Finding a Medicare Plan That Makes the Most Sense for You

LIFETIME INCOME CASE STUDY

Presented by ***Puplava Financial Services, Inc.***
Registered Investment Advisor

Joe and Kate Tucker

Important Notice:

This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.

ESSENTIAL INFORMATION

Client:	Joe and Kate Tucker.
Age:	Joe and Kate are both 64.
Retirement:	Both would like to retire in 1-2 years.
Life expectancy:	Joe age 81. Kate age 89.
Risk tolerance:	Moderately Conservative.
Investment objective:	Income with Capital Preservation.

WHO ARE JOE & KATE?

Name: Joe

Age: 64

Job: Engineer

Joe has enjoyed his entire career as an aerospace engineer but has recently become eager to retire within the last several years because of constant changes and new challenges at work. He has grown tired from the strain of working and commuting to his job and is ready to slow down and live the simple life. Joe is excited and yet scared about the prospect of retirement because of his concerns about high medical expenses and whether or not they have saved enough to live off their assets. Joe lives with diabetes and regularly visits the doctor due to complications he has begun to experience from the disease.

Name: Kate

Age: 64

Job: Bookkeeper

Kate is very excited about the prospect of retiring. She is eager to spend more time with her family and also participating in more charity work through her church. Kate shares her husband's concerns about medical costs and feels overwhelmed about having to be the one to make decisions about healthcare and other aspects of their imminent retirement. Kate would like to be able to leave some money for her kids and for her favorite charity but only after she is made certain that their retirement needs have been met.

JOE & KATE'S CURRENT RISK STRATEGY

Most Conservative **1** - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - **10** **Most Aggressive**

Current Risk Score

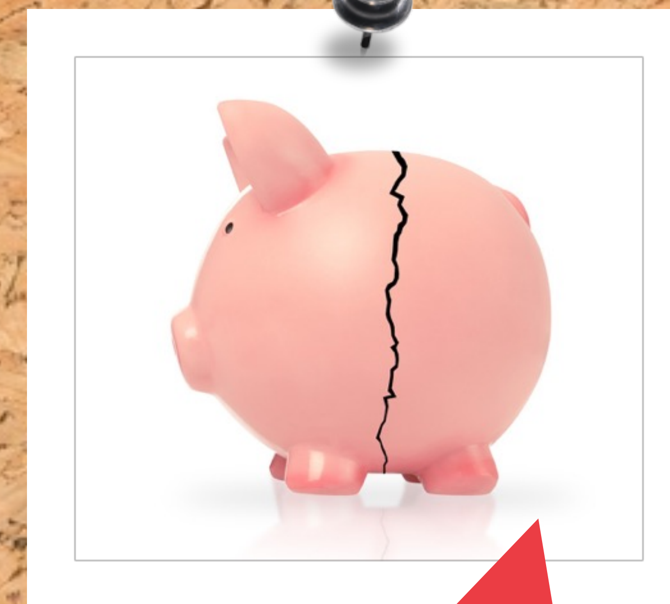
4

Portfolio Risk Score

6

WHAT IS IMPORTANT TO JOE & KATE?

