Genworth

Creating Your

Plan for Living

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What is a Plan for Living?

You've been saving for retirement for many years. Now's the time to create a plan designed to make sure those hard-earned savings can last a lifetime. To enjoy your retirement dreams, it's vitally important to be well prepared for any roadblocks that can unexpectedly get in the way. Having a well-designed retirement plan can help ensure you have – and always maintain – the lifestyle you envision.

Ready to get started?

Expect to spend around 45 minutes completing the workbook.

All guarantees for insurance and annuity products are based on the claims-paying ability of the issuing company.

1. Looking Ahead

Put yourself in control by understanding the future risks you may face and the questions you should ask right now.

2. Creating Your Plan

See how you can plan for a lifelong income with the help of our easy-to-complete worksheets.

3. Taking Action

Use your completed worksheets to build a customized action plan with your financial professional.

1: Looking Ahead

Many risks can impact your retirement lifestyle, some of which are beyond your control. Let's review the main potential risks to your long-term financial security:

RISK:

Running Out of Money

Two key issues that could increase the odds of running out of money during retirement are poor portfolio performance (market volatility) and outliving your assets.

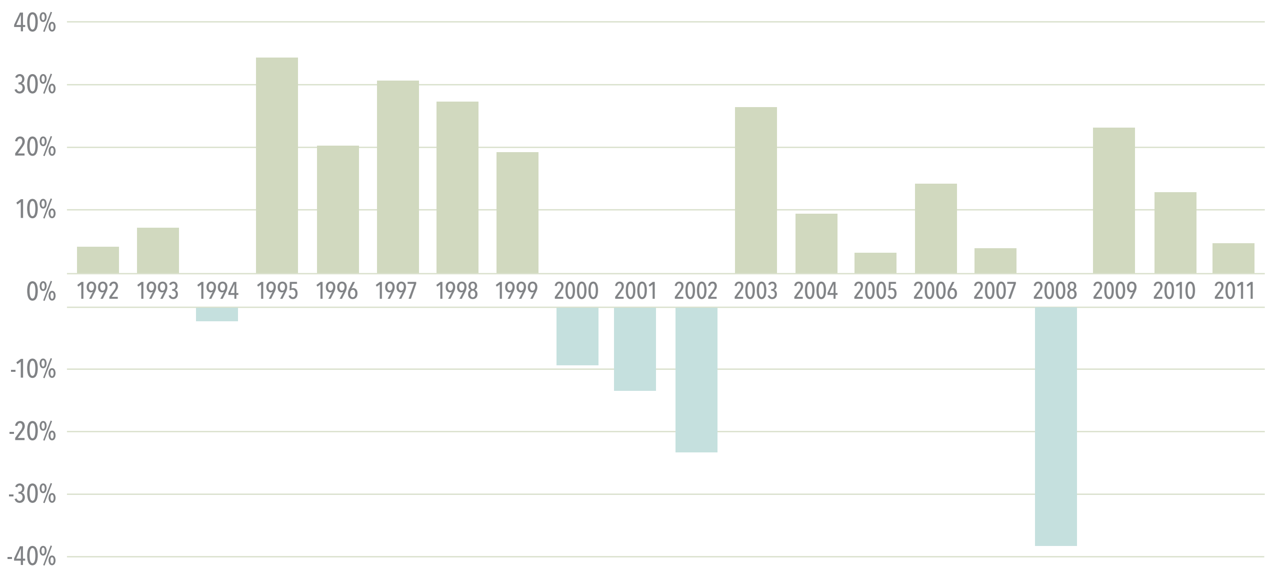
During the last decade, the stock and bond markets have experienced substantial volatility. While a portfolio of stocks and bonds is expected to grow in value over the long term, market volatility can quickly alter your retirement plans if a substantial decline occurs within 10 years before or after you begin retirement. This is why it's important to create a retirement income plan designed to withstand the market's ups and downs.

