

NaviPlan® Extended Online/Offline

General USA version 10.2.0.4

Summary

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

In this document, you will find a moderate level of information about Online/Offline version 10.2.0.4, as well as details about previous NPE releases dating back to v10.2.

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 new features highlighted in this document:

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Updates to NaviPlan Extended version 10.2.0.4

Updated data

In accordance with annual U.S. federal tax and inflation updates, the following data is included in this release of NaviPlan Extended:

- Updated federal income tax brackets for 2008
- Updated standard deduction amounts
- Updated maximum annual earnings amounts for Social Security (\$102,000 for 2008)
- Updated poverty amounts for 2008 are added for Social Security calculations and state tax calculations
- Updated personal exemption amounts for 2008
- Updated child tax credit (refundable portion) amounts of \$12,050 for 2008
- Updated long-term care premium limits and per-diem amounts for 2008
- Updated inflated 2008 annual gift exclusion amount to \$12,000
- Updated elective contribution and pension limits for 2008
- Updated kiddie tax annual income threshold amounts for 2008 and implemented changes to the age requirements based on the Small Business Work Opportunity Tax Act of 2007
- Extended AMT exemption increase to 2007, pursuant to the Tax Increase Prevention Act of 2007
- Updated *Planning Assistant*[™] tests
- Inflation rate data for 2006 is added to the inflation rate graph, accessible by clicking the *Inflation Rate Graph* button on the *Getting Started* section – *Assumptions* category – *General* page
- New life expectancy data is added to the *Life Expectancy* graph, accessible by clicking the *Life Expectancy Graph* button on the *Getting Started* section – *Assumptions* category – *Milestones* page
- Education cost data is updated for 2008 in the Peterson's Undergraduate Database (Data source: Peterson's Databases, copyright. Peterson's, a division of Thomson Learning. All rights reserved.), accessible by clicking the *Education Calculator* button on the *Goals* section – *Education* category – *Objectives* page

General enhancements

- NaviPlan Extended now correctly supports an original principal amount greater than the outstanding principal amount when setting up a loan in the plan in the *Liability Detail* dialog box, accessible from the *Financial Picture* section – *Net Worth* category – *Assets / Liabilities* page.
- The method in which login requests are handled in NPE v10.2.0.4. is updated to ensure that users are able to log on using valid login names and passwords, following an attempt to log on using an invalid login name or password.
- The method in which charitable remainder trusts are handled in NaviPlan is updated to accurately reflect the tax-exempt status within the trusts. The reporting of *Tax Paid by Trust* amounts in trust reports reflects this change.

Updates to reports and graphs

- The *Comprehensive Analysis* report (*Results – Client Reports*) is updated with the inclusion of a *Net of Redemptions* footnote following cash outflow tables on applicable retirement pages
- NPE v10.2.0.4 includes updates for 2008 to grantor retained trust details, credit shelter trust details, and tax considerations text in client reports, as a result of federal tax and inflation rate updates
- The *Life Insurance Detailed Analysis* report is now only available for selection from the *Report* list on the *Goals* section – *Survivor Income* category – *Reports* page when a joint client file is open

Updates to NaviPlan Extended version 10.2.0.3

The following program updates were included in v10.2.0.3 of NaviPlan Extended.

Updated data

- Social Security bend points are updated
- State tax updates are incorporated
- Ibbotson Asset Allocation asset classifier data is updated with the most current data available
- The Peterson's Undergraduate Database (Data source: Peterson's Databases, copyright (2006). Peterson's, a division of Thomson Learning. All rights reserved) is updated with the most recent college cost data available

