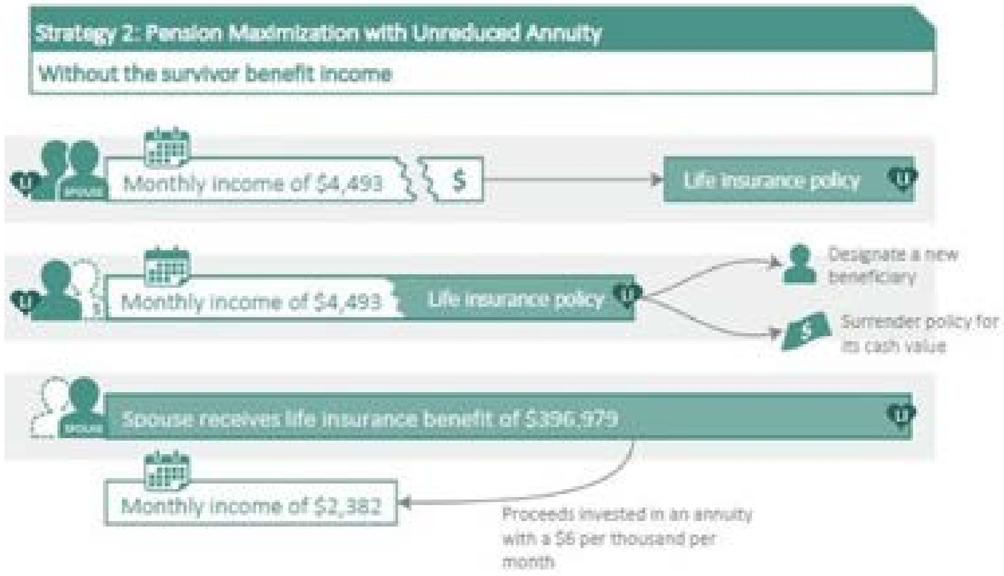
- **Cost 10% of Pension, Benefit 50% of Pension**
- **Cost 5% of Pension, Benefit 25% of Pension**
- Spouse = only beneficiary (continues spousal FEHB subsidy)
- Taxable Monthly Income = only payout method
- "Use it or Lose it" Design risks disinheriting loved ones

FEGLI

- **Death Benefit (Only) Protection, No Living Benefits**
- **From age 44-65 Premium Increase = 1,244%**
- No Cash Value Appreciation / Access
- Increasing Premiums & Fixed-Incomes don't play nice
- No underwriting requirement

Pension Maximization Strategy

Unreduced FERS Pension = **$4,493/mo**
Pension after 5% Reduction = **$4,268/mo****
Pension After 10% Reduction = **$ 4,043/mo**



Food for Thought: **Blend 25% SSB + Life Insurance**

05

Protect:
Future Tax Rates

Rev Code Section 7702

A 7702 plan is a tax-advantaged life insurance policy named after the section of RevCode defining it

A 7702 plan can refer to any type of permanent life insurance

Life Insurance Planning Timeline

20's – 40's | Income Replacement

As you begin establishing a family and a lifestyle, entering your prime earning years with a big mortgage – income replacement is a common priority for those with many earnings years left

40's – 60's | Critical Illness/Injury Riders

In the period where our income is highest we typically save the most towards retirement. Critical Illness riders can help address medical interruptions to earnings abilities in order to keep retirement on track.

60's – 80's | Retirement Tax Planning

Cash Value in permanent life insurance policies can provide a supplemental source of tax-advantaged income to potentially help offset the impact of higher future tax rates

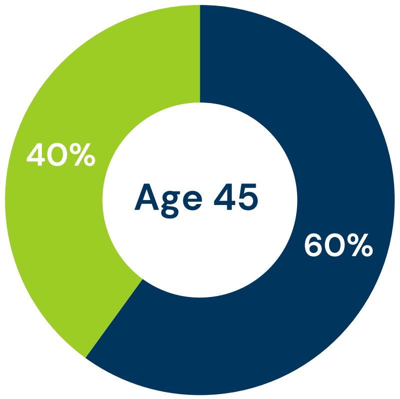
80's -100's | Chronic Illness Riders

Accelerate access to the policy's Death Benefit during the insured's lifetime to offset the expenses commonly associated with Aging Gracefully

