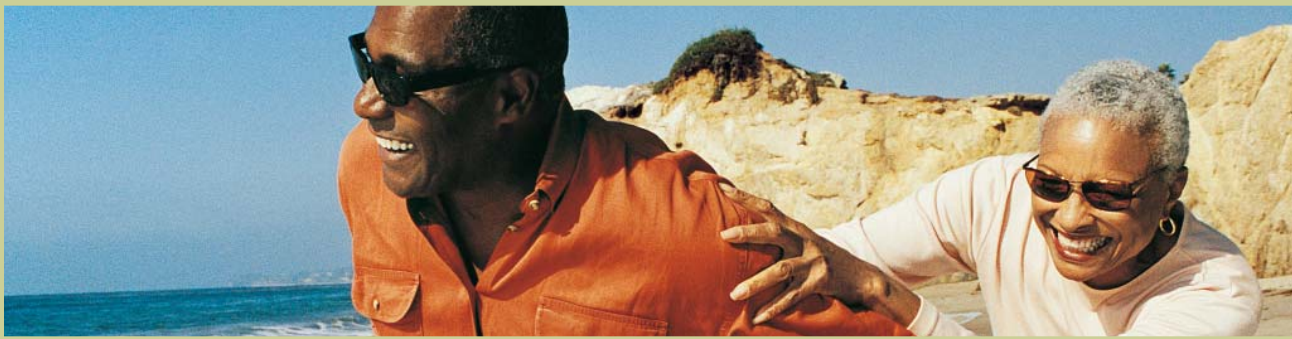
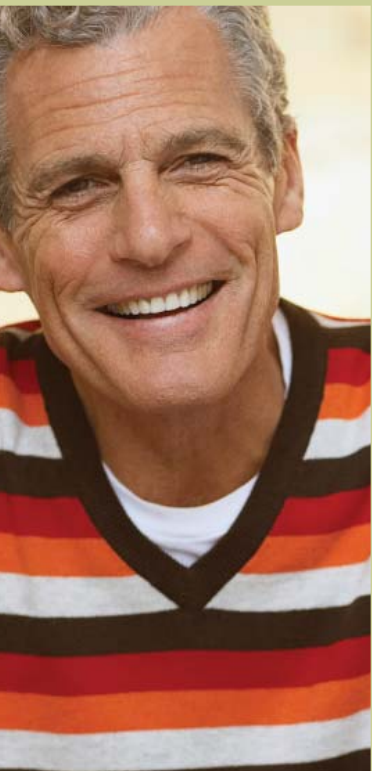




Genworth
Financial



Creating Your Plan for Living

PLAN FOR TOMORROW • LIVE FOR TODAY

Workbook Sections

- 1 WHY DO I NEED A PLAN FOR LIVING?**
Planning for your retirement now can help put you in control of risks to your retirement lifestyle and provide some suggestions for conversations with your financial professional about these risks.
- 2 CREATING A PLAN FOR LIVING**
Learn about how to plan for lifelong income — now or when you are ready to retire with the Plan for Living worksheets.
- 3 YOUR ACTION PLAN**
Work through an action plan with your financial professional that is customized for your needs and goals using the worksheets provided.

What is a Plan for Living?

You've been saving for retirement for many years. Now's the time to create a plan designed to ensure those savings you've worked so hard to accumulate can last a lifetime. You deserve to enjoy your retirement dreams. It's vitally important to be well prepared for any roadblocks that can unexpectedly get in the way. Having a well-designed retirement plan can help ensure you have — and maintain — the lifestyle you envision.

This is your Plan for Living.

Take control of your future now and develop a solid plan to help you achieve your retirement goals. Expect to spend around 45 minutes completing the workbook. It will help to have these important documents handy to ensure you get a complete picture.

