

Retirement Needs Worksheet



Step A

Total Income Needed in Retirement

1. \$ _____ Income needed annually in retirement (current earned income x 70%)
2. _____ Growth Factor (where number of years until retirement matches 3% in Table 1)
3. \$ _____ Inflation-adjusted income needed (**A1 x A2**)
4. _____ Future Value Factor (where life expectancy at retirement matches 3% in Table 2)
5. \$ _____ Total amount of income needed in retirement (**A3 x A4**)

Step B

Total Amount You Expect to Receive from Social Security

1. \$ _____ Annual amount expected from Social Security at retirement
2. \$ _____ Inflation-adjusted value of Social Security benefit (**B1 x A2**)
3. \$ _____ Future value of Social Security benefits, adjusted for inflation, during retirement (**B2 x A4**)

Step C

Total Amount You Expect to Receive from Defined Benefit Pension

1. \$ _____ Annual amount expected from defined benefit pension at retirement
2. \$ _____ Inflation-adjusted value of annual pension benefit (**C1 x A2**)
3. \$ _____ Future value of pension benefits, adjusted for inflation, during retirement (**C2 x A4**)

Step D

Income You Need to Produce

1. \$ _____ Total future value of Social Security and pension benefits (**B3 + C3**)
2. \$ _____ Total income needed during retirement in addition to Social Security and pension benefits (**A5 - D1**) = income shortfall
3. _____ Savings Factor (where life expectancy at retirement matches savings factor in Table 3)
4. \$ _____ Additional savings needed to meet shortfall (**D2 x D3**)

Step E

Savings vs. Income

1. \$ _____ Current savings (add total qualified plan/IRA savings plus non-qualified savings accounts)
2. _____ Savings Factor (where number of years until retirement matches 6% in Table 1)
3. \$ _____ Expected value of all savings accounts at retirement (**E1 x E2**)
4. \$ _____ Additional savings needed before retirement (**D4 - E3**)

Step F

Amount You Need to Save Each Year for Retirement

1. _____ Future Value Factor (where number of years until retirement matches 6% in Table 2)
2. \$ _____ Amount you need to save each year before retirement (**E4 ÷ F1**)

Table 1: Future Value of Lump Sum

What \$1 will grow to, at various interest (or inflation) rates

Year	3%	6%
1	1.03	1.06
2	1.06	1.12
3	1.09	1.19
4	1.13	1.26
5	1.16	1.34
10	1.34	1.79
15	1.56	2.40
20	1.81	3.21
25	2.09	4.29
30	2.43	5.74
35	2.81	7.69

Table 2: Future Value of Annuity

What \$1 saved at the end of each year will grow to, at various interest (or inflation) rates

Year	3%	6%
1	1.00	1.06
2	2.06	2.06
3	3.09	3.18
4	4.18	4.37
5	5.31	5.64
10	11.46	13.18
15	18.60	23.28
20	26.87	36.79
25	36.46	54.86
30	47.58	79.06
35	60.46	111.43

Table 3: Savings Factor Table

For each \$1 you'll need when you retire, here's the amount you should save before you retire

Life expectancy at retirement	Savings Factor (6%)
25	.51
20	.57
15	.65
10	.74
5	.84