Leaving a legacy

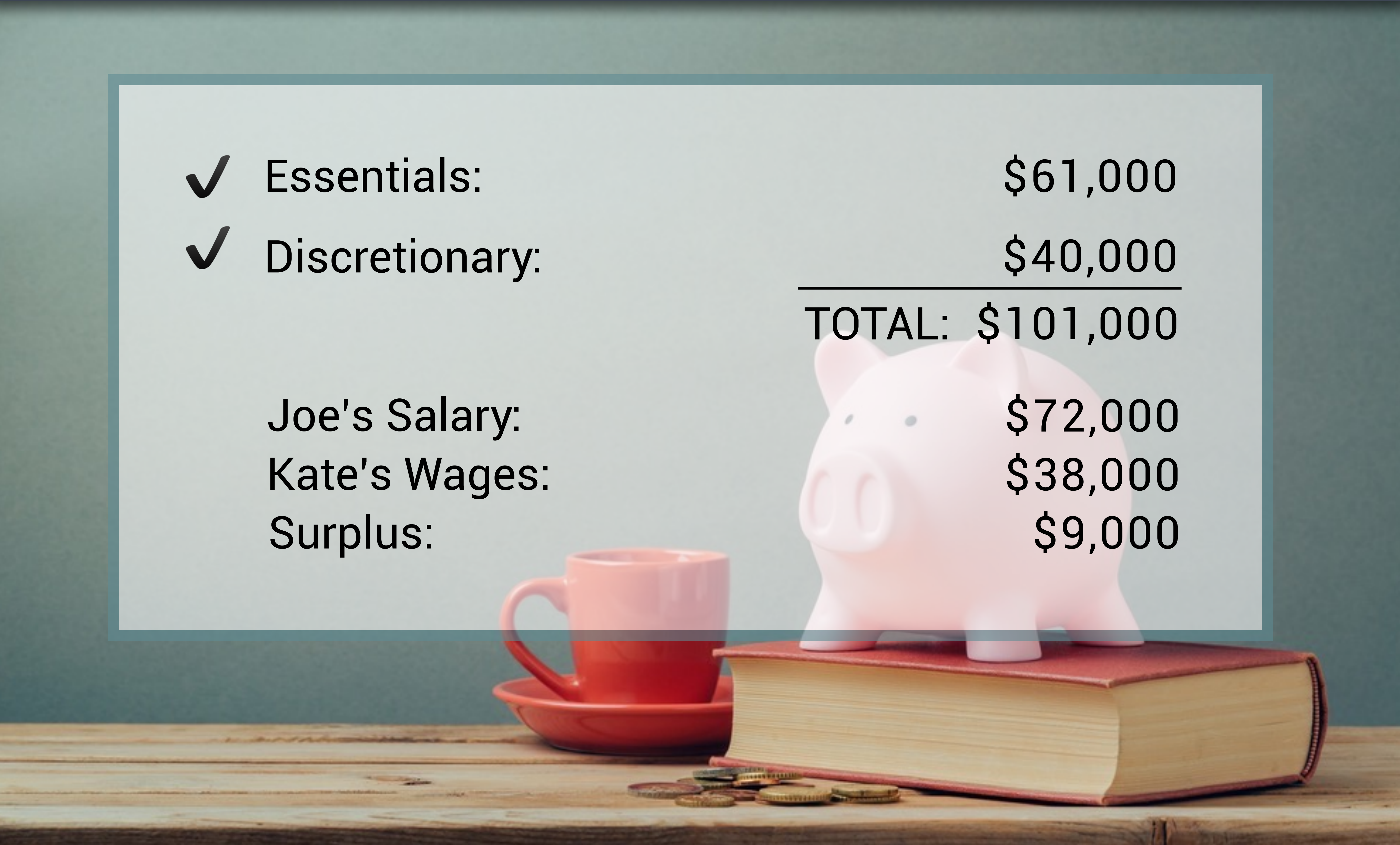


Not outliving retirement assets

Finding a Medicare plan that fits their needs

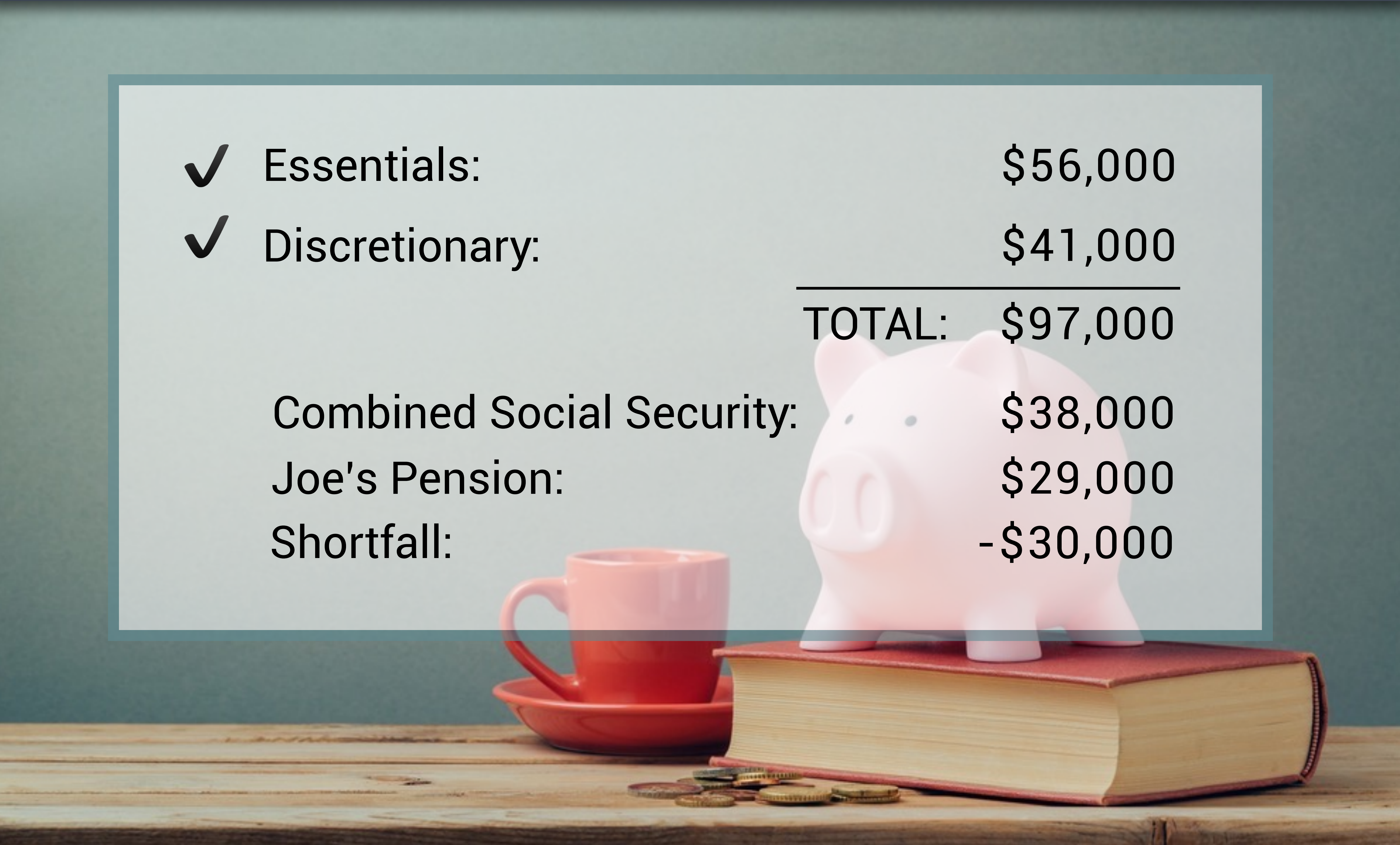
Having adequate retirement income

JOE & KATE'S CURRENT BUDGET



✔ Essentials:	$61,000
✔ Discretionary:	$40,000
TOTAL:	$101,000
Joe's Salary:	$72,000
Kate's Wages:	$38,000
Surplus:	$9,000

JOE & KATE'S RETIREMENT BUDGET



✓ Essentials:	$56,000
✓ Discretionary:	$41,000
TOTAL:	$97,000

Combined Social Security:	$38,000
Joe's Pension:	$29,000
Shortfall:	-$30,000

JOE & KATE'S ASSETS

Non-Investment Assets

- ✓ Primary Residence: $260,000

Investment Assets

- ✓ Joe's Retirement: $352,000
- ✓ Kate's Retirement: $127,000
- ✓ Joint/Taxable Accounts: $210,000
- ✓ Precious Metals & Cash: $420,000

Total Investment Assets	$1,109,000
Total Assets:	$1,318,000
Liabilities:	-$160,000
Net Worth:	$1,158,000

JOE & KATE'S FINANCIAL PLAN CHALLENGES

1. Finding a medicare plan that is flexible and cost-effective.
2. Managing healthcare costs in retirement.
3. Reallocating their investments for better diversification.
4. Developing a plan to create a legacy.

JOE & KATE'S RETIREMENT INCOME STRATEGY

Joe's Pension	$29,000/Year
Combined Social Security	$38,000/Year

Investment Income

Joe's Retire.	$352K	Fixed Income & Dividend Payers @ 3.2%[1]	$11,264
Kate's Retire.	$127K	Fixed Income & Dividend Payers @ 3.2%[2]	$4,064
Joint/ROS	$210K	Fixed Income & Dividend Payers @ 3.2%[3]	$6,720
PM Proceeds	$320K	Fixed Income & Dividend Payers @ 3.2%[4]	$10,240
		Total Investment Income	$32,288
		Grand Total Income	**$99,288**
		Less Budget	$97,000
		Surplus	**$2,288**

1, 2, 3 & 4: Yields are for current portfolio yields as of 8/31/17. Please see disclosures at the end of this presentation for security risks.