Questions
to ask your financial professional...

- Will my current mix of portfolio assets provide me with long-term growth as well as reliable cash flow when I need it?
- Is my current retirement income plan designed to help keep up with inflation?
- Are there things I can do to ensure I have guaranteed income every month, even when the market is down?
- Is my income plan flexible enough if I choose to retire sooner? Or later?

For those relying on market performance, timing and luck could play a large role in whether their retirement portfolio lasts a lifetime.

S&P 500® Total Returns

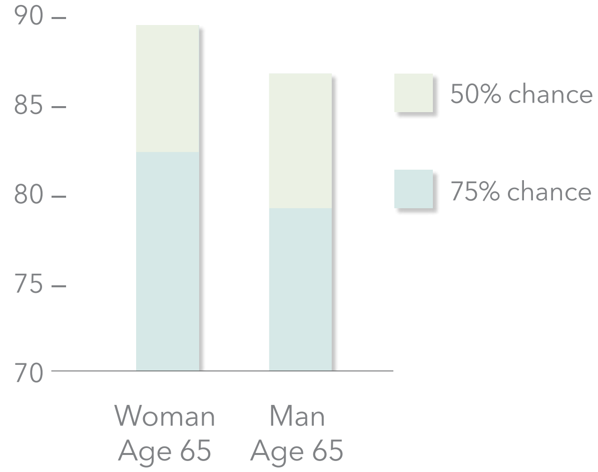


Source: Standard & Poor's 02/27/2012. Annual returns including dividends.
Past performance is not indicative of future results.

THINGS TO CONSIDER:

Your Life Expectancy

A well-designed retirement income plan should also provide you with money that will last for as long as you live, and help you keep your desired standard of living throughout retirement. How long might that be ? For a healthy 65-year-old couple, there is a 67% chance that at least one of them will live to almost age 90 and a 38% chance that at least one will live to age 95.* Income sources guaranteed for life can help ensure your money lasts for your lifetime.



*Genworth Financial companies research on healthy individuals, assuming 80% of A2000 Basic ANB mortality. Feb. 2012.

Ask your financial professional about ways to guarantee that you don't outlive your income.

Your Life Expectancy

YOUR AGE TODAY	You have a 50% chance of living to at least…		And you have a 75% chance of living to at least…	
	Female	Male	Female	Male
55	89	86	81	77
56	89	86	82	77
57	89	86	82	78
58	89	86	82	78
59	89	86	82	78
60	89	86	82	78
61	89	86	82	78
62	89	86	82	78
63	89	86	82	79
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69	90	87	83	80
70	90	87	83	80
71	90	87	83	81
72	90	87	84	81
73	90	88	84	81
74	90	88	84	82
75	90	88	84	82
76	90	88	85	83
77	91	89	85	83
78	91	89	86	84
79	91	89	86	84
80	91	90	86	85

Source: Genworth Financial companies research on healthy individuals, assuming 80% of A2000 Basic ANB mortality. Feb. 2012.

RISK:

Unknown Health-Related Costs

When planning for healthcare expenses, be sure to consider protection not only for traditional healthcare, but also for long term care needs. An unexpected healthcare event or long term care need can have a dramatic impact on your retirement savings if you have to pay for those expenses out of pocket.

A need for long term care services poses an even larger expense. Typical health insurance plans do not cover the cost of long term care services and, generally, Medicare is not designed to adequately pay for long term care. In most states, aid for these types of services under Medicaid is available only to those with limited assets and low incomes (as defined by Medicaid). Middle income Americans may qualify for Medicaid but only after they have spent down and depleted most of their own assets.

Even if you have enough income to pay for out-of-pocket expenses, be sure to consider the impact an unplanned long term care need could have on your retirement security.

