NaviPlan®
Financial Planning Application

Frequently Asked Questions
Partner Support's Top Questions

Compiled by the Advicent Partner Support Team, this document features some of the most common questions received on a daily basis.

Quick Find

General

How do I adjust my advisor information?

Advisor details can be entered on both a global setting and a local setting. The global setting will apply to new plans moving forward. This can be changed under ⚙ - **Advisor Details**.

For an existing plan, however, you will need to go under **Client Information - Client Information**. On the *Advisors* tab, you are then able to update your state of residence within the details section.

How do I duplicate/project a plan?

Go to **Plan List - Select the plan you wish to project - Plan Options… - Duplicate Into New Engagement- Finish**. This will duplicate the plan into a new engagement. Now Go to **Plan List - Select the plan you just duplicated - Plan Options… - Project - Finish**. This will duplicate and project the plan into 2016.

Net Worth

How do I model downsizing a home? (plan Level 2 Only)

To model a downsize, first go into the details of the existing home (**Enter Financial Data - Net Worth - Assets - Details**), and check the *Sell Asset* checkbox. Fill in the *Sale Date* and where the after tax proceeds will be directed to. If you plan to immediately buy a new house, selecting Cash Flow from the *Direct After Tax Proceeds To* drop-down is the simplest option.

Once completing the sale, add a new lifestyle asset and go into its details. Enter its purchase value in full and set the purchase date to match the desired date of the purchase, if the purchase is immediate set the date to match the sale date of the existing asset. Once complete, run a cash flow *Quick Action Report* for the year of the purchase to confirm everything appears correct.

If I sell a home does it pay off the mortgage?

So long as the mortgage is linked to the lifestyle asset the mortgage will automatically be paid off and deducted from its proceeds. This can be verified by looking at the Link to drop-down found to the right of the liability.

How do I add a mortgage to a future asset purchase? (Plan Level 2 Only)

In order to model a future or added mortgage to an asset purchase, first model the asset in question, making sure the asset's purchase date is set to be in the future. Once complete add a new liability to the Assets page and go into its details. Within the details enter the basic mortgage information, then locate the *Loan Date* section, within this section enter a *Loan Date* to match the purchase date of the asset.

Once adjusted, the Renegotiate section will be come selectable. Change this drop-down to the *Bring into Cash Flow* option. After complete, run a cash flow *Quick Action Report* to verify that the loan income comes into your cash flow on the year of the asset purchase, and will be used to pay for the asset.

Cash Flow

Can I manually setup CPP/QPP and OAS benefits?

CPP/QPP and OAS benefits can be adjusted based on salary income entered into the *Cash Flow* page. On this page, click the *CPP/QPP & OAS Details* link. Within this pop-up, you may adjust the percent each client will receive in benefits, when they receive their benefits, and you may also adjust the inflation rate assigned to the CPP/QPP and OAS calculation. Once complete, run a cash flow *Quick Action Report* to verify the values are accurate.

Strategies

How do I cover pre-retirement deficits?

You can activate deficit coverage during pre-retirement by going to **Strategies - Deficit Coverage** and ensuring that the checkbox is selected for ***"Redeem from accounts to cover deficits in the pre-retirement period"***.

Once this deficit coverage checkbox has been checked, go to **Cash Flow - Expenses**. In the details of the expense, you need to check the Cover any pre-retirement deficits caused by this expense check box.

What happens to surplus income at the end of each year?

Surplus income, as well as deficits, are eliminated at the end of each year, to ensure what is shown on each cash flow year is unique to that specific year.

To make sure surplus income is used properly at the end of each year, go to **Financial Data - Strategies - Surplus**, and click either *Add Surplus Strategy* (you will need to select a non-qualified account to use this) or *Add Surplus Expense*.

If you choose surplus savings, select the percentage of surplus to be saved, and select the time frame for how long you wish this strategy to last (it is recommended to use 2nd to die to guarantee all surpluses in the plan are captured). If surplus expense is chosen, select the percentage of surplus you wish spent, and select the time-frame you wish this expense strategy to last.

How do I manually withdraw money from my account(s)?

To manually withdraw funds from qualified or non-qualified accounts, go to **Enter Financial Data - Strategies - Redemptions** you will be able to model manual redemptions from any account as a percentage of market value or as an actual number. You may do lump sum redemptions, or on a monthly or annual basis.