GOAL BASED RECOMMENDATIONS FOR JOE & KATE

Goal	Strategy
Managing healthcare costs	As they enroll in Medicare, we recommended that Joe and Kate both select a Medigap policy due to the chronic condition of diabetes. We suggested this coverage in order to help control costs and provide flexibility in the case that Joe has more unexpected health complications.
Not outliving assets	We recommend they update their portfolio's investment allocation to match up with their current needs. This meant reducing volatility and exposure to large holdings in precious metals. Our objective was to help them meet their income needs and provide them a better chance of not running out of money.
Leaving behind a legacy	We had them work with an attorney to create a trust to protect their assets from probate. We advised them to appoint a couple charities as beneficiaries for Kate's IRA as well as name the kids as beneficiaries for Joe and Kate's taxable accounts. By naming the charity as the beneficiary, the charity could receive the proceeds tax-free upon Joe and Kate's death. In addition, the taxable assets would easily move to the kids along with a step up in cost basis.

Disclosures:

1. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

2. The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.

3. Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.

Puplava Financial Services, Inc.

Registered Investment Advisor

If you have any specific questions or comments, please give us a call at

(858) 487-3939

We're happy to speak with you.

Post Office Box 503147 - San Diego, CA 92150-3147
10809 Thornmint Road 2nd Floor - San Diego, CA 92127-2403
(888) 486-3939 Toll Free (858) 487-3939 Tel (858) 487-3969 Fax

Advisory services offered by Puplava Financial Services, Inc.
An SEC Registered Investment Advisor.