NaviPlan User Manual:

Forecaster Assessment

(Volume III of VI)

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Contents

Chapter 1:
Using this manual

The NaviPlan user manual series includes all the instructions you need to use NaviPlan effectively. This chapter will help you use all the manuals in this series. More manuals are available on the Learning Centre.

In this chapter:

NaviPlan User Guide Series

NaviPlan user guides are organized by the tasks you can accomplish in each level. If you are a new NaviPlan user, start with the **Introduction** user guide.

User manual	Tasks covered
Introduction	• Setting up user preferences. • Creating and managing client engagements. • Determining which assessment or plan level to select. • Using NaviPlan workflow.
Calculators	• Using calculators to model specific aspects of your clients' finances.
Forecaster Assessment	• Quickly assessing your clients' current financial situation. • Entering account and annuity information.
Asset Allocation Assessment	• Determining your clients' investor profile.
Level 1 and Level 2 Plans: **Entering client data and goals**	• Entering financial planning assumptions. • Entering detailed net worth, cash flow, and insurance information. • Adding holdings to accounts and annuities. • Entering real estate assets. • Using the **Detailed Tax** method and **Detailed Cash Flow**. • Entering saving and redemption strategies. • Entering client goals. • Generating client reports.
Level 1 and Level 2 Plans: **Analyzing client goals**	• Analyzing your clients' goals using **Scenario Manager**. • Conducting detailed cash flow and net worth analyses. • Generating Monte Carlo simulations. • Creating goal scenarios. • Generating client reports.

Conventions

This user guide uses the following conventions.

- The names of items on the screen are bolded and italicized. For example, the **Clients** page opens.

- The names of items that you must select, click, or enter appear in bold. For example, select **Recommended**, and then click **OK**.

- To help you navigate through the application, locations are separated by en dashes (–). For example, **Enter Financial Data** – **Net Worth** – **Accounts**.
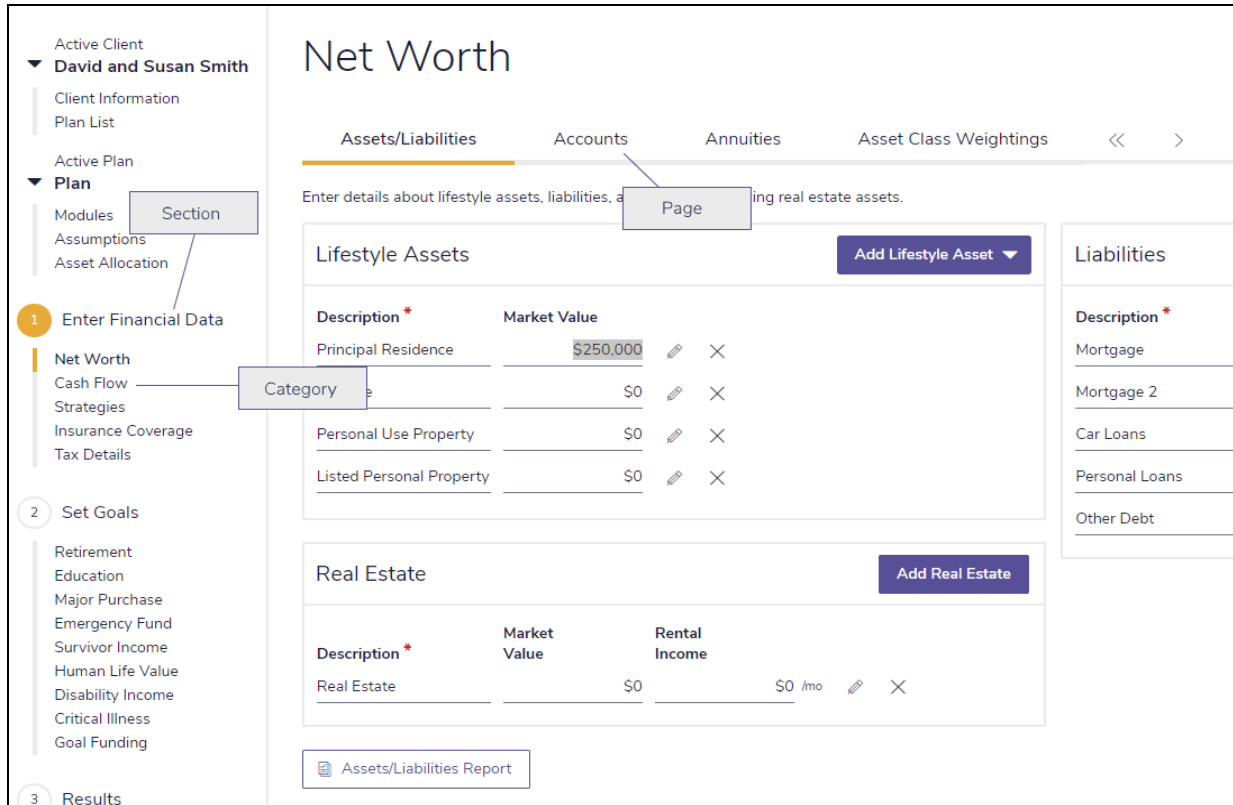
Enter Financial Data – Net Worth – Accounts

To help you use this guide, please note the following abbreviations and graphics:

- FA – Refers to the Forecaster Assessment.
- **Level 1** – Indicates that the step or paragraph applies to **Level 1 Plans** only.
- **Level 2** – Indicates that the step or paragraph applies to **Level 2 Plans** only.
- **A. Tax** – Indicates that the step or paragraph only applies when you are using the **Average Tax** method.
- **D. Tax** – Indicates that the step or paragraph only applies when you are using the **Detailed Tax** method.

NaviPlan Resources

Advicent provides several resources to help you use NaviPlan. The following table shows some of the resources available and where to find them.

Advicent resource	Description and location
Help	The quickest way to get information about any item within NaviPlan is to use the application Help. To access Help, select **NaviPlan Help** from the **Help & Resources** menu. Help includes a glossary of terms.

Advicent resource	Description and location
Functional Documents	Functional documents explain NaviPlan functionality, underlying assumptions, and results calculations. You can access functional documents on specific topics on the related page in the Learning Centre, or a list of all available functional documents on the **Functional Documents** page.
Quick Reference Guides (QRGs)	Quick Reference Guides are designed to get you started with a particular workflow in NaviPlan. You can access QRGs on specific topics on the related page in the Learning Centre, or a list of all available QRGs on the **Quick Reference Guides** page.
User Guides	You can also access other user guides in this series . You can access user guides on the **User Guides** page in the NaviPlan Learning Centre.
Training Videos	Training videos are designed to give you an overview of completing a specific task in NaviPlan. You can access videos on specific topics on the related page in the Learning Centre, or a list of all available functional documents on the **Videos** page.
Take Action™ Webinars	The Take Action™ webinar series helps you get the best return on your investment in NaviPlan by showing you how to apply the software to real world situations . You can access webinars on specific topics on the related page in the Learning Centre, or a list of all available functional documents on the **Take Action Webinars** page.

