Dan Huslin
Licensed insurance agent

COMPANION WORKSHEET · THE LATCHKEY KID'S RETIREMENT PLAN

# Find your income gap

Fifteen minutes and a pencil. Write monthly amounts in today's dollars. Date: _____

## 1 What you spend each month

Check a few bank and card statements. Estimates are fine; round to the nearest $50.

### MUST-HAVES

| | |
|---|---|
| Housing mortgage or rent, property tax, HOA | $ _____ |
| Utilities, phone and internet | $ _____ |
| Groceries | $ _____ |
| Insurance home, auto, life | $ _____ |
| Health care Medicare premiums, supplement, prescriptions, out-of-pocket | $ _____ |
| Car and transportation payment, gas, upkeep | $ _____ |
| Debt payments | $ _____ |
| Income taxes estimated monthly | $ _____ |
| Other must-haves | $ _____ |
| **A. Must-haves subtotal** | **$ _____** |

### NICE-TO-HAVES

| | |
|---|---|
| Travel | $ _____ |
| Eating out and entertainment | $ _____ |
| Hobbies and memberships | $ _____ |
| Gifts, family and grandkids | $ _____ |
| Charitable giving | $ _____ |
| Set-aside for big items roof, car, the boat you swore you'd never buy | $ _____ |
| Other nice-to-haves | $ _____ |
| **B. Nice-to-haves subtotal** | **$ _____** |
| **Line 1. Total monthly spending (A + B)** | **$ _____** |



General information, not advice for your situation. Use your own estimates; Social Security amounts come from your statement at ssa.gov. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

## 2 Income that's guaranteed every month

Only income that shows up every month for life. Use amounts before taxes; your income taxes are already a line in section 1. Don't count your 401(k), IRA or savings: that's money you have, not income you get.

| | |
|---|---|
| Your Social Security at age ___ from your ssa.gov statement | $ _____ |
| Spouse or partner's Social Security at age ___ | $ _____ |
| Your pension starts at age ___ | $ _____ |
| Spouse or partner's pension starts at age ___ | $ _____ |
| Annuity income you already own | $ _____ |
| Other income guaranteed for life | $ _____ |
| **Line 2. Total guaranteed monthly income** | **$ _____** |

## 3 Your gap

| | |
|---|---|
| **Monthly gap: Line 1 minus Line 2** | **$ _____** |
| **Must-haves gap: A minus Line 2** | **$ _____** |
| **Yearly gap: monthly gap × 12** | **$ _____** |

## 4 If one of you dies first

Usually the survivor keeps the bigger Social Security check, not both. Check whether each pension or annuity keeps paying.

| | |
|---|---|
| Survivor's guaranteed income bigger Social Security check plus any survivor pension or annuity | $ _____ |
| Survivor's must-haves usually less than A, but not half | $ _____ |
| **Survivor's must-haves gap** | **$ _____** |

## 5 What your numbers tell you

**Must-haves gap is zero or less?** Your guaranteed income already covers the essentials. Your savings are for the nice-to-haves and surprises.

**Must-haves gap is more than zero?** That's the part of your basic bills that depends on your savings, and often on the market. Many people choose to cover that amount with guaranteed lifetime income, so a bad year can't touch the rent.

**Plan for prices to rise.** At 3% a year, today's $5,000 a month becomes about $10,000 a month in 24 years.

**Your gap, today:** $ _____ a month. Keep this page with the book. You'll use this number in Chapters 5 and 6.



General information, not advice for your situation. Use your own estimates; Social Security amounts come from your statement at ssa.gov. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

COMPANION WORKSHEET · THE LATCHKEY KID'S RETIREMENT PLAN

# Give your money a job

Every dollar you've saved can do one of three jobs. Rough numbers are fine. Date: _____

## 1 What you have today

Use your latest statements. Round to the nearest thousand.

| | |
|---|---|
| 401(k), 403(b) or 457 | $ _____ |
| Traditional IRA | $ _____ |
| Roth IRA | $ _____ |
| Brokerage account | $ _____ |
| Savings, money market and CDs | $ _____ |
| Annuities you own outside an IRA an annuity inside an IRA is already on the IRA line; don't count it twice | $ _____ |
| **Total savings** | **$ _____** |

Leave out life insurance cash value and HSAs. They have other jobs: protecting your family and paying medical bills.

