

Calculating and Applying Tax Rates in SIPS Essentials

06/30/2025 3:36 pm EDT

SIPS allows you to forecast effective tax rates for any year of your income plan. You can add these forecasted rates directly within the Add Income Tax function. For SIPS Essentials users, simply enter a hypothetical, rounded rate in the Add Income Tax function. In SIPS Advanced, tax estimates will match exactly between the Income Plan and the Cash Flow and Tax Advisor Page. To configure your forecasted tax rates, use the Cash Flow and Tax Advisor page.

Below is a hypothetical example of a client making a yearly amount of \$100,000 and you would like to configure out the effective tax rate while working.

To learn more about Add Inc Tax functions within SIPS Essentials see articles:

- [Calculating and Applying Tax Rates in SIPS Essentials](#)
- [Setting Effective Tax Rates for SIPS Essentials](#)

If you would like to learn more about advanced tax planning in SIPS Advanced see article:

- [Understanding the Advanced Tax Planning Page](#)

To learn about setting up tax calculations options for income and expenses see articles:

- [Tax Calculation Option: Adding Assets into a Structured Income Plan](#)
- [Tax Calculation Option: Adding Income and Expenses into a Structured Income Plan](#)

To learn more about forecasting effective tax rates see articles:

- [Part One: Forecasting Effective Tax Rates While the Client is working](#)

Step 1: First Year Income: Note the first year's income. You will use this need this in the Cash Flow and Tax Advisor to calculate the effective tax rate for the first year.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Structured Income Planning

Edit

Scenario Calculating and Applying Tax Rates in SIPS Essentials

Year	John	Accounts				Accounts Total	Planned Distribution	Incomes		Total Income	Target Income	Income Gap	Year				
		Account	Income	Account	Income			Wages	SS								
net return	64	5.00 %		5.00 %	John IRA												
initial amount		750,000		1,250,000	John inc	2,000,000	Subtotal of account incomes										
bonus % w/bonus		0.00 %		0.00 %		0		Infl Factor 2.00 %	Infl Factor 2.00 %		Infl Factor 2.00 %	from total income to target					
end of 1	64	787,500	0	1,312,500		2,100,000	0	100,000	0	100,000	86,700	15,300	end of 1				
end of 2	65	826,875	0	1,378,125		2,205,000	0	102,000	0	102,000	86,700	15,300	end of 2				
end of 3	66	779,785	88,434	1,447,031		2,226,816	88,434	0	0	88,434	88,434	0	end of 3				
end of 4	67	728,571	90,203	1,519,382		2,247,954	90,203	0	0	90,203	90,203	0	end of 4				
end of 5	68	672,993	92,007	1,595,352		2,268,344	92,007	0	0	92,007	92,007	0	end of 5				
end of 6	69	649,978	56,665	1,675,119		2,325,096	56,665	0	37,182	93,847	93,847	0	end of 6				
end of 7	70	624,678	57,798	1,758,875		2,383,553	57,798	0	37,926	95,724	95,724	0	end of 7				
end of 8	71	596,958	58,954	1,846,818		2,443,776	58,954	0	38,684	97,638	97,638	0	end of 8				
end of 9	72	566,673	60,133	1,939,159		2,505,832	60,133	0	39,458	99,591	99,591	0	end of 9				
end of 10	73	533,670	61,336	2,036,117		2,569,788	61,336	0	40,247	101,583	101,583	0	end of 10				
end of 11	74	497,791	62,563	2,137,923		2,635,714	62,563	0	41,052	103,615	103,615	0	end of 11				
end of 12	75	522,681	0	2,157,912	86,907	2,680,592	86,907	0	41,873	128,780	105,687	23,094	end of 12				
end of 13	76	548,815	0	2,174,756	91,051	2,723,571	91,051	0	42,710	133,762	107,801	25,961	end of 13				
end of 14	77	576,256	0	2,188,526	94,968	2,764,782	94,968	0	43,565	138,532	109,957	28,576	end of 14				
end of 15	78	605,068	0	2,198,474	99,478	2,803,542	99,478	0	44,436	143,914	112,156	31,759	end of 15				
end of 16	79	635,322	0	2,204,204	104,193	2,839,526	104,193	0	45,325	149,518	114,399	35,119	end of 16				
end of 17	80	667,088	0	2,205,296	109,119	2,872,383	109,119	0	46,231	155,350	116,687	38,663	end of 17				
end of 18	81	700,442	0	2,201,885	113,675	2,902,328	113,675	0	47,156	160,831	119,021	41,810	end of 18				
end of 19	82	735,464	0	2,192,959	119,021	2,928,423	119,021	0	48,099	167,120	121,401	45,719	end of 19				
end of 20	83	772,237	0	2,178,710	123,896	2,950,948	123,896	0	49,061	172,957	123,829	49,128	end of 20				
		628,092		942,308		1,570,401		202,000		643,004		2,415,404		2,065,276		350,128	

Step 2: Cash Flow and Tax Advisor: Click on the Cash Flow and Tax Advisor button underneath the Client's name heading.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | **CASH FLOW AND TAX ADVISOR** | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Structured Income Planning

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Scenario: Calculating and Applying Tax Rates in SIPS Essentials