Partner Support

Contact us by telephone at:

(888) 692-3474

(Monday–Thursday, 7:30 am–6 pm Central Time)

(Friday, 7:30 am-5:00pm Central Time)

Contact us by email at:

support@advicentsolutions.com

Chapter 2:
Using Forecaster

This chapter provides a general overview of the Forecaster Assessment:

In this chapter:

Forecaster Assumptions

Selecting financial goals to assess

The **Select Modules** page displays the assessment's modules and available options.

Enabled modules are checked. Click **Select Modules** to change the available modules in this assessment.

Modules

- ✓ Retirement
- ✓ Education
- ✓ Major Purchase
- ✓ Survivor Income
- ✓ Disability Income

Select Modules...

Convert to Detailed Retirement

Convert to Detailed Income Tax

Forecaster Assessment- Select Modules (Average Tax method selected)

To change the selected modules, go to the **Select Modules** page, and then click **Select Modules**. A dialog box opens where you can clear or select modules.

Select one or more of the following modules:

✓ **Retirement**
Compare your current financial situation with your retirement goal.
   ◉ Simple
   ○ Detailed

☑ **Education**
Assess the cost of funding a post secondary education goal such as college.

☑ **Major Purchase**
Assess the cost of funding a major purchase goal such as a vehicle.

☑ **Survivor Income**
Assess your life insurance needs in the event of premature death.

☑ **Disability Income**
Assess your disability insurance needs in the event of disability.

[Select All] [Select None]

Select Modules

Selecting analysis methods

Two types of tax methods are available in Forecaster Assessments: Average Tax and Detailed Tax.

Average Tax Method:

When the **Average Tax** method is used, average tax rates (including province tax rates specified on **Settings**– **Plan Settings** – **General**) apply to income during three different time periods: pre-retirement, retirement, and in the year of death. The tax rates can be edited on the **Assumptions** page.

If you selected the Average Tax method during assessment creation, you can convert to the Detailed Tax method by clicking **Convert to Detailed Income Tax** on the **Select Modules** page. Once you have converted to the Detailed Tax method, you cannot revert to the Average Tax method.

Detailed Tax Method:

When using the Detailed Tax method, NaviPlan applies the bracketed federal and province rates (including tax deductions and credits), to taxable income on a year-by-year basis. These tax rates are not editable.

Retirement Methods:

The **Retirement** module can either be Simple or Detailed. To enter specific details for the clients' government benefits or defined benefit pension benefits, model retirement accounts such as spousal RRSPs, defined contribution pension plans, and locked-in retirement accounts (LIRAs), or specify to which account type (non-

registered, RRSP, or RRSP spousal) additional savings should be directed, click **Convert to Detailed Retirement**.

To use the detailed retirement mode, click **Convert to Detailed Retirement** on the **Select Modules** page.
OR
Select the **Detailed** option in **Plan Creation – Modules** during assessment creation.

> **Note:** Assessments that have been converted to **Detailed Retirement** cannot be reverted to **Simple Retirement**.

Entering inflation, tax, and historical assumptions

On the **Assumptions** page using the **Average Tax** method, you can specify the base inflation rate and the income tax brackets before and during retirement, and in the year of death. The tax rate for dependants can also be defined. On the **Historical Data** tab, you can also specify amounts that will affect RRSP contributions, such as the previous year's income or pension adjustments. You can also enter TFSA and RESP contributions.

To enter the clients' inflation, tax, and historical assumptions, follow these steps:

1. Go to the **Assumptions** page.

2. To view a graph of historical inflation rates, click **Inflation Rate Graph** under **Economic Factors**. By default, the graph displays inflation rate information from 1915 to the present. You can show inflation rates for the last 25 years or the last 10 years by clicking the links under **Select a Graph to View**.
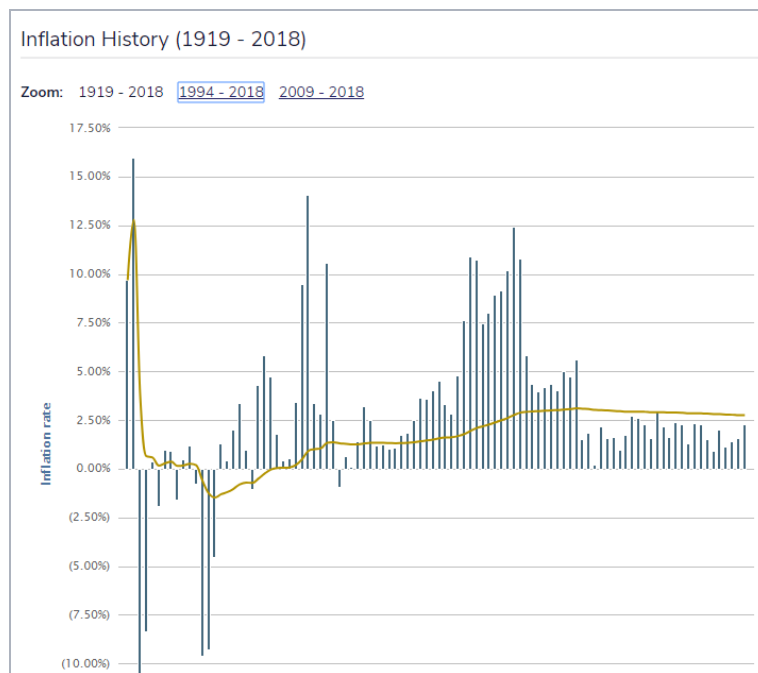
Forecaster Assessment - Assumptions - General - Inflation Rate Graph

3. To change the inflation rate, enter a different percentage in the **Base Inflation Rate** field.

4. Under **Tax Rates**, select the appropriate taxable income range from the **Tax Bracket** menu. NaviPlan automatically populates the **Average** and **Marginal** tax rate fields for the defined income. You can override the calculated rates by entering the desired rates into the appropriate fields. If any of the rates change, an arrow appears beside each edited tax rate to remind you that it has been modified.

Note: When using the Detailed Tax method, the **Tax Rates** section is not available as NaviPlan applies bracketed federal and provincial taxes, which consider an extensive number of deductions and credits.

5. If your client intends to become a resident of a different province during their retirement, under **Future Province of Residence**, do the following:

   1. Select **Override**.
   2. From the **Province** menu, select the province where your client will reside in the future.
   3. Enter the **Average Tax Rate** for the client, co-client and any dependants.

6. To enter historical RRSP, TFSA, and RESP contribution information, go to the **Historical Data** tab.

7. To enter historical RRSP information, go to the **RRSP Contributions** tab.

   - Enter the clients' *RRSP/PRPP Deduction Limit* for the upcoming year.
   - If either of the clients have an outstanding overcontribution balance, enter the overcontribution amount in the **RRSP Overcontribution Balance** field. This value will be deducted from the allowable limit for the current year.

- If either of the clients are a member of a pension plan at work, enter the pension adjustment amount (from the T4 statement). This value will be deducted from the allowable limit.

