

# NaviPlan® Standard

## General USA Windows-based version 9.0j

### Summary

EISI Release Notes highlight program upgrades in our latest NaviPlan Standard release.

In this document, you will find a moderate level of information about Windows-based version 9.0j, as well as information about NaviPlan Standard releases dating back to v9.0g. 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, in the Basic Features Guide, or in the Advanced Features Guide. Other resources are available at <http://support.naviplan.com>

Below are the upgrades and new features highlighted in this document:

<b>v9.0j updates .....</b>	<b>2</b>
Inflation and tax table updates.....	2
Pension Protection Act of 2006 .....	2
Miscellaneous.....	3
<b>v9.0i updates .....</b>	<b>4</b>
Enhancements to NaviPlan Standard 9.0i.....	4
Tax Increase Prevention and Reconciliation Act .....	4
Miscellaneous.....	4
Reports and graphs .....	4
<b>v9.0g features .....</b>	<b>5</b>
Enhancements to NaviPlan Standard 9.0g.....	5
Tax table updates .....	5
Circular 230 .....	5
NASD compliance .....	5
Miscellaneous enhancements .....	5

## v9.0j updates

The following enhancements have been made to NaviPlan Standard Windows-based v9.0j.

### Inflation and tax table updates

In accordance with annual U.S. income tax and inflation updates, the following changes have been incorporated into version 9.0j of NaviPlan:

- Federal income tax brackets for 2007
- Increased Social Security wage maximum annual earnings and tax-exempt amounts for 2007
- The *Inflation Rate* graph is updated with 2005 data on the *Assumptions* category – *Inflation* tab
- The *Life Expectancy* graph is updated with 2003 values on the *Assumptions* category – *Milestones* tab
- Standard deduction amounts for 2007
- Updated personal exemptions for 2007
- Annual gift exclusion amounts
- Updated elective contribution limits for 401(k), Roth 401(k), 403(b), Roth 403(b), and 457 plans (\$15,500 for 2007)
- Updated *Planning Assistant*<sup>TM</sup> tests

### Pension Protection Act of 2006

In August 2006, the Pension Protection Act of 2006 (PPA) was signed, making permanent select provisions to help protect and promote retirement savings. The Act permanently extends three dozen increases under the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) which were scheduled to sunset at the end of 2010.

NaviPlan Standard version 9.0j has been updated to incorporate these changes in U.S. legislation. The updates are incorporated into the user interface and calculations, as well as reports, and include, but are not limited to, the following items:

- The PPA provision which permanently extends the EGTRRA increase (indexed by inflation) beyond 2011 for the maximum annual benefit an individual can receive from a defined benefit pension plan is implemented; the *Planning Assistant* has been updated to check on the new benefit values.
- NaviPlan Standard version 9.0j now supports enhanced rollover rules. Users can now roll over their clients' retirement savings from one type of tax-favored retirement fund directly to another (without having to create a conduit traditional IRA). When employee-sponsored plans are converted to different retirement savings funds, NaviPlan ensures that any pre-tax contributions are taxed as income when the transfer occurs.

- Roth 401(k) and Roth 403(b) plans can be purchased after 2011, and contributions to these types of plans can continue after 2011. As a result in NaviPlan, Roth accounts will not be converted to non-Roth accounts after 2011, but will continue to receive favorable tax treatment indefinitely.
- Under PPA legislation, 529 plans will not lose their tax-exempt status in 2011, but will remain tax exempt indefinitely.

### Miscellaneous

- Validation testing with the Windows Vista™ operating system has been completed for compatibility issues that were identified in version v9.0j

## v9.0i updates

The following enhancements were included in NaviPlan Standard Windows-based v9.0i.

### Enhancements to NaviPlan Standard 9.0i

#### Tax Increase Prevention and Reconciliation Act

Version 9.0i of NaviPlan Standard (including applicable reports) has been updated to incorporate changes signed into law through the Tax Increase Prevention and Reconciliation Act of 2006 (TIPRA). The following provision is applicable to NaviPlan and has been incorporated into the application:

- The application of the capital gains tax rate to dividend income has been extended to 2010 (in 2011 the taxation of dividends will reset to the marginal income tax rate)

#### Planning Assistant™

The alternative minimum tax (AMT) reasonability test in the *Planning Assistant* (*Strategies* menu – *Planning Assistant*) in NaviPlan Standard v9.0i is updated to reflect the extension of the AMT exemption amount as a result of TIPRA.

#### Miscellaneous

- Deficit coverage is now applied in the year of death, prior to estate settlement in NPS, to provide more accurate analysis results (this change may significantly affect estate and cash flow analyses)
- Social Security bend points used to calculate primary insurance amounts are updated for 2006

#### Reports and graphs

- Text for the generic disclaimer in client reports is updated
- Additions and modifications have been made to the Important Terminology section in client reports, including a definition for the assumed asset mix, and changes have been made to the asset allocation pages in client reports
- Circular 230 disclosure has been added to the *Income Tax Overview* page in client reports
- The application of probate fees is now properly accounted for in the treatment of all qualified, non-qualified, and lifestyle assets in the *Estate Planning Synopsis* report (*Reports* menu – *Estate Planning* – *Overview* – *Synopsis*)

## v9.0g features

The following enhancements were made to NaviPlan Standard Windows-based v.9.0g.

### Enhancements to NaviPlan Standard 9.0g

#### Tax table updates

Version 9.0g of NaviPlan Standard Windows-based contains updated and current tax information for 2006.

This includes updates to the following:

- Updated federal marginal and average tax rates and brackets
- Updated Social Security values
- An updated annual gift exclusion amount of \$12,000 for 2006
- An increase in GSTT exemption amount to \$2,000,000 for 2006, in keeping with the EGTRRA legislation
- Updated pension and defined contribution limits included in the Planning Assistant™

#### Circular 230

In accordance with Internal Revenue Service disclosure requirements, the *Disclaimer* page in all NaviPlan client reports has been updated to reflect the appropriate Circular 230 disclosure.

#### NASD compliance

Pursuant to feedback received from the National Association of Security Dealers on the NaviPlan client reports, the following changes have been made:

- A new *Important Terminology* page has been added including a new acronym section
- A new line item has been added to the *Disclaimer* page to disclose that fees and expenses have not been taken into account in the plan along with other miscellaneous clarifications and adjustments

#### Miscellaneous enhancements

- CrypKey™ install drivers (copyright CrypKey (Canada) Inc.) have been updated to version 6.1e to resolve many installation errors. Contact NaviPlan's Technical Support department if you encounter any difficulties launching NaviPlan after this program upgrade.
- Section 4 of EISI's Software License Agreement, which governs the use of NaviPlan by licensed individuals in preparing financial plans or assessments, is modified. To access and read the revised license agreement, in NaviPlan, go to the **Help** menu, select **About**, and then go to the **License** tab.