



## Walk Through Part 1 ~

Impact Technology's new software, **Cash Flow Decisions** is an extremely powerful tool wrapped in a very simple to use package. We know you'll probably dive right in, but we hope you'll come back to this document to see the highlights of the incredible things you can do with it.

### Why Cash Flow Calculations Are So Important:

If you're used to making Social Security recommendations just by looking at the cumulative or present value of the Social Security benefits over your client's projected lifetimes, *you're going to be surprised by how different things can be!*

### Case Study 1

Let's look at Joe and Joan Sample. Here's what the typical Social Security Maximization result would look like if we assume they live to life expectancy:

	JOE	JOAN	FUTURE VALUE OF BENEFITS
Current Age	62	61	<b>\$2,704,239</b> Joe Files Restricted, Joan Files
Monthly benefit at FRA <sup>1</sup>	\$2,045	\$2,084	
Assume live to	85	87	
Start benefits at age	<b>66</b>	<b>65</b>	

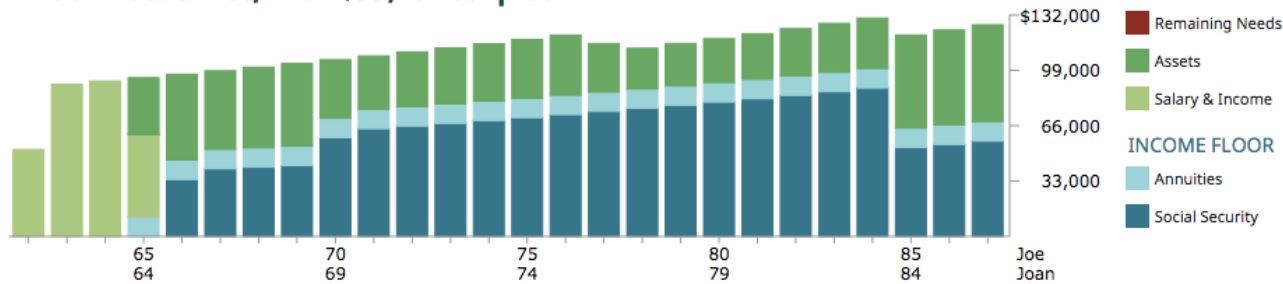
But, **Cash Flow Decisions** says the following is the best Social Security filing strategy for the given assumptions:

	JOE	JOAN	FUTURE VALUE OF BENEFITS
Current Age	62	61	<b>\$2,679,489</b> Joe Suspends, Joan Files Restricted
Monthly benefit at FRA <sup>1</sup>	\$2,045	\$2,084	
Assume live to	85	87	
Start benefits at age	<b>69</b>	<b>66</b>	

At first glance choosing Social Security maximization looks like a no-brainer. *But what happens when you look at Joe and Joan's complete financial picture?*

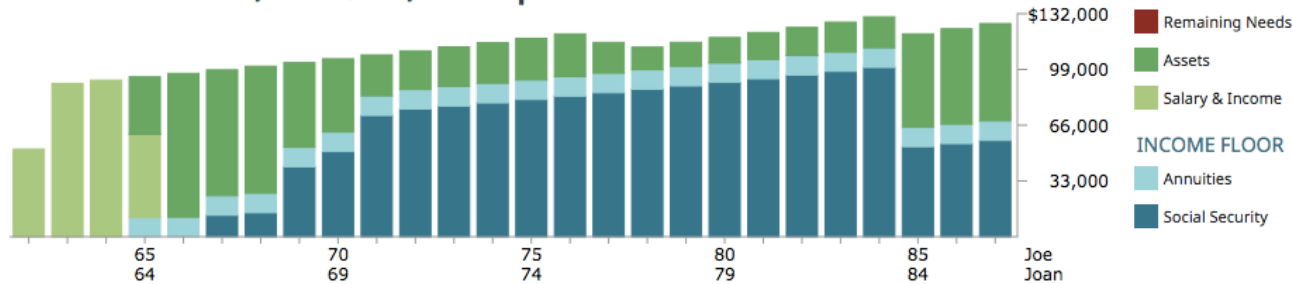
Here's a graph of their cash flow with the Social Security maximization strategy:

**Annual Needs Met, with \$99,731 surplus**



Look at the difference in surplus if we use Social Security benefits to give us the best cash flow:

**Annual Needs Met, with \$177,114 surplus**



**\$77,383 More Surplus Over 26 Years**

Optimizing cash flow gives **\$24,750 less Social Security benefits** over the next 26 years, but results in a **surplus that is \$77,383 bigger!**

**A Clear View of Taxation**

By considering your client's other income and assets along with Social Security benefits, we can get a view of how taxes are a factor in their cash flow. It's very interesting to see how the percent of Social Security benefits subject to tax fluctuates over the years.

