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	A	B	C	D	E	F	G	H	I	J	K		
34	Note: The spreadsheet will be revised each year after new Tax Tables & Cap-Gains/Div. rates & tax rules are announced.												
35													
36	© P. Lemkin 2012-2016												
37	GNU General Public License, version 3.0 (GPLv3) at				<a href="http://opensource.org/licenses/gpl-3.0.html">http://opensource.org/licenses/gpl-3.0.html</a>								
38	See the full license description sections 15. Disclaimer of Warranty and 16. Limitation of Liability for details.												
39													
40	** For more on <i>Beta-level</i> software see			<a href="https://en.wikipedia.org/wiki/Software_release_life_cycle">https://en.wikipedia.org/wiki/Software_release_life_cycle</a>									
41													
42	<div><p><b>"Forever Beta"</b></p><p><i>Version 0.123.6 No wait - one more thing. 😞 Done! 😊</i></p><p><i>Version 0.123.7 No, still not quite right. 😞 Done! 😊</i></p><p><i>Version 0.123.8 Well, still not quite there yet. 😞 Done! 😊</i></p><p><i>Version 0.123.9 Added a new feature competing software has. 😞 Done! 😊</i></p><p><i>Version 0.123.10 Oops, didn't implement feature correctly. 😞 Done! 😊</i></p><p>...</p><p><i>Cartoon by TarTar, 10-15-2015</i></p></div>												
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55	<b>Table of Contents for Introduction</b>												
56	<b>Introduction</b>												
57	1. Description of the SIPT Spreadsheet												
58	1.1 Examples of some of the questions that can be investigated using this spreadsheet												
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62	1.5 How the yearly income stream cash-flow and net worth are calculated												
63	2. The two versions of the SIPT spreadsheets you can download: "Demo" or "User"												
64	2.1 Disclaimer												
65	3. Directions for using the spreadsheet												
66	4. A detailed list of all worksheet tables and sections is in Appendix A												

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67	5. Notes on the current version of the spreadsheet - what it does and does not handle										
68											
69	<b>Documentation in additional worksheets</b>										
70	Click on the any of the following hyperlinks to go to the worksheets										
71	<a href="#">Assumptions</a>	Summary list of all settings in <b>Setup</b> , and <b>AgeData</b> through <b>ExpenseData</b> worksheets									
72	<a href="#">Results</a>	Glide-path of income from Income & Withdrawal sources less Expenses & Taxes									
73	<a href="#">Resources</a>	Lists of articles, literature, web sites related to financial planning									
74	<a href="#">Appendix A</a>	List of all worksheets describing their tables and sections									
75	<a href="#">Appendix B</a>	Extra calculators (not tied in with the rest of the spreadsheet)									
76	<a href="#">Appendix C</a>	Glossary - definitions of terms used in the spreadsheet									
77	<a href="#">Appendix D</a>	List of outstanding issues (Things TODO and CHECK), and REVISION-LIST History									
78	<a href="#">FAQ</a>	Answers to Frequently Asked Questions									
79											
80											
81	<b>Introduction</b>										
82											
83	<b>The Concept</b>										
84	While saving for future expenditures such as retirement, a new house, a college education for your children you										
85	might wonder if you are saving enough or spending too much on current expenses. If you are near or in retirement,										
86	the spreadsheet lets you estimate, using a static model, your income stream and whether it will cover your expenses.										
87	It does not use a dynamic model such as those using Monte-Carlo or repeated random sequences of returns methods.										
88	A glide-path analysis lets you look at your finances over time. How does it change with the contributions to savings										
89	during you accumulation phase? How rapidly your savings are being depleted during retirement? It can be useful										
90	to periodically check how you are doing to make sure you're still on track to reach your goals, and if not what										
91	might be changed to improve your retirement glide path.										
92											
93	This <b>Simplified Income-Stream Planning Tool (SIPT)</b> spreadsheet lets you enter detailed personal data to help answer										
94	those questions more accurately - both for near term pre- and post-retirement. There are many rudimentary										
95	retirement calculators available on-line (see <b>RS. Resources</b> section <b>RS.8</b> for a list). To illustrate the flavor of these										
96	types of glide-path calculations, we provide an additional very simple one in the worksheet								<a href="#">SimpleCalc</a>		
97	Note, the SimpleCalc worksheet is used just to introduce the concept of glide-path and is not part of the rest of the										
98	SIPT spreadsheet. The following screenshot shows some typical data and results. In this example, the person ran out										

at age 86. Their lifestyle with no change in saving, retirement age or expenses in retirement was not sustainable after age 86.

