Calculate Feature in Cash Flow and Tax Advisor Page

02/14/2025 10:21 am EST

The Calculate feature on the cash flow and tax advisor page enables SIPS to automatically determine the effective tax rate for your forecasted year. Below are the step by step guidelines for using the Calculate function on the Cash Flow and Tax Advisor page.

To learn more about the Cash Flow and Tax Advisor menu see articles:

- Condense/Uncondense Feature
- Hide/Unhide Tax Advisor
- Add Scenario Feature
- Calculating Feature

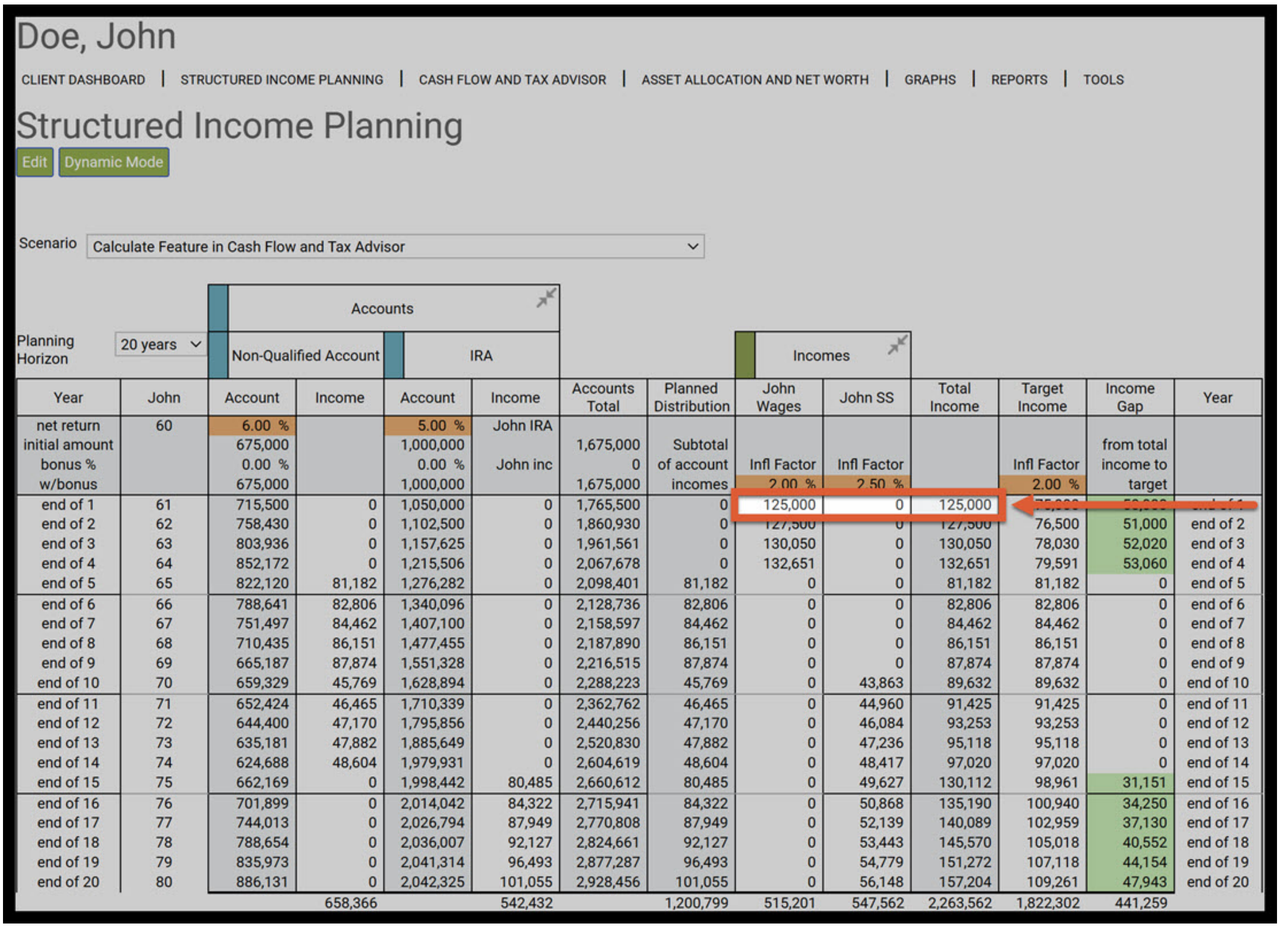
To learn more about the Cash Flow and Tax Advisor individual column features see articles:

- Hide/Unhide Feature for Individual Tax Columns
- Permanent Deletion for Individual Tax Columns
- Downloading a 1040 Sample Tax Form

To learn more about forecasting effective tax rates see articles:

- Part One: Forecasting Effective Tax Rates While the Client is working
- Part Two: Forecasting Effective Tax Rates While the Client is in retirement and before Social Security Disbursements
- Part Three: Forecasting Effective Tax Rates While the Client is in Retirement and Social Security Starts Up
- Part Four: Forecasting Effective Tax Rates in Retirement: RMDs, Social Security, and Roth Withdrawals
- Part Five: Adding Expenses into the Cash Flow and Tax Advisor Calculator

Step 1: First Year Income: See what incomes need to be modeled in the cashflow and tax advisor to determine the effective tax-rate for that year.