Average Annual Health Care Expenses for Persons Age 65 and Older	Current	Projected 10 years	Projected 20 years	Projected 30 years
Health Insurance	$3,085	$4,059	$5,034	$6,009
Medical Services & Supplies	$953	$1,254	$1,555	$1,856
Drugs – including prescription drugs	$805	$1,059	$1,313	$1,568

Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, September 2011. Projections based on an inflation rate of 3%.

Questions

to ask your financial professional...

- How would I pay for an unexpected long term care need?
- What financial strategies are available to help protect my assets?
- If I had a long term care need, which assets would I draw from to pay those bills?

to ask yourself...

- Who would I like to care for me and where?
- If a relative or friend is willing, would I be a burden to them?
- How would caring for me impact their relationships with their spouses and children?
- How would it impact their careers, income and financial security?

THINGS TO CONSIDER:

Cost of Long Term Care

It's no surprise that the majority of people who need long term care want to be cared for at home rather than in a nursing home or assisted living facility. As a result, more than 70% of long term care insurance claims paid are for Home Care services.* Putting a plan in place now can help ensure you have more control over important decisions later in life, like where you will receive care. The map below shows the annual median rate for Home Care services by state. For more information on the cost of home care, assisted living facilities and nursing homes, visit this website: genworth.com/cocpro.

Genworth 2012 Cost of Care Survey

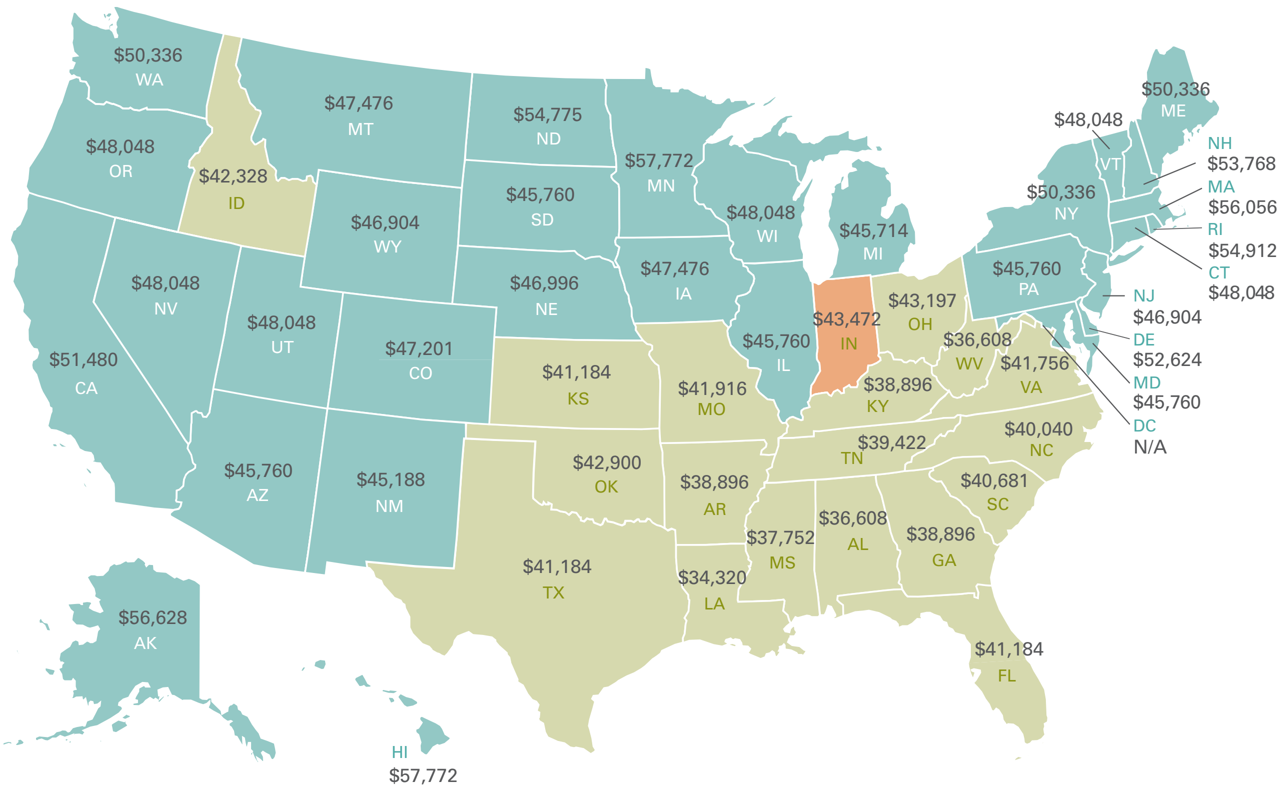
Home Care Services US Median Annual Rate: $43,472