Important Documents Checklist:

- Checkbook, with a record of recent transactions
- Recent credit card statements
- Pension information (if any)
- Most recent Social Security benefits summary
- Current financial portfolio information (stocks, bonds, annuities, mutual funds, etc.)
- Summaries of other assets such as real estate and business valuation

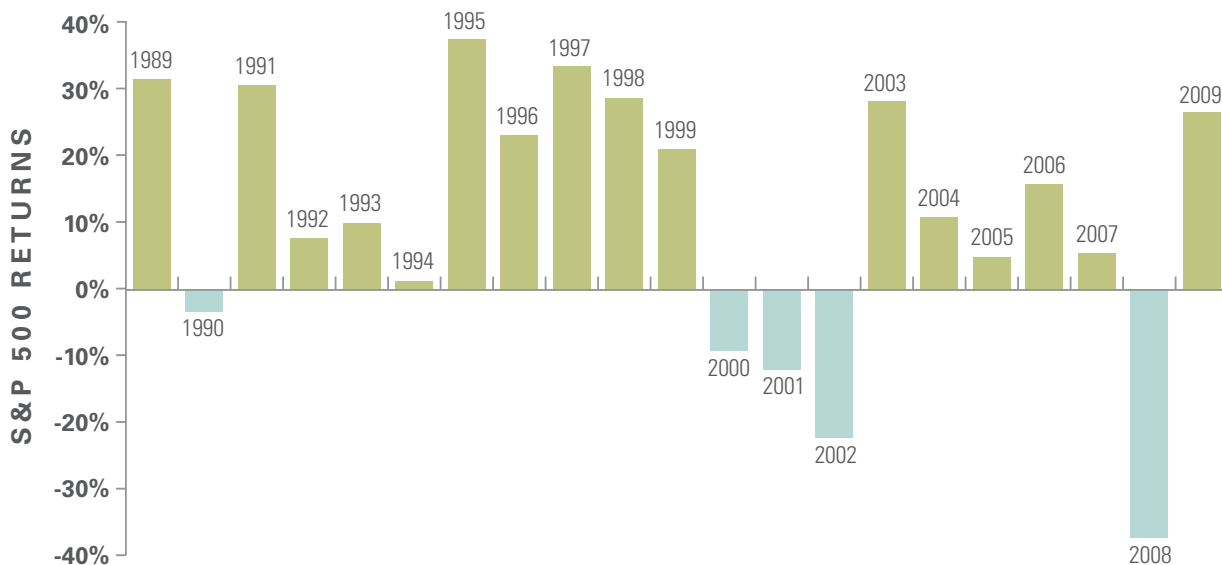
1: Why do I need a Plan for Living?

Many risks can impact your retirement lifestyle, some of which are beyond your control. Let's review some of the main risks to your long term financial security:

RISK 1: RUNNING OUT OF MONEY

Two key issues that could increase the odds of running out of money during retirement are poor portfolio performance (market volatility) and outliving your assets.

During the last decade, the stock and bond markets have experienced substantial volatility. While a portfolio of stocks and bonds is expected to grow in value over the long term, market volatility can quickly alter your retirement plans if a substantial decline occurs ten years before or after you begin retirement. This is why it's important to create a retirement income plan designed to withstand the market's ups and downs.



Source: Morningstar Direct, as of 12/31/09, annual returns including dividends.
Past performance is not indicative of future results.

Questions to ask your financial professional...

Will my current mix of portfolio assets provide me with long-term growth as well as reliable cash flow when I need it?

Is my current retirement income plan designed to help keep up with inflation?

Are there things I can do to ensure I have guaranteed income every month, even when the market is down?

A well-designed retirement income plan should also provide you with money that will last for as long as you live, and help you keep your desired standard of living throughout retirement. How long might that be? For a healthy 65-year-old couple, there is a 67% chance that at least one of them will live to age 90 and a 38% chance that at least one will live to age 95.* Income sources guaranteed for life can help ensure your money lasts for your lifetime.