Home Buyers' Plan - RRSP Repayments

	David	Susan
HBP Balance Owing	$0	$0
Years Left to Repay	0	0
Begin Repayments In ⑦	2019	2019

Forecaster Assessment – Assumptions – Historical Data – RRSP Contributions (Detailed Tax only)

8. `D. Tax` If the client withdrew funds from an RRSP to participate in the Home Buyers' Plan, under **Home Buyers' Plan - RRSP Repayments**, enter the remaining balance in the **HBP Balance Owing** field. If the value is left at $0, NaviPlan assumes that no loan exists. In the **Years Left to Repay** field, enter the number of years the client has to repay the balance (must be less than 16 years). In the **Begin Repayments In** field, enter the year in which the repayments must begin.

TFSA Contributions

	David	Susan
TFSA Overcontribution Balance	$0	$0
Unused TFSA Contribution Room at End of 2018	$0	$0

Forecaster Assessment – Assumptions – Historical Data – TFSA Contributions

9. To enter historical TFSA information, go to the **TFSA Contributions** tab.

- If either of the clients have an outstanding TFSA overcontribution balance, enter the overcontribution amount in the **TFSA Overcontribution Balance** field. This value will be deducted from the allowable limit for the current year.

- If either of the clients have not made TFSA contributions that meet their maximum allowable contribution, enter the TFSA deduction carryforward amount from the client's Notice of Assessment. This value is added to the allowable limit for the current year.

RESP Contributions

	Clients		Dependants	
As of Dec 31st 2018 where the beneficiary is:	**David**	**Susan**	**Matthew**	**Jon**
Total RESP Contributions from All Subscribers	$0	$0	$0	$0
CESG eligibility carry forward	$0	$0	$0	$0
Total CESG Payment Received	$0	$0	$0	$0
2018 Net Income	$0	$0		
Net incomes must be entered for CESG purposes.				

Forecaster Assessment – Assumptions – Historical Data – RESP Contributions

10. To enter historical RESP contributions, go to the **RESP Contributions** tab. You can manually track your clients' RESP contributions, their CESG eligibility, total CESG payment received, and net income for the previous year.

- If the client has dependent, you can also include RESP contributions, their CESG eligibility and total CESG payment received for them as well.

Canada Child Benefit - Adjusted Family Net Income

	David	**Susan**
☐ Estimate adjusted net income using current year's information		
2018 Adjusted Net Income:	$0	$0

Forecaster Assessment – Assumptions – Historical Data – Canada Child Benefit

11. If the client has children, the **Canada Child Benefit** tab will be available. You can include **Adjusted Net Income** for the previous year for tax purposes.

Clients' Financial Data

Entering assets and liabilities

Assets		Liabilities			
Asset	**Amount**	**Liability**	**Outstanding Amount**	**Interest Rate**	**Monthly Payments**
Principal Residence	$150,000	Mortgage	$75,000	5.000%	$650
Cottage	$125,000	Car Loans	$80,000	8.000%	$650
Personal Use Property	$0	Personal Loans	$0	8.000%	$0
Listed Personal Property	$0	Other	$0	12.000%	$0
Total	$275,000	**Total**	$155,000		$1,300

Forecaster – Assets & Liabilities

To enter clients' current assets and liabilities, follow these steps:

1. Go to the **Assets & Liabilities** page.

2. Under **Assets**, enter the current value of each asset by category. NaviPlan will provide the **Total** below.

3. Under **Liabilities**, enter the outstanding amount, interest rate, and monthly payment amount for each liability by category. NaviPlan will provide the **Total** below.

Entering income and expenses

Annual Income

	David	Susan
Annual Income	$50,000	$55,000
Estimated Annual Pension Income (in today's $)	$15,000	$5,000

Monthly Expenses

Expense	Amount
Housing (e.g. utilities, repairs)	$1,250
Food	$500
Transportation (e.g. gas, insurance)	$250
Entertainment (e.g. restaurants, movies)	$50
Personal (e.g. clothing, hobbies)	$50
Other (e.g. child care, travel)	$100
Mortgage	$650
Car Loans	$650
Personal Loans	$0
Other Liabilities	$0
Total	$3,500

Forecaster – Incomes & Expenses

To enter clients' current annual income and monthly expenses, follow these steps:

1. Go to the **Income & Expenses** page.

2. Under **Annual Income**, enter the **Annual Income** and the **Estimated Annual Pension Income** for the client and co-client.

3. Under **Monthly Expenses**, enter the monthly expense amounts either by individual category or as one summary expense in the **Other** field. NaviPlan will provide the **Total** below.

> **Note:** The last four fields are greyed-out and unavailable. These values are entered on the **Assets & Liabilities** page.

Entering savings and investments (Simple Retirement Analysis)

Investment Accounts for Retirement

	David	Susan	Joint
Registered Accounts ⑦			
Current Value	$7,829	$4,256	
Current Monthly Savings	$200	$125	
TFSAs			
Current Value	$7,456	$0	
Current Monthly Savings	$0	$0	
Non-Registered Accounts			
Current Value	$12,000	$4,500	$15,000
Current Monthly Savings	$450	$175	$125
Assumed Return Rate	6.00%	6.00%	6.00%

Forecaster – Savings & Investments

To enter clients' current investments and savings, follow these steps:

1. Go to the **Savings & Investments** page.

2. Enter the **Current Value** and **Current Monthly Savings** amounts for the client and co-client's individual registered accounts, as well as for their individual and joint non-registered accounts.

3. Enter the **Assumed Return Rate** for all accounts.

Entering savings and investments (Detailed Retirement Analysis)

Entering non-registered account information

To enter non-registered account information, follow these steps:

1. On the **Savings & Investments** page, go to the **Non-Registered** tab.

Non-Registered	RRSP	RRSP Spousal	TFSA	Defined Contribution	LIRA

	David	Susan	Joint
Current Value	$500	$650	$11,000
Monthly Savings ($ or % of Salary)	$50	$50	$150
Pre-Retirement Return Rate	3.00%	3.00%	3.00%
Retirement Return Rate	3.00%	3.00%	3.00%

2. Enter the current value of each client's individually owned and jointly owned non-registered accounts.

3. Enter monthly savings that will be contributed to the non-registered accounts.

4. Click the **Return Rate** links to open the **Return Rates** dialog box.

Return Rates

? ✕

David	Susan	Joint

	Pre-Retirement	Retirement
Interest	3.00%	3.00%
Dividends	0.00%	0.00%
Capital Gains	0.00%	0.00%
Deferred Growth	0.00%	0.00%
Total	3.00%	3.00%

Return Rates

5. Under **Pre-Retirement** and **Retirement**, enter the percentage of interest, dividends, capital gains, and deferred growth for each return rate.