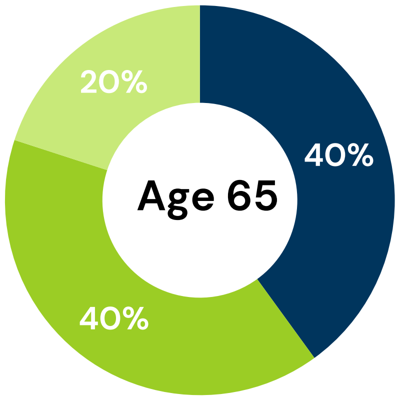
Life Insurance Planning Timeline

Hypothetical Evolution

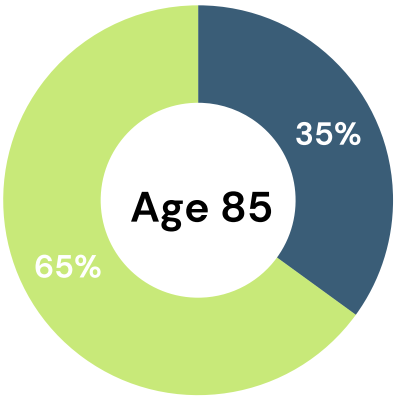
2024
Accumulating cash



2044
Navigating retirement



2064
Ensuring a legacy



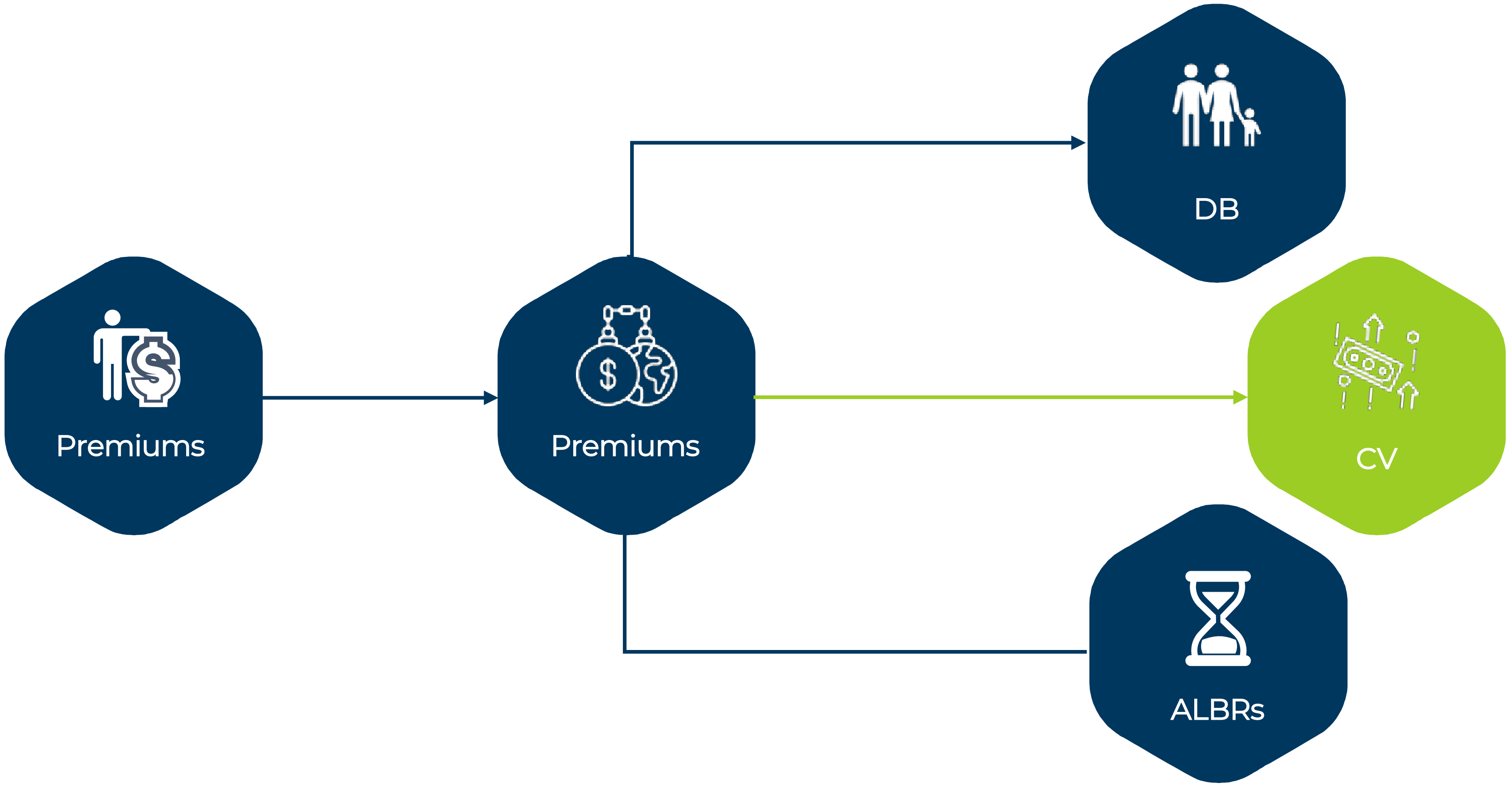
Cash Value / ALBRs as Priority

Chronic Illness Rider as Priority

Income Replacement as Priority

Legacy as Priority

CVLI: 3 Distinct Benefit Categories



Death Benefit

Tax-Free Distribution upon insured's death that provides highly leveraged benefit for Income Replacement or Legacy

Tax-advantaged Cash Value

Excess premiums are credited with interest on a tax-deferred basis & can be accessed tax-free by policy owner. Permanent plans only.

Accelerated Living Benefit Riders

Acceleration of Death Benefit that is paid to the insured during their lifetime on a tax-advantaged basis to help offset cost of medical emergencies & Long-Term Care expenses

Accelerated benefits may be taxable. Benefits paid as an acceleration of death benefit under code 101(g) generally are excluded from income for federal tax purposes. However, they may be taxable if the IRS per diem limit ($400 in 2021) is exceeded. The per diem limit can change on an annual basis. Clients should consult with their tax advisor to discuss their specific situation.

CVLI: 4 Distinct Tax-Advantages

Cash Value Grows Tax-Deferred while policy is in-force

Cash Value Withdrawals Can Be Tax-Free on Basis *

Policy Loans Can Offer Tax-Free Access to Cash Values above Basis (while in-force)

Death Benefit = tax-free legacy to loved ones

Living Benefit Riders = leveraged, tax-advantaged protection for insured

Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or aff ect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.

CVLI Policy Types & Risk Spectrum

WL/UL*

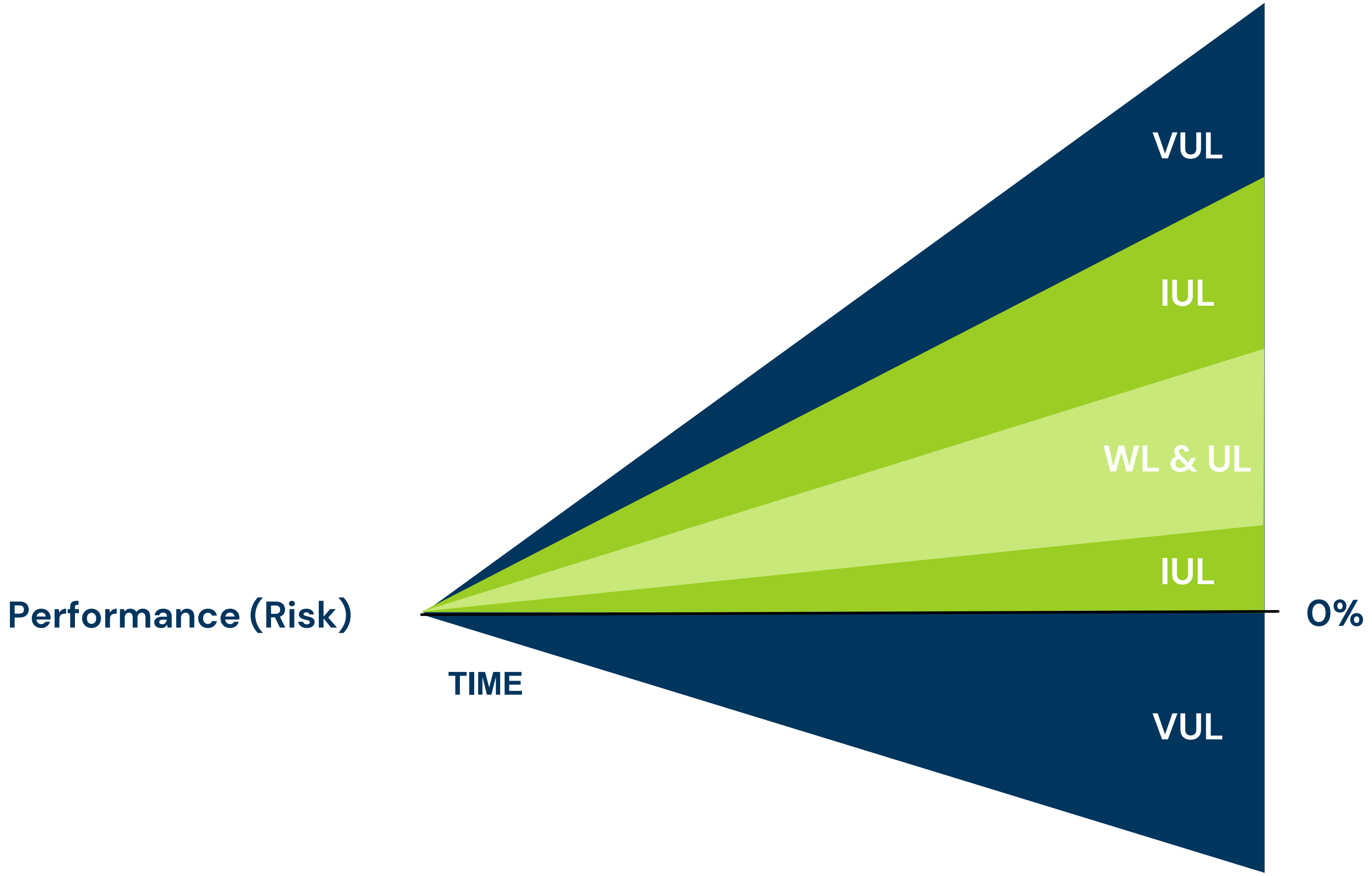
- Typically min. guaranteed rates (rate enviro dependent)
- Limited cash value interest/dividend volatility

IUL*

- Stated floor is guaranteed
- Greater upside potential than UL, potential for lower returns
- Less volatility & growth potential than VUL

VUL*

- Potential for negative returns
- Greater upside potential than UL or IUL
- Added investment expenses



*Has the potential to offer Living Benefit Riders

Protect: Aging Gracefully

We Cannot Slow the Aging Process

Thus We Must All Have a Plan for How We Can Afford to Age Gracefully

What is LONG-TERM CARE?