Above National Median

At National Median

Below National Median

The cost of home care varies depending on where you live. Rates are highest in major urban areas and on the coasts.



Annual Median Cost of Home and Facility-Based Care	Current	Projected 10 years	Projected 20 years	Projected 30 years
Assisted Living Facility (One-Bedroom, Single Occupancy)	$39,600	$62,211	$84,823	$107,316
Nursing Home (Semi-Private Room)	$73,000	$105,850	$138,700	$171,550
Nursing Home (Private Room)	$81,030	$115,710	$150,390	$185,070

For detailed information on the cost of long term care in your area, visit genworth.com/cocpro.**

* Genworth Financial, Long Term Care Claims Experience Data, December 1974 through 12/31/11.

** Genworth's 2012 Cost of Care Survey, conducted by CareScout®, 4/12. Projections based on five year annual growth rate.

2: Creating Your Plan

There are many things to consider when developing a plan for retirement including your withdrawal strategy, impact of inflation, and Social Security benefits.

These pages include helpful tools and information that will assist you in filling out the worksheets on pages 8 and 9.

Understand the Limitations of a 4% Annual Withdrawal Plan

Many financial professionals recommend withdrawing no more than 4% annually from your retirement savings to reduce the risk of depleting your portfolio too early. While most financial professionals consider this recommendation a "conservative" strategy, it does not guarantee lifetime income.

Consider the Impact of Inflation

Inflation must be accounted for when building a retirement income plan designed to last a lifetime. The chart below can help you choose an inflation rate you'll feel comfortable with as you complete the worksheets on the following pages.

1. Determine how conservatively you want to plan for inflation in retirement.
2. Find the inflation factor that corresponds to the years you are from retirement.
3. Use this factor to complete your worksheets where you see the symbol ○.

○ Rate of Inflation		Number of Years Until Retirement: 0	5	10	15	20	25	30
3% – Average rate over the past 20 years	Inflation Factors	1.00	1.16	1.34	1.56	1.81	2.09	2.43
5% – More conservative, "Play it Safe" option	Inflation Factors	1.00	1.28	1.63	2.08	2.65	3.39	4.32

Source: Bureau of Labor Statistics, Consumer Price Index, 1991-2011, Last 20 Years. Feb. 2012.

Inflation may seem insignificant from year to year, but its cumulative impact over a 20- or 30-year retirement can be significant.

Social Security

How Much You Can Expect
Social Security benefits are calculated based on average monthly indexed earnings for a worker's 35 highest earning years.

Spousal and survivor benefits are based on a percentage of this amount.

You should receive a personalized statement of projected benefits from the Social Security administration every January to use in your planning.

What is the best age to start receiving retirement benefits? Would it be better to begin early with a smaller monthly amount or wait for a larger monthly payment? The answer is a personal decision and will vary by individual needs. The table below outlines an example of your monthly benefit:*

If you start receiving benefits at age:	Your monthly benefit is:	
62	$1,196	Your minimum
66	$1,701	At least ⅓ more
70	$2,358	At least ¾ more

* SSA.gov, March 2012: Based on a contributing annual income of $65,000.

Start Planning

Take control of your future now and develop a solid plan to help you achieve your retirement goals. The following worksheets will outline your potential expenses and income and highlight where there may be opportunity to better secure your financial future.