## 2 Assign the jobs

### Safe money

Money you might need in the next few years: emergencies, a new roof, the car making that noise. It has to be there when you reach for it. Many people keep 6 to 12 months of must-have spending here, plus any big expenses they can see coming.

Amount for safe money $ _____

### Growth money

Money invested for the long haul, so it can ride out the bumps and keep up with rising prices. Some of it may pay for the nice-to-haves along the way; many people keep about a year of that spending in cash and refill it after good years.

Amount for growth money $ _____

### Income money

Money whose job is to fill your gap with a paycheck for life, so a bad year in the market can't touch the bills.

Amount for income money $ _____



General information, not advice for your situation. Use your own estimates; Social Security amounts come from your statement at ssa.gov. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

## 3 Check your math

| | |
|---|---|
| **Safe + growth + income** | **$ _____** |
| **Should equal your total savings from section 1** | **$ _____** |

## 4 Line it up with your gap

Bring these over from your Income Gap Worksheet.

| | |
|---|---|
| Monthly gap Line 1 minus Line 2 | $ _____ |
| Must-haves gap A minus Line 2 | $ _____ |

**Is there a must-haves gap?** That's the first thing income money is for. Covering it means your basic bills get paid no matter what the market does.

**How much income money does it take?** It depends on your age, when you want the income to start, and whether it needs to cover a spouse. Chapters 5 and 6 walk through it, or ask Dan for a quote with your real numbers.

**Nothing is wrong here yet.** This is a first pass. You'll come back to it in Chapter 6 and adjust.

## 5 Notes and questions

What would you want to ask before moving any money?



General information, not advice for your situation. Use your own estimates; Social Security amounts come from your statement at ssa.gov. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

COMPANION WORKSHEET · THE LATCHKEY KID'S RETIREMENT PLAN

# MYGA comparison sheet

Get quotes for the same term and the same deposit, then fill in one column for each. Ask the agent to show you where each answer is in the paperwork. Date: _____

## 1 The quotes

Deposit amount: $_____ Money coming from: _____

| | Option A | Option B | Option C |
|---|---|---|---|
| **Insurance company** | | | |
| **Product name** | | | |
| **Term**<br>years the rate is guaranteed | | | |
| **Rate**<br>and is it guaranteed for the whole term? | | | |
| **Minimum guaranteed renewal rate** | | | |
| **Surrender schedule**<br>the charge each year, in writing | | | |
| **Free withdrawal each year**<br>and starting when? | | | |
| **Market value adjustment?**<br>yes or no, and how it works | | | |
| **Rating**<br>and which agency | | | |
| **Nursing home / terminal illness waiver** | | | |
| **Death benefit**<br>account value? any charges? | | | |
| **Free-look period**<br>days, and what you get back | | | |
| **End of term**<br>the window to renew, move or withdraw | | | |
| **Minimum deposit** | | | |

## 2 Compare it with a CD

Same term, so it's a fair fight. Bank CDs are FDIC-insured and credit union certificates NCUA-insured, up to the limits; MYGAs are backed by the insurance company.

| | Bank or credit union | Rate | Term | Early withdrawal penalty |
|---|---|---|---|---|
| **CD** | | | | |

## 3 Which one fits the job?

Not just the biggest number. Which term matches when you'll need the money?

**Want to go through it together?**
Call Dan at 619-251-3868 or visit thedhagency.com/book

General information, not advice for your situation. Rates and terms change; confirm everything in the contract. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

COMPANION WORKSHEET · THE LATCHKEY KID'S RETIREMENT PLAN

# Map your tax buckets

Every retirement dollar falls into one of three tax buckets. Write each account's balance in the right column.
Date: _____

## 1 Sort your accounts

### 1. Tax later

Almost every dollar is taxed when it comes out (except any after-tax money you put in).

| | |
|---|---|
| 401(k), 403(b), 457 | $ _____ |
| Traditional IRA | $ _____ |
| IRA annuities | $ _____ |
| | $ _____ |
| **Total** | **$ _____** |

### 2. Tax on growth only

You put in taxed money. Only the growth is taxed, on different schedules.

