

# Income Positioning<sup>SM</sup> System

## Sample Client Profile:

### Comprehensive retirement income planning



#### John and Mary Smith

**Current age:** 58 (John)  
59 (Mary)

**Savings:** \$550,000

**Earned income:** \$135,000

**Years to retirement:** 7

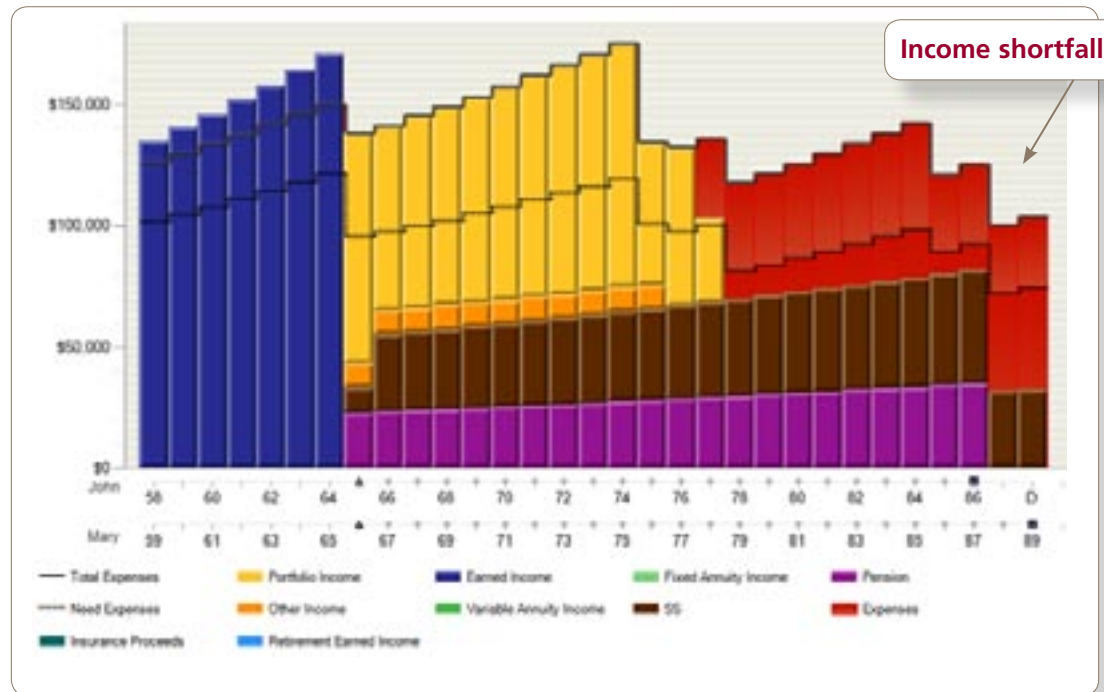
#### Goal: Comprehensive income planning for retirement in 5 to 10 years

John and Mary Smith\* believe they are well positioned for their intended retirement in seven years, at ages 65 and 66. They have \$550,000 in assets set aside for retirement, most invested in qualified accounts, plus an earned income of \$135,000 per year. They intend to reduce their living expenses to 80% of their preretirement lifestyle when they retire and even more later on. John has a modest pension, and they both anticipate taking full Social Security benefits at age 66.

However, when their financial advisor uses *Income Positioning<sup>SM</sup> System* (iPS) to show them their existing plans, they realize that they may run out of income well before their normal life expectancies and may need to make modifications in order to ensure a secure retirement.

Fortunately for John and Mary, they still have a few years before retirement. iPS can help them gain a clear picture of the options available to them.

#### Here's how John and Mary's current plan looks:



#### Analysis:

Based on their current living expenses, John and Mary will run out of income in their 70s unless they explore some alternative scenarios.

\* This is a hypothetical scenario designed for illustrative purposes only.