Retirement Goals

How do I model a transfer strategy?

To model a retirement account transfer strategy, first make sure the account(s) you wish to transfer are linked towards the Retirement goal (this can be viewed by going to **Set Goals - Goal Funding**). After verifying, go to **Set Goals - Retirement** and click the ***Transfer Strategies...*** button. Within this page, select the source account from the ***Choose Source Account...*** drop down, then click ***Add Transfer Strategy***. Select a ***Destination Account*** from the drop down (this can be a brand new account if desired), the ***Transfer Amount*** or ***Percentage***, and the ***Transfer Date***. After complete press ***OK*** to finish the transfer strategy.

> **NOTE :** All transfer strategies are lump sum, ongoing transfer strategies will need to be entered for each year applicable, within the ***Transfer Strategy*** pop-up.

How do I change liquidation order in retirement? (Level 2 Only)

Retirement liquidation order may be adjusted within **Set Goals - Retirement - Liquidation Strategies**. Within the pop-up click the ***View/Modify Liquidation Order...*** button and then check the ***Modify the liquidation order*** checkbox. The order of accounts may now be adjusted by selecting the account you wish to move and by clicking the ***Move Up*** or ***Move Down*** buttons. Click the ***OK*** button once the order is set as desired.

How do I properly setup a retirement expense?
Retirement expenses may be set up several ways:

The easiest is to go to **Set Goals - Retirement**, and clicking the *Add Retirement Expense* button. Enter a description of the expense, the owner of the expense, the type of expense, the amount of the expense, the frequency of the expense, the inflation rate of the expense, and when you wish the expense to begin and end. Once complete, run a cash flow *Quick Action Report* for the year of the purchase to confirm everything appears correct.

Another option is to use the *Calculate Retirement Expenses* section on the *Retirement* page. On this page, select the radial that best fits how you wish to calculate your retirement expense (percentage of the current estimated after-tax income calculates a percentage based on your pre-retirement income, percentage of the current lifestyle expenses calculates a percentage based on your pre-retirement expenses, and specific amount simply uses the annual amount entered.) Once complete, run a cash flow *Quick Action Report* for the year of the purchase to confirm everything appears correct.

The final option can be entered within **Enter Financial Data - Cash Flow - Add Expenses**. This method can be entered just like a pre-retirement expense with a start date set to *Retirement*. Once complete, run a cash flow *Quick Action Report* for the year of the purchase to confirm everything appears correct.

Education Goals
How do I search for an education expenses?
To search for an *Education Expense* using the **Peterson's Undergraduate Database**, go to **Set Goals - Education** and *click Add Education Objective*. Within the newly created objective, click the small magnifying glass. You may search by school name, city and/or province, after entering your desired fields click **Search**. A list of schools that meet your search criteria will appear, from here you may review the costs of tuition, and tuition and board. Click the amount you wish to use and click **OK**. The cost selected will be transferred into the objective previously created.

Survivor Goals
What is the key differences between the three survivor insurance analysis methods? (Level 2 Only)
The key difference between *Quick Assessment*, *Goal and Expense Analysis* and *Income Coverage Analysis* are how each method is calculated.

Quick Assessment is meant as a simplified snapshot of current expenses, incomes and needs to calculate a high level insurance need.

Goal and Expense Analysis will take a more detailed look at your survivor situation, and uses your current needs, as well as gives you the ability to add additional needs to calculate insurance need. This plan level allows for additional survivor incomes to be added, entry of additional secondary goals, and the ability to make certain accounts unavailable for survivor needs.

Income Coverage Analysis is nearly identical to the *Goal and Expense Analysis*, however this method focuses on making sure surviving clients have enough insurance to keep them at a certain income level, rather than meeting expense needs. Like the *Goal and Expense Analysis* this method allows for additional survivor incomes to be added, entry of additional secondary goals, and the ability to make certain accounts unavailable for survivor needs.

Analyze Goals

Where can I create alternative scenarios and compare information scenarios?

All alternative scenarios can be created and reviewed within **Results - Analyze Goals**. A *"Recommended Plan"* will have already been created by default.