Miscellaneous enhancements

- NaviPlan's privacy policy is enhanced to adhere to P3P compliance in NPE Online
- NPE version 10.2.0.3 allows users to import and open client files and plans from NPS Online/Offline version 11
- The log on sequence for NaviPlan Central is updated so that a password is only required if enhanced password security is enabled; otherwise, using a password is now optional
- Errors incurred by login names containing certain characters when revoking previously granted client file access (on the *Home* section – *Select Client* category – *Clients* page) to another user have been addressed
- Tax-filing statuses available for individual client analyses are updated to include only *Single* and *Head of household* options on the *Home* section – *Personal Info* category – *Client Information* page
- The *Asset Classifier* (available from the *Financial Picture* section – *Net Worth* category – *Accounts* page) is enhanced to provide seamless access to all fields under *Search/Add Classify Variable Sub-Accounts* for variable annuities entered in the plan
- The *Data Scrub* feature on the *Home* section – *Select Client* category – *Clients* page in NPE is enhanced to ensure all client-sensitive information is replaced in exported .xml files
- Behind the scenes changes are incorporated to ensure that imported accounts with holdings that are unclassified appear correctly in the current asset mix
- Client files migrating to version 10.2.0.3 now retain accounts and account details in files created in earlier versions of NPE
- All applicable education expenses are now included in the life insurance analysis and *Monte Carlo Sensitivity Analysis* to provide more accurate reporting of education expenses and analysis results

- Stock assets entered in NaviPlan using decimals in the *Current Value Per Share* field now retain the full value entered by the user without rounding to the nearest dollar
- New settings are added to NPE to allow users with appropriate permissions to select, from a table, available accounts for importing
- The treatment of loan start date defaults is updated to ensure that deductible interest is recognized correctly in plans created in a previous year, and reported correctly in the *Cash Flow Assistant (Tools menu – Cash Flow Assistant)* and *Income Tax Details* reports (*Results – Additional Reports – Income Tax*)
- NPE version 10.2.0.3 now supports values with two decimal places for probate and administrative expenses entered on the *Goals* section – *Estate Planning – Setup* category – *Assumptions* page
- The treatment of valuation dates for education and major purchase goals in Financial Assessments is updated to ensure these are not reset from the plan creation date to the current date

Reports and graphs

- The generation of the *Efficient Frontier* graph (*Results – Additional Graphs – Asset Allocation – Efficient Frontier*) is updated so that it can be properly generated even when there are more than eight investor profiles in a plan.
- The *Financial Needs Assessment* client report in Level 2 Plans (*Results – Client Reports – Financial Needs Assessment*) is updated to report desired retirement income values in today's dollars, ensuring consistency with the value entered by users in the *Goals* section – *Retirement* category.
- The *Projected Net Worth* report (*Financial Picture – Net Worth – Reports*) is updated to allow users to select up to eight years of data for single clients in the *Assign Settings* dialog box that opens when generating the report.
- The treatment of the unclassified holdings portion of accounts is updated to provide more accurate details about them in the *Current Asset Mix* chart and table (*Results – Additional Reports – Asset Allocation – Current Asset Mix*).
- The *Attainable Retirement* graph (*Results – Additional Graphs – Accumulation*) is enhanced to reflect accurate expense coverage when assets are sufficient to cover additional expenses in retirement.
- The *Financial Needs Summary* client report (*Results – Client Reports – Financial Needs Summary*) is enhanced to provide more accurate details regarding any cash flow deficits present in the cash flow analysis.
- Behind-the-scenes changes to the *Life Insurance Detailed Analysis* report are incorporated to help ensure accurate pension inflow amounts that match the values reported in the *Itemized Cash Flow* report.
- Results obtained through the *Monte Carlo Sensitivity Analysis* available from the *Results* section – *Additional Graphs* category are now more consistent with results obtained using the same settings in the Monte Carlo results in the NPE client reports.

- NPE v10.2.0.3 has been updated to address situations where the *Single Asset Details* and *Single Liability Details* reports were not generating.
- Behind-the-scenes changes to the *Assign Settings* feature for additional reports and graphs in NPE help to ensure that the correct settings are applied each time a new report or graph is generated.
- Miscellaneous text, terminology, spelling, and capitalization updates are included in the client reports in v10.2.0.3.
- In Level 1 Plans, errors when generating reports for a credit shelter trust on the *Goals* section – *Estate Planning* category – *Trusts* page have been addressed.

Additional system requirements

NaviPlan Offline uses CrypKey™ licensing technology (copyright CrypKey (Canada) Inc.). As a result, the following permissions are required.