Entering RRSP/RRSP Spousal account information

To enter the clients' RRSP and RRSP Spousal account information, follow these steps:

1. On the **Savings & Investments** page, go to the **RRSP** or **RRSP Spousal** tab.

	David	Susan
Non-Registered **RRSP** RRSP Spousal TFSA Defined Contribution LIRA		
Current Value	$15,000	$12,500
Monthly Savings ($, % of Salary, or MAX)	4.00%	6.00%
Conversion	✎ Details	✎ Details
Assumed Return Rate		
Pre-Retirement	7.00%	6.00%
Retirement	5.00%	5.00%

Forecaster – Savings & Investments – RRSP (Detailed Retirement only)

	David	Susan
Non-Registered RRSP **RRSP Spousal** TFSA Defined Contribution LIRA		
Current Value	$2,500	$5,000
Monthly Savings ($, % of Salary, or MAX)	3.00%	3.00%
Contributions from	Susan	David
Conversion	✎ Details	✎ Details
Assumed Return Rate		
Pre-Retirement	6.00%	6.00%
Retirement	5.00%	5.00%

Forecaster – Savings & Investments – RRSP Spousal (Detailed Retirement only)

2. Enter the current value of each client's RRSP or RRSP Spousal account.

3. Enter monthly savings that will be contributed to the registered accounts.

4. To set up the conversion to a retirement income fund, click **Details**.

> **Note:** For help with the conversion to a retirement income fund, see *"Converting an RRSP or spousal RRSP to a Registered Retirement Income Fund (RRIF)" on page 20.*

5. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Entering TFSA account information

To enter the clients' TFSA information, follow these steps:

1. On the **Savings & Investments** page, go to the **TFSA** tab.

	David	Susan
Non-Registered RRSP RRSP Spousal **TFSA** Defined Contribution LIRA		
Current Value	$10,000	$0
Monthly Savings ($ or % of Salary)	5.00%	0.00%
Assumed Return Rate		
Pre-Retirement	6.00%	3.00%
Retirement	6.00%	3.00%

Forecaster – Savings & Investments – TFSA (Detailed Retirement only)

2. Enter the current value of each client's TFSA.

3. Enter monthly savings that will be contributed to the TFSA.

4. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Entering defined contribution information

To enter the clients' defined contribution information, follow these steps:

1. On the **Savings & Investments** page, go to the **Defined Contribution** tab.

	David	Susan
Non-Registered RRSP RRSP Spousal TFSA **Defined Contribution** LIRA		
Current Value	$0	$5,000
Employee Monthly Savings ($ or % of Salary)	0.00%	5.00%
Employer Monthly Savings ($ or % of Salary)	0.00%	2.50%
Conversion	✎ Details	✎ Details
Assumed Return Rate		
Pre-Retirement	3.00%	5.00%
Retirement	3.00%	4.00%

Forecaster – Savings & Investments – Defined Contribution (Detailed Retirement only)

2. Enter the current value of each client's registered pension plans (RPP money purchase plan type).

3. Enter the monthly employee and employer savings that will be contributed to the clients' registered

pension plans.

4. To enter conversion details, click **Details**.

Note: For help with the conversion to a retirement income fund, see *"Converting a defined contribution pension plan or a LIRA to a Life Income Fund (LIF)" on page 21.*

5. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Entering LIRA information

To enter the clients' locked-in retirement account (LIRA) information, follow these steps:

1. On the **Savings & Investments** page, go to the **LIRA** tab.

	Non-Registered	RRSP	RRSP Spousal	TFSA	Defined Contribution	LIRA
					David	**Susan**
Current Value					$5,000	$5,000
Conversion					✎ Details	✎ Details
Assumed Return Rate						
Pre-Retirement					4.00%	4.00%
Retirement					3.00%	3.00%

Forecaster – Savings & Investments – LIRA (Detailed Retirement only)

2. Enter the current value of each client's LIRA.

3. To enter conversion details, click **Details**.

Note: For help with the conversion to a retirement income fund, see *Converting a defined contribution pension plan or a LIRA to a LIF*.

4. Enter the **Assumed Return Rate** for the pre-retirement and retirement periods.

Directing additional monthly savings to specific account types

On the **Savings & Investments** page, under **Savings Settings**, select the account types to which additional monthly savings will be directed.

Setting up the conversion of registered plans to retirement income funds

In a Forecaster Assessment, you can set up the conversion of the following registered plans to retirement income funds:

- Registered retirement savings plans (RRSP) or spousal RRSPs can be converted to registered retirement income funds (RRIFs).

- Defined contribution pension plans or locked-in retirement accounts (LIRAs) can be converted to a life income fund (LIF).

- All registered plan types can be converted to an annuity.

Converting an RRSP or spousal RRSP to a Registered Retirement Income Fund (RRIF)

1. On the **Investments & Savings** page, go to the **RRSP** or **RRSP Spousal** tab.

2. Click **Details**.

Conversion

Convert to RRIF

○ At Retirement

● At Age   71

Elect payout in first year   ☐
Use younger partner's age for minimums   ☑

Minimum Payment Frequency Monthly   ▼

Make Annual Payments In   January   ▼

Annuity Information

Convert to Annuity   ☐

At Age   80

Annuity Return   0.00%

Account Setup *(Convert to RRIF)*

3. Under **Convert to RRIF**, define when the RRSP will be converted. If you select **At Age**, specify the age when the RRSP will be converted.

   Note: Conversion must take place by age 71 at the latest.

4. To use the younger client's age to calculate RRIF minimum payments, select the **Use younger partner's age for minimums** option.

5. From the **Minimum Payment Frequency** menu, select **Monthly** or **Annual**. If you selected **Annual**, select the payment month from the **Make Annual Payments In** menu.

6. Click **OK**.

Converting a defined contribution pension plan or a LIRA to a Life Income Fund (LIF)

1. On the **Savings & Investments** page, go to the **Defined Contribution** or **LIRA** tab, and then click **Details**.

   Note: The **LIF** option is selected by default, and the **LRIF** option is no longer accessible. This is due to recent legislative changes where existing LRIFs are being converted to LIFs.

Account Setup *(Convert to LIF)*

2. Under **Conversion Preference**, indicate when the plan is to be converted. To specify the age, select **At Age**, and then enter the age.

3. To use the maximum payout amount, select the **Use maximum payout amount** option.

   Note: This option is not accessible if **Automatic** was selected under **Conversion Preference**.

4. Select the governing legislative area.

5. From the **Minimum Payment Frequency** menu, select **Monthly** or **Annual**. If you selected **Annual**, select the payment month from the **Make Annual Payments In** menu.

6. Click **OK**.

Converting a registered plan to an annuity

Note: All registered plan types can be converted to annuities except for Registered Education Savings Plans (RESPs).

1. On the **Savings & Investments** page, go to the **<registered plan>** tab, and then click **Details**.

2. Click the **Annuity Information (Optional)** link.

3. Select the **Convert to Annuity** option.

4. Specify the age when the plan is to be converted.

> **Note:** Annuity legislation is constantly changing. In some legislative jurisdictions, conversion is mandatory at age 80, while in other areas 90 is the mandatory age. Some jurisdictions have removed this restriction all together and leave it to the plan owner to decide when best to convert to an annuity. It is up to you to ensure that the applicable legislation is followed.

5. Enter the expected annuity return rate.

6. Click **OK**.

Note: Accounts converted to a life annuity do not carry over to the spouse should the owner die.

Clients' Goals

Retirement Analysis in the Forecaster Assessment

Here is a summary of the considerations NaviPlan makes to analyze retirement goals in a Forecaster Assessment:

Retirement Dates

- Retirement begins on the date specified for the first client to retire.
- Retirement ends December 31 of the year when the last client dies.
- NaviPlan assesses needs in each year of the retirement period and compares them to the resources available for retirement funding. If either a shortfall or overfunding is expected, NaviPlan presents recommendations.

