

NaviPlan® Extended Online/Offline

General USA version 10.2.0.13

Summary

EISI Release Notes highlight new features and program upgrades in our latest NaviPlan Extended (NPE) Online/Offline release.

In this document, you will find information about Online/Offline version 10.2.0.13, as well as details about previous NPE releases dating back to version 10.2.0.7.

Should you wish to learn more about the program or its individual features, please consult any of our NaviPlan product resources. You can choose to rely on the greater detail presented in the Help, or the NaviPlan Extended Online/Offline Reference Guides. Other resources are available at <http://support.eisi.com/extended>

The following are the program upgrades and features highlighted in this document:

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Updates to NaviPlan Extended version 10.2.0.13

This latest release of NPE Online/Offline includes the following updates and enhancements.

U.S. federal tax updates for 2010

The following items and amounts are updated to incorporate federal tax updates for 2010 in this release of NPE:

- Updated federal standard deduction amounts for 2010
- Updated federal income tax brackets and associated rates
- Updated pension contribution limits for 2010
- Updated annual gift tax exclusion amounts
- Updated inflation rate values
- Updated itemized deduction phase-outs
- New limits on long-term care premiums
- Updated AMT exemption amounts
- Updated Social Security values
- Updated Social Security bend points for 2010
- New personal exemption amounts

These updated values are incorporated into the related analyses in NPE, as well as into applicable reports, graphs, and the *Planning Assistant*[™] tests.

Miscellaneous updates

- Ibbotson security Asset Classifier updates are incorporated in the NPE Offline application.
- The Peterson's Undergraduate Database (accessible by clicking *Education Calculator* on the *Goals* section – *Education* category – *Objectives* page) is updated with additional and revised college cost data (data source: Peterson's Databases, copyright (2009). Peterson's, a division of Thomson Learning. All rights reserved.).
- NaviPlan Extended Offline is enhanced with an Auto Update feature designed to check for any available updates when the application is launched, and will allow users to easily apply any software updates following this release.
- Updates to the survivor income and estate planning analyses ensure that, in the appropriate years, the clients' assets receive the applicable cost basis step-up or cost basis carryover, including simultaneous death scenarios in 2010.
- The ability to roll up holdings at the account level when importing accounts or plans is now available. In the *Financial Picture* section – *Net Worth* category – *Accounts* page – *Import Accounts* dialog box, the *Roll Up Holdings* check box is available in Level 2 Plans. When selected, accounts are imported as simple accounts, without holdings. For more details on this feature, access the Help in NaviPlan Extended.

- Updates to internal processes have been made to help ensure compliance with open-source and third-party licensing requirements in NaviPlan.
- Issues affecting transfers between qualified assets, when the holding details of the source or destination asset are accessed, have been addressed to ensure that these transfers are no longer removed from the plan.

Updates to reports and graphs

- The text regarding tax legislation in 2010 is updated in the Tax Considerations page in NaviPlan client reports.
- In NPE Offline, errors that occur when users generate the *Comprehensive Analysis* client report with all report sections selected have been addressed.
- Changes to the *Estate Planning Flowchart* report (accessible from the *Results* section – *Additional Reports* – *Estate Planning* category – *General* page) are incorporated to ensure that more accurate funding results are displayed in the CST node.

Updates to NaviPlan Extended version 10.2.0.12

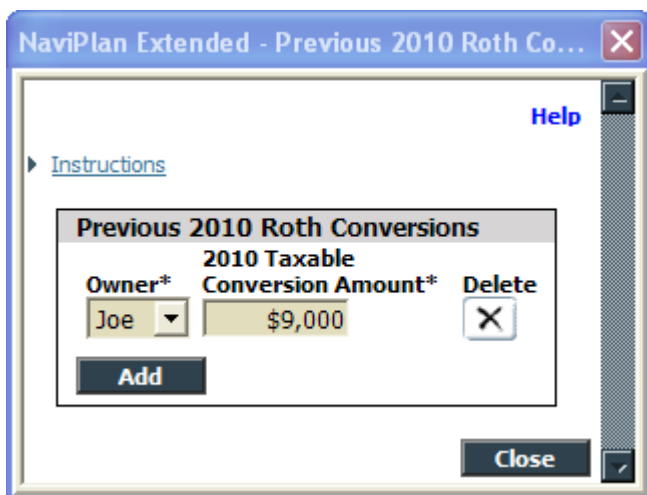
This release of NPE Online/Offline included the following updates and enhancements.

2009 state tax updates

This version of NaviPlan Extended includes state tax rate changes for 2009, including but not limited to up-to-date deduction and credit amounts as well as Social Security amounts.

