



Jane and John Smith Financial Plan

May 7, 2022

GOALS

- Create comfortable retirement in 20 years
- Take a family vacation every year
- Fully fund both children's education

CASH FLOW/DEBT

- Plan to save most of raise, invest bonus when received in December
- Keep mortgage at low 2.5% rate, plan to pay off in next 5 years
- Make sure to use a password wallet, credit should be frozen at all three bureaus

INSURANCE PLANNING

- Shop home and auto insurance, raise deductibles to highest amount and raise liability insurance to highest amount allowable for auto
- Need disability insurance to protect future income
- Do not need additional life insurance as \$2M term is plenty, surrender whole life policies

TAX PLANNING

- Need latest pay stub for accurate withholdings
- Plan to convert \$25K from Traditional to Roth IRA this year to fill up 24% tax bracket
- Need to make estimated payments of to hit Safe Harbor amount for this year

RETIREMENT PLANNING

- Portfolio of \$3M can produce \$12K monthly + \$4K SS income = \$16K pretax
- Plan to retire in 15 years or shift to part time work
- Plan to consolidate all retirement plans into IRAs at one provider

INVESTMENT PLANNING

- Portfolio is overweight stocks at 88%, should be around 75/25 given risk tolerance
- Exercise stock options and sell the stock and reinvest in diversified portfolio
- Tax coordinate 401(k) and IRA and engage in tax loss harvesting for more tax alpha

ESTATE PLANNING

- Get Will, Healthcare POA, Living Will and POA done
- Put all real estate in a revocable living trust to avoid probate
- Update beneficiary designations on all investment accounts and insurance policies