| | |
|---|---|
| Savings, CDs | $ _____ |
| Brokerage | $ _____ |
| After-tax annuities | $ _____ |
| | $ _____ |
| **Total** | **$ _____** |

### 3. Tax-free

Roth money, once you meet the rules: age 59½ and the five-year clock.

| | |
|---|---|
| Roth IRA | $ _____ |
| Roth 401(k) | $ _____ |
| HSA (for medical bills) | $ _____ |
| | $ _____ |
| **Total** | **$ _____** |

## 2 How it splits

| | |
|---|---|
| Bucket 1 share of total bucket 1 ÷ all three | _____ % |
| Bucket 2 share | _____ % |
| Bucket 3 share | _____ % |

## 3 What it means

**Mostly in bucket 1?** That's normal for GenX. It also means a big tax bill is waiting, and RMDs will start forcing it out. For most people born in 1960 or later, RMDs start at 75.

**The gap years.** The years between retiring and starting RMDs (and Social Security) are often when your income is lowest. That can be a good time to move some money from bucket 1 to bucket 3 with Roth conversions.

**Watch the Medicare line.** Medicare looks back two years. Income at 63 can raise your premiums at 65.



General information, not tax advice. Tax rules change; confirm with a tax professional before converting or moving money. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

## 4 Plan the gap years

Fill in the years from when you stop working until RMDs start. Bring this to your tax professional.

| Year | Your age | Expected income | Income source | Conversion to ask about | Notes |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

## 5 Questions for your tax professional

- ☐ Would Roth conversions in my gap years make sense for me?
- ☐ How much could I convert each year and stay in my current bracket?
- ☐ How much could I convert and stay under the Medicare (IRMAA) line two years later?
- ☐ Where would the tax money come from? (Not from the converted money, ideally.)
- ☐ What will my RMDs look like at 75 if I do nothing?
- ☐ Would a conversion analysis show the effect on my Medicare premiums?

## 6 Notes



General information, not tax advice. Tax rules change; confirm with a tax professional before converting or moving money. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

ANNUITY OWNER WORKSHEET

# Your annual annuity review

Ten questions about your plans, and the numbers from your statement, for a yearly review of an annuity you already own. Date: _____

## Timing and income needs

**1 What month and year do you plan to retire?**

Is that date firm? Will you stop working completely or keep some part-time income?

**2 When do you need the first payment from your annuity?**

Would other savings cover a short gap if a later start produced a larger income?

**3 How much monthly income do you need from it?**

The amount you want to spend after taxes, and whether you need it every month.

**4 What other income will you and your spouse or partner have in retirement?**

Social Security, pensions, work or other sources: approximate amounts and start dates.

**5 Should the annuity income continue for your spouse or partner if you die first?**

How much income would they need, and which other household payments would stop?



General information, not advice for your situation. Contract features and terms vary by product and state. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

## Goals, access to savings and preferences

**6 What matters most to you about this annuity?**

Rank: lifetime income, income for a spouse, growing accessible savings, or leaving an inheritance.

**7 How much money will you keep readily available outside the annuity?**

Would that cover emergencies and any gap before Social Security or a pension begins?

**8 Do you expect large expenses or withdrawals in the next few years?**

Home repairs, vehicles, travel, medical costs, paying off debt or helping family.

**9 How do you feel about years with no new interest credited or no income increase?**

Would you prefer more predictable credits, more growth potential, or a mix?

**10 Have your family, health or finances changed since you bought it?**

Confirm your beneficiaries, and note anything that affects income or access to your money.

### Bring to the review

Your latest annuity statement, an estimated retirement budget, your Social Security and pension estimates, and a summary of other savings and expected large expenses.