Important Documents Checklist:

- ○ Recent bank and credit card statements
- ○ Pension information (if applicable)
- ○ Most recent Social Security benefits summary
- ○ Current financial portfolio information (stocks, bonds, annuities, mutual funds, insurance, etc.)
- ○ Summaries of other assets, such as real estate and business valuation

Work with your financial professional to complete these worksheets and determine the best course of action that fits your needs.

Retirement Worksheet: **Expenses**

You may or may not know exactly what your retirement expenses will be, but using expenses you know today can help you create a good estimate for the future.

Begin with your Essential Expenses. These are the things that won't go away just because you've retired. Write down what you actually spend today, and then look at inflation and estimate how much these expenses may be in the future. This will help you and your financial professional determine how much guaranteed income you will most likely need in retirement.

Estimated Monthly Cost	Essential Expenses
	Housing Mortgage (if applicable), homeowners insurance, maintenance, property tax, rent/condo fees, home equity loan.
+	**Groceries, Personal and Household Items**
+	**Clothing**
+	**Utilities** Phone, water, gas, electric
+	**Transportation** Auto loan/lease payments, car insurance, maintenance, gas
+	**Health Insurance Premium**
+	**Life Insurance Premium**
+	**Long Term Care Insurance Premium**
+	**Out-of-Pocket Healthcare & Medical Expenses** Medicare, Medicare supplement, co-pays, prescriptions, etc.
+	**Other** Review your bank and credit card statements to identify other ongoing expenses that are essential to you.
=	**Total Essential Retirement Expenses**
×	Multiply By Inflation Factor (see table on page 6)
=	**Total Future Essential Retirement Expenses**

Now, estimate your Discretionary Expenses. These are the fun and interesting things you want to spend money on in retirement. In some cases, you may think of these expenses as one-time, annual costs. Just divide those costs by 12 months to estimate an average monthly budget for planning purposes.

Estimated Monthly Cost	Discretionary Expenses
	Dining Out
+	**Travel**
+	**Recreation & Entertainment** Internet, TV, movies, cultural events, etc.
+	**Charitable Giving**
+	**Other** Review your bank and credit card statements to estimate other discretionary expenses you expect to have and would like to continue spending money on in retirement.
=	**Total Discretionary Retirement Expenses**
×	Multiply By Inflation Factor (see table on page 6)
=	**Total Future Discretionary Retirement Expenses**

Retirement Worksheet: **Income and Assets**

In this first section, only guaranteed income sources should be listed. Assets not listed below typically do not provide guaranteed income.

Monthly Income	Guaranteed Retirement Income Sources
	Social Security See your latest Social Security Statement for an estimate of your benefits at your expected retirement age
+	**Pension** Reference your pension statements to write down the expected guaranteed retirement benefits
+	**Income Annuities** If you already own an annuity paying you monthly lifetime income, indicate the amount here
=	**Total Guaranteed Retirement Income** (before taxes)
–	Subtract expected income taxes (for many people, this will be 10 to 20%)
	Total Guaranteed Retirement Income (after taxes)

In this section, capture the current value of your assets that could be used to help fund your retirement cash flow needs.

Account Balance or Cash Value	Assets Available for Retirement Income
	401(k)s & Individual Retirement Accounts (IRAs)
+	**Savings & Money Market Accounts**
+	**Life Insurance**
+	**Certificates of Deposit (CDs)**
+	**Mutual Funds, Individual Stocks & Bonds, Brokerage Accounts**
+	**Deferred Annuities** Including Fixed, Variable and Indexed
+	**Sale Value of Investment Property, Vacation Home or Business** Be sure to use conservative valuations to identify the cash value of these items
+	**Other Assets Not Already Listed** (e.g., downsize current home)
=	**Total Assets Available for Retirement Income Needs**
×	**Multiply by Growth Factor** If you have not yet retired, you can use the Inflation Factor table on page 6 or a method recommended by your financial professional to create a growth estimate.
=	**Total Future Assets Available for Retirement Income**
× 0.04	Multiply by 4% to see how much income your assets may conservatively generate
=	**Annual Income Generated by 4% Withdrawals**
÷ 12	Divide by 12 to estimate your monthly income from withdrawals
=	**Monthly Income from Portfolio Withdrawals** (before taxes)
–	Subtract expected income taxes (for many people, this will be 10 to 20%)
=	**Monthly Income from Portfolio Withdrawals** (after taxes)