Planning Horizon: 20 years

Year	John	Accounts				Accounts Total	Planned Distribution	Incomes		Total Income	Target Income	Income Gap	Year				
		Account	Income	Account	Income			Wages	SS								
net return	64	5.00 %		5.00 %	John IRA	2,000,000	Subtotal of account incomes	Infl Factor	Infl Factor		Infl Factor	from total income to target					
initial amount		750,000		1,250,000	John inc	0											
bonus % w/bonus		750,000		1,250,000		2,000,000		2.00 %	2.00 %		2.00 %						
end of 1	64	787,500	0	1,312,500		2,100,000	0	100,000	0	100,000	85,000	15,000	end of 1				
end of 2	65	826,875	0	1,378,125		2,205,000	0	102,000	0	102,000	86,700	15,300	end of 2				
end of 3	66	779,785	88,434	1,447,031		2,226,816	88,434	0	0	88,434	88,434	0	end of 3				
end of 4	67	728,571	90,203	1,519,382		2,247,954	90,203	0	0	90,203	90,203	0	end of 4				
end of 5	68	672,993	92,007	1,595,352		2,268,344	92,007	0	0	92,007	92,007	0	end of 5				
end of 6	69	649,978	56,665	1,675,119		2,325,096	56,665	0	37,182	93,847	93,847	0	end of 6				
end of 7	70	624,678	57,798	1,758,875		2,383,553	57,798	0	37,926	95,724	95,724	0	end of 7				
end of 8	71	596,958	58,954	1,846,818		2,443,776	58,954	0	38,684	97,638	97,638	0	end of 8				
end of 9	72	566,673	60,133	1,939,159		2,505,832	60,133	0	39,458	99,591	99,591	0	end of 9				
end of 10	73	533,670	61,336	2,036,117		2,569,788	61,336	0	40,247	101,583	101,583	0	end of 10				
end of 11	74	497,791	62,563	2,137,923		2,635,714	62,563	0	41,052	103,615	103,615	0	end of 11				
end of 12	75	522,681	0	2,157,912	86,907	2,680,592	86,907	0	41,873	128,780	105,687	23,094	end of 12				
end of 13	76	548,815	0	2,174,756	91,051	2,723,571	91,051	0	42,710	133,762	107,801	25,961	end of 13				
end of 14	77	576,256	0	2,188,526	94,968	2,764,782	94,968	0	43,565	138,532	109,957	28,576	end of 14				
end of 15	78	605,068	0	2,198,474	99,478	2,803,542	99,478	0	44,436	143,914	112,156	31,759	end of 15				
end of 16	79	635,322	0	2,204,204	104,193	2,839,526	104,193	0	45,325	149,518	114,399	35,119	end of 16				
end of 17	80	667,088	0	2,205,296	109,119	2,872,383	109,119	0	46,231	155,350	116,687	38,663	end of 17				
end of 18	81	700,442	0	2,201,885	113,675	2,902,328	113,675	0	47,156	160,831	119,021	41,810	end of 18				
end of 19	82	735,464	0	2,192,959	119,021	2,928,423	119,021	0	48,099	167,120	121,401	45,719	end of 19				
end of 20	83	772,237	0	2,178,710	123,896	2,950,948	123,896	0	49,061	172,957	123,829	49,128	end of 20				
		628,092		942,308		1,570,401		202,000		643,004		2,415,404		2,065,276		350,128	

Step 3: Edit: Click on the green Edit button underneath the Cashflow and Tax Advisor heading.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | **CASH FLOW AND TAX ADVISOR** | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

[Edit](#)

Step 4: Add Scenario: Click on the green Add Scenario button underneath the Cashflow and Tax Advisor heading.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | **CASH FLOW AND TAX ADVISOR** | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

[Edit](#) [Save](#) [Cancel](#) [Condense](#) [Hide Tax Advisor](#) [Add Scenario](#)

Step 5: Tax Filing Name: Click on the dropdown to select the tax filing (client 1, client 2, or joint).

The screenshot shows the 'Cashflow and Tax Advisor' interface for 'Doe, John'. At the top, there is a navigation bar with links: CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS. Below this is the title 'Cashflow and Tax Advisor' and a row of buttons: Edit, Save, Cancel, Condense, Hide Tax Advisor, Add Scenario, and Calculate. The 'Tax Filing' dropdown is highlighted with a red box and a red arrow pointing to it. The dropdown menu is open, showing 'John' as the selected option, with 'Hide' and 'Delete' buttons below it. The main area contains a table with columns for 'Income', 'Cash Flow', and 'Tax Return'. The 'Income' column lists various categories, and the 'Cash Flow' and 'Tax Return' columns show corresponding values. The 'Income' column is highlighted in green, and the 'Cash Flow' and 'Tax Return' columns are highlighted in blue. The table is titled 'Scenario 1' and has a 'Tax Filing' dropdown set to 'John' and a 'Year' dropdown set to '2022'. The 'Income' column lists categories such as Wages, Tax Exempt Int, Taxable Interest, Qualified Dividends, All Dividends, Client 1 Distributions, Client 2 Distributions, Other, Client1 Pension, Client2 Pension, Roth Conversion, Client1 Social Security, Client2 Social Security, Total Social Security, Short Term Cap Gains, Long Term Cap Gains, Self Employ Biz - QBI, Self Employ Biz - not QBI, Sch E (no SE Tax) - QBI, Sch E (no SE Tax) - not QBI, All Other Schedule 1 Income, SE Tax Deduction, and All Other Adj to Income. The 'Income Total' is shown at the bottom of the table.

Income	Cash Flow	Tax Return
1 Wages		
2a Tax Exempt Int		
2b Taxable Interest		
3a Qualified Dividends		
3b All Dividends		
4 Client 1 Distributions		
4 Client 2 Distributions		
4 Other		
4 Client1 Pension		
4 Client2 Pension		
4 Other		
4 Roth Conversion		
6a Client1 Social Security		
6a Client2 Social Security		
6b Total Social Security		
7 Short Term Cap Gains		
7 Long Term Cap Gains		
S1 Self Employ Biz - QBI		
S1 Self Employ Biz - not QBI		
S1 Sch E (no SE Tax) - QBI		
S1 Sch E (no SE Tax) - not QBI		
S1 All Other Schedule 1 Income		
S1 SE Tax Deduction		
S1 All Other Adj to Income		
11 Income Total \$		