**1. Enter your data in the Red cells below.**

Your current age (same as retired if <i>already</i> retired):	25
Your expected retirement age:	67
Current value of savings portfolio:	\$30,000
Current gross annual income (GAI):	\$25,000
Annual contributions to savings portfolio:	\$3,750
Yearly annuity from Social Security at retirement	\$6,000

**2. Additional parameters you can adjust or use THE defaults)**

Pre-retirement annual rate of return on portfolio:	4.50%
Post-retirement annual rate of return on portfolio:	2.50%
Expected annual income Cost Of Living Adjustment:	2.00%
Increase of annual retirement withdrawals:::	3.00%
Increase in annual contributions to savings portfolio:	2.00%
Percent of GAI needed in retirement when retire:	80%

**Savings portfolio value**

**Values for savings and expenses over time**

Year	Age	Savings portfolio value	Savings contribution	Gross Annual Income	Cost adjusted Social Security if any	Retired Annual Expenses	Percent expenses from Soc. Sec. In retirement
1	25	\$30,000	\$3,750	\$25,000	\$0	\$0	0.0%
2	26	\$35,269	\$3,825	\$25,500	\$0	\$0	0.0%
3	27	\$40,853	\$3,902	\$26,010	\$0	\$0	0.0%

**Summary Results:**

You run out of savings at age	86
The value of your savings at retirement	\$770,241
Percent of income saved while working	15.0%
Number of years you can fund in retirement	19
Percent of expenses from Soc. Sec. at retirement	13.3%

The more complete SIPT spreadsheet described below provides a much more accurate and detailed analysis because it takes into many other financial factors over time into account. Play with the SimpleCalc toy glide-path calculator first. If this looks interesting, then you might try using this SIPT spreadsheet. It is described in more detail below. Of course it can not predict the future but it may give a better understanding of your financial situation and that itself may be useful in doing financial planning.

	A	B	C	D	E	F	G	H	I	J	K
133	<b>1. Description of the SIPT Spreadsheet</b>										
134											
135	This spreadsheet software computes a rough estimate of yearly income and expense flows as various income sources and										
136	expenses come and go over time. Results are calculated at the end of each year. It uses a yearly "cash flow" calculation										
137	defined as the sum of income and withdrawals, and expenses, contributions and estimated taxes are subtracted. Any funds										
138	left over each year in the cash account are saved back into the investment taxable savings account for the next year.										
139	Similarly, in years with a yearly cash shortfalls are taken from the savings account the next year. The spreadsheet										
140	is an Excel workbook consisting of a number of worksheets containing personal data that you enter. In Excel, the										
141	spreadsheet as a whole is called a workbook which in turn is a collection of worksheets. Clicking on one of the tabs at the										
142	bottom of the window will bring up that particular worksheet.										
143											
144	<b>Setting up the spreadsheet</b>										
145	Use the <b>S. Setup</b> worksheet to specify which worksheets you will need to fill out. It works with one person S1 or two people										
146	called S1 and S2. S1 and S2 can be married or unmarried. However the latter should only use the tax filing status Separate Filing.										
147	In Excel, you switch between worksheets by clicking on the worksheet tab at the bottom of the Excel window or by										
148	clicking on worksheet hyperlinks (blue font with an underline) available throughout the spreadsheet. The <b>R. Results</b> worksheet										
149	summarizes data computed on the other data worksheets both as tables and then graphs of the data in the tables.										
150	The results are updated when any data is changed in any of the other data entry worksheets.										
151											
152	Depending on your level of expertise and familiarity with financial terms, you may want to read <b>Appendix C</b> (glossary of										
153	financial terms used in the SIPT spreadsheet) <u>before</u> entering your data. In addition, this spreadsheet requires you to switch										
154	between different worksheets that focus on <i>particular</i> types of data (e.g., work income, Social Security benefits, IRAs										
155	expenses, etc.).										
156											
157	<b>Types of personal data required</b>										
158	One or more income sources can be defined and include: work income, <i>pensions</i> , <i>Social Security</i> , and <i>annuity payouts</i> . There										
159	are three types of investment accounts including: <i>tax-deferred deductible IRA</i> , <i>Roth IRA</i> and <i>Savings (taxable investments)</i> , bank										
160	bank accounts, and CDs). For purposes of the spreadsheet, 401(k), 403(b), 457(b), Traditional-IRA, Rollover IRAs are considered to										
161	contributions and be tax-deferred IRAs. Similarly a Roth-401(k) is considered a Roth IRA. This is because after you retire,										
162	retirement accounts may be rolled over to "Rollover-IRA" and Rollover-Roth" accounts. You may make both scheduled and										
163	irregular contributions/withdrawals to each of the spreadsheet investment accounts. An irregular event is an upcoming one-time										
164	event occurring on a particular year. You may specify expenses as both scheduled and irregular events. You might think about your										
165	list of future irregular expenses as a planning tool for your future expenses in your "Bucket-List" - such as college expenses,										