YOUR AGE TODAY	YOUR LIFE EXPECTANCY			
	You have a 50% chance of living to at least...		And you have a 25% chance of living to at least...	
	Male	Female	Male	Female
55	86	89	93	95
56	86	89	93	95
57	86	89	93	95
58	86	89	93	95
59	86	89	93	95
60	86	89	93	95
61	86	89	93	95
62	86	89	93	95
63	86	89	93	95
64	86	89	93	95
65	86	89	93	95
66	86	89	93	95
67	87	89	93	95
68	87	89	93	95
69	87	90	93	95
70	87	90	93	95
71	87	90	94	95
72	87	90	94	95
73	88	90	94	96
74	88	90	94	96
75	88	90	94	96
76	88	90	94	96
77	89	91	94	96
78	89	91	95	96
79	89	91	95	96
80	90	91	95	96

Source: Genworth Financial for healthy individuals, assuming 80% of A2000 Basic ANB mortality.



Ask your financial professional about ways to guarantee that you don't outlive your income.

* Genworth Financial, A2000 Basic ANB Mortality table with Scale AA mortality improvement.

RISK 2: UNKNOWN HEALTH RELATED COSTS

When planning for healthcare expenses, be sure to consider protection not only for traditional healthcare but also for long term care needs. An unexpected healthcare event or long term care need can have a dramatic impact on your retirement savings if you have to pay for those expenses out-of-pocket.

AVERAGE ANNUAL EXPENSES FOR PERSONS AGE 65 AND OLDER	
Health Insurance & Medicare Payments	\$2,844
Medical Services & Supplies	\$938
Drugs – including prescription drugs	\$821

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 2008

Generally, Medicare and typical health insurance plans do not cover the cost of long term care services. In most states, aid for these types of services is available only to those with limited assets and low incomes.

Even if you have enough income to pay for out-of-pocket expenses, be sure to consider the impact an unplanned long term care need could have on your retirement security.

Questions to ask your financial professional...

How would I pay for an unexpected long term care need?

What financial strategies are available to help protect my assets?

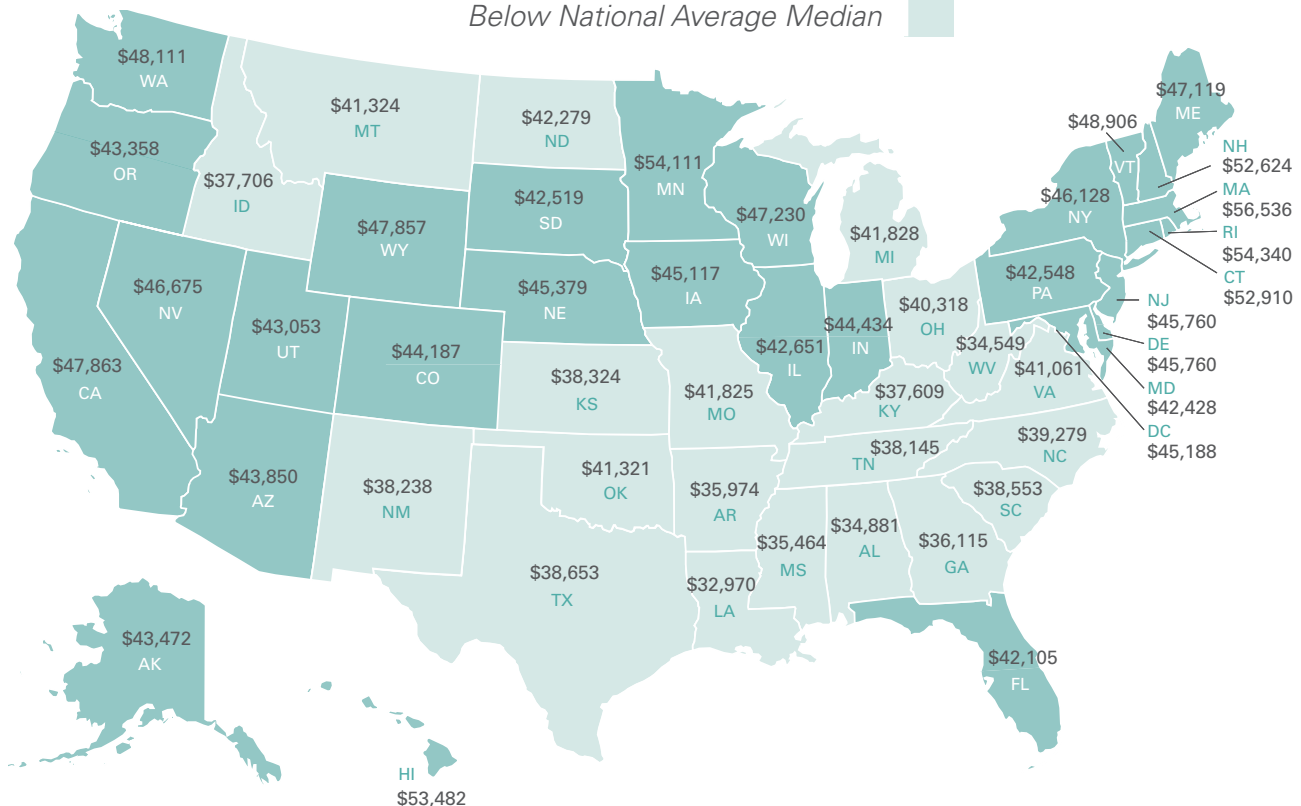
If I had a long term care need, which assets would I rely on to pay those bills?