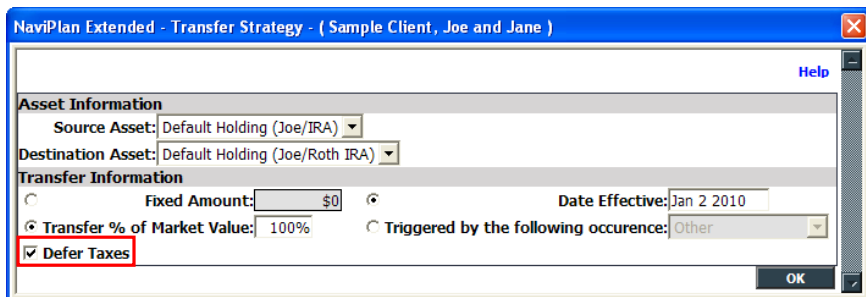
Ability to enter or model Roth conversions

On the *Financial Picture* section – *Net Worth* category – *Accounts* page, a new dialog box is available to allow users to enter any conversions of their clients' IRA accounts to Roth IRAs in 2010 which occurred prior to the plan date. The *Previous 2010 Roth Conversions* dialog box is accessible by clicking the *2010 Roth Conversions* button on the *Accounts* page.



Financial Picture section – Net Worth category – Accounts page – Previous 2010 Roth Conversions dialog box

On the *Strategies* section – *Strategies* category – *Transfers* page, planners can model the benefits of converting their clients' IRA accounts to Roth IRA accounts. Clicking the *Details* button opens the *Transfer Strategy* dialog box. In this dialog box, selecting the *Defer Taxes* check box allows users to model the advantages of deferring the resulting taxes to the years 2011 and 2012, rather than paying any resulting taxes in full in the year of conversion.



Strategies section – Strategies category – Transfers page – Transfer Strategy dialog box (showing Defer Taxes check box)

For more information on entering and modeling Roth IRA conversions in NaviPlan, access the Help in NaviPlan Extended.

Ibbotson updates

Ibbotson asset allocation data, including the Security Classifier database as well as rates of return, is updated with the most recent data available.

Peterson's Undergraduate Database

The Peterson's Undergraduate Database (accessible by clicking *Education Calculator* on the *Goals* section – *Education* category – *Objectives* page) is updated with the most recent college cost data (data source: Peterson's Databases, copyright (2009). Peterson's, a division of Thomson Learning. All rights reserved.).

Miscellaneous updates

- InstallShield® is upgraded to the 2010 version
- Security field analysis is completed and security updates are incorporated
- Updates in accordance with FINRA recommendations are incorporated
- The latest CrypKey files (copyright CrypKey (Canada) Inc.) are incorporated in this release of NaviPlan to address intermittent authorization issues some users may have had when running the Microsoft® Windows 7 operating system and NaviPlan on the same computer
- Other issues affecting compatibility with Microsoft® Windows 7 are addressed
- CrypKey authorizations issues affecting Symantec users are resolved
- The *Owner* field on the *Financial Picture* section – *Net Worth* category – *Accounts* page is updated to allow users to edit this field for all imported accounts
- The treatment of trust gift amounts in NaviPlan is updated to evenly distribute the gift amount to all selected trust beneficiaries in the plan, rather than by a percentage amount

Updates to reports and graphs

- Roth IRA conversions details are incorporated into applicable reports and graphs in this new version of NaviPlan
- Other miscellaneous text and visual enhancements are included in the reports and graphs in this new version of NaviPlan

Updates to NaviPlan Extended version 10.2.0.11

This release of NPE Online/Offline included the following updates and enhancements.

Recovery and Reinvestment Act

In response to the Recovery and Reinvestment Act, the following tax changes for 2009 are incorporated in NaviPlan Extended:

- Updated AMT exemption amounts and levels
- Increased refundable portion of the child tax credit for 2009 and 2010
- New support for the ability to apply personal non-refundable credits to offset AMT as well as regular tax