Step 6: Tax Filing Year: Click on the dropdown and select which tax year you would like to use. SIPS has the ability to create hypothetical returns for past and future years.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

Edit Save Cancel Condense Hide Tax Advisor Add Scenario Calculate

Tax Filing

John 2022

Hide Delete

Scenario 1

	Cash Flow	Tax Return
1 Wages		
2a Tax Exempt Int		
2b Taxable Interest		
3a Qualified Dividends		
3b All Dividends		
4 Client 1 Distributions		
4 Client 2 Distributions		
4 Other		
4 Client1 Pension		
4 Client2 Pension		
4 Other		
4 Roth Conversion		
6a Client1 Social Security		
6a Client2 Social Security		
6b Total Social Security		
7 Short Term Cap Gains		
7 Long Term Cap Gains		
S1 Self Employ Biz - QBI		
S1 Self Employ Biz - not QBI		
S1 Sch E (no SE Tax) - QBI		
S1 Sch E (no SE Tax) - not QBI		
S1 All Other Schedule 1 Income		
S1 SE Tax Deduction		
S1 All Other Adj to Income		
11 Income Total \$		

Step 7: Scenario Title: Enter in a new title for the scenario.

Cashflow and Tax Advisor

Edit Save Cancel Condense Hide Tax Advisor Add Scenario Calculate

Tax Filing John 2025 (PROV)

Hide Delete

Scenario 1

Income	Cash Flow	Tax Return
1 Wages		
2a Tax Exempt Int		
2b Taxable Interest		
3a Qualified Dividends		
3b All Dividends		
4 Client 1 Distributions		
4 Client 2 Distributions		
4 Other		
4 Client1 Pension		
4 Client2 Pension		
4 Other		
4 Roth Conversion		
6a Client1 Social Security		
6a Client2 Social Security		
6b Total Social Security		
7 Short Term Cap Gains		
7 Long Term Cap Gains		
S1 Self Employ Biz - QBI		
S1 Self Employ Biz - not QBI		
S1 Sch E (no SE Tax) - QBI		
S1 Sch E (no SE Tax) - not QBI		
S1 All Other Schedule 1 Income		
S1 SE Tax Deduction		
S1 All Other Adj to Income		
11 Income Total \$		

Step 8: Wages: Enter in the total income into the wages cash flow and tax return columns.

Doe, John

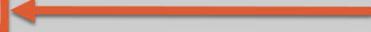
CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

[Edit](#) [Save](#) [Cancel](#) [Condense](#) [Hide Tax Advisor](#) [Add Scenario](#) [Calculate](#)

Tax Filing John 2025 (PROV)
[Hide](#) [Delete](#)
2025

	Cash Flow	Tax Return
1 Wages		
2a Tax Exempt Int		
2b Taxable Interest		
3a Qualified Dividends		
3b All Dividends		
4 Client 1 Distributions		
4 Client 2 Distributions		
4 Other		
4 Client1 Pension		
4 Client2 Pension		
4 Other		
4 Roth Conversion		
6a Client1 Social Security		
6a Client2 Social Security		
6b Total Social Security		
7 Short Term Cap Gains		
7 Long Term Cap Gains		
S1 Self Employ Biz - QBI		
S1 Self Employ Biz - not QBI		
S1 Sch E (no SE Tax) - QBI		
S1 Sch E (no SE Tax) - not QBI		
S1 All Other Schedule 1 Income		
S1 SE Tax Deduction		
S1 All Other Adj to Income		
11 Income Total \$		



Step 9: Calculate: Click on the green calculate button underneath the Cashflow and Tax Advisor heading.

Doe, John

Cashflow and Tax Advisor

Edit Save Cancel Condense Hide Tax Advisor Add Scenario Calculate



Tax Filing John 2025 (PROV)
Hide Delete
2025

Income	Cash Flow	Tax Return
1 Wages	100,000	100,000
2a Tax Exempt Int		
2b Taxable Interest		
3a Qualified Dividends		
3b All Dividends		
4 Client 1 Distributions		
4 Client 2 Distributions		
4 Other		
4 Client1 Pension		
4 Client2 Pension		
4 Other		
4 Roth Conversion		
6a Client1 Social Security		
6a Client2 Social Security		
6b Total Social Security		
7 Short Term Cap Gains		
7 Long Term Cap Gains		
S1 Self Employ Biz - QBI		
S1 Self Employ Biz - not QBI		
S1 Sch E (no SE Tax) - QBI		
S1 Sch E (no SE Tax) - not QBI		
S1 All Other Schedule 1 Income		
S1 SE Tax Deduction		
S1 All Other Adj to Income		
11 Income Total \$		

Step 10: Condense: Click on the green condense button underneath the Cash Flow and Tax Advisor heading.