Long-term Care

- LTC generally refers to the host of health care services needed to provide assistance in performing the ADL's
- LTC services often fall outside the scope of traditional Health Insurance & Medicare plans

LTC Services Include

Types of LTC Assistance

- In-Home Care
- Adult Day Care
- Assisted Living
- Nursing Home Facility

Long Term Care (2022)

Few facts about long-term care to think about.

The lifetime probability of becoming disabled with at least two ADLs or of being cognitively impaired is **68 percent** for people age 65 and older, according to an AARP report.[4]

The largest long-term care claims have ranged from **$1.17 million** to over **$2.63 million** among seven long-term care insurance carriers.

Average cost in a nursing home per month:

NATIONALLY	
for a private room	$9,034
semi-private room	$7,908
NEW YORK	
for a private room	$13,231
semi-private room	$12,471
NEW JERSEY	
for a private room	$11,999
semi-private room	$11,650
CONNECTICUT,	
for a private room	$14,790
semi-private room	$13,090

From 2020 to 2021 alone, over **$11.5 billion** in long-term care claims have been paid.

Someone turning age 65 today has almost a **70%** chance of needing some type of long-term care, with women needing care longer (3.7 years) than men (2.2 years)[1].

Daily in-home care is **$59,488** with the understanding that costs in the tri-state region will be commensurately higher.

Nationally, the average annual cost for an assisted living facility is **$54,000**

$148/day

$4,500/month

[1] Source LongTermCare.gov.
[2] National Average.
[3] According to Genworth, national average
[4] Long-term care benefit eligibility typically occurs when you can no longer perform two ADLs.

LONG-TERM CARE

Biggest Takeaways

Someone turning age 65 today has an almost

70%

chance of needing long term care at some point in their lives

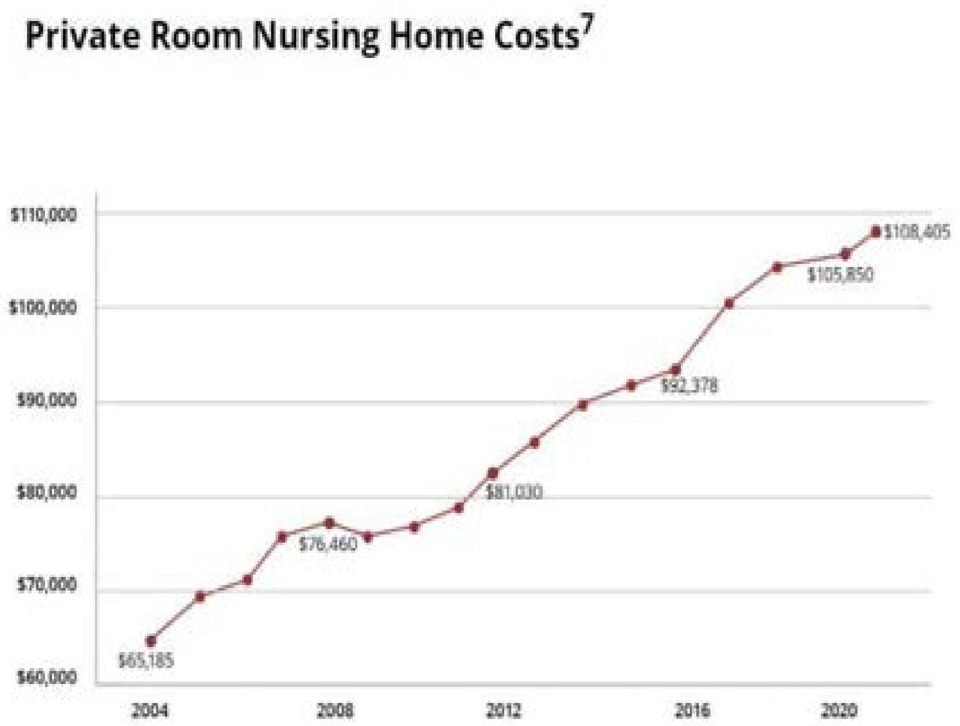
Medicare does not cover nursing home costs.

$118,464

Based on 365 days of care and private room in 2024

LONG-TERM CARE

Cost of Care Over Time



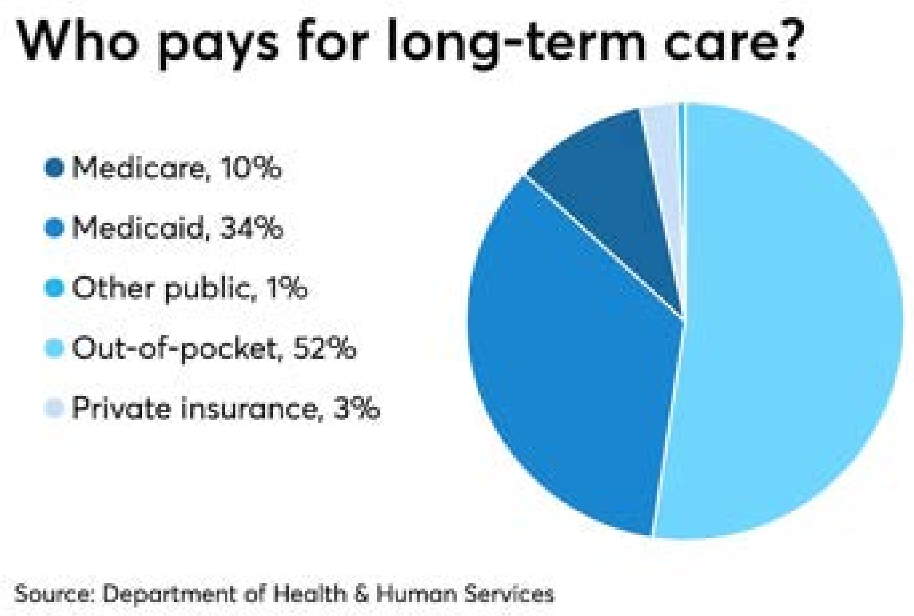
CBO Estimates on Future LTC & NH Expense Increases

CPI + 2.6%

"Conservative CBO estimates suggest total long-term care expenditures will increase at a **rate of 2.6% per year above inflation over the next thirty years**, to $154 billion in 2010, $195 billion in 2020, and a staggering $270 billion in 2030."