Retirement Worksheet: **Summarize Your Results**

Use the color coding and symbols from previous worksheets to complete this page.

Dollars	Summarize Your Results
	Total Guaranteed Retirement Income
–	**Total Future Essential Retirement Expenses**
=	**Surplus in Essential Retirement Income** (if result is positive)
or	
=	**Gap in Essential Retirement Income** (if result is negative)

+	**Monthly Income from Portfolio Withdrawals** (after taxes)
–	**Total Future Discretionary Retirement Expenses**
=	**Surplus in Discretionary Retirement Income**
or	
=	**Gap in Discretionary Retirement Income**

Things to Consider

It is quite common to find that you have a retirement income gap; that is, your expected monthly income is less than your expected expenses in retirement. Below are a few options to help cover your gap:

1: Increase withdrawal rate (including any dividends and interest received): While this could help close your income gap, the risk of running out of money during retirement can increase.

2: Delay retirement or work part-time: This reduces withdrawals, potentially adds to your savings, and in some cases could increase your Social Security benefits (refer to page 7).

3: Convert assets into guaranteed income: Create a plan that uses solutions that guarantee income to last a lifetime to cover at least your essential expenses.

4: Modify spending plans: Reducing your discretionary expenses can help your nest egg last longer.

If you have a Surplus in Essential Retirement Income, or only need to solve for a Gap in Discretionary Income, be sure to review your portfolio carefully with your financial professional to ensure that you've appropriately accounted for all future expenses and assets available.

There are other topics that you should consider when planning for your retirement including:

- **Life Insurance** Life insurance is one of the easiest ways to help protect the ones you love and is often seen as the foundation of a strong financial plan.
- **Will & Estate Planning** Provide for the welfare of your family and help ensure the efficient management of your property by a trusted person, designated by you.
- **Beneficiary Review** Retirement account assets will be paid out according to your beneficiary designations, not your will.
- **Final Expenses** Plan ahead for the payment of expenses upon your death – burial costs, outstanding debts, taxes, attorney fees and more.

You are now ready to move on to Step 3: Taking Action. Your financial professional can assess your goals, objectives and needs to provide recommendations to create a sound retirement income plan.

3: Taking Action

The final pages of this workbook contain forms designed to help you and your financial professional develop your unique Plan for Living. Keep this plan with your other important financial information. As events change in your life, work with your financial professional to update the information and adjust your plan accordingly.

Date ____

Financial Professional ______________________________

Your Expected Year of Retirement ____________________

Spouse's Expected Year of Retirement _________________

Your Key Retirement Concerns:

Circle the level of each concern on a scale of 1 – 5
(with 1 representing no concern and 5 representing extreme concern).

Concern	Least Concern				Most Concern
Market Volatility	1	2	3	4	5
Healthcare Costs	1	2	3	4	5
Prescription Costs	1	2	3	4	5
Long Term Care Insurance	1	2	3	4	5
Life Insurance	1	2	3	4	5
Taxes (Approximate Federal Tax Bracket _____%)	1	2	3	4	5
Inflation	1	2	3	4	5
Outliving Savings	1	2	3	4	5

Your Plan for Living Goals:

Circle the level of importance on a scale of 1 – 5
(with 1 representing least importance and 5 representing most importance).