Miscellaneous updates and enhancements

- Social Security bend point updates for 2009 include updated AIME and PIA factors used in calculating benefits in NaviPlan
- Ibbotson security classifier data is updated with the most recent data available
- Mortality tables used in NaviPlan for trust calculations are updated with the most recent data available (TABLE 2000CM)
- The *Strategies* section – *Strategies* category – *Transfers* page is updated to ensure that asset transfers entered for life insurance proceeds are saved and retain their settings when the user navigates away from the page
- Issues affecting some users when navigating to the pages in the *Goals* section – *Survivor Income* category are resolved
- Updates are incorporated to ensure more accurate asset class weightings details for the current portfolio
- The data-scrub feature in NPE is updated to ensure that asset classes and investor profiles do not appear in scrubbed client files
- Non-qualified annuities bequested to an heir or charity, and qualified annuities where the beneficiary is an heir or charity, are now being used for estate settlement
- In years when there is no federal estate tax, NaviPlan now calculates the taxable estate amount for the purpose of calculating state death taxes
- In plans where the clients are married filing jointly, and either the client or co-client owns a 529 plan that is not exempt from state income taxes, if redeeming from the account would cause a non-account owner to incur taxes, these taxes are now covered by accounts linked to the education goal
- Discrepancies in the *Estate Planning Tax Option Detailed Comparison* table for the *No Sunset* tax option (relating to state taxes and IRD) are addressed
- *Long-Term Care* recommendations available on the *Results* section – *User Defined Text* category – *User Defined Text* page for client reports are updated

- When analyzing simultaneous death scenarios, amounts related to income taxes paid from the estate and liquidity needs are now correctly reflected in reports
- Amounts related to the value of a marital trust in the gross estate of the second to die when analyzing simultaneous death, as well as trust funding amounts related to the GSTT exemption, are reflected correctly in the *Gross Estate and Liabilities* report (*Results – Additional Reports – Estate Planning – General*) and other estate planning reports
- When analyzing simultaneous death, amounts reported in the *Estate Planning Tax Details* report (*Results – Additional Reports – Estate Planning – General*) in regards to estate liquidity needs now correctly reflect the available assets

Enhancements to NaviPlan Extended version 10.2.0.10

This release of NaviPlan Extended Online/Offline included updates to the following items and amounts, to incorporate federal tax updates for 2009:

- Federal income tax brackets
- Maximum annual earnings amounts for Social Security (\$106,800 for 2009)
- Standard deduction amounts
- Updated poverty amounts for 2009, added for Social Security calculations and state income tax calculations
- Personal exemption amount (\$3,650 for 2009)
- Updated limits on long-term care premiums
- Annual gift exclusion amount (\$13,000 for 2009)
- Updated kiddie tax amounts and child tax credit amounts (refundable portion)
- AMT exemption increase extended from 2007 to 2008
- Adjusted gross income limit
- GSTT exemption amount
- Contribution limits for qualified contributions and pensions
- Estate tax exclusion
- Credit amounts
- Itemized deduction phase-outs

Miscellaneous

- Updated values above are incorporated into the survivor, disability, and long-term care analyses in NPE
- Updated values above are incorporated into applicable reports and graphs, as well as in the application Help and in the *Planning Assistant*[™] tests
- The *Inflation Rate* graph in the *Getting Started* section – *Assumptions* category is updated with current data to the end of 2007
- The *Life Expectancy* graph in the *Getting Started* section – *Assumptions* category is updated with new life expectancy data
- The Ibbotson Security Classifier Database is updated with the most recent data from 2008
- This release includes a security enhancement to the login function in NaviPlan
- In NPE Offline, the *Train, David and Mary* sample client file available on the *Home* section – *Select Client* category – *Clients* page is updated

- The treatment of trust funding assets is updated to ensure that when the second client in the plan dies, amounts are transferred to the applicable trust rather than to heirs when the *Community Property* check box is selected for the asset
- Issues that may have affected users when importing client files from NPS into NPE have been addressed
- The *Financial Picture* section – *Insurance Coverage* category – *Insurance Coverage* page is updated to ensure that users can save changes made under *Long-Term Care Insurance*
- The NPE Admin site is updated so that users can access the *Manage User Templates* category from the navigation bar on the left side
- Issues affecting a new joint account added in a plan or when deleting a new account from the plan on the *Financial Picture* section – *Net Worth* category – *Accounts* page have been addressed

Reports and graphs

- The *Financial Needs Assessment* client report (*Results – Client Reports*) is updated to ensure that customized disclaimers display correctly when the report is generated in PDF
- The *Comprehensive Analysis* client report (*Results – Client Reports*) is updated to ensure that more accurate marginal tax rates are reported

Enhancements to NaviPlan Extended version 10.2.0.9

Income in respect of a decedent (IRD) updates

- For non-qualified annuities in the accumulation period, NaviPlan now includes only the taxable portion of the annuity in IRD calculations, as well as considers the income tax deduction for estate tax paid
- When calculating IRD in cases where a qualified annuity is bequeathed to a child, NaviPlan now includes only the taxable portion of the bequest
- For qualified annuities passing to the surviving spouse, NaviPlan now includes the appropriate amount as IRD, as well as calculates the correct amount that is subject to tax

Miscellaneous updates

AMT provisions have been increased as per the Economic Stabilization Act of 2008 as follows:

- \$69,950 for married individuals filing a joint return and for surviving spouses
- \$46,200 for other unmarried individuals

The income limit for the refundable portion of the child tax credit has been decreased from \$12,050 to \$8,500 for 2008 only.