Source: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1464018/

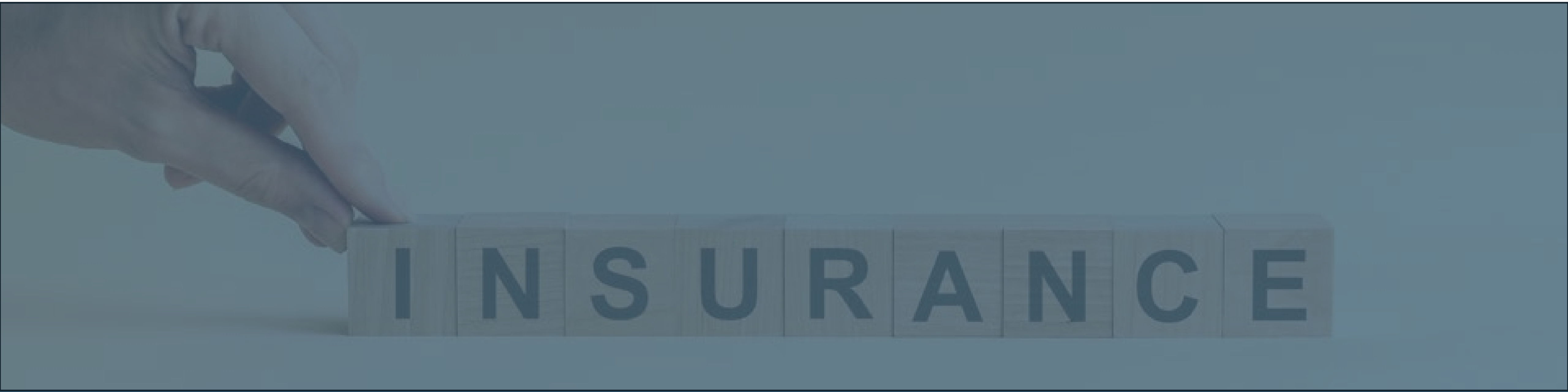
Most Common Payment Options



- Self Insure
- Medicaid Dependency
- Purchase Traditional LTC Insurance
  - Federal LTC Insurance Program
- Hybrid Life/LTC Policies
  - LTC Riders v Chronic Illness Riders
- Asset-Based LTC Policies
- Income Riders w Benefit Multipliers

Self Insuring

The Least/most Expensive Approach Available

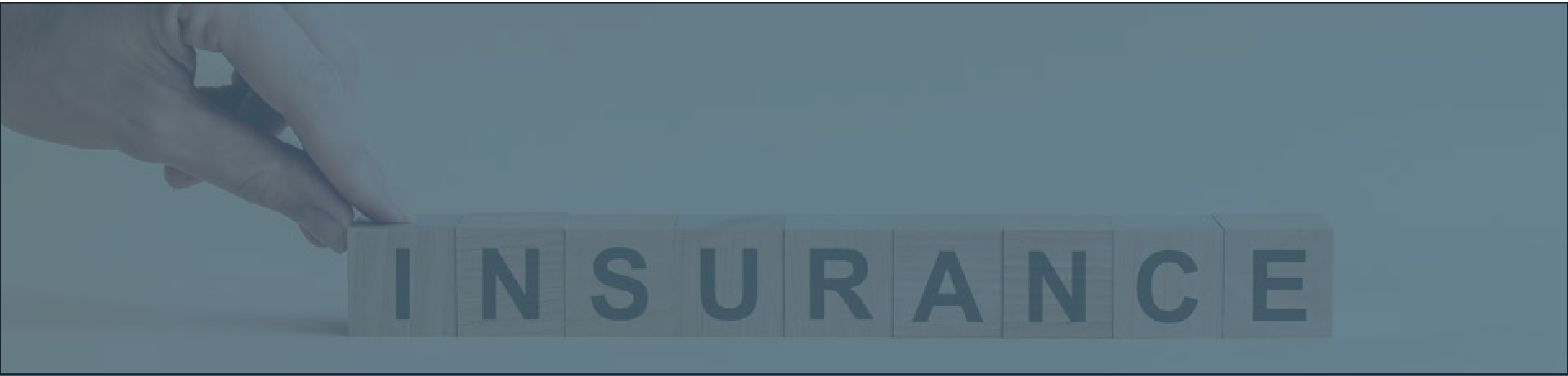


Using Income & Liquidating Assets to Pay for Care

- Least expensive option if you are in the minority of retired couples that won't need any assistance over the course of their life
- Potentially the most expensive option if you are in the majority of couples that will require some form of assistance aging gracefully

Self Insuring

The Least/most Expensive Approach Available



Using Income & Liquidating Assets to Pay for Care

Potential Tax Implications

- What is the tax treatment of the account you pull money from?
- What will the tax rates be when you need your money?

Timing/Cost to liquidate when funds are needed

- Need occur during Bull/Bear Mkt?
- Cognitive Capacity to pick funds for liquidation?
- Establish a Financial & Healthcare POA?

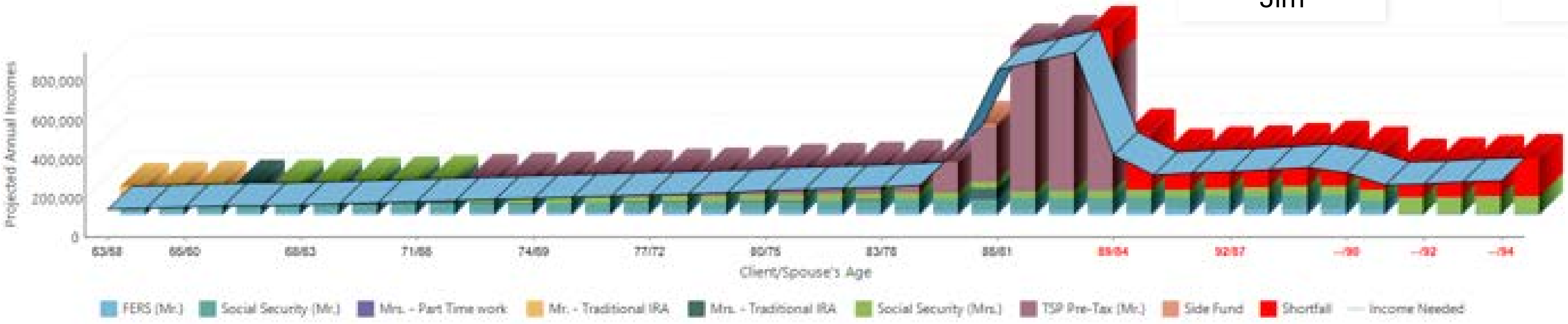
LONG-TERM CARE RISK: Mr. & Mrs. Sample-Case

SCENARIO #1

Assumed Cost of Care: $108,405
Assumed Rate of Increase: 6%
Length of Stay: 3.5 Years (42 Months)
Age @ Start of LTC Need: 85
Age 85 Nest Egg Balance: $2,928,050

Jim

Jane



Long-Term Care Expenses

Jim

Jane

What happens if Jim no longer has the resources to cover his cost of care?