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265	There is some limited error checking. See the <b>FAQ</b> for details.										
266											
267											
268	<b>1.4 Brief list of the worksheets</b>										
269	The worksheets are color coded by function. We list the main purpose of the following worksheets. See each worksheet										
270	for more details.										
271											
272	<b>Introduction</b> and <b>Resources</b> worksheets are white.				<i>is additional documentation</i>						
273	<b>SimpleCalc</b> worksheet:		<a href="#">SimpleCalc</a>		<i>is the elementary glide-path calculator</i>						
274											
275	<b>Appendices A, B, C, D</b> worksheets are				<i>is additional documentation</i>						
276											
277	You can view a summary view at any time of all your settings in <b>S. Setup</b> , and <b>1. AgeData</b> through <b>10. ExpenseData</b> worksheets.										
278	Assumptions worksheet		<a href="#">Assumptions</a>		<i>Summary list of all settings by user in the other worksheets</i>						
279	The <b>Assumptions</b> worksheet is not edited since it summarizes the other data worksheets.										
280											
281	Results worksheet:		<a href="#">R. Results</a>		<i>summarizes spreadsheet glide-path results <b>after</b> entering your data</i>						
282	The <b>R. Results</b> worksheet is not edited since it summarizes the other data worksheets.										
283											
284	Configuration worksheets:		<a href="#">S. Setup</a>		<i>used to configure entire spreadsheet (indicate which sheets are used)</i>						
285			<a href="#">1. AgeData</a>		<i>enter age, CPI, market returns, insurance used throughout spreadsheet</i>						
286			<a href="#">2. TaxData</a>		<i>enter Federal tax data and filing status</i>						
287											
288	The income worksheets specify one or more sources of yearly income,										
289	Income worksheets:		<a href="#">3. WorkData</a>		<i>enter current or future work income data, if any</i>						
290			<a href="#">4. Pension Data</a>		<i>enter current or future pension income data, if any</i>						
291			<a href="#">5. SocSecData</a>		<i>enter current or future Social Security income data, if any</i>						
292			<a href="#">6. AnnuityData</a>		<i>enter current or future annuity income data, if any</i>						
293											
294	The investment accounts are also a source of money through taking withdrawals (as well as allowing contributions).										
295	Investment worksheets:		<a href="#">7. IRAdata</a>		<i>enter tax-deferred IRA accounts data, if any (current or future)</i>						
296			<a href="#">8. RothData</a>		<i>enter Roth IRA accounts data, if any (current or future)</i>						
297			<a href="#">9. SavingsData</a>		<i>enter taxable savings accounts data, if any (current or future)</i>						