To install NaviPlan Offline

- o Administrator privileges are required for installation

To run NaviPlan Offline

- o The SYSTEM account requires full control of the *System32* folder to run NaviPlan Offline (ensure the *System32* folder is not write protected)
- o The local user requires full control of the application folder to run NaviPlan Offline
- o Windows Vista™ users: Right-click the **setup.exe** file in the *Setup* folder. Select **Run as administrator**, and then click **Continue**.

Updates to NaviPlan Extended version 10.2.0.1

The following program updates were included in v10.2.0.1 of NaviPlan Extended.

- Validation testing with the Windows Vista™ operating system has been completed to address compatibility issues
- For NaviPlan Central users running the application with user-defined asset allocation, the *Display new entry row(s)* option on the *Home* section – *User Preferences* category – *Asset Classes* page is enhanced to correctly add the number of blank data-entry rows specified
- Modifications to *Defined Benefit Pension* fields on the *Financial Picture* section – *Cash Flow* category – *Cash Flow* page now provide seamless access to income and expense details dialog boxes
- The text regarding the Tax Increase Prevention and Reconciliation Act on the Tax Considerations page in applicable client reports is updated
- The treatment of surplus/deficit amounts in the long-term care analysis is updated to improve consistency and accuracy of net worth amounts in long-term care reports
- The Important Terminology section of client reports is updated with changes to the capitalization of terms
- The *Comprehensive Analysis* report (*Results – Client Reports – Comprehensive Analysis*) is enhanced with more accurate text when a client is in a negative cash flow position in the disability analysis
- When multiple loans are linked to a corresponding residence asset, deductible mortgage interest amounts are now based correctly on all applicable loans and are accurately reported in the *Income Tax Details* report (*Financial Picture – Tax Details – Reports*)

Enhancements to NaviPlan Extended version 10.2

The following enhancements were included in EISI's release of version 10.2 of NaviPlan Extended.

Inflation and tax table updates

In accordance with annual U.S. income tax and inflation updates, the following changes are incorporated into version 10.2 of NaviPlan:

- Federal income tax brackets for 2007
- Increased Social Security wage maximum annual earnings and tax-exempt amounts for 2007
- New inflation rate data is added to the *Inflation Rate* graph, accessible by clicking *Inflation Rate Graph* on the *Getting Started* section – *Assumptions* category – *General* page
- New life expectancy data is added to the *Life Expectancy* graph, accessible by clicking *Life Expectancy Graph* on the *Getting Started* section – *Assumptions* category – *Milestones* page
- 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)
- Enhanced *Planning Assistant*TM 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 more than three dozen increases under the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) which were scheduled to sunset at the end of 2010.

NaviPlan Extended v10.2 has been updated to incorporate these changes to 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* is updated to check on the new benefit values.
- An IRA contributor's eligibility to claim tax deductions for traditional IRA contributions is phased out as the taxpayer's adjusted gross income (AGI) increases. The Act provides for inflation adjustments of these amounts, effective in 2007.

- NaviPlan Extended v10.2 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.
- The PPA provision which permanently extends the maximum contribution dollar limit increases for IRAs, 401(k)s, and 403(b)s.

NaviPlan Central enhancements

New configurability on NaviPlan Central

Users on NaviPlan Central can now allow NaviPlan to automatically assign an answer to the time horizon question in the risk tolerance questionnaire for each goal in a client plan based on the specific goal's start date. This automatic time horizon assignment will be reflected in the investor profile scoring for each goal.

All client reports now include some configurable pages on NaviPlan Central. For example, under *Important Terminology*, the *Asset Class Definition* text can be revised and new definitions can be added, both with approval from EISI.