npr DONATE

Shots

DIAGNOSIS: DEBT

Nursing homes are suing friends and family to collect on patients' bills

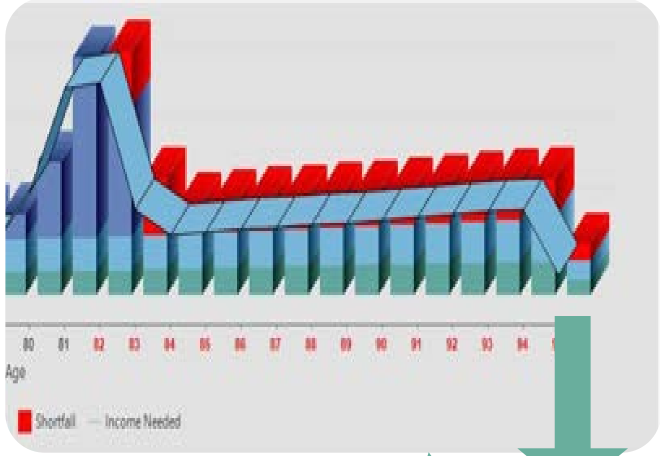
July 28, 2022 · 5:00 AM ET

NOAM LEVEY

Medicaid Spend-down

“Impoverished Spouse”

	Jim	Incomes	Jane
	$2,000/mo		$900/mo



Assets:

TSP: $350,000

Home: $150,000

Total: $500,000

Assets

Jim		Jane	
TSP:	**$175,000**	**TSP:**	**$175,000**
TSP:	**$3,000**	**TSP:**	**$123,600**
		Home:	**$150,000***

$35/mo

Net Worth: $173,600

Estate Recovery

+1 Car

+1 Burial Plot

+ Home (up to $500k)*

+ $10,000 CVLI

What is Traditional LTC Insurance?

Ltc Insurance

- Form of underwritten insurance that reimburses policy holder for approved Nursing Home expenses
  - Traditionally required NH confinement
  - Becoming more common to qualify via ADLs
- Premiums/benefits are rarely contractually guaranteed for life
- Must be able to qualify through underwriting (morbidity)

Federal LTC Insurance

- The Gov't offering for LTC insurance that is still underwritten by private insurance carriers (who bid for the contract every 7 yrs & may change over time)
  - Currently John Hancock
- Premium rates have increased each of the previous times FLTC contract was opened up for bidding
- Must be able to qualify through underwriting (morbidity)

Federal LTC Insurance Premiums

The Washington Post

Democracy Dies in Darkness

Costs skyrocket for feds' long-term-care insurance

FLTCIP rate increase history

Since 2002, John Hancock Life & Health Insurance Company has offered long term care insurance coverage to eligible members of the Federal family. In the past 10 years, we have raised rates for the following FLTCIP inforce benefit booklet series:

Benefit Booklet Series	Years Available for Sale	Year of Increase	Percentage of Increase
FLTCIP 1.0	2002–2009	2010	A 25% maximum increase was implemented for enrollees with the automatic compound inflation option (ACIO), whose age at purchase was 69 or younger.
FLTCIP 1.0 FLTCIP 2.0	2002–2009 2009–2015	2016	An overall average increase of 83% was implemented. The increase varied based on an enrollee's age at the time of enrollment, plan originally purchased, and plan design. ▸ 126% maximum increase was implemented for enrollees who originally purchased FLTCIP 1.0. ▸ 66% maximum increase was implemented for enrollees who originally purchased FLTCIP 2.0.

The Federal Long Term Care Insurance Program

Asset Based LTC: Two Models

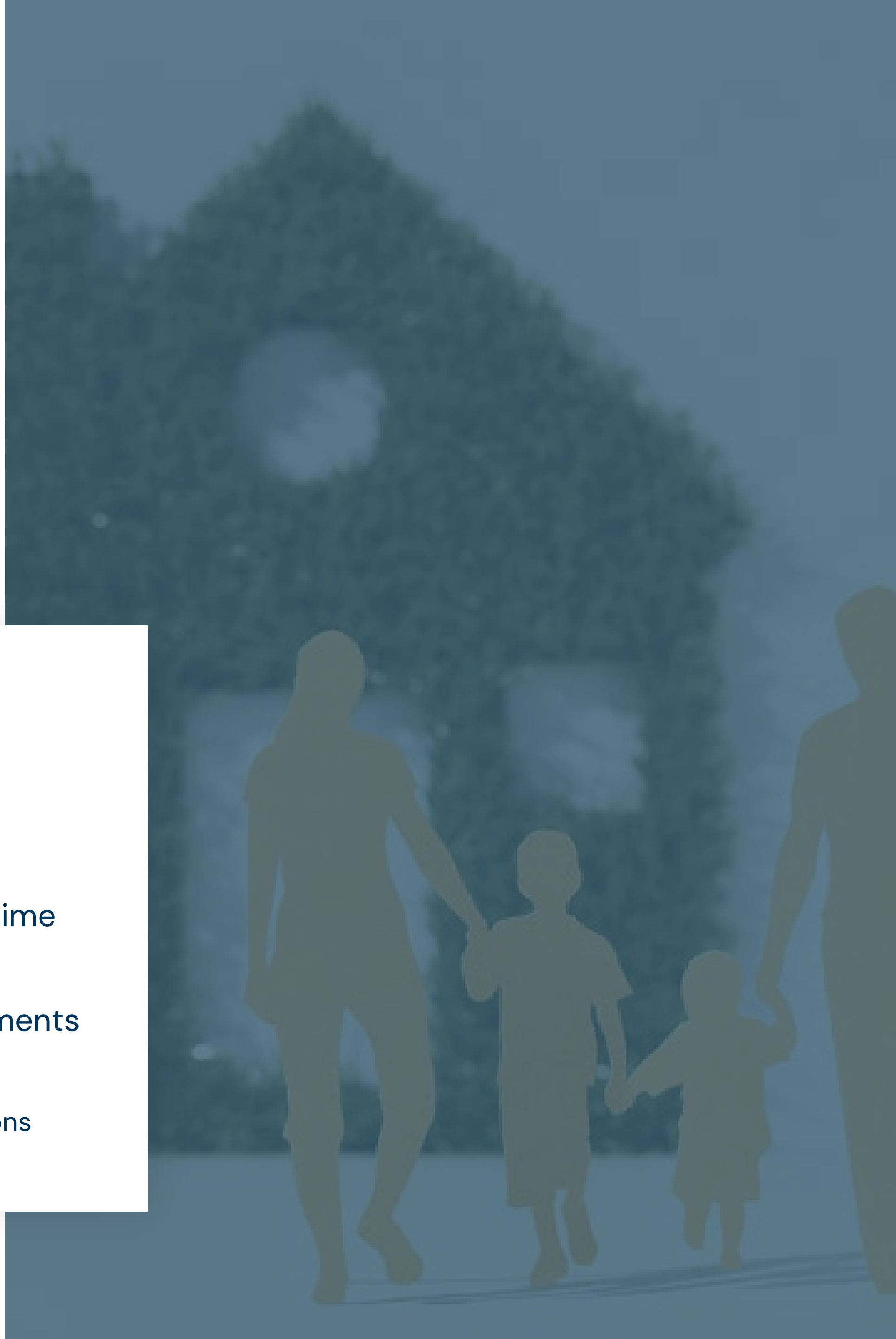
Leveraged Ltc Protection Alternatives Utilizing Assets

Asset-based LTC

- Still underwritten (morbidity)
- Can use Qualified assets to create Joint coverage
- Leverages assets (roughly 3:1)
- Return of Prem/DB options eliminate "Use it or Lose it" fears

Lifetime Income-based LTC

- LIFETIME INCOME–BASED LTC
- No underwriting requirement
- Utilized on accounts with Lifetime Income Rider
- Doubles Lifetime Income Payments for up to 5 years
  - ADL & Confinement Driven Options



Hybrid Life Insurance?