Cashflow and Tax Advisor

File
Cancel
Save
Hide Tax Advisor
Add Scenario
Calculate

John | 2025 (PROV) | 2025

100,000 | 100,000

	Cash Flow	Tax Return
Income		
11 Wages	100,000	100,000
2a Tax Exempt Int		
2b Taxable Interest		
2c Qualified Dividends		
2d All Dividends		
4 Client 1 Distributions		
4 Client 2 Distributions		
4 Other		
4 Client1 Pension		
4 Client2 Pension		
4 Other		
6a Roth Conversion		
6a Client1 Social Security		
6a Client2 Social Security		
6b Total Social Security		
7 Short Term Cap Gains		
7 Long Term Cap Gains		
81 Self Employ Biz - QBI		
81 Self Employ Biz - not QBI		
81 Sub E (no SE Tax) - QBI		
81 Sub E (no SE Tax) - not QBI		
81 All Other Schedule 1 Income		
81 SE Tax Deduction		
81 All Other Adj to Income		
11 Income Total \$	100,000	100,000
Expenses		
Medical Expenses (7.5%)		
Property & State Taxes		
Mortgage Interest		
Charities		
All other Schedule A		
Mortgage - Rent		
Home Insurance		
Utilities		
Phone - Cable		
Maint - Landscaping		
Cars		
Car Insurance		
Car gas and maintenance		
Boat - RV		
Life Insurance		
Food and Grocery		
Clothes - Home goods		
Entertainment - Meals		
Travel - Hobbies		
Credit Cards		
Savings		
Other Expenses		
Income Taxes		
Expenses Total \$		
Income Taxes		
Standard Deduction	15,000	
12 Largest Ded - Sched A or Std	15,000	
13 Qual Biz Income Deduction		
Cap Gains and Qual Dividends		
15 TAXABLE INCOME	85,000	
19 Enter Tax Credits		
23 Self Employment Taxes		
24 Approximate Tax Calc	13,614	
Approximate State Tax Calc	%	
Discretionary Income \$	86,386	
Used on "Print 1040" Form Only		
35d Tax Payments Withheld		
32 All other tax credits		
32 Estimated Tax Payments		
33 Total Payments		
34 Refund		
37 Amount you owe		13,614

Step 11: Eff Tax Rate: SIPS Essentials rounds the effective tax rate (e.g., 13.614% displays as 13.6%), leading to a slight difference from the Structured Income Planning page.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

Tax Filing: John | 2025 (PROV)

2025

Income	Cash Flow	Tax Return
1 Wages	100,000	100,000
11 Income Total \$	100,000	100,000

Expenses

Expenses Total \$

Income Taxes	overrides	
Standard Deduction		15,000
12 Largest Ded - Schd A or Std		15,000
15 TAXABLE INCOME		85,000
24 Approximate Tax Calc	22 % Tax Bracket 13.6 % Eff Tax Rate	13,614
Discretionary Income \$	86,386	

Used on "Print 1040" Form Only

37 Amount you owe: 13,614

Step 12: Approximate Tax Calc: Take note of the approximate Tax Calc. Due to SIPS Essentials rounding the effective tax rate there will be a discrepancy with the number on the Structured Income Planning page.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

Tax Filing: John | 2025 (PROV)

2025

Income	Cash Flow	Tax Return
1 Wages	100,000	100,000
11 Income Total \$	100,000	100,000

Expenses

Expenses Total \$

Income Taxes	overrides	
Standard Deduction		15,000
12 Largest Ded - Schd A or Std		15,000
15 TAXABLE INCOME		85,000
24 Approximate Tax Calc	22 % Tax Bracket 13.6 % Eff Tax Rate	13,614
Discretionary Income \$	86,386	

Used on "Print 1040" Form Only

37 Amount you owe: 13,614

Step 13: Save: Click on the green Save button underneath the Cashflow and Tax Advisor heading.

Doe, John

CLIENT DASHBOARD | STRUCTURED INCOME PLANNING | CASH FLOW AND TAX ADVISOR | ASSET ALLOCATION AND NET WORTH | GRAPHS | REPORTS | TOOLS

Cashflow and Tax Advisor

Edit **Save** Cancel Uncondense Hide Tax Advisor Add Scenario Calculate

Tax Filing: John | 2025 (PROV) | Hide | Delete | 2025

	Cash Flow	Tax Return
1 Wages	100,000	100,000
11 Income Total \$	100,000	100,000

Expenses

Expenses Total \$

Income Taxes

	overrides	
Standard Deduction		15,000
12 Largest Ded - Sched A or Std		15,000
15 TAXABLE INCOME		85,000
	22 % Tax Bracket	13.6 % Eff Tax Rate
24 Approximate Tax Calc		13,614
Discretionary Income \$	86,386	

Used on "Print 1040" Form Only

37 Amount you owe	13,614
-------------------	--------

Print 1040

Step 14: Structured Income Planning: Click on the Structured Income Planning button underneath the Client's name heading.

Doe, John

CLIENT DASHBOARD

STRUCTURED INCOME PLANNING

CASH FLOW AND TAX ADVISOR

ASSET ALLOCATION AND NET WORTH

GRAPHS

REPORTS

TOOLS

Cashflow and Tax Advisor

Edit Save Cancel Uncondense Hide Tax Advisor Add Scenario Calculate

Tax Filing

John 2025 (PROV)

Hide

Delete

2025

Income

	Cash Flow	Tax Return
1 Wages	100,000	100,000
11 Income Total \$	100,000	100,000

Expenses

Expenses Total \$

Income Taxes

	overrides	
Standard Deduction		15,000
12 Largest Ded - Sched A or Std		15,000
15 TAXABLE INCOME		85,000
	22 % Tax Bracket	13.6 % Eff Tax Rate
24 Approximate Tax Calc		13,614
Discretionary Income \$	86,386	

Used on "Print 1040" Form Only

37 Amount you owe	13,614
	Print 1040

Step 15: Edit: Click on the green Edit button underneath the Structured Income Planning heading.

Step 16: Add Inc Tax: Click on the green Add Inc Tax button underneath the Structured Income Planning heading.