**HOME CARE: HOME HEALTH AIDE (NON-MEDICARE CERTIFIED, LICENSED)
AVERAGE MEDIAN ANNUAL EXPENSE**

More than 70% of long term care insurance claims paid are for Home Care services.* Putting a plan in place now, can help ensure you have more control over important decisions later in life, like where you decide to receive care. The map below shows the annual average median rate for home care services by state. For more information on the cost of home care, assisted living facilities and nursing homes visit this web site: genworth.com/costofcare.

**HOME CARE SERVICES
US AVERAGE MEDIAN ANNUAL RATE: \$42,328**

Above National Average Median ■
Below National Average Median ■



NATIONAL AVERAGE ANNUAL COSTS	
Assisted Living Facility (Private One-Bedroom)	\$33,903
Nursing Home (Semi-Private Room)	\$66,850
Nursing Home (Private Room)	\$74,208

For detailed information on the cost of long term care in your area, visit genworth.com/costofcare. **

* Genworth Financial, Long Term Care Claims Experience Data — December 1974 through June 30, 2009

** Genworth 2009 Coast of Care Survey, conducted by CareScout (04/09)

2: Creating a Plan for Living

Now let's develop a plan to mitigate these risks and help prepare you for a more secure retirement.

These pages include some helpful tools that will assist you in filling out the worksheets on pages 8 and 9.

THE 4% WITHDRAWAL STRATEGY & YOUR RETIREMENT

Many financial professionals recommend withdrawing no more than 4% annually from your retirement savings to reduce the risk of depleting your portfolio too early. While most financial professionals consider this recommendation a "safe" strategy, it does not guarantee lifetime income.

CONSIDER THE IMPACT OF INFLATION

Inflation must be accounted for when building a retirement income plan designed to last a lifetime. The chart below can help you determine how conservatively you want to account for inflation in retirement and will be used to complete the worksheets on the following pages.

1. Determine how conservatively you want to plan for inflation in retirement.
2. Find the inflation factor that corresponds to the years you are from retirement.
3. Use this factor to complete your worksheets.

RATE OF INFLATION		NUMBER OF YEARS UNTIL RETIREMENT						
		0	5	10	15	20	25	30
Inflation Factors	3% – Average rate over the past 20 years	1.00	1.16	1.34	1.56	1.81	2.09	2.43
	5% – More conservative, "Play it Safe" option	1.00	1.28	1.63	2.08	2.65	3.39	4.32

Source: Bureau of Labor Statistics, Consumer Price Index, 1990 - 2009, Last 20 Years.