	A	B	C	D	E	F	G	H	I	J	K
298											
299	This is the worksheet where you enter your yearly expenses										
300	Expense worksheet:	<a href="#">10. ExpensesData</a>		enter expenses data (current or future)							
301											
302	This is where the yearly cash-flow is computed from (Income + Withdrawals - Contributions - Expenses - Taxes)										
303	You don't edit the <b>CashData</b> worksheet.										
304	Cash-flow worksheet:	<a href="#">11. CashData</a>		summarizes the cash flow from the other worksheets							
305											
306	This RMD table used with IRA withdrawals is in the RMDtable worksheet										
307	Don't edit the <b>RMDtable</b> worksheet unless the IRS updates it's RMD data.										
308	RMD table worksheet:	<a href="#">12. RMDtable</a>		contains the IRS Required Minimum Distribution data							
309											
310	For each of the applicable data worksheets accounts, enter income, contributions and/or withdrawals or expense data										
311	(i.e., ages, amounts, rates of return (ROR), COLAs, etc.). There is a detailed list of all these worksheets tables and sections in										
312	<a href="#">Appendix A.</a>										
313											
314	<b>All worksheets are protected except for the red cells where you enter your data</b>										
315	Because entering data in non-red cells might corrupt the spreadsheet, we protect all worksheets except red cells where										
316	data is entered. Any worksheet can be unprotected by going into the Excel <u>Format</u> option and clicking										
317	on <u>Unprotect worksheet</u> . For more details on protecting/unprotecting worksheets, see <b>RS. Resources RS.9 Excel resources.</b>										
318											
319											
320	<b>1.5 How the yearly income stream cash-flow and net worth are calculated</b>										
321	Both scheduled and irregular withdrawals taken from the tax-deferred IRA, Roth IRA, and Savings accounts are added to the										
322	cash-flow in the <b>11. CashData</b> worksheet. Both scheduled and irregular Expenses ( <b>10. ExpensesData</b> worksheet) and Federal and										
323	State taxes ( <b>2. TaxData</b> worksheet) are taken from the cash account. The following equations give a top-level explain the										
324	computations. For each year y,										
325											
326	<b>Cash(y) = Income(y) + Withdrawals(y) - SAVINGScontributions(y) - Expenses(y) - Taxes(y) + Insurance Payout(y)</b>										
327	<b>Withdrawals(y) = SAVINGSwithdrawals(y) + IRAwithdrawals(y) + ROTHwithdrawals(y)</b>										
328											
329	Then, the cash balance is added (subtracted if negative) to the savings account for the next year,										
330	taking contributions and withdrawals into account										

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	A	B	C	D	E	F	G	H	I	J	K
364	The spreadsheet files are distributed with the name, version number, and revision data as part of the file										
365	The file names for both versions of the " <u>Simplified-Income-Planning-Tool</u> " are prefixed with " <b>SIPT</b> ".										
366	For example, the <u>version number</u> is indicated as:				<b>V.0.19.2</b>						
367	This is followed by the release date indicated by:				<b>11-8-2015a</b>						
368											
369		a) full demo data		SIPT-Demo-V.0.19.2-11-8-2015a.xlsx							
370		b) no demo data		SIPT-User-V.0.19.2-11-8-2015a.xlsx							
371											
372	a) The <b>Demo</b> version is the spreadsheet with full demonstration data. It is useful for viewing examples of data you might enter										
373	in all worksheets. In most people's situations, you might only use a few of these types of income sources for your data.										
374	b) The <b>User</b> version of the spreadsheet has no demonstration data and is ready for you to enter your own data. All data										
375	entries are set to either <b>\$0</b> or <b>0.0%</b> in all data-entry worksheets. All worksheets are unselected in worksheet <b>S. Setup</b> .										
376											
377	<b>To enter data either override the demonstration data version or use the empty User version</b>										
378	Direct the spreadsheet to not use any particular data worksheet by selecting " <b>ignoring</b> " them in the <b>S. Setup</b> worksheet										
379	section <b>S.1</b> is used to declare the data worksheets that <i>you do want</i> you specify as " <b>used</b> ". (Alternatively, the spreadsheet will										
380	ignore data from worksheets by setting the income, contribution or withdrawal amounts etc. data to <b>\$0</b> to remove them from										
381	the calculations.] The investment returns for the investment account (IRA, Roth, and Savings accounts) from the										
382	previous year are added to the current year for each of the respective accounts (whether the balance is + or -).										
383	<b>S. Setup</b> section <b>S.2</b> enables/disables the use of Irregular contributions and withdrawals by selecting										
384	<b>"yes"</b> or <b>"no"</b> . <b>S. Setup</b> worksheet <b>S.3</b> enables/disables the use of scheduled contributions and withdrawals by										
385	selecting <b>"yes"</b> or <b>"no"</b> .										
386											
387	<b>2.1 Disclaimer</b>										
388	This software attempts to model an income stream from several different income sources, investment withdrawals,										
389	expenses, taxes and cash-flows over time. No claim is made to the accuracy, suitability, and correctness of the										
390	algorithms. Also, note that the further out one goes over time, the less accurate any estimates will be. Since the										
391	software uses static models and static rates of return, CPI, etc. that are entered, it will not track actual market values										
392	over time. The software uses only Excel formulas and <i>does not use Visual Basic (VBA)</i> , so one can easily review										
393	all computations as desired. Because it uses generic spreadsheet coding (with no VBA), it will run in a variety of										
394	spreadsheet programs such as Windows Excel, free OpenOffice or LibreOffice "calc", free Google "sheet", etc.. <b>Use this</b>										
395	<b>software at your own discretion and risk</b> as an initial way to think about personal finance problems. This is educational										
396	software. Absolutely no warrantee is offered for this software and no responsibility is taken for any errors in. or use of										