To make changes to this *"Recommended Plan"* click the *Edit Recommended Plan...* button. Within the *Scenario Manager* pop-up you will be able to make edits to your goals, income sources, expenses, goal funding, among other features.

After changes are made, use the *Reports* drop down, found in the top right of the *Scenario Manager*, to review *Quick Action Reports* specifically for this scenario.

> **NOTE :** You may run *Quick Action Reports* side by side for difference scenarios. Press the *Duplicate* button in the top right of the desired report, then scroll to the bottom of the page. Change one of the Scenario drop downs found in the Report Settings to a different scenario then press Apply Settings. The reports will now show different scenarios for the same report.

Why are my goals 0% covered?

The most common cause of this is Goal Funding being improperly setup. To review *Goal Funding*, go to **Set Goals - Goal Funding**. After confirming all accounts are allocated 100% to the desired goal(s), the *Analyze Goals* page should now have a percentage coverage for the goal.

Why are my return rates different in my recommended plan and how do I change it?

If the *Asset Allocation Questionnaire* (**Plan Management - Asset Allocation**) is filled out, your recommended plan will automatically use the questionnaire's suggested portfolio. This number may be adjusted by clicking *Edit Recommended Plan...*, and clicking the desired goal on the left side of the *Scenario Manager* pop-up.

If you would like to adjust the return rate for the goal to a different investment portfolio, check the checkboxes under *Investment Objective* segment for both pre-retirement and retirement, then select the desired portfolio from the drop down. The change will appear automatically to the right in the *Return Rates* section.

If you would like to adjust the return rate to specific values, check the override checkbox within the *Return Rates* segment. You will now be able to enter values for each of the investment types or a total percentage (the existing weightings of the five investment types will retain their existing weighting.)

> **NOTE :** Recommended and alternative plans use goal based asset allocation, all accounts allocated to a goal will use the designated return rate for that goal.

Why can't I edit savings/redemptions in a recommended plan under account info?

Savings and redemption strategies in alternative plans are adjusted within the Strategies section of the Scenario Manager pop-up instead of the details of accounts, if a strategy already exists. check the override checkbox to adjust.

Monte Carlo

Why is my Monte Carlo score 0% when the clients goal coverage is 95%?

Monte Carlo analysis serves as a stress test of the likelihood of 100% coverage during a goal period using standard deviation on account growth. If a plan with no variability in its growth has a goal coverage less than 100% the Monte Carlo will almost always be 0%, as the calculation bases each trial as already a failure.

Monte Carlo should only be run on plans have already reached 100% goal coverage in **Results - Analyze Goals**.

What is the difference between Monte Carlo and Probability of Success Analysis?
Monte Carlo and Probability of Success Analysis both are intended to provide a stress test on the percent likelihood of goal success, the major difference is how these models come up with their results.

Monte Carlo uses a binary approach to find its percentage of success. If a trial within Monte Carlo does not meet an assigned benchmark (by default this is a cash flow deficit of $10,000 for retirement, $500 dollars for any other goal, during the goal period for each trial) the Monte Carlo considers the trial a failure, and decreases the percentage of success of the Monte Carlo.

Probability of Success uses an averaging approach for its percentage of success. The model runs the set number of trials and averages the results of all the trials into one averaged value. This value is the averaged value of goal success over the number of trials.

Client Reporting

What are the differences between Legacy Reports, Client Reports and Quick Action reports?
Each report type *(Legacy Reports*, *Client Reports* and *Quick Action Reports*) serve a unique purpose for analysis within NaviPlan.

Quick Action Reports are namely planner facing reports that give detailed spreadsheets on specific pieces of information within your plan. These reports are standalone and serve for analysis purposes only. Detail oriented clients may be interested in these reports but typically are not part of a comprehensive client presentation.

Client Reports serve as the bulk of a comprehensive client presentation, these report inclusions are fully customizable and allow for you to pick and choose which reports you wish to be included. These reports feature colorful graphs, simplified charts and informative text and supplement an advisor meeting and give something for a client to take with them to review after the meeting.

Legacy Reports are older client reports that serve the same purpose of the client reports. Legacy reports use a pre-set list of reports generated that cannot be reordered, and are not as modern looking as the client reports. Beyond this the quality of information is identical to the *Client Reports*.