

# NaviPlan® Extended Online/Offline

## General USA version 10.2.0.11

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### Summary

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

In this document, you will find information about Online/Offline version 10.2.0.11, as well as details about previous NPE releases dating back to version 10.2.0.5.

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 10.2.0.11

This release of NPE Online/Offline includes 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 bequeathed 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*<sup>TM</sup> 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.

## Update to NaviPlan Extended version 10.2.0.6

The following update was included in this release of NaviPlan Extended Online/Offline:

- In NPE Offline, issues preventing certain users from upgrading asset allocation data in older plans to a newer custom asset allocation model have been addressed

## Updates to NaviPlan Extended version 10.2.0.5

### Expanded asset classes

The asset classes available in NaviPlan Extended Online/Offline version 10.2.0.5 are upgraded to reflect 12 Ibbotson (a wholly owned subsidiary of Morningstar, Inc.) asset classes instead of the 5 asset classes used previously. These 12 asset classes form the basis of the investor profiles and are defined in the *Important Terminology* section of the NaviPlan client reports.

Before a plan or assessment created in a previous version of NPE can be modified, the plan's asset classes must be upgraded to the expanded 12-asset-class structure. When users open a plan created in a previous version of NaviPlan, they will be prompted to upgrade the asset classes.

Automatic mapping of the past 5-asset-class structure to the current 12 asset class structure will take place with this upgrade and is as follows (these tables are also available in the NaviPlan Extended Help):

### Asset class structure upgrade

Previous 5-asset-class structure	Upgraded 12-asset-class structure
Large Cap	34% Large Cap Growth
	33% Large Cap Value
	33% Mid Cap
International Equity	50% International Equity
	50% Emerging Markets
Small Cap	50% Mid Cap
	50% Small Cap
Fixed Income	20% High Yield
	20% International Bonds
	20% Long Term Bonds
	20% Intermediate Term Bonds
	20% Short Term Bonds
Cash	100% Cash

Due to this expanded asset class structure, users are encouraged to review all goals following an upgrade, to verify whether any adjustments are required in v10.2.0.5.

### Miscellaneous updates included in NPE v10.2.0.5

- Ibbotson Asset Allocation asset classifier data is updated with the most current data available
- Legislative and compliance updates are incorporated
- This release of NaviPlan Extended includes a number of updates to improve the import and conversion process of NaviPlan Standard client files and data into NPE Online/Offline
- Errors encountered when launching NaviPlan Extended Offline as well as certain inabilities to launch it when installed on computers using the Windows Vista™ operating system have been addressed in v10.2.0.5
- Custom asset allocation percentages entered with user-defined asset allocation in the *Home* section – *User Preferences* category in NPE Online/Offline are saved and properly retained in the application
- Stock option details now update correctly when users click the *Populate* button or select the *Use Automatic Classification* check box on the *Financial Picture* section – *Net Worth* category – *Stock Options* page – *Stock Option Details* dialog box – *Asset Classifier* tab
- The treatment of incomes entered in a plan as *Employment Bonus* is updated to ensure that users can exclude employment bonus income from Social Security taxes and Medicare taxes when the appropriate check boxes are cleared
- In NaviPlan Extended Online, updates are incorporated to ensure that the *Original Owner* for newly created accounts in a plan defaults to the same selection as the *Owner* field for the account, to eliminate any incorrect gift tax amounts
- AMT exemption phase-out amounts in plans for clients with a tax filing status of *Married filing separately* are now applied correctly
- NaviPlan Extended Help is updated with 2008 federal tax amounts for alternative minimum tax carryforward amounts, per diem amounts for long-term care, and business entities
- NPE Online/Offline now saves percentage values with up to two decimal places entered in the *Estate Planning – Setup* category – *Assumptions* page – *State Death Taxes* and *Inheritance Tax* fields, without any rounding of percentages up to the nearest whole number

- When a user adds a second client or a new dependent to a plan after the plan was first created, applicable tax filing statuses and new tax rate information are now accurately applied throughout the revised plan
- On NaviPlan Central, users are now able to classify accounts using ticker symbols in the *Asset Class Weightings Details* dialog box, accessible from the *Financial Picture* section – *Net Worth* category – *Accounts* page