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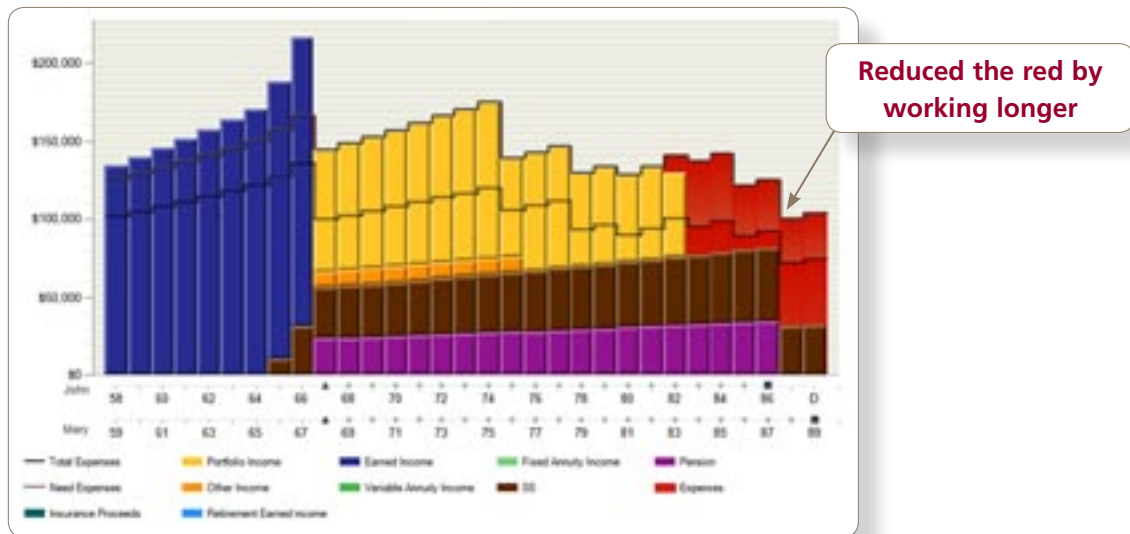
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## Potential solutions that can be modeled using iPS

A benefit of using iPS for retirement income planning is the capacity to explore various “what-if” scenarios to help plan for the expected and the unexpected and to show potential solutions for each client.

### Scenario A:

Delay retirement and work for an additional two years.

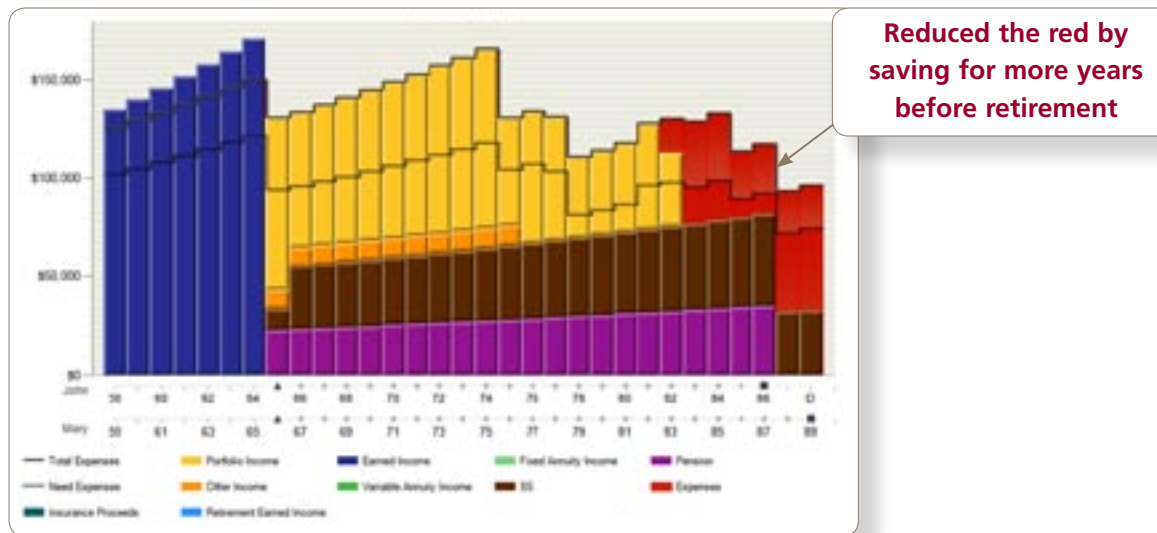


### Analysis:

Delaying retirement and collecting income for two more years extends John and Mary’s income into their 80s. However, if they are to live to their life expectancies without making changes to their lifestyle, they will not have enough income to cover their expenses.

### Scenario B:

Shift \$500 from discretionary spending to savings.