Structured Income Planning

Scenario: Calculating and Applying Tax Rates in SIPS Essentials

Planning Horizon: 20 years

Total required		Accounts						Incomes				Total		Target		Income Gap		Year
View Beneficial RMD	Year	John	NQ Account		IRA		Accounts Total	Planned Distribution	Wages	SS	Total Income	Target Income	Income Gap	Year				
REGULAR RMD	net return		Account	Income	Account	Income			Manage	Manage		Manage	from total					
across all accounts	initial amount								Infl Factor	Infl Factor		Infl Factor	income to					
John	bonus %								2.00 %	2.00 %		2.00 %	target					
total RMD	w/bonus																	
0	end of 1	64	787,500	0	1,312,500	0	2,100,000	0	100,000	0	100,000	85,000	15,000	end of 1				
0	end of 2	65	826,875	0	1,378,125	0	2,205,000	0	102,000	0	102,000	86,700	15,300	end of 2				
0	end of 3	66	779,785	88,434	1,447,031	0	2,226,816	88,434	0	0	88,434	88,434	0	end of 3				
0	end of 4	67	728,571	90,203	1,519,382	0	2,247,954	90,203	0	0	90,203	90,203	0	end of 4				
0	end of 5	68	672,993	92,007	1,595,352	0	2,268,344	92,007	0	0	92,007	92,007	0	end of 5				
0	end of 6	69	649,978	56,665	1,675,119	0	2,325,096	56,665	0	37,182	93,847	93,847	0	end of 6				
0	end of 7	70	624,678	57,798	1,758,875	0	2,383,553	57,798	0	37,926	95,724	95,724	0	end of 7				
0	end of 8	71	596,958	58,954	1,846,818	0	2,443,776	58,954	0	38,684	97,638	97,638	0	end of 8				
0	end of 9	72	566,673	60,133	1,939,159	0	2,505,832	60,133	0	39,458	99,591	99,591	0	end of 9				
0	end of 10	73	533,670	61,336	2,036,117	0	2,569,788	61,336	0	40,247	101,583	101,583	0	end of 10				
0	end of 11	74	497,791	62,563	2,137,923	0	2,635,714	62,563	0	41,052	103,615	103,615	0	end of 11				
86,907	end of 12	75	522,681	0	2,157,912	86,907	2,680,592	86,907	0	41,873	128,780	105,687	23,094	end of 12				
91,051	end of 13	76	548,815	0	2,174,756	91,051	2,723,571	91,051	0	42,710	133,762	107,801	25,961	end of 13				
94,968	end of 14	77	576,256	0	2,188,526	94,968	2,764,782	94,968	0	43,565	138,532	109,957	28,576	end of 14				
99,478	end of 15	78	605,068	0	2,198,474	99,478	2,803,542	99,478	0	44,436	143,914	112,156	31,759	end of 15				
104,193	end of 16	79	635,322	0	2,204,204	104,193	2,839,526	104,193	0	45,325	149,518	114,899	35,119	end of 16				
109,119	end of 17	80	667,088	0	2,205,296	109,119	2,872,383	109,119	0	46,231	155,350	116,687	38,663	end of 17				
113,675	end of 18	81	700,442	0	2,201,885	113,675	2,902,328	113,675	0	47,156	160,831	119,021	41,810	end of 18				
119,021	end of 19	82	735,464	0	2,192,959	119,021	2,928,423	119,021	0	48,099	167,120	121,401	45,719	end of 19				
123,896	end of 20	83	772,237	0	2,178,710	123,896	2,950,948	123,896	0	49,061	172,957	123,829	49,128	end of 20				
					628,092		942,308		1,570,401	202,000	643,004	2,415,404	2,065,276	350,128				

Step 17: Tax Name: Enter in a Title for the income tax column.

Manage Tax

Tax name:

Starting effective tax rate:

Tax description:

Tax Adjustments

ADD ADJUSTMENT

Year	Tax adjustment
1	%
2	%
3	%
4	%
5	%
6	%
7	%
8	%
9	%
10	%
11	%
12	%
13	%
14	%
15	%
16	%
17	%
18	%
19	%
20	%
21	%
22	%
23	%
24	%

Step 18: Starting Effective Tax Rate: Type in the effective tax rate. SIPS only allows two decimal places (e.g., 13.61% instead of 13.614%).

Manage Tax

Save Cancel

Tax name: Inc. Tax

Starting effective tax rate: 0.0 %

Tax description:

ADD ADJUSTMENT

Pick year(s)

OR

Start year for rest of plan

OR

Start year for X years

0

Pick year(s) to remove

Remove year to end of plan

Reset all years

Tax Adjustments

Year	Tax adjustment
1	%
2	%
3	%
4	%
5	%
6	%
7	%
8	%
9	%
10	%
11	%
12	%
13	%
14	%
15	%
16	%
17	%
18	%
19	%
20	%
21	%
22	%
23	%
24	%

Step 19: Save: Click on the Save button underneath the Manage Tax heading.

Manage Tax

Save Cancel

Tax name: Inc. Tax

Starting effective tax rate: 13.61 %

Tax description:

ADD ADJUSTMENT

Pick year(s)

OR

Start year for rest of plan

OR

Start year for X years

0

Pick year(s) to remove

Remove year to end of plan

Reset all years

Tax Adjustments

Year	Tax adjustment
1	%
2	%
3	%
4	%
5	%
6	%
7	%
8	%
9	%
10	%
11	%
12	%
13	%
14	%
15	%
16	%
17	%
18	%
19	%
20	%
21	%
22	%
23	%
24	%

Step 20: Structured Income Planning: You will automatically be taken back to the Structured Income Planning page and two new columns have automatically appeared, the Inc. Tax and After Tax Income.

Structured Income Planning

Edit Save Cancel Add Account Add Income Add Inc Tax Add Target Edit or Add Scenario Display Options