SOCIAL SECURITY: THINGS TO CONSIDER

WHEN TO TAKE BENEFITS

Take a look at how your monthly benefit can increase if you postpone when you begin receiving Social Security.*

If you start receiving benefits at age:	62	66	70
Your monthly benefit is:	Your minimum	At least $\frac{1}{3}$ more	At least $\frac{3}{4}$ more

*Source: *The Social Security Claiming Guide*. Center for Financial Literacy. Boston College. 2009.

SPOUSAL AND SURVIVOR BENEFITS

Spousal Benefits: The lower-earning spouse is entitled to 50% of their spouse's primary insurance amount, upon filing. This amount is reduced by the lower-earner's individual benefits and/or collection of spousal benefits prior to full retirement age.

Survivor Benefits: Widow(er)s are guaranteed at least 71.5% of their deceased spouse's Full Retirement Age benefit if they claim the survivor benefit before their Full Retirement Age, and at least 82.5% if they claim the survivor benefit after their Full Retirement Age.

SOCIAL SECURITY TAXATION

When you file a federal tax return as an individual, half your Social Security benefits could be taxable if your combined income** is between \$25,000 and \$34,000, or between \$32,000 and \$44,000 if filing jointly. Up to 85 percent of your Social Security benefits could be taxable if your combined income** exceeds \$34,000 if filing as an individual or exceeds \$44,000 if filing jointly.

** On the 1040 tax return, "combined income" is the sum of your adjusted gross income, plus nontaxable interest, plus one-half of your Social Security benefits. For more information on social security, visit www.ssa.gov.

RETIREMENT WORKSHEET: EXPENSES

You may or may not know exactly what your retirement expenses will be, but using expenses you know today can help you create a good estimate for the future.

We'll begin with your **Essential Expenses**, these are the things that won't go away just because you've retired. Write down what you actually spend today (or your best estimate of how much you'll need to spend once you retire). Then, we'll look at inflation and estimate how much these expenses may be in the future. This will help you and your financial professional determine how much guaranteed income you will most likely need in retirement.

ESSENTIAL EXPENSES	MONTHLY COST
Housing (homeowners insurance, maintenance, property tax, rent/condo fees, home equity loan) <i>Note: Include your mortgage if your home will not be paid off by the time you retire.</i>	
Groceries, Personal and Household Items	+
Clothing	+
Utilities (phone, water, gas, electric)	+
Transportation (auto loan/lease payments, car insurance, maintenance, gas)	+
Insurance Premiums (life, health, long term care insurance)	+
Out of Pocket Healthcare & Medical Expenses (medicare, medicare supplement, co-pays, prescriptions, etc.)	+
Other (review your checkbook and credit card statements to identify other ongoing expenses which are essential to you)	+
Estimated Total Essential Monthly Retirement Expenses (at today's prices)	=
Multiply By Inflation Factor (based on expectations, see table on page 6)	×
Estimated Total Future Essential Retirement Expenses	=

Now, let's estimate your **Discretionary Expenses**. These are the fun and interesting things you want to spend money on in retirement. In some cases, you may think of these expenses as one-time, annual costs. Just divide those costs by 12 months to estimate an average monthly budget for planning purposes.

DISCRETIONARY EXPENSES	MONTHLY COST
Dining Out	
Travel	+
Recreation & Entertainment (internet, TV, movies, cultural events, golf, etc.)	+
Charitable Giving	+
Other (review your checkbook and credit card statements to estimate other discretionary expenses you expect to have and would like to continue spending money on in retirement.)	+
Estimated Total Discretionary Monthly Retirement Expenses (at today's prices)	=
Multiply By Inflation Factor (based on expectations, see table on page 6)	×
Estimated Total Future Discretionary Retirement Expenses	=

RETIREMENT WORKSHEET: INCOME & ASSETS

In this first section, *only guaranteed income sources should be listed*. Assets not listed below typically do not provide guaranteed income.