Long-term Care Rider

- An additional paid rider added to a life insurance policy that guarantees insured's ability to accelerate the policy Death Benefit
  - Qualify via inability to do 2/6 ADLs
- Rider usually has additional cost in order to guarantee benefit amount from policy start

Chronic Illness Rider

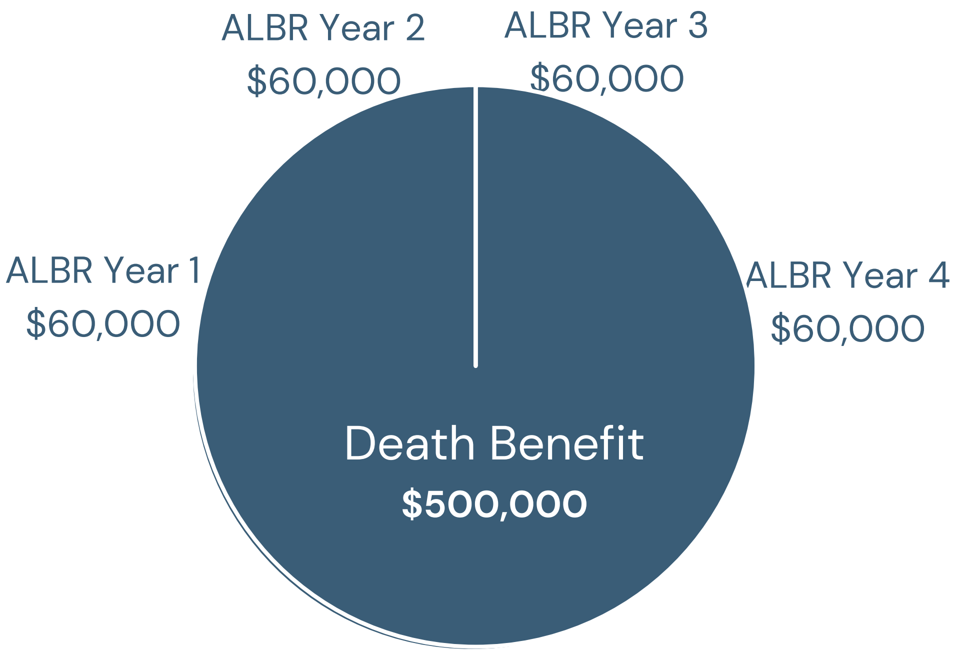
- An additional rider with no up front cost that guarantees policy owner's ability to accelerate the policy Death Benefit
  - Qualify via inability to do 2/6 ADLs
- Rider costs come out of the accelerated DB only if the rider is utilized prior to life expectancy (process called Discounting

Chronic Illness Rider

A highly flexible, tax-advantaged alternative to LTC Insurance

Jim

Jane



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Addressing LTC in a High Tax Environment

Prioritizing Flexibility for Life's Unknowns

Medicaid = Loan from state followed by "Estate Recovery"

Traditional LTC = expensive "use it or lose it" coverage

Insurances in General = highly leveraged protection

Prioritizing Tax Efficiency

Self-Insuring = exponentially harder in high tax environment

Traditional LTC = tax-advantaged benefits (if qualify to use)

Chronic Illness Rider = Tax-Advantaged DB Acceleration

Well-Fed Solution

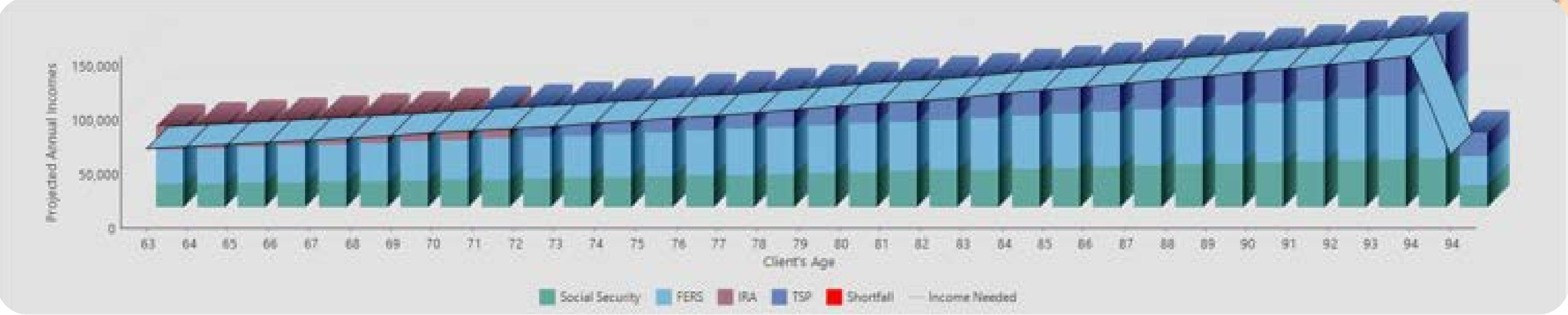
Insurance with highly flexible use cases