Scenario: Calculating and Applying Tax Rates in SIPS Essentials

Planning Horizon: 20 years

		Accounts						Incomes									
		NQ Account			IRA			Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year	
Total required	Year	John	Account	Income	Account	Income	Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year		
<a>View Beneficial RMD	net return	64	5.00 %		5.00 %	John IRA	2,000,000	Subtotal of account incomes	Manage Infl Factor	Manage Infl Factor	Manage		Manage Infl Factor	from total income to target			
REGULAR RMD	initial amount		750,000		1,250,000	John inc	0		2.00 %	2.00 %			2.00 %				
across all accounts	bonus % w/bonus		750,000	Manage	1,250,000	Manage	2,000,000										
John total RMD		64	787,500		1,312,500		2,100,000	0	100,000	0	(13,610)	86,390	85,000	1,390	end of 1		
0	end of 1	65	826,875		1,378,125		2,205,000	0	102,000	0	(13,882)	88,118	86,700	1,418	end of 2		
0	end of 2	66	765,853	102,366	1,447,031		2,212,884	102,366	0	0	(13,932)	88,434	88,434	0	end of 3		
0	end of 3	67	699,732	104,413	1,519,382		2,219,114	104,413	0	0	(14,211)	90,203	90,203	0	end of 4		
0	end of 4	68	628,217	106,502	1,595,352		2,223,568	106,502	0	0	(14,495)	92,007	92,007	0	end of 5		
0	end of 5	69	588,178	71,450	1,675,119		2,263,297	71,450	0	37,182	(14,785)	93,847	93,847	0	end of 6		
0	end of 6	70	544,708	72,879	1,758,875		2,303,583	72,879	0	37,926	(15,080)	95,724	95,724	0	end of 7		
0	end of 7	71	497,607	74,336	1,846,818		2,344,426	74,336	0	38,684	(15,382)	97,638	97,638	0	end of 8		
0	end of 8	72	446,665	75,823	1,939,159		2,385,824	75,823	0	39,458	(15,690)	99,591	99,591	0	end of 9		
0	end of 9	73	391,659	77,339	2,036,117		2,427,776	77,339	0	40,247	(16,004)	101,583	101,583	0	end of 10		
0	end of 10	74	332,355	78,886	2,137,923		2,470,278	78,886	0	41,052	(16,324)	103,615	103,615	0	end of 11		
86,907	end of 11	75	348,973	0	2,157,912	86,907	2,506,884	86,907	0	41,873	(17,527)	111,253	105,687	5,567	end of 12		
91,051	end of 12	76	366,422	0	2,174,756	91,051	2,541,178	91,051	0	42,710	(18,205)	115,557	107,801	7,756	end of 13		
94,968	end of 13	77	384,743	0	2,188,526	94,968	2,573,269	94,968	0	43,565	(18,854)	119,678	109,957	9,721	end of 14		
99,478	end of 14	78	403,980	0	2,198,474	99,478	2,602,454	99,478	0	44,436	(19,587)	124,328	112,156	12,172	end of 15		
104,193	end of 15	79	424,179	0	2,204,204	104,193	2,628,384	104,193	0	45,325	(20,349)	129,168	114,399	14,770	end of 16		
109,119	end of 16	80	445,388	0	2,205,296	109,119	2,650,683	109,119	0	46,231	(21,143)	134,207	116,687	17,520	end of 17		
113,675	end of 17	81	467,657	0	2,201,885	113,675	2,669,542	113,675	0	47,156	(21,889)	138,942	119,021	19,921	end of 18		
119,021	end of 18	82	491,040	0	2,192,959	119,021	2,683,999	119,021	0	48,099	(22,745)	144,375	121,401	22,974	end of 19		
123,896	end of 19	83	515,592	0	2,178,710	123,896	2,694,302	123,896	0	49,061	(23,539)	149,417	123,829	25,588	end of 20		
				763,994		942,308		1,706,302	202,000	643,004	(347,233)	2,204,073	2,065,276	138,797			

Step 21: Display Options: Click on the green Display Options button underneath the Structured Income Planning Heading.

Structured Income Planning

Edit Save Cancel Add Account Add Income Add Inc Tax Add Target Edit or Add Scenario Display Options

Scenario: Calculating and Applying Tax Rates in SIPS Essentials

Planning Horizon: 20 years

		Accounts						Incomes									
		NQ Account			IRA			Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year	
Total required	Year	John	Account	Income	Account	Income	Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year		
<a>View Beneficial RMD	net return	64	5.00 %		5.00 %	John IRA	2,000,000	Subtotal of account incomes	Manage Infl Factor	Manage Infl Factor	Manage		Manage Infl Factor	from total income to target			
REGULAR RMD	initial amount		750,000		1,250,000	John inc	0		2.00 %	2.00 %			2.00 %				
across all accounts	bonus % w/bonus		750,000	Manage	1,250,000	Manage	2,000,000										
John total RMD		64	787,500		1,312,500		2,100,000	0	100,000	0	(13,610)	86,390	85,000	1,390	end of 1		
0	end of 1	65	826,875		1,378,125		2,205,000	0	102,000	0	(13,882)	88,118	86,700	1,418	end of 2		
0	end of 2	66	765,853	102,366	1,447,031		2,212,884	102,366	0	0	(13,932)	88,434	88,434	0	end of 3		
0	end of 3	67	699,732	104,413	1,519,382		2,219,114	104,413	0	0	(14,211)	90,203	90,203	0	end of 4		
0	end of 4	68	628,217	106,502	1,595,352		2,223,568	106,502	0	0	(14,495)	92,007	92,007	0	end of 5		
0	end of 5	69	588,178	71,450	1,675,119		2,263,297	71,450	0	37,182	(14,785)	93,847	93,847	0	end of 6		
0	end of 6	70	544,708	72,879	1,758,875		2,303,583	72,879	0	37,926	(15,080)	95,724	95,724	0	end of 7		
0	end of 7	71	497,607	74,336	1,846,818		2,344,426	74,336	0	38,684	(15,382)	97,638	97,638	0	end of 8		
0	end of 8	72	446,665	75,823	1,939,159		2,385,824	75,823	0	39,458	(15,690)	99,591	99,591	0	end of 9		
0	end of 9	73	391,659	77,339	2,036,117		2,427,776	77,339	0	40,247	(16,004)	101,583	101,583	0	end of 10		
0	end of 10	74	332,355	78,886	2,137,923		2,470,278	78,886	0	41,052	(16,324)	103,615	103,615	0	end of 11		
86,907	end of 11	75	348,973	0	2,157,912	86,907	2,506,884	86,907	0	41,873	(17,527)	111,253	105,687	5,567	end of 12		
91,051	end of 12	76	366,422	0	2,174,756	91,051	2,541,178	91,051	0	42,710	(18,205)	115,557	107,801	7,756	end of 13		
94,968	end of 13	77	384,743	0	2,188,526	94,968	2,573,269	94,968	0	43,565	(18,854)	119,678	109,957	9,721	end of 14		
99,478	end of 14	78	403,980	0	2,198,474	99,478	2,602,454	99,478	0	44,436	(19,587)	124,328	112,156	12,172	end of 15		
104,193	end of 15	79	424,179	0	2,204,204	104,193	2,628,384	104,193	0	45,325	(20,349)	129,168	114,399	14,770	end of 16		
109,119	end of 16	80	445,388	0	2,205,296	109,119	2,650,683	109,119	0	46,231	(21,143)	134,207	116,687	17,520	end of 17		
113,675	end of 17	81	467,657	0	2,201,885	113,675	2,669,542	113,675	0	47,156	(21,889)	138,942	119,021	19,921	end of 18		
119,021	end of 18	82	491,040	0	2,192,959	119,021	2,683,999	119,021	0	48,099	(22,745)	144,375	121,401	22,974	end of 19		
123,896	end of 19	83	515,592	0	2,178,710	123,896	2,694,302	123,896	0	49,061	(23,539)	149,417	123,829	25,588	end of 20		
				763,994		942,308		1,706,302	202,000	643,004	(347,233)	2,204,073	2,065,276	138,797			