Retirement Needs

- Include desired annual retirement income and liability payments that extend into the retirement period.
- Do not include taxes or life insurance premiums.
    - NaviPlan calculates taxes automatically; insurance premiums are entered on the **Life Insurance** page.
- Lifestyle assets, such as homes, are not sold to fund retirement needs.

Retirement Resources

- Include estimated annual pension income, Canada/Quebec pension plan and Old Age Security benefits, and all registered and non-registered accounts.

Two modes of data-entry are available for the **Retirement** module: **Simple** and **Detailed**.

- **Simple** retirement mode – NaviPlan assumes that the clients are 100% eligible for CPP/QPP and OAS benefits starting at retirement. You can enter summary information about the clients' registered accounts (which NaviPlan converts to RRIFs at retirement) and non-registered retirement accounts.
- **Detailed** retirement mode – You can enter specific details for the clients' CPP/QPP and OAS benefits or defined benefit pension benefits, model retirement accounts such as spousal RRSPs, defined contribution pension plans, or LIRAs, enter details for the conversion of assets to retirement income funds, and specify to which account type (RRSP, RRSP Spousal, TFSA, or non-registered) additional savings should be directed.

To use the detailed retirement mode, you must either:

- Click **Convert to Detailed Retirement** on the **Financial Assessment** section – **Select Modules** page.
  OR
  Select the **Detailed** option on **Plan Creation – Modules** during assessment creation.

Entering retirement assumptions (Simple Retirement Analysis)

Retirement Information

	David	Susan
Retirement Age	65	65
Life Expectancy	90	90
CPP/QPP Eligibility	☑	☑
OAS Eligibility	☑	☑

Retirement Needs

◉ Percentage of Current Income   70%

◯ Monthly Need (in today's dollars)

	Age	Monthly Need
Phase 1	65	$6,125
Phase 2	0	$0
Phase 3	0	$0
Index at		3.00%

Forecaster Assessment – Retirement

To enter the assumptions to use for your clients' retirement goals, follow these steps:

1. Go to the **Retirement** page.

2. Under **Retirement Information**, enter the **Retirement Age** and the **Life Expectancy** for the client and co-client.

3. Under **Retirement Needs**, select one of the following options:

   - **Percentage of Current Income**: NaviPlan calculates the percentage of the household income that you entered on the **Incomes & Expenses** page and uses this amount as their retirement income need for the entire duration of the retirement period.

   - **Monthly Need (in today's dollars)**: Manually enter up to three phases during which the clients' retirement income need will be based off of the dollar amount that you enter. Each phase will begin when the first client to retire reaches the specified age.

Entering retirement assumptions (Detailed Retirement Analysis)

Retirement Information

	David	Susan	
Retirement Age	65	65	
Life Expectancy	90	90	
CPP/QPP Eligibility	☑	☑	✎ Details
OAS Eligibility	☑	☑	✎ Details

Retirement Needs

◉ Percentage of Current Income   70%
◯ Monthly Need (in today's dollars)

	Age	Monthly Need
Phase 1	65	$6,125
Phase 2	0	$0
Phase 3	0	$0
Index at		3.00%

Forecaster Assessment – Retirement

To enter the assumptions to use for your clients' retirement goals, follow these steps:

1. Go to the **Retirement** page.

2. Under **Retirement Information**, enter the **Retirement Age** and the **Life Expectancy**.

3. Indicate the clients' benefit eligibility by selecting the **CPP/QPP Eligibility** and/or the **OAS Eligibility** options.

4. To specify CPP/QPP & OAS benefit information, such as the **Benefit Amount**, **Benefit Start Age**, OAS **Deferred Benefit Bonus** and the **Index Rate**, click **Details**.

Monthly CPP/QPP Benefits

	Benefit Amount (Eligible % or Est. in today's $)	Benefit Start Age	Benefit Start Month		Monthly Benefit (in future $)	Starting In
☑ David	100%	65	Ret. (Client)	▦	$1,222.61	2021
☑ Susan	100%	65	Ret. (Co-client)	▦	$1,755.76	2030

☑ Share CPP/QPP

Monthly OAS Benefits

	Benefit Amount (Eligible % or Est. in today's $)	Maximize Benefit	Benefit Start Age	Benefit Start Month	Deferred Benefit Bonus	Monthly Benefit (in future $)
☑ David	100%	☐	65	Dec 2021	0.0%	$638.08
☑ Susan	100%	☐	65	Dec 2030	0.0%	$832.55

CPP/QPP & OAS Details

5. Under **Retirement Needs**, select one of the following options:

    - **Percentage of Current Income**: NaviPlan calculates the percentage of the clients' current income that you entered on the **Incomes & Expenses** page and uses this amount as their retirement income need for the entire duration of the retirement period.

    - **Monthly Need (in today's dollars)**: Manually enter up to three phases during which the clients' retirement income need will be based off of the dollar amount that you enter. Each phase will begin when the first client to retire reaches the specified age.

Education Analysis in the Forecaster Assessment

NaviPlan compares all needs associated with the education goal for each dependant to the resources available for education funding. If a shortfall or overfunding is expected, NaviPlan presents recommendations for each education goal. In the Forecaster Assessment, each dependant can have one education goal.

In the Forecaster Assessment, education assessments can only be done for dependants; they cannot be done for the client or co-client. If no dependant was added when the client file was created, go to the **Client Management** – **Client Information** – **Personal Information** page, and then add the family member.

Education Objectives

	Matthew		Jon	
Annual Education Costs (in today's $)	$5,000	🔍	$5,000	🔍
Index Costs by	5.00%		5.00%	
Education Start Age	18 2020		18 2029	
Number of Years	4		4	
Total Projected Cost ⑦	$22,628		$35,104	

Investment Accounts for Education

	Matthew	Jon
Non-Registered Accounts		
Current Amount Saved	$6,000	$3,500
Current Monthly Savings	$500	$500
Assumed Return Rate	6.00%	6.00%
RESP Accounts		
Current Amount Saved	$10,000	$6,000
Current Monthly Savings	$250	$250
Assumed Return Rate	6.00%	6.00%

Forecaster Assessment – Education

To enter the assumptions to use for your clients' education goals, follow these steps:

1. Go to the **Education** page.

2. Under **Education Objectives**, enter:

    -   the estimated annual education costs in today's dollars.

        -   You can click 🔍 to search for the cost of attending a specific North American school.

    -   a percentage to index costs by.

    -   the dependant's age when the education goal begins.

    -   the duration of the education goal.

    NaviPlan calculates the **Total Projected Cost** value by indexing each annual cost individually by the rate entered in the **Index Costs by** field from January 1 of the assessment year to December 31 of the year prior to the last year of the education goal.

3. Under **Investment Accounts for Education**, enter the current amount saved, the current monthly savings, and the assumed rate of return.

    -   Savings earn the return specified in the **Assumed Return Rate** field until the account is depleted.

    -   Non-registered savings are assumed to be deposited into a joint non-registered account.