GUARANTEED RETIREMENT INCOME SOURCES	MONTHLY INCOME
Social Security (see your latest Social Security Statement for an estimate of your benefits at your expected retirement age)	
Pension (use your pension statements to write down the expected guaranteed retirement benefits from a pension or other retirement plans)	+
Income Annuities (if you already own an annuity paying you monthly lifetime income, indicate the amount here)	+
Total Guaranteed Monthly Retirement Income (before taxes)	=
Subtract expected income taxes (for many people this will be 10 to 20%)	-
Total Guaranteed Monthly Retirement Income (after taxes)	=

In this section, capture the current value of your assets which could be used to help fund your retirement cash flow needs. Remember to not include any assets you are setting aside to self insure long term care events.

ASSETS AVAILABLE FOR INCOME PURPOSES	ACCOUNT BALANCE OR CASH VALUE
401(k)s & Individual Retirement Accounts (IRAs)	
Savings & Money Market Accounts	+
Certificates of Deposit (CDs)	+
Mutual Funds, Individual Stocks & Bonds	+
Deferred Annuities	+
Sale Value of Investment Property, Vacation Home or Business (be sure to use conservative valuations to identify the cash value of these items)	+
Other Assets Not Already Listed (e.g. downsize current home)	+
Total Current Assets Available to Fund Retirement Income Needs (at today's prices)	=
Multiply by Growth Factor If you have not yet retired, you can use the Inflation Factor table on page 6 or a method recommended by your financial professional to create a growth estimate	×
Total Expected Future Assets Available to Fund Retirement Income Needs	=
Multiply by 4% to see how much income your assets may safely generate	× 0.04
Divide by 12 to estimate your monthly income from withdrawals	÷ 12
Estimated Monthly Income from Portfolio Withdrawals (before taxes)	=
Subtract expected income taxes (for many people this will be 10 to 20%).	-
Estimated Monthly Income from Portfolio Withdrawals (after taxes)	=

YOUR RETIREMENT BALANCE SHEET	DOLLARS
Total Guaranteed Monthly Retirement Income (after taxes)	
Estimated Total Essential Retirement Expenses	-
Essential Retirement Income Gap/Surplus	=
Estimated Monthly Income from Portfolio Withdrawals (after taxes)	+
Estimated Total Future Discretionary Retirement Expenses	-
Total Retirement Income Gap/Surplus	=

BRIDGING A RETIREMENT INCOME GAP

It is quite common to find that you have a retirement income gap; that is, your expected monthly income is less than your expected expenses in retirement. Below are a few options to help cover your gap:

- 1: **Withdraw from your portfolio at a higher rate than 4% (including any dividends and interest received):** While this could help close your income gap, the risk of running out of money during retirement can go up substantially.
- 2: **Delay retirement or work part-time:** Delaying retirement or working part-time reduces withdrawals, potentially adds to your savings, and in some cases could increase your social security benefits (refer to page 7).
- 3: **Convert assets into guaranteed income:** Your financial professional can help you create a plan that uses solutions that guarantee income to last a lifetime to cover at least your essential expenses. This can help to increase the likelihood of sustaining the lifestyle you want in retirement.
- 4: **Modify your spending plans:** Reducing your discretionary expenses can help your nest egg last longer.

If you have a Total Retirement Income Surplus, or only need to solve for a Future Discretionary Retirement Expense Gap, be sure to review your portfolio carefully with your financial professional to ensure that you've appropriately accounted for all future expenses and assets available. You can also discuss ways to add guaranteed income into your portfolio to help ensure that you can maintain your lifestyle.

You are now ready to move on to **Step 3: Your Action Plan**. Your financial professional can assess your goals, objectives and needs to provide recommendations to create a sound retirement income plan.

Keep in mind that circumstances change over time. It is a good idea to meet with your financial professional yearly to determine if your Plan for Living needs updating.

3: Your Action Plan

The final pages of this workbook contain forms designed to help you and your financial professional develop your unique Plan for Living. Keep this plan with your other important financial information. As events change in your life, work with your financial professional to update the information and adjust your plan accordingly.