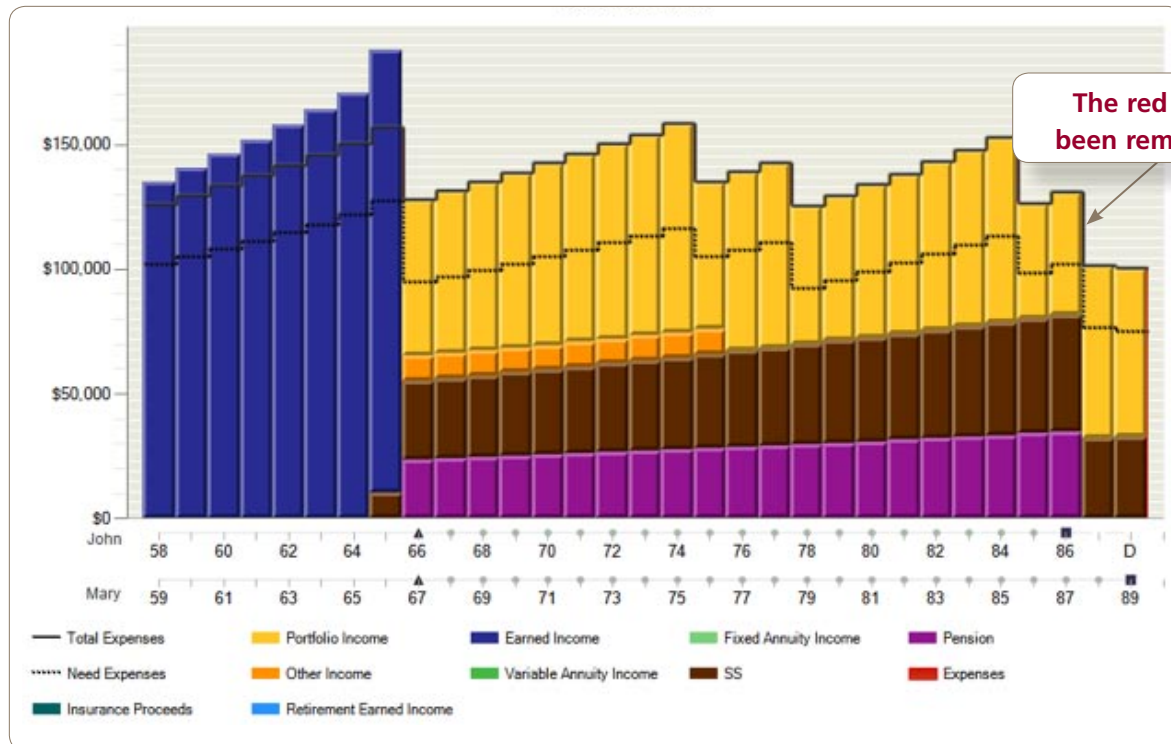
### Analysis:

Putting more money toward savings by reducing expenses works to extend John and Mary’s income into their 80s, but it’s still not enough.

## Scenario C:

Take all of the following actions

- Delay retirement for an additional year
- Save an additional \$250 a month for retirement
- Invest income portfolio at a higher overall rate of return. (Please note that by investing for a higher rate of return, the client takes on a greater level of risk.)



### Analysis:

Through a combination of moderate changes in spending and overall strategy, John and Mary can see the effect of these changes and how they can create a long-term income strategy to meet their retirement lifestyle needs.

**You can use iPS with your clients who are currently retired or nearing retirement; experiencing major life changes, such as changing jobs or careers; or looking for sustainable sources of retirement income. Talk to your clients about their retirement income plans today.**

### With iPS, you can

- Create customized retirement strategies for each of your clients.
- Explore various “what-if” scenarios to help plan for the expected and the unexpected.
- Identify retirement expenses in terms of “needs and wants.”
- Strengthen client relationships and solidify your role as a trusted advisor.

**iPS enables you to engage your clients in a simplified, visual planning process to help them reach their retirement goals.**

**To talk to our sales team about how iPS can help you, call 1-866-iPS-ForU, option 2 or e-mail [iPS@lfg.com](mailto:iPS@lfg.com).**

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### Important disclosures. Please read.

The *Income Positioning*<sup>SM</sup> System is an integrated income positioning software, retirement income process, and practice management offering that serves as a platform for the promotion of Lincoln products and services. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates, including The Lincoln National Life Insurance Company, Fort Wayne, IN, and Lincoln Life & Annuity Company of New York, Syracuse, NY. Affiliates are separately responsible for their own financial and contractual obligations.

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