- For RESP accounts, NaviPlan automatically calculates and includes the 20% Canada Education Savings Grant (CESG) for **Current Monthly Savings** and this is reflected in goal coverage.
- The amounts in the **Current Amount Saved** fields are assumed to be saved on January 1 of the plan year, whereas monthly savings begin in the current month. The monthly savings end on December 31 of the year before the last year of the goal.

Major Purchase Analysis in the Forecaster Assessment

NaviPlan compares all needs associated with the major purchase goal to the resources available to fund major purchases. If a shortfall or overfunding is expected, NaviPlan will present suggestions to attain 100% goal coverage. In the Forecaster Assessment, you can enter up to three major purchase goals.

Major Purchase Objectives

	Goal One	Goal Two	Goal Three
Description	New Car	Major Purchase 2	Major Purchase 3
Purchase Date	Jan 1 2024	Jan 1 2024	Jan 1 2024
Cost (in today's $)	$30,000	$0	$0
Index Costs by	3.00%	3.00%	3.00%
Total Projected Cost ⑦	$34,778	$0	$0

Investment Accounts for Major Purchases

	Goal One	Goal Two	Goal Three
Current Amount Saved	$2,500	$0	$0
Current Monthly Savings	$100	$0	$0
Assumed Return Rate	5.00%	5.00%	5.00%

Forecaster Assessment – Major Purchase

To enter your clients' major purchase goals, follow these steps:

1. Go to the **Major Purchase** page.
2. Under **Major Purchase Objectives**, enter:
   - the description.
   - the purchase date.
   - the current value of the cost.
   - the cost index rate.

NaviPlan calculates the **Total Projected Cost** value by indexing each annual cost individually by the rate entered in the **Index Costs by** field from January 1 of the assessment year until the month prior to the purchase month.

3. Under **Investment Accounts for Major Purchase**, enter the current amount saved, the current monthly savings, and the assumed rate of return.

    - All amounts saved earn the rate of return specified in the **Assumed Return Rate** field until the account is depleted.

    - Accounts used to save toward major purchase goals are assumed to be joint, non-registered accounts or TFSAs.

    - The amounts in the **Current Amount Saved** fields are assumed to be saved on January 1 of the plan year, whereas monthly savings begin in the current month. The monthly savings end on the last day of the month prior to the the purchase month.

Clients' Insurance Coverage & Needs

Entering existing life insurance policies

Life Insurance								Add Life Insurance ▼
							Cease Coverage	
Description *	**Insured**	**Policy Type**	**Benefit**	**Beneficiary**	**Premium**	**At Age**	**On Date**	
Life Insurance	Robert ▼	Term Life ▼	$100,000	Sarah ▼	$125 /mo		Never ▦	✕
Life Insurance	Sarah ▼	Term Life ▼	$75,000	Robert ▼	$75 /mo		Never ▦	✕

Forecaster Assessment – Life Insurance

To enter clients' existing life insurance policies, follow these steps:

1. Go to the **Life Insurance** page.

2. Enter a **Description** for the life insurance policy.

3. Select the **Insured** client, **Policy Type**, and **Beneficiary**.

4. Enter the **Benefit** amount and monthly **Premium** for all existing life insurance policies.

5. Under **Cease Coverage**, specify either an age or a specific date at which the life insurance policy will end.

Determining additional life insurance needs

To determine clients' life insurance needs, follow these steps:

1. Go to the **Survivor Income** page.

2. Select the scenario for which to run the quick assessment:

   - If the Client dies
   - If the Co-Client dies
   - If Both die

3. To include the calculated life insurance amount as a Survivor Income goal for your clients, select **Include in Analysis**.

Forecaster Assessment – Survivor Income (if Client dies) – Lump Sum Needs

4. In the **Lump Sum Needs** container, enter the amount your clients would like to save in their **Emergency Fund** and the anticipated amount of their **Final Expenses**.

   - NaviPlan automatically includes any liabilities and the cost of any Education goals entered elsewhere in the assessment. To use different values, select **Lump Sum Needs Override**.

5. In the Ongoing Needs container, do one of the following:

   - If you are fairly certain what the clients' ongoing needs would be in the event of a premature death, enter either a dollar amount or a percentage of their current household income under **$ or % of Salary** and the number of years to which the needs apply.

   - To calculate the amount of income that would be lost and the new expenses that would arise from a death, click ⊞ to open the **Ongoing Needs** calculator.

Ongoing Needs

Add Ongoing Need ⑦

$ or % of Income

Annual Ongoing Needs are ___$45,000___ for ___25___ years ⊞ ⑦

You require $1,057,004 to meet your calculated ongoing need.

Forecaster Assessment – Survivor Income (if Client dies) – Ongoing Needs – Calculate – Ongoing Needs

6. In the **Available Assets to Offset Needs** container, NaviPlan displays any assets that the survivor could sell to offset the immediate needs following the spouse's death, as well as the value of any existing life insurance policies. To use different values, select **Available Asset Override**.

Available Assets to Offset Needs

☐ Available Asset Override ⑦

📋 Copy Available Assets from Sarah's Assessment

Realizable Assets	$78,626
Existing Life Insurance Policies	$100,000
Total Available Assets	**$178,626**

Forecaster Assessment – Survivor Income (if Client dies) – Available Assets to Offset Needs

Ongoing Incomes ⑦

☐ Include Incomes as Entered in Plan
☐ Include CPP/QPP and OAS
___65___ Age to Begin Retirement CPP/QPP and OAS Benefits

You will receive $0 in ongoing incomes to apply to your ongoing needs.

Forecaster Assessment – Survivor Income (if Client dies) – Ongoing Incomes

7. In the **Ongoing Incomes** container, you can select to **Include Incomes as Entered in Plan** (on the **Incomes & Expenses** page) and/or **Include CPP/QPP and OAS** to include these values in the Survivor Income analysis.

8. In the **Assumptions** container, enter the **Inflation Rate**, **Assumed Return Rate** and the **Survivor's Tax Rate**.

9. NaviPlan displays the total recommendation for additional life insurance in the **Results** container. If there are instances in the survivorship cash flow where surpluses will be available in the future but are not available to cover expenses today, you will see a line for **Present Value Adjustments** to account for these.

Entering disability insurance coverage and disability income needs

Disability policies in the Forecaster Assessment are assumed to provide non-taxable flat dollar amounts that are not indexed for inflation. The owner of the policy is expected to pay for the premiums and be the recipient of disability benefits.

Description *	Insured	Policy Type	Benefit (% of salary or $)	Premium	Waiting Period		Benefits Period		
Group LTD	Robert	Group LTD	$5,000 /mo	$100 /mo	3	Months	65	Years of Ag	✕
Group STD	Robert	Group STD	$2,500 /mo	$50 /mo	2	Weeks	3	Months	✕
Group LTD	Sarah	Group LTD	$1,000 /mo	$50 /mo	3	Months	65	Years of Ag	✕
Group STD	Sarah	Group STD	$1,500 /mo	$75 /mo	2	Weeks	3	Months	✕

Disability Insurance — with **Add Disability Insurance** button

Forecaster Assessment – Disability Income

To enter the your clients' existing disability insurance policies, follow these steps:

1. Go to the **Disability Income** page.

2. Enter the **Income Need in Event of Disability**, either as a percentage of current household income or a specific dollar amount.