Step 22: Column Display Options: Click on the green View Tax Rates button.

Column Display Options Hide RMD Checks Hide Income Riders View Death Benefit View % Distribution View Comparison **View Tax Rates** View Calendar Years

Account and Income Grouping

Accounts

	Group 1	Group 2	Group 3	Group 4	Group 5
NQ Account	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IRA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Incomes

	Group 1	Group 2	Group 3	Group 4	Group 5
Wages	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SS	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Account or income groups must be created in the sequential order from left to right as they appear in the Income Plan.
You may have to re-order accounts using the Edit Scenario function to achieve the sequence you want for your account/income groups.
Reordering or adding accounts or incomes on the Edit Scenario function requires that the above group information be reset.

Reset Condense All Uncondense All

Group Setup

Accounts

Title	Color
Group 1 Accounts	 Set
Group 2	 Set
Group 3	 Set
Group 4	 Set
Group 5	 Set

Incomes

Title	Color
Group 1 Incomes	 Set
Group 2	 Set
Group 3	 Set
Group 4	 Set
Group 5	 Set

Reset Title / Colors Copy Setup To All Scenarios

Return With Grouping Return Without Grouping

Step 23: Structured Income Planning: The Income Tax Column will automatically show the rounded amounts.

Structured Income Planning

Edit Save Cancel Add Account Add Income Add Inc Tax Add Target Edit or Add Scenario Display Options

Scenario: Calculating and Applying Tax Rates in SIPS Essentials

Total required		Accounts		Incomes		Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year	
View Beneficial RMD	Year	John	Account	Income	Account	Income	Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year
REGULAR RMD	net return	64	750,000	5.00 %	1,250,000	5.00 %	2,000,000	0	100,000	0	(13,610)-14%	86,390	85,000	1,390	end of 1
across all accounts	initial amount		0.00 %		0.00 %		0	102,000	0	0	(13,882)-14%	88,118	86,700	1,418	end of 2
John	bonus %		750,000	Manage	1,250,000	Manage	2,000,000	102,366	0	0	(13,932)-14%	88,434	88,434	0	end of 3
total RMD	w/bonus		Manage	Manage	Manage	Manage	2,219,114	104,413	0	0	(14,211)-14%	90,203	90,203	0	end of 4
0	end of 1	64	787,500	0	1,312,500	0	2,100,000	0	0	0	(14,495)-14%	92,007	92,007	0	end of 5
0	end of 2	65	826,875	0	1,378,125	0	2,205,000	0	0	0	(14,785)-14%	93,847	93,847	0	end of 6
0	end of 3	66	765,853	102,366	1,447,031	0	2,212,884	102,366	0	0	(15,080)-14%	95,724	95,724	0	end of 7
0	end of 4	67	699,732	104,413	1,519,382	0	2,219,114	104,413	0	0	(15,382)-14%	97,638	97,638	0	end of 8
0	end of 5	68	628,217	106,502	1,595,352	0	2,223,568	106,502	0	0	(15,690)-14%	99,591	99,591	0	end of 9
0	end of 6	69	588,178	71,450	1,675,119	0	2,263,297	71,450	0	37,182	(16,004)-14%	101,583	101,583	0	end of 10
0	end of 7	70	544,708	72,879	1,758,875	0	2,303,583	72,879	0	37,926	(16,324)-14%	103,615	103,615	0	end of 11
0	end of 8	71	497,607	74,336	1,846,818	0	2,344,426	74,336	0	38,684	(17,527)-14%	111,253	105,687	5,567	end of 12
0	end of 9	72	446,665	75,823	1,939,159	0	2,385,824	75,823	0	39,458	(18,205)-14%	115,557	107,801	7,756	end of 13
0	end of 10	73	391,659	77,339	2,036,117	0	2,427,776	77,339	0	40,247	(18,854)-14%	119,678	109,957	9,721	end of 14
0	end of 11	74	332,355	78,886	2,137,923	0	2,470,278	78,886	0	41,052	(19,587)-14%	124,328	112,156	12,172	end of 15
86,907	end of 12	75	348,973	0	2,157,912	86,907	2,506,884	86,907	0	41,873	(20,349)-14%	129,168	114,399	14,770	end of 16
91,051	end of 13	76	366,422	0	2,174,756	91,051	2,541,178	91,051	0	42,710	(21,143)-14%	134,207	116,687	17,520	end of 17
94,968	end of 14	77	384,743	0	2,188,526	94,968	2,573,269	94,968	0	43,565	(21,889)-14%	138,942	119,021	19,921	end of 18
99,478	end of 15	78	403,980	0	2,198,474	99,478	2,604,454	99,478	0	44,436	(22,745)-14%	144,375	121,401	22,974	end of 19
104,193	end of 16	79	424,179	0	2,204,204	104,193	2,628,384	104,193	0	45,325	(23,539)-14%	149,417	123,829	25,588	end of 20
109,119	end of 17	80	445,388	0	2,205,296	109,119	2,650,683	109,119	0	46,231					
113,675	end of 18	81	467,657	0	2,201,885	113,675	2,669,542	113,675	0	47,156					
119,021	end of 19	82	491,040	0	2,192,959	119,021	2,683,999	119,021	0	48,099					
123,896	end of 20	83	515,592	0	2,178,710	123,896	2,694,302	123,896	0	49,061					
			763,994		942,308		1,706,302	202,000	643,004	(347,239)	2,204,073	2,065,276	138,797		