General information, not advice for your situation. Contract features and terms vary by product and state. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

PART 3

# What the contract did this year

Copy these from your annual statement or ask the company. Comparing this year with last year shows how the contract is really doing.

| From your annual statement | This year | Last year |
|---|---|---|
| **Account value**<br>what the contract is worth today | | |
| **Surrender value**<br>what you'd get if you cashed it in today | | |
| **Income base, if you have an income rider**<br>a number used to figure income; not money you can withdraw | | |
| **Free withdrawal available this year** | | |
| **Rider charges taken this year** | | |
| **Interest credited this year**<br>and the rate, cap or participation rate for next year | | |
| **Renewal or guaranteed minimum rate** | | |
| **Withdrawals taken this year** | | |
| **Surrender period ends** | | |
| **Company rating**<br>agency, grade and date | | |
| **Beneficiaries on file**<br>primary and contingent; still right? | | |
| **Next decision date**<br>end of a rate period, income start, or surrender period | | |



General information, not advice for your situation. Contract features and terms vary by product and state. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

COMPANION WORKSHEET · THE LATCHKEY KID'S RETIREMENT PLAN

# Before you buy an annuity

Take this to every meeting, with every agent, including Dan. Write each answer down, then compare. Agent: _____ Date: _____

## ABOUT THE AGENT

**1.** How are you paid on this, and does it change depending on which product I choose?

**2.** How many companies can you show me today?

**3.** Why this product and not a simpler one?

**4.** What would make you tell me not to buy an annuity?

## ABOUT THE PRODUCT

**5.** What kind of annuity is this?

**6.** What is guaranteed, and what isn't? Show me where.

**7.** Any riders? What does each cost per year, and what does it do?

**8.** Can I see the illustration with guaranteed and projected numbers?

## ABOUT THE COMPANY

**9.** What's the company's financial strength rating, and who gave it?

**10.** How long has it been around, and are annuities a core business?

**11.** Does it make sense to split a large amount between two companies?

## ABOUT THE MONEY

**12.** What's the surrender schedule, year by year?

**13.** How much can I take out each year without a charge?

**14.** Is there a market value adjustment?

**15.** For a MYGA: what happens when the rate period ends?

**16.** Where's the money coming from, and are there taxes or penalties to move it?

## ABOUT THE EXITS

**17.** What happens to the money when I die?

**18.** If I need long-term care or have a terminal illness, are surrender charges waived?

**19.** How long is the free-look period, and what do I get back?

**Want to go through it together?**
Call Dan at 619-251-3868 or visit thedhagency.com/book

General information, not advice for your situation. Features and terms vary by product and state. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

ANSWER KEY

# What to listen for

A real answer points to a page in the paperwork. If you can't repeat it back in two sentences, don't sign.

| # | Question | A good answer | Red flag |
|---|---|---|---|
| | **ABOUT THE AGENT** | | |
| 1 | How are you paid on this, and does it change depending on which product I choose? | The insurance company pays me a commission. It doesn't come out of your deposit. Here's roughly what it is on each option. | "Don't worry about that." Or "It's free." |
| 2 | How many companies can you show me today? | Here are three, side by side. (Captive: "Just one, and here's what I'd compare it to.") | "This is the only one worth looking at." |
| 3 | Why this product and not a simpler one? | It does [your goal]. The simpler option is [X], and here's why I am or am not suggesting it. | Can't name a simpler option. |
| 4 | What would make you tell me not to buy an annuity? | If you'll need the money soon, have no emergency fund, or your must-haves are already covered. | "I can't think of a reason." |
| | **ABOUT THE PRODUCT** | | |
| 5 | What kind of annuity is this? | One plain sentence: "It's a five-year fixed-rate annuity." | A cloud of jargon. |
| 6 | What is guaranteed, and what isn't? Show me where. | The rate, minimums and surrender schedule, with the page number. | Only talks about the projected numbers. |
| 7 | Any riders? What does each cost per year, and what does it do? | About [x]% a year, does [y], and you can skip it. Here's the page. | "No cost" with nothing in writing. |
| 8 | Can I see the illustration with guaranteed and projected numbers? | Yes, this column is guaranteed and this one is projected, and here's why. | Won't show the guaranteed column. |
| | **ABOUT THE COMPANY** | | |
| 9 | What's the company's financial strength rating, and who gave it? | The agency, the full grade and the date. Then check it yourself. | "They're all the same." |
| 10 | How long has it been around, and are annuities a core business? | A year, and "Yes, it's what we do." | "That doesn't matter." |
| 11 | Does it make sense to split a large amount between two companies? | At your amount, here's whether splitting makes sense, and how we'd do it. | Using your state's guaranty association as a selling point. |
| | **ABOUT THE MONEY** | | |
| 12 | What's the surrender schedule, year by year? | A schedule that falls to zero, with the page number. | "It goes down over time." No numbers. |
| 13 | How much can I take out each year without a charge? | Here's exactly what this contract allows, and when. | "Take whatever you need." |
| 14 | Is there a market value adjustment? | No. Or yes, and here's how this contract calculates it and when it applies. | "What's that?" |
| 15 | For a MYGA: what happens when the rate period ends? | There's a window to renew, move or withdraw. Here's what happens if you do nothing. | "It renews automatically. Don't worry." |
| 16 | Where's the money coming from, and are there taxes or penalties to move it? | Here's how it moves and what it costs. Pre-tax money into a Roth is taxable. | A check made out to you, or ignoring surrender charges on what you're leaving. |
| | **ABOUT THE EXITS** | | |
| 17 | What happens to the money when I die? | It depends on the payout. Before income starts, usually the account value. Here's this contract. | Unsure, or no mention of options. |
| 18 | If I need long-term care or have a terminal illness, are surrender charges waived? | Many contracts do after a waiting period. Here's this one's rule. | "They all have that." Nothing shown. |
| 19 | How long is the free-look period, and what do I get back? | [X] days from delivery in your state, and what you get back. | Pressure to sign right away. |