Goal	Least Important				Most Important
Create Immediate Income for Retirement	1	2	3	4	5
Build Future Retirement Income	1	2	3	4	5
Preserve and Accumulate Wealth for Beneficiaries/Heirs	1	2	3	4	5
Live Comfortably and Independently	1	2	3	4	5
Flexibility in Retirement Income Sources	1	2	3	4	5

Strategy Worksheet: **Funding Gap in Essential Expenses**

Covering Essential Expenses with Guaranteed Lifetime Income Sources

The first step of your action plan is to ensure that you will always have enough income to cover your essential expenses. If you have an essential retirement income gap, your financial professional can recommend strategies to use some of your retirement assets to create more guaranteed income.

Gap in Essential Retirement Income (from page 10)	$

Your Action Plan for Generating More Guaranteed Retirement Income

Options For Guaranteed Income		Recommended Guaranteed Income Product	
Asset	Amount	Product Recommendation	Guaranteed Monthly Income (after taxes)
Qualified Assets			
IRA	$		$
401(k)	$		$
Non-Qualified Assets			
Savings Account	$		$
Money Market Account	$		$
Certificates of Deposit	$		$
Mutual Funds	$		$
Stocks	$		$
Sale of Home, Business or Other Property	$		$
Expected Inheritance	$		$
Total Additional Guaranteed Income			

Prior to replacing one financial product with another you should carefully consider a number of factors including the features and crediting rate(s) of the current product, applicable surrender charges, any new surrender charge period on the purchase of a new product, as well as the various features and crediting rate(s) of the new product. You should carefully consider whether a replacement is in your best interest before making a decision to replace an existing product.

Your "Total Additional Guaranteed Income" should meet or exceed any "Essential Retirement Income Gap."

Strategy Worksheet: **Funding Gap in Discretionary Expenses**

Funding Your Discretionary Retirement Expenses

After ensuring you will have income to cover essential expenses, determine how your discretionary expenses may be funded from your remaining retirement assets.

	Total Future Discretionary Expenses (from page 8)
–	Subtract Any Essential Retirement Income Surplus (from page 10)
=	Discretionary Expenses to be Funded

Strategy 1: These expenses may be funded by withdrawing from your retirement assets.

=	Total Expected Future Assets (from page 9)
–	Subtract any assets already committed to fund essential expenses, and those set aside to self-insure against long term care expenses
=	Remaining Future Assets
× 0.04	Multiply by 4% to see how much annual income your assets may conservatively generate
=	Annual Income Generated by 4% Withdrawals
÷ 12	Divide by 12 to estimate your monthly income from withdrawals
=	Estimated Monthly Income Available from Portfolio Withdrawals (before taxes)
–	Subtract expected taxes (for many people, this will be 10 to 20%)
=	Portfolio Withdrawal Income (after taxes)

Strategy 2: Another alternative is to fund the expenses with a financial product that guarantees monthly income for life. Your financial professional can provide examples of alternatives.

Asset Type/Name	Amount	Product Recommendation	Guaranteed Monthly Income (after taxes)
	$		+
	$		+

In many cases, a mixture of these two strategies may be appropriate. Keep in mind that you have a higher probability of being able to sustain your desired lifestyle with either a higher proportion of guaranteed income sources or a lower withdrawal rate from your portfolio.

If neither a portfolio withdrawal strategy nor guaranteed income alternatives are sufficient to fund your desired discretionary expenses, consider delaying retirement, part-time employment or reducing your expenses.

Other Income Sources: Rental income, part-time employment, alimony, etc.	Guaranteed Monthly Income (after taxes)
	+
	+

Strategy Worksheet: **Summarize the Actions You Plan to Take**

Your Plan for Living is only complete once you have worked through the action steps that you and your financial professional have discussed.

Action Step	Goal & Benefits of Action Taken	Expected Completion Date
1.		
2.		
3.		
4.		
5.		
6.		

Other Notes and Ideas

Other Notes and Ideas