- An update to the *Financial Picture* section – *Net Worth* category – *Accounts* page resolves instances where an account or the *Delete* button (or both) was unavailable under *Account List*.

Updates to reports and graphs

- The calculation of the *Current Monthly Savings* amount in the user interface and the *Financial Needs Summary* client report is updated to ensure accurate values for an education or major purchase goal savings strategy with monthly savings that begin after January 1 of the plan year
- When calculating IRD related to non-qualified annuities, NaviPlan now correctly calculates and reports the income taxes related to the annuity, as well as the deduction for estate taxes attributable to the IRD, such that the appropriate market value is included in the gross estate amount displayed in estate planning reports
- The *IRD Summary* report (*Results – Additional Reports – Estate Planning – General*) is updated to provide accurate IRD income and tax amounts when the report settings are changed

Enhancements to NaviPlan Extended version 10.2.0.8

This release of NaviPlan Extended Online/Offline included the following enhancements and updates:

- The Peterson's Undergraduate Database, accessible by clicking *Education Calculator* on the *Goals* section – *Education* category – *Objectives* page is updated with the most recent college cost data (data source: Peterson's Databases, copyright (2008). Peterson's, a division of Thomson Learning. All rights reserved.)
- Ibbotson Asset Allocation data, including the Asset Classifier database, is updated with the most recent data
- State tax rates and standard deduction amounts are updated
- The treatment of system-generated assets is updated so that these assets are no longer shown in the list of available assets for linking to liabilities, and are no longer linked to liabilities when a calculation is performed, or when a report is generated
- For stocks, stock options, and business entities in the *Financial Picture* section – *Net Worth* category, the calculated rate of return is updated to display the dividend rate correctly as a weighting
- Issues affecting users when funding a CST in the *Goals* section – *Estate Planning* category using a qualified asset with a value greater than the maximum exclusion amount have been addressed, to ensure proper funding of the CST using only the qualified account
- Updates to NaviPlan have addressed issues some users had in importing client files from NaviPlan Standard into NaviPlan Extended
- Updates to California state tax and standard deduction amounts now ensure that these values are retained when users switch between married filing jointly and married filing separately statuses, and when modifying incomes within a married filing separately plan; these values are also properly reported in the *Income Tax Details for* and the *Income Tax Projected Details for* reports

Updates to reports and graphs

- The *Plan Synopsis* report (*Results – Additional Reports – Summaries*) is updated to show all savings strategies, whether *All Holdings* is selected or not
- The *Estate Planning* flowchart report (*Results – Additional Reports – Estate Planning*) is updated so the PDF version of the report automatically prints with landscape orientation to fit all contents onto the page
- For clients using the Ibbotson Asset Allocation option, the *Important Terminology* section of client reports is updated so that these reports now include the 12 asset class descriptions, and the Disclaimer includes references to super asset classes
- For users with custom asset allocation, the *Asset Allocation* section of the client reports is updated so that no Ibbotson footnote appears in any reports

- Issues with printing reports in RTF have been addressed so that when RTF is the selected method of printing in the *Home* section – *User Preferences* category, the output is successful
- The *Financial Needs Assessment* client report (*Results – Client Reports*) is updated to correctly calculate and display future values

Enhancements to NaviPlan Extended version 10.2.0.7

This release of NaviPlan Extended Online/Offline included the following enhancements:

- The income in respect of a decedent (IRD) calculations have been enhanced to properly account for the deduction for estate taxes paid when income tax is triggered due to an estate settlement sell of a qualified account. As a result, the *IRD Summary* report (accessible from the *Results* section – *Additional Reports – Estate Planning* category) is redesigned to assist in auditing the IRD numbers.
- The sample client file, accessible on the *Clients* page, is updated.
- Social Security bend point updates for 2008 include updated AIME and PIA factors used in calculating benefits in NaviPlan.
- Fields to capture an individual's Social Security number, as well as Social Security numbers previously included in NaviPlan reports, are no longer available for new clients and migrated client files in v10.2.0.7.
- NPE v10.2.0.7 includes a new end-user license agreement for all users to accept when installing and logging on to the application.