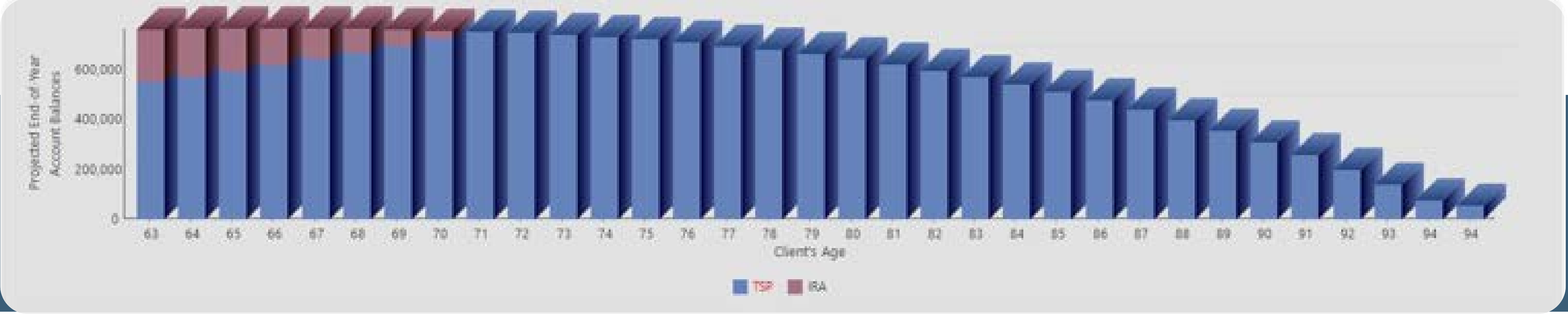
08

LONG-TERM CARE CASE STUDY

Retirement Projection

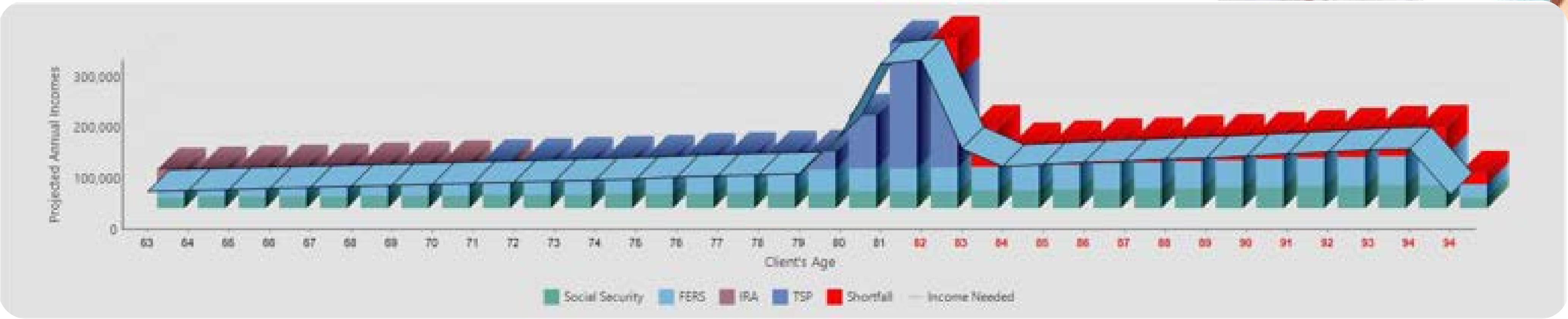
No LTC Episode

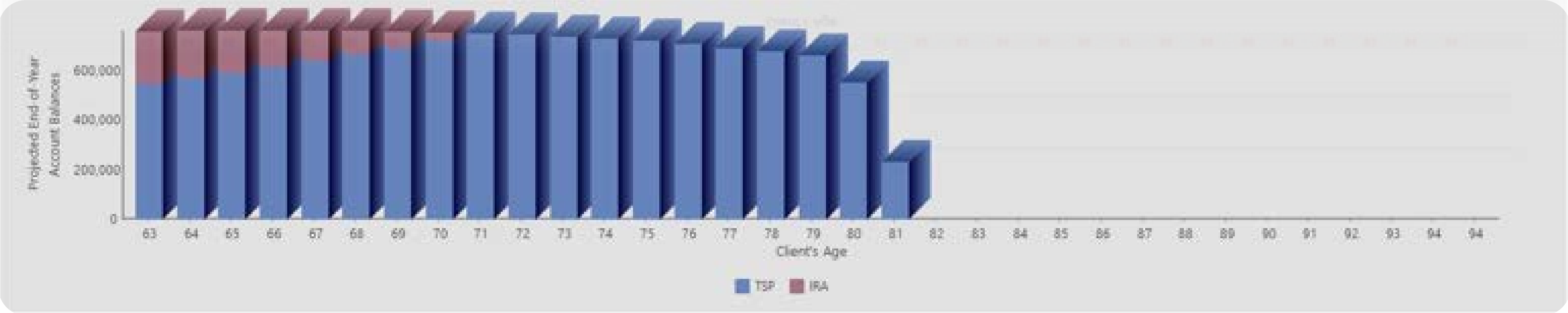




Retirement Projection

2.5 Year Nursing Home Expense

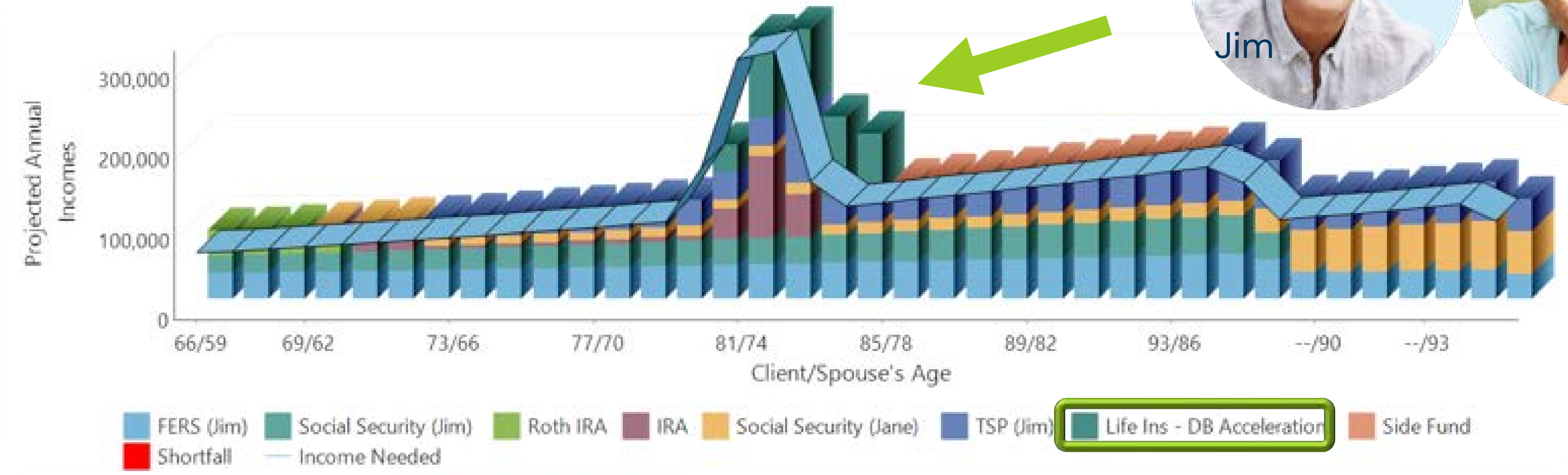


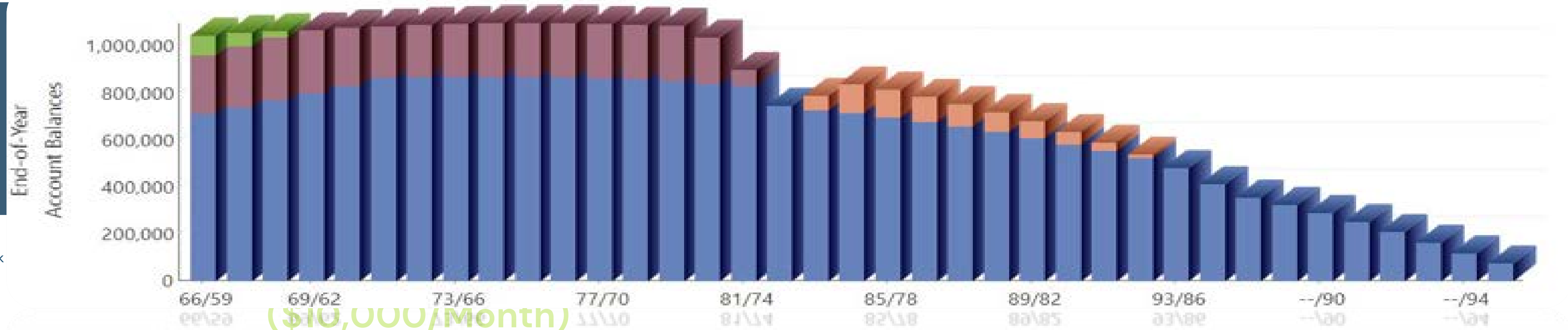


(LTC Episode @ age 80) (30 Month LTC Need) ($10,000/Month)

Retirement Projection

Solution: Chronic Illness Rider





www.walk

($10,000/Month)

FEDucated Food for Thought

Benefit Projection & Budget

Gauging how well positioned your assets are to see you through retirement depends on how quickly said assets are distributed

Review Protection Needs – Income/Legacy

What steps could be taken to help ensure that your retirement projection cannot be “blown up” if life throws you a curveball. Blend SSB & insurances to address.