Step 24: Save: Click on the green save button underneath the Structured Income Planning heading.

Structured Income Planning

[Edit](#)
[Save](#)
[Cancel](#)
[Add Account](#)
[Add Income](#)
[Add Inc Tax](#)
[Add Target](#)
[Edit or Add Scenario](#)
[Display Options](#)

Scenario: Calculating and Applying Tax Rates in SIPS Essentials

Total required		Year	John	Accounts		Incomes		Accounts Total	Planned Distribution	Wages	SS	Inc. Tax	After Tax Income	After Tax Target	Income Gap	Year
View	Beneficial RMD			Account	Income	Account	Income									
REGULAR RMD	net return	64	5.00 %	750,000	1,250,000	John IRA	2,000,000	Subtotal of account incomes	Manage Infl Factor 2.00 %	Manage Infl Factor 2.00 %	Manage Eff Tax Rate		Manage Infl Factor 2.00 %	from total income to target		
accross all accounts	initial amount			750,000	0.00 %	John inc	0									
John total RMD	bonus % w/bonus			750,000	0.00 %	John inc	0									
0	end of 1	64		787,500	0	1,312,500	2,100,000	0	100,000	0	(13,610)-14%	86,390	85,000	1,390	end of 1	
0	end of 2	65		826,875	0	1,378,125	2,205,000	0	102,000	0	(13,882)-14%	88,118	86,700	1,418	end of 2	
0	end of 3	66		865,853	102,366	1,447,031	2,312,884	102,366	0	0	(13,932)-14%	88,434	88,434	0	end of 3	
0	end of 4	67		899,732	104,413	1,519,382	2,419,114	104,413	0	0	(14,211)-14%	90,203	90,203	0	end of 4	
0	end of 5	68		928,217	106,502	1,595,352	2,523,568	106,502	0	0	(14,495)-14%	92,007	92,007	0	end of 5	
0	end of 6	69		958,178	71,450	1,675,119	2,626,297	71,450	0	37,182	(14,785)-14%	93,847	93,847	0	end of 6	
0	end of 7	70		984,708	72,879	1,758,875	2,703,583	72,879	0	37,926	(15,080)-14%	95,724	95,724	0	end of 7	
0	end of 8	71		997,607	74,336	1,846,818	2,744,426	74,336	0	38,684	(15,382)-14%	97,638	97,638	0	end of 8	
0	end of 9	72		1,006,665	75,823	1,939,159	2,765,824	75,823	0	39,458	(15,690)-14%	99,591	99,591	0	end of 9	
0	end of 10	73		1,011,659	77,339	2,036,117	2,777,776	77,339	0	40,247	(16,004)-14%	101,583	101,583	0	end of 10	
0	end of 11	74		1,013,355	78,886	2,137,923	2,780,278	78,886	0	41,052	(16,324)-14%	103,615	103,615	0	end of 11	
86,907	end of 12	75		1,016,973	0	2,157,912	2,506,884	86,907	0	41,873	(17,527)-14%	111,253	105,687	5,567	end of 12	
91,051	end of 13	76		1,022,422	0	2,174,756	2,541,178	91,051	0	42,710	(18,205)-14%	115,557	107,801	7,756	end of 13	
94,968	end of 14	77		1,029,743	0	2,188,526	2,573,269	94,968	0	43,565	(18,854)-14%	119,678	109,957	9,721	end of 14	
99,478	end of 15	78		1,038,980	0	2,198,474	2,602,454	99,478	0	44,436	(19,587)-14%	124,328	112,156	12,172	end of 15	
104,193	end of 16	79		1,049,179	0	2,204,204	2,628,384	104,193	0	45,325	(20,349)-14%	129,168	114,399	14,770	end of 16	
109,119	end of 17	80		1,060,388	0	2,205,296	2,650,683	109,119	0	46,231	(21,143)-14%	134,207	116,687	17,520	end of 17	
113,675	end of 18	81		1,072,657	0	2,201,885	2,669,542	113,675	0	47,156	(21,889)-14%	138,942	119,021	19,921	end of 18	
119,021	end of 19	82		1,085,040	0	2,192,959	2,683,999	119,021	0	48,099	(22,745)-14%	144,375	121,401	22,974	end of 19	
123,896	end of 20	83		1,100,592	0	2,178,710	2,694,302	123,896	0	49,061	(23,539)-14%	149,417	123,829	25,588	end of 20	
				763,994		942,308		1,706,302		202,000	643,004	(347,233)	2,204,073	2,065,276	138,797	

If you feel you need more support or would like to set up demo time with one of our representatives, please contact us at: +1-888-449-6917 or support@planscout.com.