

72(t) distributions from retirement plans

NaviPlan does not currently calculate the eligible amount of Substantially Equal Periodic Payments (SEPP) for 72(t) distribution elections. With a known SEPP amount, however, 72(t) distributions can be modeled in NaviPlan Extended using a *Periodic Sell* record and the *Waive early withdrawal penalties* option.

To model 72(t) distributions

1. Go to the **Assets** category – **Qualified** tab, and then double-click an eligible asset. The *Asset Details* dialog box opens. Go to the **Sells** tab.
2. Click **Insert**, and then select **Periodic**. The *Periodic Sell* dialog box opens.

3. Enter the sell amount, start date, and end date. Select the appropriate *When Status Is* check boxes to cover the entire length of the 72(t) distribution period, which is typically five years or until the client reaches age 59 and a half, whichever period is longer.
4. Click **OK**, and then go to the **Details** tab.

Asset Details - Investment Portfolio

Details | Buys | Sells | Transfers | Future Returns | Asset Classes

General Information

Name: IRA 72(t) Investment Portfolio Ownership: Frank

Type: IRA Community Property

Hold Status 0% to hold Purchase Date: Dec 31 2004

Purchase Information

Purchase Amount: \$50,000.00

2004 Contribution: \$50,000.00

Previous Purchase

If purchased before 2005, enter the following as of Jan 1 2005

Market Value: \$50,000.00

Basis (qualified): \$0.00

Base Return Rates

Interest: 0.0000% Dividends: 0.0000% Growth Rate: 8.0000%

Capital Gains: 0.0000% Tax Free: 0.0000% Standard Deviation: 12.0000%

Frequency: Annual Reinvest: Reinvest All Override

Current Value

As of Jan 1 2005 Market value is: \$50,000.00

Market Value includes accrued interest

Note: Market Value should include all other accrued income.

Sale Date: Never

Qual. Setup...

Cancel **OK**

To have early withdrawal penalties waived from distributions

1. Click the **Qual. Setup** button, and then select the **Waive early withdrawal penalties** check box.

Qualified Plan Setup

Beneficiaries

Primary Beneficiary: Kathy

Contingent Beneficiary: Estate

Minimum Payment

Payment frequency: Monthly

Make annual payments in: January

Waive early withdrawal penalties

Note: Planner is responsible for determining whether or not penalties apply.

Cancel OK