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430	Finally, view your results in the "R. Results" worksheet										
431	As you enter the data into the various worksheets, the spreadsheet will automatically recompute the other worksheets that use										
432	it to incorporate those changes. In particular, they will be reflected in the R. Results worksheet. You can see how changes in any										
433	worksheet affects the results by going back and forth between the R. Results worksheet and the data worksheet you are										
434	currently working on. In addition, the user entered data is accumulated in one Assumptions worksheet.										
435											
436	Experimenting with other configurations after you have entered your personal data										
437	You can model the income stream in various ways using temporary changes in the S. Setup configuration you might make. For										
438	example you could leave out various income sources such as stopping work, adding an annuity, adding a Roth IRA, etc. You could										
439	also try using different years for claiming Social Security, working longer, taking withdrawals from the IRAs or savings at										
440	different ages, or leave out or reduce certain expenses, etc. See the FAQ "Some examples of questions that can be investigated										
441	using this spreadsheet" entry for some suggestions.										
442											
443											
444	4. A detailed list of all worksheet tables and sections is in Appendix A										
445											
446	<a href="#">Appendix A</a> is a detailed list of all worksheet tables and sections. As mentioned, it consists of those worksheets into										
447	which you enter your personal data, those that you may have to edit when the IRS rule or data changes, a cash-flow table where										
448	income and expenses are tallied, and finally the R. Results worksheet where results are summarized. It may be useful to look										
449	through these lists to familiarize yourself with the type of data that will be needed and what types of results are presented -										
450	or just view the different worksheets.										
451											
452	NOTE: You enter your data <u>only</u> in the Red Cells in the Data Input Worksheets.										
453	ONLY enter or edit data in RED cells.										
454	ORANGE cells are normally not changed unless the IRS changes various tax rates (do not edit).										
455	BLUE cells are major results or intermediate results (do not edit).										
456	BLACK cells are intermediate computations (do not edit).										
457	GRAY areas of the other worksheets indicate where the analysis has not been implemented yet										
458	and should be ignored.										
459											
460	Note: You don't edit tables in any of the other worksheets beyond the following warning message if it is present:										



	A	B	C	D	E	F	G	H	I	J	K	
461												
462	- - - > DO NOT CHANGE ANY VALUES in the following tables in this worksheet. < - - -											
463												
464												
465	5. Notes on the current version of the spreadsheet - what it does and does not handle											
466	See the <b>FAQ</b> for details on the what the current version of the spreadsheet does and does not handle include taxes. How static CPI											
467	and returns are handled. How tax-free muni bond income is handled. How RMDs are handled, etc.											
468	<b>Appendix D</b> lists more information about the current status including a list of things TODO and the ongoing REVISION-LIST history.											
469												
470												
471	<a href="#">Elementary glide-path calculator (SimpleCalc)</a>					<a href="#">Next SIPT worksheet (Assumptions)</a>						
472												
473	<b>Worksheet Navigation.</b>											
474	To go to a specific worksheet, click on one of the following:											
475	<a href="#">Introduction</a>											
476	<a href="#">Assumptions</a>											
477	<a href="#">R. Results</a>											
478	<a href="#">S. Setup</a>											
479	<a href="#">1. AgeData</a>											
480	<a href="#">2. TaxData</a>											
481	<a href="#">3. WorkData</a>											
482	<a href="#">4. PensionData</a>											
483	<a href="#">5. SocSecData</a>											
484	<a href="#">6. AnnuityData</a>											
485	<a href="#">7. IRAdata</a>											
486	<a href="#">8. RothData</a>											
487	<a href="#">9. SavingsData</a>											
488	<a href="#">10. ExpensesData</a>											
489	<a href="#">11. CashData</a>											
490	<a href="#">12. RMDtable</a>											
491	<a href="#">RS. Resources</a>											
492	<a href="#">Appendix A</a>											
	Articles, literature, web sites											
	List of all worksheets tables & section											

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493	<a href="#">Appendix B</a> <a href="#">Appendix C</a> <a href="#">Appendix D</a> <a href="#">FAQ</a>										
494											
495											
496											