Your Name(s)

Financial Professional

Your Expected Year of Retirement

YOUR KEY RETIREMENT CONCERNS:

(Check all that apply)

- Market Volatility
- Healthcare Costs
- Taxes (Approximate Federal Tax Bracket _____%)
- Inflation
- Outliving Savings

YOUR PLAN GOALS:

(Check all that apply)

- Create Immediate Income for Retirement
- Build Future Retirement Income
- Preserve and Accumulate Wealth for Beneficiaries/Heirs
- Live Comfortably and Independently

COVERING ESSENTIAL EXPENSES WITH GUARANTEED LIFETIME INCOME SOURCES

The first step of your action plan is to ensure that you will always have enough income to cover your essential expenses.

E S S E N T I A L			
Essential Retirement Income Gap/Surplus (from page 10)			\$
If you have an essential retirement income gap, your financial professional can recommend strategies to use some of your retirement assets to create more guaranteed income.			
Your Action Plan for Generating More <u>Guaranteed</u> Retirement Income			
Options For <u>Guaranteed</u> Income		Recommended <u>Guaranteed</u> Income Product	
Asset	Amount	Product Recommendation	<u>Guaranteed Monthly Income</u> (after taxes)
Qualified Assets			
IRA	\$		\$
401(k)	\$		\$
Non-Qualified Assets			
Savings Account	\$		\$
Money Market Account	\$		\$
CD	\$		\$
Mutual Funds	\$		\$
Stocks	\$		\$
Sale of Home, Business or Other Property	\$		\$
Expected Inheritance	\$		\$
Total Additional <u>Guaranteed</u> Income			

Your “Total Additional Guaranteed Income” should meet or exceed any “Essential Retirement Income Gap.”

FUNDING YOUR DISCRETIONARY RETIREMENT EXPENSES

After ensuring you will have income to cover essential expenses, determine how your discretionary expenses may be funded from your remaining retirement assets.

DISCRETIONARY	
Total Monthly Discretionary Expenses (from page 8)	=
Subtract Any Essential Retirement Income Surplus (from page 10)	–
Discretionary Expenses to be Funded	=

Strategy 1: These expenses may be funded by withdrawing from your retirement assets.	
Total Expected Future Assets (from page 9)	=
Subtract any assets already committed to fund essential expenses, and those set-aside to self-insure against long term care expenses	–
Remaining Future Assets	=
Multiply by 4% to see how much annual income your assets may safely generate	× 0.04
Annual Income Generated by 4% Withdrawals	=
Divide by 12 to estimate your monthly income from withdrawals	÷ 12
Estimated Monthly Income Available from Portfolio Withdrawals (before taxes)	=
Subtract expected taxes (for many people this will be 10 to 20%)	–
Portfolio Withdrawal Income (after taxes)	=

Strategy 2: Another alternative is to fund the expenses with a financial product that guarantees monthly income for life. Your financial professional can provide examples of alternatives.			
Asset Type/Name	Amount	Product Recommendation	Guaranteed Monthly Income (after taxes)
	\$		+
	\$		+
<p>In many cases a mixture of these two strategies may be appropriate. Keep in mind that you have a higher probability of being able to sustain your desired lifestyle with either a higher proportion of guaranteed income sources or a lower withdrawal rate from your portfolio.</p> <p>If neither a portfolio withdrawal strategy nor guaranteed income alternatives are sufficient to fund your desired discretionary expenses, consider delaying retirement, part-time employment, or reducing your expenses.</p>			
Other Income Sources: rental income, part-time employment, alimony, etc.			Guaranteed Monthly Income (after taxes)
			+
			+

SUMMARIZE THE ACTIONS YOU PLAN TO TAKE HERE:

Your Plan for Living is only complete once you have worked through the action steps that you and your financial professional have discussed.

ACTION STEP	GOAL & BENEFITS OF ACTION TAKEN	EXPECTED COMPLETION DATE

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