Social Security Maximization

Cash Flow Maximization

<b>Ages</b>	<b>Total Taxes</b>	<b>% Social Security Subject to Tax</b>	<b>Total Taxes</b>	<b>% Social Security Subject to Tax</b>
62/61	\$21,249	0%	\$21,249	0%
63/62	36,820	0%	36,820	0%
64/63	37,221	0%	37,221	0%
65/64	23,914	0%	23,914	0%
66/65	16,079	85%	13,598	0%
67/66	18,095	85%	22,918	85%
68/67	22,925	85%	23,918	85%
69/68	23,418	85%	23,451	85%
70/69	22,966	83%	23,620	85%
71/70	20,897	69%	17,652	55%
72/71	21,473	70%	17,185	52%
73/72	22,061	71%	17,669	53%
74/73	22,668	72%	18,161	53%
75/74	23,288	72%	18,667	54%
76/75	23,924	73%	19,187	54%
77/76	20,225	61%	15,374	44%
78/77	17,795	53%	12,942	37%
79/78	18,476	54%	13,459	38%
80/79	19,175	55%	13,961	39%
81/80	19,900	57%	14,479	40%
82/81	20,635	58%	15,010	41%
83/82	21,386	59%	15,739	42%
84/83	22,161	60%	16,391	43%
85/84	27,007	85%	26,967	85%
86/85	27,682	85%	27,641	85%
87/86	28,374	85%	28,332	85%
Total	\$599,814		\$535,525	
NPV	\$321,720		\$296,333	