Check-in and check-out enhancements

Version 10.2 of NaviPlan Extended now allows for the following on the *Home* section – *Select Client* category – *Clients* page:

- refresh more easily clients that have expired
- batch processing of clients
- check in and check out of multiple clients at one time, using the *Multiple Check-In/Out* button

Client Search

Search By:

Client Last Name:

Include Central Clients

Most Recent Accessed Include "Granted" Clients

Clients

New Open Delete Grant/Revoke Reassign Client Get Copy Check-Out Check-In Refresh Release Multiple Check-In/Out Data Scrub

Status	Ref.	Client	Modified Date	Expires In
<input checked="" type="checkbox"/>	<input type="button" value="refresh"/>	[1867] Fiction, Mark and Barb	2007-01-09 15:43:15	30 days

Home section – Select Client category – Clients page, showing new Multiple Check-In/Out button

Additional user permissions

- New permissions are set up to regulate access to NaviPlan calculators
- New permissions are set up to regulate access to the *Additional Reports* and *Additional Graphs* categories in the *Results* section

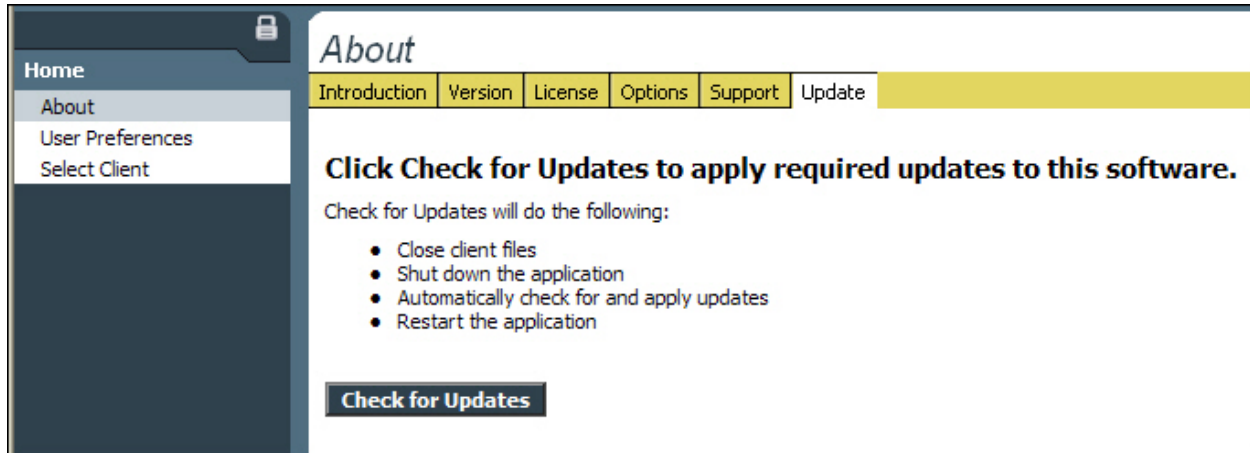
These user permissions are on by default in NaviPlan Central, but administrators can now control access by modifying the permissions.

Additional reports and graphs

The option to apply a configurable draft watermark to additional reports and graphs generated as printer-friendly PDFs, as well as to calculator reports, is now available. This draft watermark is useful for compliance purposes in NaviPlan Central.

Enhanced update feature

The *Update* feature in version 10.2 of NaviPlan is enhanced. On the *Home* section – *About* category – *Update* page, you can access this feature to easily upgrade your version of NaviPlan Extended when future program releases become available.



Home section – About category – Update page, showing Check for Updates button

Life insurance enhancement

The *Fill Values* feature for life insurance in NaviPlan Extended Online/Offline (*Financial Picture – Insurance Coverage – Insurance Coverage – <life insurance policy> – Future Values*) now supports negative base rates, to allow users to easily model declining cash surrender values due to withdrawals and loans.

