

Retirement Planning Worksheet

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Years Until Retirement 40 years
Years In Retirement 30 years
Nominal Inflation Rate 4.00%
Nominal Rate of Return 8.00%

- 1. Annual Pre-tax Retirement Living Expenses (in today's dollars)** \$45,000
(You'll need roughly 60-80 percent of current income or 80-120 percent of current family living expenses)
 - 2. Expected Annual Social Security Benefits (in today's dollars)** \$10,000
(See table below for estimates of annual Social Security Benefits)
 - 3. Expected Annual Pension Income (in today's dollars)** \$0
(To estimate - multiply your salary by total years of service (at time of retirement). Multiply this result by 0.012)
 - 4. Expected Annual Income From Other Sources (in today's dollars)** \$0
(From continued employment, sale/lease of assets, etc.)
 - 5. Expected Retirement Income Needed From Savings** \$35,000
(Line 1 - Line 2 - Line 3 - Line 4)
 - 6. Future Value of Additional Income Needed** \$168,036
(Line 5 times Factor A - see table below)
 - 7. Amount Needed at Retirement to Generate Additional Income** \$3,074,609
(Line 6 times Factor X - see table below)
 - 8. Current Value of Savings** \$25,000
(This includes all retirement savings and investment accounts. You may include up to 1/2 of your equity in your house and/or other business assets if you expect to sell these assets to fund your retirement)
 - 9. Expected Future Value of Current Savings** \$543,113
(Line 8 times Factor B - see table below)
 - 10. Average Annual Contributions to Retirement Investments** \$1,000
(This includes annual contributions to ORP, 403(b), 457, 401(k), IRAs, SEPs, and Keogh retirement plans)
 - 11. Expected Future Value of Current Annual Contributions** \$279,781
(Line 10 times factor C - see table below)
 - 12. Total Retirement Capital You Need to Accumulate** \$2,251,715
(Line 7 - Line 9 - Line 11)
- Additional Annual Savings Needed to Reach Your Retirement Goal** \$8,048
(Line 12 times Factor D - see Table below)

Years to Retirement	2	4	6	8	10	12	14	16	18	20	25	30	35	40
Factor A	1.08	1.17	1.27	1.37	1.48	1.60	1.73	1.87	2.03	2.19	2.67	3.24	3.95	4.80
Factor B	1.17	1.36	1.59	1.85	2.16	2.52	2.94	3.43	4.00	4.66	6.85	10.06	14.79	21.72
Factor C	2.25	4.87	7.92	11.49	15.65	20.50	26.15	32.75	40.45	49.42	79.0	122.3	186.1	279.8
Factor D	0.445	0.205	0.126	0.087	0.064	0.049	0.038	0.031	0.025	0.02	0.013	0.008	0.005	0.004

Years In Retirement	2	4	6	8	10	12	14	16	18	20	25	30	35	40
Factor X	1.963	3.783	5.471	7.036	8.488	9.834	11.08	12.24	13.31	14.31	16.49	18.30	19.79	21.03

Estimate of Annual Social Security Income (2004)						
Average Annual Salary						
	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000
Worker	\$7,820	\$11,380	\$14,000	\$15,960	\$17,630	\$18,620
Worker with non-working spouse	\$11,730	\$17,070	\$21,000	\$23,940	\$26,445	\$27,930

This spreadsheet is intended for educational purposes. The author and Virginia Tech are not responsible for actions taken based on this spreadsheet.