Manulife Financial

Liabilities and cash needs

For your future™



HOW MUCH IS ENOUGH?

AT DEATH OF ... AT DEATH OF ...

Insure Right

Life Insurance Worksheet

Mortgage(s)			
Loans and other debts			
Final expenses (burial, taxes, probate, lawyer fees, etc.)			
Education fund (\$ x yrs. x children)			
Child/Home care (\$ x yrs. x children)			
Other cash needs (emergency fund, bequests, etc.)		(-)	(-)
Total liabilities and cash needs		(a)	(a)
Amount of money needed to provide income			
Family income needed after death (see reverse side)		(b)	(b)
Partner's annual employment income		(c)	(c)
 Annual CPP/QPP survivor/orphan income benefits 		(d)	(d)
Gross annual income available (c + d)		(e)	(e)
Annual income shortage/surplus (b - e)		(f)	(f)
Assumed rate of return (adjust for inflation, if desired)		(g)	(g)
Amount of money needed to meet income shortage (f / g)		(h)	(h)
(calculate only if f is greater than \$0, if f is less than \$0, enter \$0)			
Total amount of money required (a + h)		(i)	(i)
Assets (usable by family/partner)			
Savings			
Registered investments			
Tax free savings plan			
Non-registered investments			
Principal residence			
Other real estate			
Total life insurance (group, personal, mortgage, credit)			
Business/farm assets			
CPP/QPP death benefit			
Other assets		(j)	(j)
Total amount available			
Total new amount required (i - j)			
Client acknowledgement:	Date:		
Client acknowledgement:	Date:		
Advisor acknowledgement:	Date:		

Income Objective

Single Income Family

Based on a Government Study*, the following are typical income objectives in order to permit a family to "maintain their standard of living" after the death of an income earner. Assumption is that the mortgage on residence is paid or that a rent fund has been established and that educational expenses are provided for separately.

Annual Gross Income			Percentage of Gross Income Required		
Up to		\$44,000	70%		
\$44,001	_	\$49,000	66%		
\$49,001	-	\$54,000	63%		
\$54,001	-	\$60,000	60%		
Over		\$60,000	57%		

Two Income Family

A Government study has found that two-income households out-spend their one-earner counterparts. Therefore, if both spouses are presently working, 70% of their Total Gross Income should be provided regardless of the Income Level.

Income Objective Table

Money required to provide levels of annual/monthly income at various interest rates (simple interest).

Annual Income	Monthly Income	4%	6%	8%	10%
\$12,000	\$1,000	\$300,000	\$200,000	\$150,000	\$120,000
\$18,000	\$1,500	\$450,000	\$300,000	\$225,000	\$180,000
\$24,000	\$2,000	\$600,000	\$400,000	\$300,000	\$240,000
\$30,000	\$2,500	\$750,000	\$500,000	\$375,000	\$300,000
\$36,000	\$3,000	\$900,000	\$600,000	\$450,000	\$360,000
\$42,000	\$3,500	\$1,050,000	\$700,000	\$525,000	\$420,000
\$48,000	\$4,000	\$1,200,000	\$800,000	\$600,000	\$480,000
\$54,000	\$4,500	\$1,350,000	\$900,000	\$675,000	\$540,000
\$60,000	\$5,000	\$1,500,000	\$1,000,000	\$750,000	\$600,000
\$66,000	\$5,500	\$1,650,000	\$1,100,000	\$825,000	\$660,000
\$72,000	\$6,000	\$1,800,000	\$1,200,000	\$900,000	\$720,000
\$78,000	\$6,500	\$1,950,000	\$1,300,000	\$975,000	\$780,000
\$84,000	\$7,000	\$2,100,000	\$1,400,000	\$1,050,000	\$840,000
\$90,000	\$7,500	\$2,250,000	\$1,500,000	\$1,125,000	\$900,000
\$96,000	\$8,000	\$2,400,000	\$1,600,000	\$1,200,000	\$960,000
\$102,000	\$8,500	\$2,550,000	\$1,700,000	\$1,275,000	\$1,020,000
\$108,000	\$9,000	\$2,700,000	\$1,800,000	\$1,350,000	\$1,080,000

NOTE: The lower interest rates are used if a person wishes to include an offset for inflation; e.g. 8% interest, 4% inflation: use 4% interest rate.

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^{*} Source: 1960 Bureau of Labor Statistic Consumer Expenditures Survey: updated with Bureau of Labor Statistic Consumer Price Index through August 1995, and converted to Canadian dollar values using Statistics Canada purchasing power parity data (1994).