

Years Income Needed	Factor
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4
35	22.4
40	24.1

Years Before College	Factor
1	.99
2	.98
3	.97
4	.96
5	.95
6	.94
7	.94
8	.93
9	.92
10	.91
11	.90
12	.89
13	.88
14	.88
15	.87
16	.86
17	.85
18	.84
19	.84
20	.83

Note: These tables help you determine a net present value (NPV), the amount of capital required today to satisfy future income or college cost needs, given an assumed investment return of 6% inflation of 3% for living costs and 5% for college costs.

Life Insurance Needs Worksheet

Get an idea of how much Life Insurance you may need to help protect your family's future by completing the worksheet below. Then apply for more coverage, if you find you need it. Coverage is issued by **The Prudential Insurance Company of America**.

→ cpai.com/save

Income

- Total annual income your family would need if you died today**
What your family needs, before taxes, to maintain its current standard of living (typically between 60% - 75% of total income) \$ _____
- Annual income your family would receive from other sources**
For example, spouse's earnings or a fixed pension¹ (do not include income earned on your assets, as it is addressed later in the calculation) \$ _____
- Income to be replaced:**
Subtract line 2 from line 1 \$ _____
- Capital needed for income**
Multiply line 3 by appropriate factor in **Table A**. Factor _____ \$ _____

Expenses

- Funeral and other final expenses**
Typically the greater of \$15,000 or 4% of your estate \$ _____
- Mortgage and other outstanding debts**
Include mortgage balance, credit card balance, car loans, etc. \$ _____
- Capital needed for college**
(2022-2023 average 4-year cost: Private \$230,280, Public \$146,360²)

	Estimated 4-Year Cost	x	Appropriate Factor in Table B	=	Net Present Value	
Child 1	_____	x	_____	=	_____	} → \$ _____
Child 2	_____	x	_____	=	_____	
Child 3	_____	x	_____	=	_____	
Child 4	_____	x	_____	=	_____	
Child 5	_____	x	_____	=	_____	
Child 6	_____	x	_____	=	_____	
- Total capital required:** Add items 4, 5, 6, and 7 \$ _____

Assets

- Savings and investments:** Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, annuities, etc. \$ _____
- Retirement savings:** IRAs, 401(k)s, SEP plans, SIMPLE IRA plans, pension, and profit-sharing plans³ \$ _____
- Present amount of Life Insurance**
Group Insurance as well as insurance purchased on your own \$ _____
- Total income-producing assets:** Add lines 9, 10, and 11 \$ _____
- Life Insurance needed:** Subtract line 12 from line 8 \$ _____



Prefer to use an online calculator?

Check out our Insurance Needs Calculator
→ cpai.com/lifecalc



AICPA
Member Insurance Programs

¹Social Security benefits, which may be available have not been factored into this calculation.

²College Board, Trends in College Pricing, research.collegeboard.org, 2022. Costs reflect total charges, which include tuition, fees, room, and board.

³Distributions from most retirement savings plans are subject to ordinary income tax rules.

Aon Insurance Services is the brand name for the brokerage and program administration operations of Affinity Insurance Services, Inc. (TX 13695) (AR 100106022); in CA & MN, AIS Affinity Insurance Agency, Inc. (CA 0795465); in OK, AIS Affinity Insurance Services Inc.; in CA, Aon Affinity Insurance Services, Inc. (CA 0G94493), Aon Direct Insurance Administrators, and Berkely Insurance Agency; and in NY, AIS Affinity Insurance Agency.

Group Insurance coverage is issued by The Prudential Insurance Company of America, a Prudential Financial company, Newark, NJ. The Booklet-Certificate contains all details, including any policy exclusions, limitations, and restrictions, which may apply. Contract Series: 83500.