3. For any short-term and long-term coverage, enter the following:

   - a description.
   - the insured client.
   - the policy type.
   - the monthly benefit amount.
   - the monthly premium amount.
   - the waiting period.
   - the benefits period.

Viewing goal coverage progress

NaviPlan allows you to quickly view **Current Results** for clients' projected net worth, cash flow, and goal coverage progress based on the information you have entered in the analysis so far. It also recommends steps that clients could take to achieve 100% goal coverage.

Current Results are available for the following goal types:

- Retirement
- Education
- Major Purchase
- Survivor Income
- Disability Income

Note: The actual goals that appear on your screen will depend on the modules you selected on the **Modules** screen during goal creation.

Tracking net worth and cash flow projections/viewing goal coverage progress

To track projections of clients' net worth and cash flow or to view their goal coverage progress, follow these steps:

1. Go to **Quick Actions** and select **Current Results**.
2. Select either **Net Worth** or **Cash Flow** to view projections of the clients' financial situation.
3. Select a tab for one of the goals for which you would like to view the coverage.
    - The goal coverage graphs are interactive - hover over any of the bar's within the graph to get details on that specific year.
    - You can click on labels in the graph key to hide or display the associated category from the graph.
4. View suggested methods to achieve 100% goal coverage under **Options to Increase Goal Coverage**.
5. Once you've reviewed your clients' progress and the suggested options to increase coverage, click **Close** to return to where you left off.
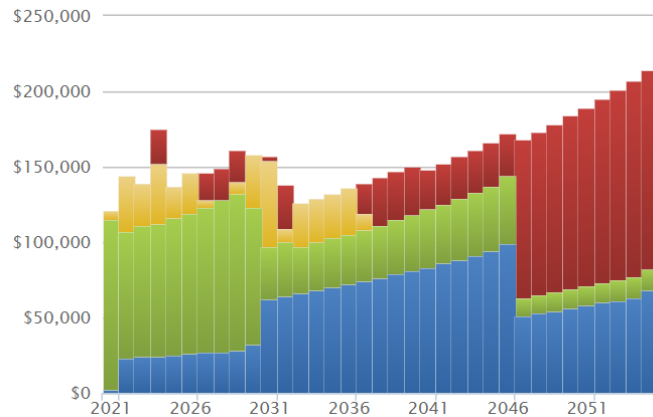
Current Results

Preparing personal notes for reports

In NaviPlan, you can create and customize text that will be included in reports. Personalize your plans and presentations by entering text on goal progress, recommendations, and any specific action items you would like clients to pursue.

To enter personalized text for reports, follow these steps:

1. Go to the **Results** – **User Defined Text** page.

2. Under **User Defined Text Summary**, select the goal or category for the user-defined text.

3. Under **Objectives**, **Recommendations**, or **Action Plan**, click **Add**.
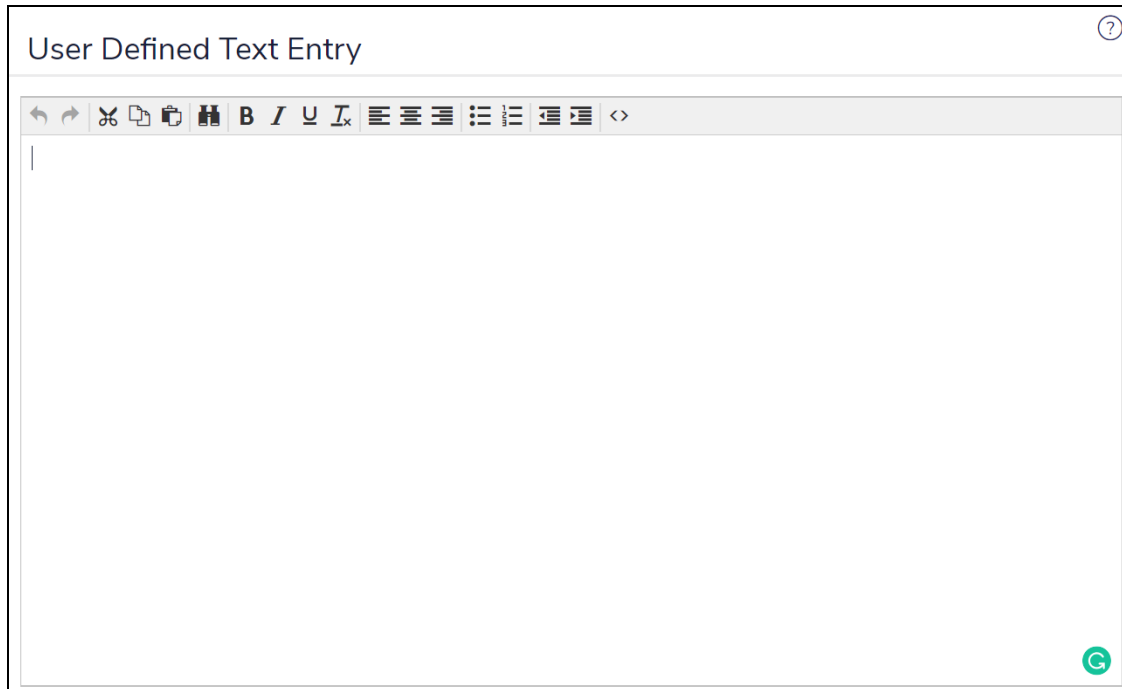
User Defined Text Entry

4. Enter the text in the dialog box, and then use the formatting buttons where applicable.

    Note: A spelling checker is not available. Use your browser's spell-check or copy and paste plain text from Microsoft Word. Graphics are not supported.

5. If you would like to use this text across multiple plans or with multiple clients, select the **Save to my Quick Picks for future use** option.

6. When you are finished, click **OK**.

7. To edit an existing entry, click ✎ to reopen the **User Defined Text Entry** dialog box for that entry.

8. To reorder entries within a category, click **Move Up** or **Move Down**.

9. Repeat steps 2–8 until all your entries are complete.

Managing quick picks for user-defined text

To access and manage any existing quick picks, follow these steps:

1. On the **User-Defined Text** page, select a goal or category from the **User Defined Text Summary** menu.

   - User-Defined text can also be updated from **User Preferences** - **Content Settings** - **User Defined Text Quick Picks**.

2. Click **Manage My Quick Picks**.

3. A list of all quick picks saved for the goal or category will appear.

   - To add a new quick pick, click **Add**.

   - To edit the content of an existing quick pick, click .

   - To delete a quick pick, click .

4. Once you've finished managing your quick picks, click **OK**.

Adding user-defined text to reports

To add your user-defined text to client reports, follow these steps:

1. Go to the **Results – Client Reports** page.

2. On the **Select Report** page, select either an existing template or click **Start a New Report**.

3. From the **Select a category** menu, select a goal or category.

4. Depending on the type(s) of user-defined text you entered (Objectives, Recommendations, or Action Plan), a report page will appear under the **Content** section.