Discuss LTC Approaches

If your wanting your kids to be your LTC plan, we need to make sure they know that! Compare self insuring, Traditional LTC, and flexible Living Benefit strategies.

Integrate with a Fed Focused Planner

Get a pro to help optimize the insurances and benefits afforded you in retirement by the government & coordinate them with individual coverage tailored to your needs & value system

Contact Our Team

LEARN MORE @ WALKERCPG.com

Learn more using the WCPG Toolbox on our website – articles, videos, calculators, event replays, and easy scheduling!

SCHEDULE AN INTRODUCITON

Brief phone call with a **WCPG Strategist** to chat & gather data for a personalized Retirement Benefits Forecast - reviewed with you during **Strategy Session**

RETIREMENT BENEFITS FORECAST

Review a powerful analysis that offers a 100% personalized model of your current retirement trajectory including Pensions, SS, & Nest Egg with ability to Stress Test in real time

WCPG STRATEGY RECOMMENDATIONS

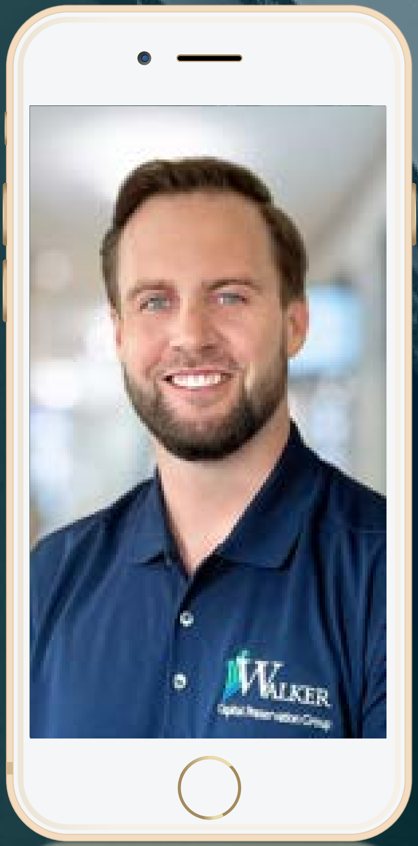
Identify Strengths & Weaknesses of current retirement trajectory. Identify WCPG Services that align with your concerns & can help fuel your retirement

Schedule Here!

Exclusive Offer

FEDucated Attendees Only

Step 1: Schedule a Call to Discuss Your Retirement with Walker Capital
Step 2: Get a FREE COPY of WELL-FED the best-selling retirement ‘cookbook’



Your Questions

Your Retirement

WCPG’s Services

Retirement Forecasting

CONTACT INFORMATION

Ready to get started? Great!

- Schedule your very own Introduction Call below!
  - Schedule an Introduction with WCPG Here!
  - 227 W 4th St. #233, Charlotte, NC 28202
  - (704) 879 3137
  - Info@walkercpg.com
- **Well-Fed: Cooking Up a Retirement of Abundance by Tom Walker**

  Amazon #1 New Release & Best-Selling Book in 9 Different Finance Categories!
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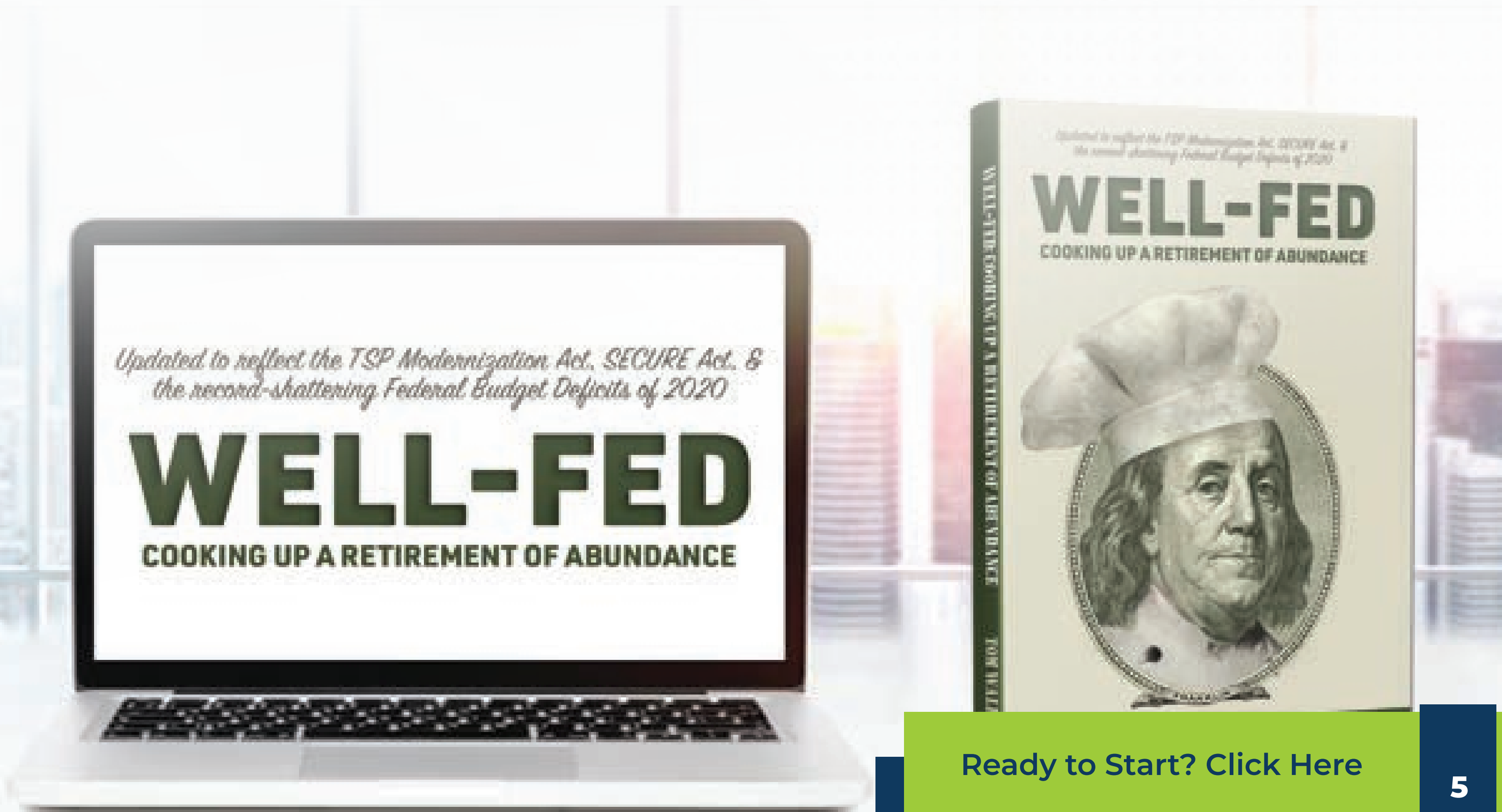

Ready to Start? Click Here

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FEDUCATED
FEDERAL RETIREMENT CURRICULUM

RETIREMENT IS A JOURNEY

Walker Capital Is Here To Help You Navigate