Miscellaneous

The following changes are also included in NPE v10.2:

- Ibbotson Asset Allocation database update
- Peterson's Undergraduate Database update
- Version 10.2 of NaviPlan Extended now supports Internet Explorer 7
- Behind-the-scenes changes in v10.2 are designed to address issues between NaviPlan and the Windows Vista™ operating system
- Updated sample client files
- The treatment of plans previously marked as base plans is updated to allow users seamless access to those marked/unmarked plans in *Edit* mode
- Users now have access to all values entered under *User Preferences* on the *Portfolios* page when the user_accounts.dat folder has been copied over from a previous version of NaviPlan
- Version 10.2 now offers seamless access to user-defined text entered in plans migrated from earlier versions of NaviPlan
- Correlations between asset classes in user-defined versions of NaviPlan are adjusted in the user interface to map to the proper asset classes, improving the accuracy of standard deviation values; errors related to this, that appear when generating the *Preliminary Analysis* report (*Results – Client Reports – Preliminary Analysis*), have been addressed
- The treatment of remainder bequests to charities in estate settlement calculations is updated to ensure all available remainders are captured in the plan
- The *Notes* feature in v10.2 (accessible by clicking the *Notes* link at the top of the NaviPlan window) is updated to allow users to paste content into the *Additional Notes* dialog box while maintaining any previously entered data
- The treatment of 529 plans in NaviPlan is updated to allow users to manually enter deficit coverage strategies for 529 assets on the *Strategies* category – *Deficit Coverage* page; no default deficit coverage strategies are created when users enter a new 529 account
- The treatment of interest-only loans in NaviPlan is modified so that each loan's end date now correctly corresponds with the linked asset's sale date
- The *Social Security* page has been added to the *Home* section – *User Preferences* category in NaviPlan Extended Online to ensure consistency with the offline version of the application
- The treatment and calculation of recommended life insurance amounts reported by NaviPlan is enhanced and updated to provide more accurate results

Miscellaneous report and graph enhancements

- To ensure accurate data in the *Assets / Liabilities* report, the current value of assets with the type *Residence* selected on the *Financial Picture* section – *Net Worth* category – *Assets / Liabilities* page remains uneditable when the valuation date is in the same month as the purchase date or if the valuation date falls in January
- The *Preliminary Analysis* report (*Results – Client Reports – Preliminary Analysis*) is enhanced to address and correct reporting issues and includes an updated label in the *Disability Insurance* table
- *Planning Assistant*TM reports (*Tools – Planning Assistant – Plan Analysis Window*) are updated to allow users seamless access to landscape orientation when printing
- The *Complete Asset Summary* report (*Results – Additional Reports – Net Worth – Assets*) is enhanced to provide details on assets linked to emergency fund goals
- The *Comparative Analysis* client report (*Results – Client Reports – Comparative Analysis*) is enhanced so that the legends for the graphs are consistently included in the disability insurance section of the report
- The *Gross Estate and Liabilities* report (*Results – Additional Reports – Estate Planning – General*) is updated to properly account for qualified cash balance amounts originating from other salary-deferral accounts in a plan

EISI User Services

The redesigned EISI User Services (EUS) is a Web-hosted self-service application which provides technical support to NaviPlan users. It offers access to information regarding support issues and training materials related to your questions and issues. Now it also provides access to functional documentation for NaviPlan Standard, including new and updated documents for NPS v10.2. These functional documents can also be accessed at http://www.eisi.com/functional_documentation/us_naviplan_standard_v10.2.0.0.htm

To access EISI User Services, go to <https://users.eisi.com/>

The screenshot shows the EISI User Services Main page. The header includes the EISI logo, the text 'EISI User Services Main', and navigation links: 'My Profile', 'Bookmarks', 'Reload', 'Options', and 'Help'. The user is identified as 'User: Gaye'. The left sidebar contains a navigation menu with 'Main', 'Support', 'Training', 'Knowledge', and 'My Messages'. The main content area features a welcome message 'Welcome Gaye Glowacki' and a large banner with the text 'Get the answers you need' and a search bar. Below the banner are sections for 'Technical Support', 'Training', 'My Summary', and 'Bulletins'.

EISI User Services, Main page

Redesigned NaviPlan reference guides

New NaviPlan reference guides are available for NaviPlan Extended version 10.2. These reference guides are easier to use because they are available separately for each level of data entry in NPE: Financial Assessment, Level 1, and Level 2.

To access the NPE reference guides for version 10.2, go to http://support.naviplan.com/support_us/npe_central/index.htm