Will you have enough income in retirement?

This worksheet has been designed to help you get a rough idea of how your income will compare with expenses in retirement, including how long your savings will last. With the help of your financial representative, you can use this worksheet to determine what steps you can take today to make sure you’ll have the income you need in retirement.
**PART 1  YOUR RETIREMENT INCOME**

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**Monthly Social Security benefit**

Don’t know? Use this table to approximate your Social Security benefit:

<table>
<thead>
<tr>
<th>Age at retirement</th>
<th>Current earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$30,000</td>
</tr>
<tr>
<td>62</td>
<td>$730</td>
</tr>
<tr>
<td>66</td>
<td>$940</td>
</tr>
<tr>
<td>70</td>
<td>$1,240</td>
</tr>
</tbody>
</table>

Source: www.ssa.gov; actual earnings may vary.

The maximum monthly Social Security benefit for an individual collecting at full retirement age (age 65) in 2006 is $2,053. If you earned $94,200 (the Social Security Administration’s limit on the earnings it uses to calculate benefits in 2006), assume you’ll receive the maximum benefit.

**Your Social Security benefit**  
$____________

**Your spouse’s**  
$____________

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**Monthly pension benefit**

Your employer pension benefit, if any, is typically determined as a percentage of your final salary. This money is provided by your employer’s pension plan and is not related to the savings in your 401(k) or profit sharing retirement plans. To find out more, contact your employer.

**Your pension benefit**  
$____________

**Your spouse’s**  
$____________

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**Monthly income from work**

You may want — or need — to work in retirement. According to a recent AARP survey, the vast majority of workers say they plan to work into their retirement years at least part-time.

**Your income from work**  
$____________

**Your spouse’s**  
$____________

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**Monthly income outside of work**

<table>
<thead>
<tr>
<th>Income type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental income from real estate</td>
<td>$______</td>
</tr>
<tr>
<td>Royalties</td>
<td>$______</td>
</tr>
<tr>
<td>Dividends and interest income</td>
<td>$______</td>
</tr>
<tr>
<td>Other:</td>
<td>$______</td>
</tr>
</tbody>
</table>

**Monthly income withdrawn from retirement savings**  
$____________

Include all 401(k) plans, IRAs, and other financial assets.

**TOTAL MONTHLY INCOME**  
$________
To help make your savings last longer, consider using only current income — Social Security, pension, and work — to pay for necessities like taxes, housing, clothing, food, and health care. If your current income is not enough to cover the basics, consider setting up a systematic withdrawal plan from your savings to cover the gap.

Visit www.aaa.com for more information on reducing transportation expenses.

Consider the purchase of life or long-term care insurance to protect your retirement savings from financially catastrophic medical or long-term care expenses.

### State taxes
- \(\) 

### Federal taxes
- \(\) 

### Local/property taxes
- \(\)

**Total monthly taxes**  
- \(\)

**Rent/mortgage**  
- MORTGAGE INTEREST RATE: \(\) %
  - \(\)

Could you save money by refinancing your mortgage?

**Electricity**  
- \(\)

**Oil/gas**  
- \(\)

Is your home as energy efficient as it could be?

**Water**  
- \(\)

**Ongoing maintenance**  
- \(\)

**Home or renter’s insurance premium**  
- \(\)

**Total monthly housing expenses**  
- \(\)

**Car loan payment**  
- \(\)

**Auto insurance premium**  
- \(\)

You may be able to lower your rate by switching providers, buying an alarm or anti-theft device, or taking public transportation to and from work.

**Gas/maintenance**  
- \(\)

**Commuting**  
- \(\)

Carpooling is a great way to reduce your commuting expenses.

**Total monthly transportation expenses**  
- \(\)

**Groceries**  
- \(\)

**Clothing**  
- \(\)

**Total monthly living expenses**  
- \(\)

**Health insurance premium**  
- \(\)

**Life insurance premium**  
- \(\)

**Long-term care insurance premium**  
- \(\)

**Medical expenses**  
- \(\)

**Dental expenses**  
- \(\)

**Gym membership**  
- \(\)

Would you save money over the course of a year by investing in a treadmill or home gym?

**Total monthly health and welfare expenses**  
- \(\)
There are a number of companies that bundle telephone, cable, and broadband Internet access together at a reduced rate. Could you be saving money through a packaged deal?

If you have good credit, you can usually consolidate your balances on a single card at a lower rate, or with a home equity line of credit. To find out more, visit www.cardweb.com.

Once your base expenses have been covered, you may want to consider a “pay as you go” system for the “extras” whereby you make specific withdrawals from your retirement savings to cover discretionary expenses like vacations, hobbies, or charitable donations. This disciplined approach will force you to think twice before making unnecessary expenditures, and may help you avoid drawing down your savings too quickly.

Consult your tax advisor or financial representative about whether these strategies may be right for you.

Part 3 Does Your Income Cover Your Expenses?

Subtract your total monthly expenses from your monthly income to find out how much money you have left over to save or spend in retirement.

Total Monthly Income

$__________

Total Monthly Expenses

$__________

Money Left Over To Save or Spend in Retirement

$__________
Are you withdrawing too much from your savings?

When determining how much to withdraw from your investments, there are several important considerations, including how long you expect to be in retirement and how your assets are allocated among stocks, bonds, and cash. For example, based on historical rates of return, a balanced portfolio of 60% stocks and 40% bonds will last 23 years if you are withdrawing 5% per year. Withdrawing any more than 5% will deplete your account faster.

How long will your savings last?

All withdrawals represent the percentage of the original account balance that is taken out each year. Withdrawals are adjusted for inflation at a rate of 3% annually. These hypothetical illustrations are based on a 10,000-iteration Monte Carlo simulation and do not account for the effect of taxes, nor do they represent the performance of any Putnam fund or product, which will fluctuate. A Monte Carlo simulation is a technique for analyzing the probability of certain events based on historical data. These illustrations use the historical returns from 1926 to 2006 of stocks (as represented by the S&P 500), bonds (U.S. intermediate term government bonds), and cash (30-day T-bills) to determine how long a portfolio is likely to last given various withdrawal rates. Past performance is not a guarantee of future results. Indexes are unmanaged and used as measures of common stock and bond performance. You cannot invest directly in an index.

Are you interested in leaving a legacy?

Two things to consider when providing a family inheritance or charitable donation: First, before providing for others, you want to make sure you have enough income to last your own retirement. Second, you may wish to consult your tax advisor or financial representative about ensuring the proper transfer of your donated assets through a will or trust.
Why invest with Putnam?

Since 1937, Putnam Investments has helped millions of shareholders save for life’s important goals, from new homes to college educations to retirement. Today, as one of the world’s largest investment management firms, we offer a broad range of products to help investors pursue those goals. We are committed to the principles of balance and integrity at our foundation and prudent money management in every portfolio we oversee. Although there can be no assurance that a fund will meet its objectives, our goal is consistent, dependable, superior performance over time.

This material is for informational purposes only. It should not be considered tax advice. You should consult your financial representative to determine what may be best for your individual needs.