**Want to go through it together?**
Call Dan at 619-251-3868 or visit thedhagency.com/book

General information, not advice for your situation. Features and terms vary by product and state. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

COMPANION WORKSHEET · THE LATCHKEY KID'S RETIREMENT PLAN

# Leave them the keys

Part 1: Beneficiary review. Log in or call each company; don't trust your memory. The form on file beats your will. Date: _____

## 1 Who's named on each account

| Account | Company & phone | Primary (%) | Contingent (%) | Checked on | Fix? |
|---|---|---|---|---|---|
| **401(k) / 403(b)** | | | | | |
| **Traditional IRA** | | | | | |
| **Roth IRA** | | | | | |
| **Annuity** | | | | | |
| **Annuity** | | | | | |
| **Life insurance** | | | | | |
| **Life insurance** | | | | | |
| **Bank (payable on death)** | | | | | |
| | | | | | |
| | | | | | |

## 2 Check each one

- ☐ Every account has a primary **and** a contingent beneficiary
- ☐ No ex-spouse is still listed (unless that's what you want)
- ☐ No minor child is named directly (use a trust or custodian; ask an attorney)
- ☐ Your estate is not named as beneficiary
- ☐ You've decided whether shares go "per stirpes" (down to grandkids)
- ☐ Your spouse has signed off if your 401(k) names someone else
- ☐ You have written confirmation of every change

**Want to go through it together?**
Call Dan at 619-251-3868 or visit thedhagency.com/book

General information, not legal advice. Rules for beneficiaries and estates vary by state and by plan; ask an estate attorney. © The Dark Horse Group, Inc.

Dan Huslin
Licensed insurance agent

PART 2

# The keys folder

One folder, paper or digital, that tells your family where everything is.

## 3 What goes in it

- ☐ Will (and pour-over will, if you have a trust)
- ☐ Durable financial power of attorney
- ☐ Beneficiary confirmations (from Part 1)
- ☐ Annuity contracts
- ☐ Last two years of tax returns
- ☐ Where your passwords are kept (not the passwords themselves)
- ☐ Trust documents
- ☐ Health care directive
- ☐ Life insurance policies
- ☐ Deeds and vehicle titles
- ☐ Social Security and Medicare information

## 4 Your accounts

| Account (bank, retirement, annuity, insurance, brokerage) | Company | Phone |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

## 5 Your people

| Who | Name | Phone |
|---|---|---|
| **Executor / successor trustee** | | |
| **Estate attorney** | | |
| **Tax professional** | | |
| **Insurance agent** | | |
| **Financial advisor** | | |

## 6 Where the folder is

Location: _____ Who knows: _____

**Want to go through it together?**
Call Dan at 619-251-3868 or visit thedhagency.com/book

General information, not legal advice. Rules for beneficiaries and estates vary by state and by plan; ask an estate attorney. © The Dark Horse Group, Inc.