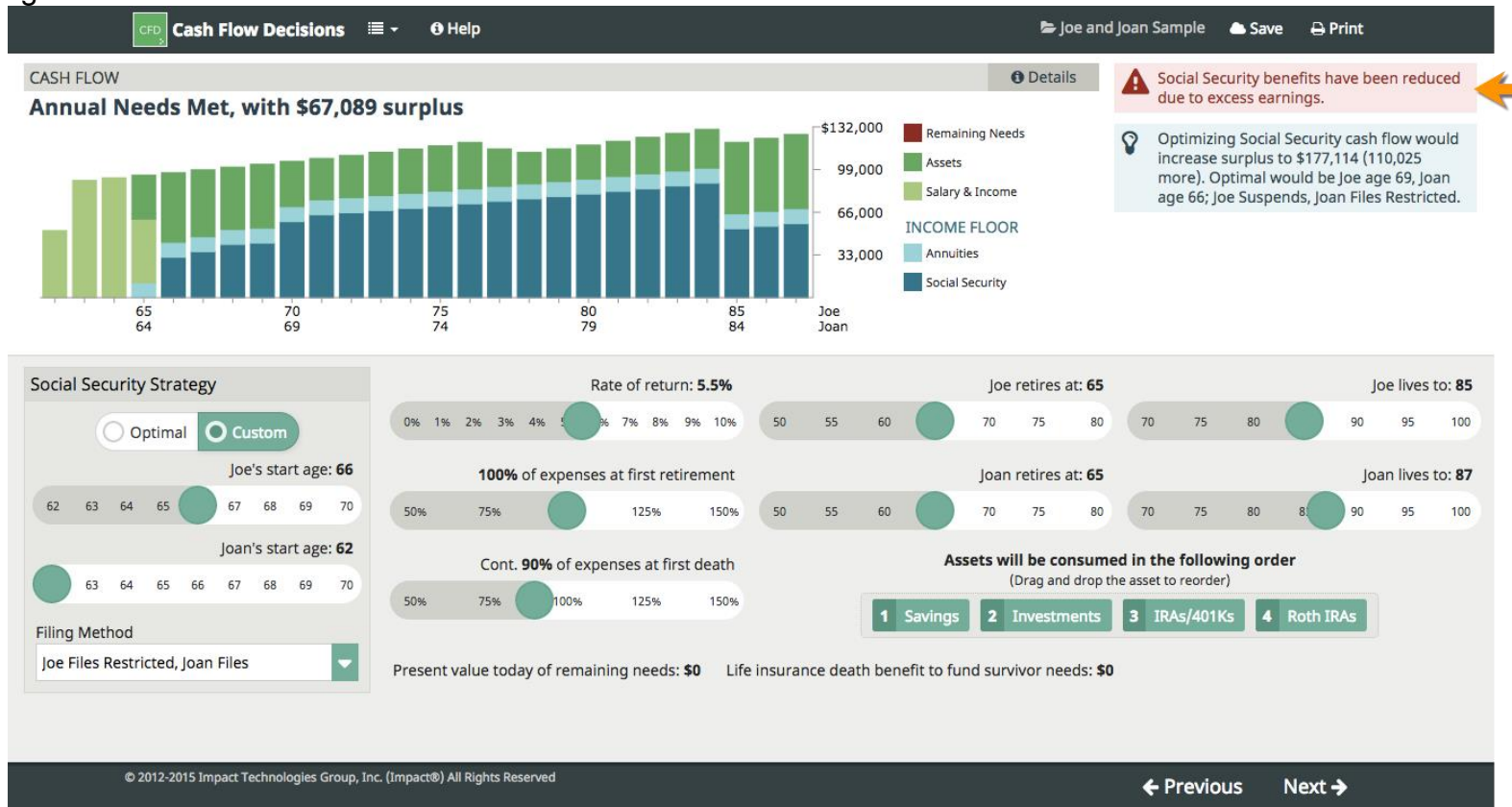
See details

**That's why you should never use a flat percent assumption of the percent of Social Security subject to tax!**

## Tips Along The Way

Cash Flow Decisions knows there is a lot going on, helpful tips are presented to keep you informed when a selection produces unexpected results.

In this example we selected Joan's Social Security benefits to start at age 62. But we don't see any benefits on the graph until Joan's age 64...



This tip let's you know why.

When you click on the bar for Joan's age 62...

A popup appears explaining the components of the bar for that year. At the bottom you'll notice Cash Flow Decisions lets you know that

the Social Security benefits were reduced because of the earnings exceeding the threshold for that year (they're not gone, they're just held back until full retirement age).

Cash Sources	
2018 - Joe age 65, Joan age 64	
Annual Needs	\$94,613
Social Security	0
Pensions	0
Annuities	11,592
Salary & Other Income	49,107
From Assets	33,914
Remaining Needs	\$0

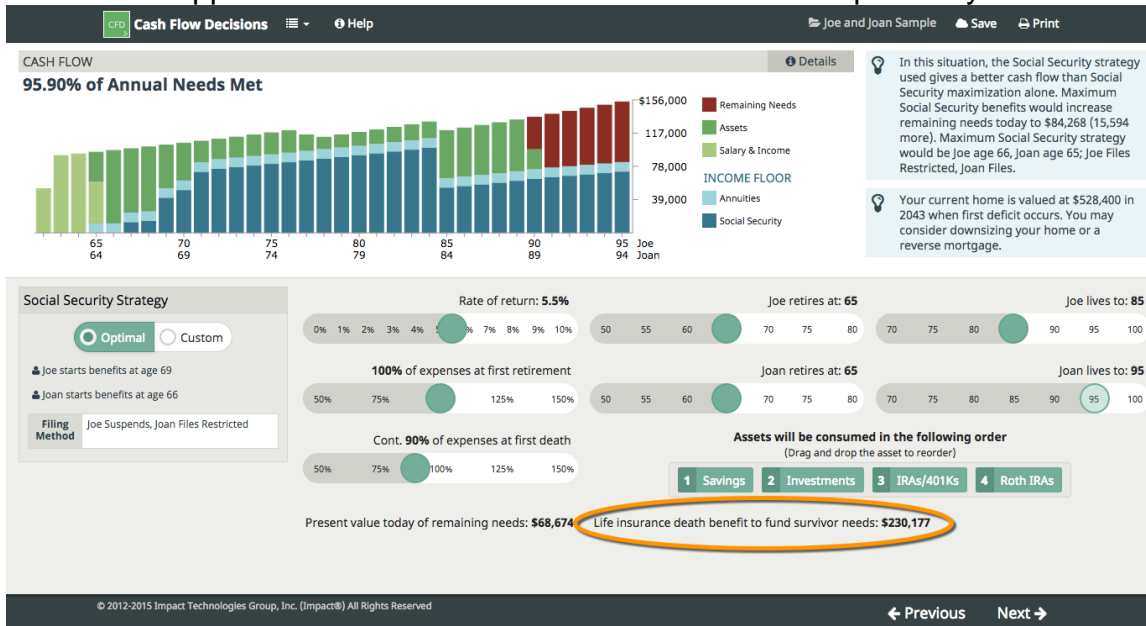
**Notes:**  
Social Security benefits have been reduced by \$20,316 due to excess earnings.

Close

## The Value of Permanent Insurance

In the hypothetical case we've been examining, Joe and Joan seem to have their needs covered, as long as they die at about the same time.

Look what happens if Joan lives to 95 and Joe dies at life expectancy?



You'll see a similar problem if Joe lives longer.

**Really shows why permanent life insurance is a pretty good idea!**

We've Just Scratched the Surface

*There's so much you get from Cash Flow Decisions that you just have to experience it to believe it!*

Start a free trial of Cash Flow Decisions now. You'll have 14 days to play with it, attend a free training webinar, and have access to our unparalleled support.

If you think you can afford to keep giving Social Security recommendations with the old first generation tools, then cancel and owe nothing.

Can You Afford To Make Recommendations The Old Way?

[Take it for a trial run today...](#)

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