5. Click **Add** to include the page(s) containing your user-defined text in the report.

Objectives
This report displays any user-defined text you have provided for your clients' financial goals.
ADD

Recommendations
This report displays the recommendations you have entered on the User-Defined Text page.
ADD

Action Plan
This report displays the action plans you have entered on the User-Defined Text page.
ADD

Tax Considerations
This report displays a list of important and timely changes in tax law.
ADD

Client Reports

Client reports can be accessed from the Results – Client Reports section.

Select a Template or Start a New Report

Start a New Report   Start a New Template

Term	Definition
Report Page	A report page is a single topic. Each tile on the **Build Report** page adds pages to your report.
Report	A report is a collection of report pages. After you have added each of the report pages you wish to present to your clients on the **Build Report** page, the output is called a report.
Template	A template is a report that has been saved for multiple uses. By saving reports as a template you can present the same set of report pages to all of your clients saving you time and ensuring consistency.

Report Pages can be viewed as tiles or panels by selecting either ☰ or ⊞ at the top of the page.

Tile View (☰)	**Cover Page** This is a general cover page. It includes the client's name(s), advisor's name(s), as well as the date of report creation. Add	**Table of Contents** This report generates a table of contents showing each report page you have included in your report or template. Add
	Financial Snapshot This report displays a high-level overview of the current plan on a single page. Add	

Panel view (⊞)	**Cover Page** Add	**Table of Contents** Add	**Financial Snapshot** Add

Organizing Templates

To organize templates, either in Alphabetical or Last Modified Date, follow the below instructions:

1. From the **Select Report** page, either search by title or click the **Sort Order** dropdown.
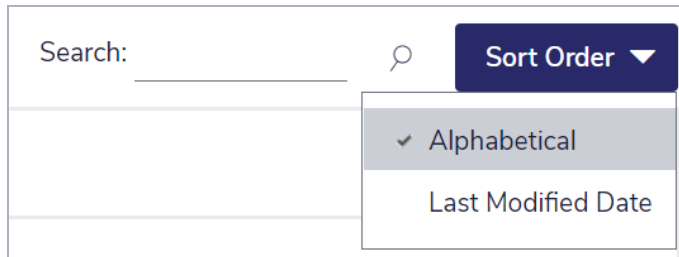
2. Choose the preferred option of organization.

Note: You may adjust the order at any time.

## Creating a new report

Follow these steps to create a new report:

1. From the **Select Report** page, select **Start a New Report**.
2. Use the **Select a category** menu to display a list of report pages for each category.
3. For multiple education and major purchase goals, use the **Select a goal** menu to navigate between goals.
4. Report pages are displayed as tiles. Select **Add** for each tile you want to include in your report. To remove a tile, select **Remove**.

Tip : You may preview the page by either clicking the thumbnail of the page, or click the 🔎 icon, found to the right of the page name within the Selected Pages section.

- Report tiles are categorized by the following sections:
    - **Content**: Dataless pages that provide an overview of the financial topic at hand. These provide context to reports and relate plans in a way that clients can understand.
    - **Summary**: Pages that cover clients' progress toward achieving their goal based on their current situation. These contain easy follow graphs and images.
    - **Current Plan**: Pages that summarize data for each goal in the current plan. These pages are numbers-oriented and often contain projection tables.
    - **Proposed Plan**: Pages that summarize data for the proposed plan. These pages are numbers-oriented and often contain projection tables.
    - **Alternative Plan**: Pages that summarize data for the alternative plans. These pages are

numbers-oriented and often contain projection tables. This pages will appear after including additional alternative plans in the **Select Plan Data for Reports...** section found on the top of the next gen report builder.

- Report pages display data for their section. For example, The **Cash Flow Surplus/Deficit** report page will display different data when selected for the Current Plan section than when selected for the Proposed Plan.

5. Review the order of report pages in the **Selected Pages** panel. The order displayed here matches the order in which reports will appear when generated.

- To better organize your pages, you can add sections to your report with the Add Sections button. This will add a new sub-section in your report to which you can combine similar pages to become a grouped section. A corresponding section page with the section name will be printed in the report.

- To edit the position of report pages, drag and drop the page titles into the order you would like.
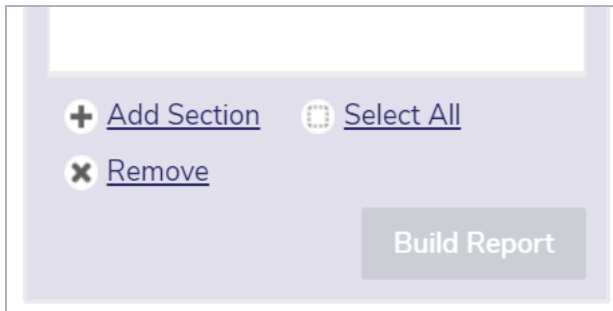
Tip: You can quickly select all report pages on the **Selected Pages** panel by clicking the **Select All** link.

6. Click **Select Plan Data for Reports...**, to select which alternative plans, education goals and major purchase goals to include in the report.

7. When you are satisfied with these options, select **Build Report**.

Tip: If you run out of space on the **Select Pages** panel, you can select « **Expand** to enlarge the panel.

Adding custom content to a report

Follow these steps to add your own supplementary content (e.g. client's wills, other estate planning documents, etc.) in PDF format to a report:

1. From the **Build Report** page, select the **Custom Content** report tile.
2. Use the **Choose File** button to find your custom PDF.
3. Enter a **Title** for the custom content.
4. When you are satisfied with these options, click **OK**.

Note: The following requirements apply:

- Maximum of 1 PDF per report (10MB or less).

Custom Content can also be uploaded in **User Preferences** – **Content Settings**. After uploading, you can add these files to reports by selecting the category the content is uploaded under and press the **Add** button.

Converting reports to Microsoft Word output

Follow these steps to convert any generated report into a Microsoft Word (.docx) export file:

1. Select the pages to include in your report, then click **Build Report**.

2. Once the report is generated a blue bar appears near the top of the page. From this bar, click **Convert to Microsoft Word** to generate the report in Word format.

Creating a new report template

Follow these steps to create a new template:

1. From the Select Report page, select Start a New Template.

2. Select to enter a name and description for the template.

3. Use the Select a category menu to display a list of report pages for a category.

4. Report pages are displayed as tiles. Select Add for each tile you want to include in your template. To remove a tile, select Remove.

   - Report tiles are categorized by the following sections

      - Content: Dataless pages that provide an overview of the financial topic at hand. These provide context to reports and relate plans in a way that clients can understand.

      - Summary: Pages that cover clients' progress toward achieving their goal based on their current situation. These contain easy follow graphs and images.

      - Current Plan: Pages that summarize data for the current plan. These pages are numbers-oriented and often contain projection tables.

5. Review the order of report pages in the Selected Pages panel. The order displayed here matches the order in which reports will appear when generated.

      - To edit the position of report pages, drag and drop the page titles into the order you would like.

6. When you are satisfied with these options, select Save.

      - If you have not yet entered a name for your template, you will be prompted to do so now.

Using a template to create a report

Follow these steps to generate a report using an existing template:

1. From the Select Report page, find the template you want to use to create a report and select Use.

2. When you are satisfied with these options, select Build Report.

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