Doe, John

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

Structured Income Planning

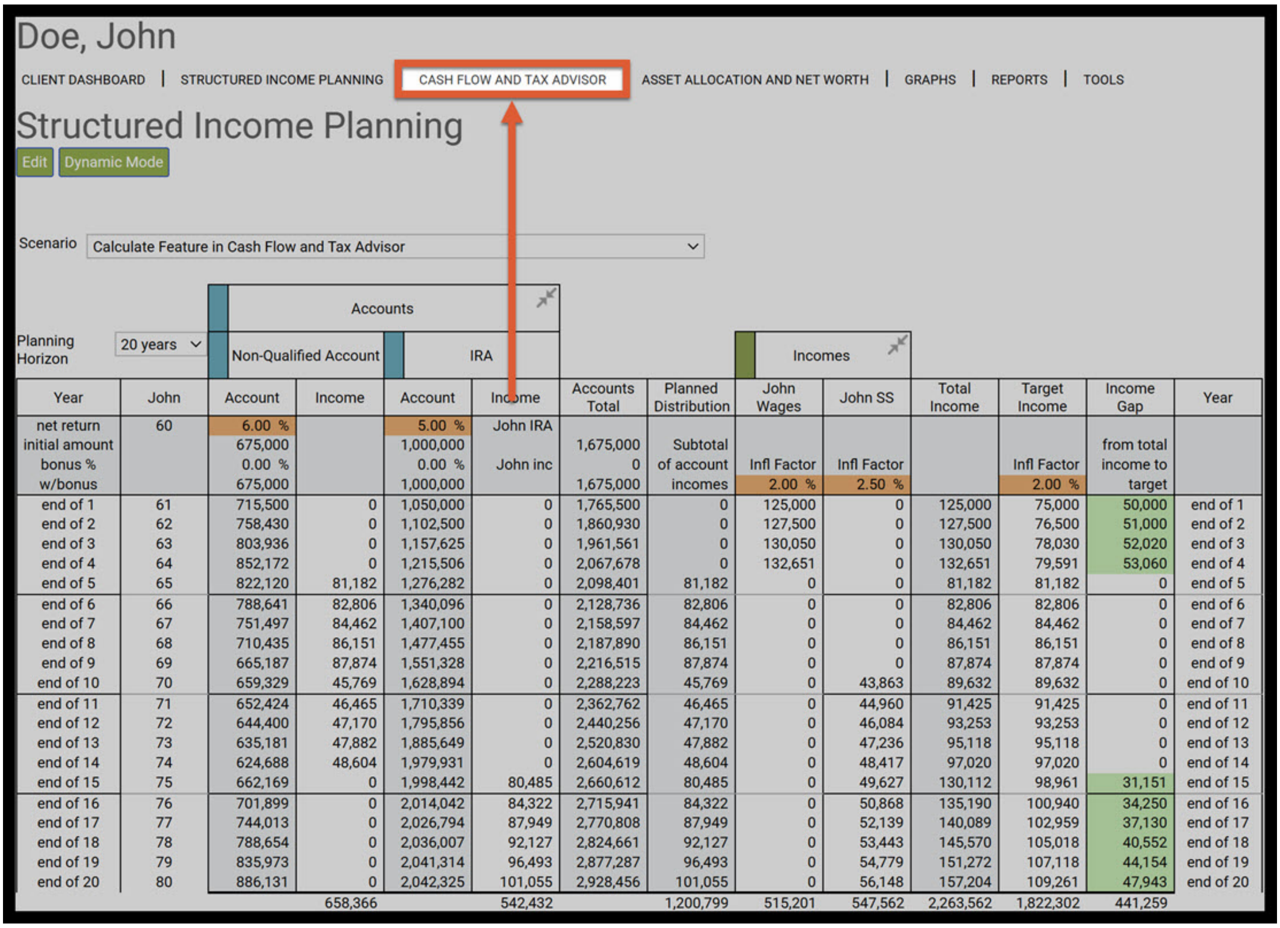
Edit Dynamic Mode

Scenario: Calculate Feature in Cash Flow and Tax Advisor

Planning Horizon: 20 years

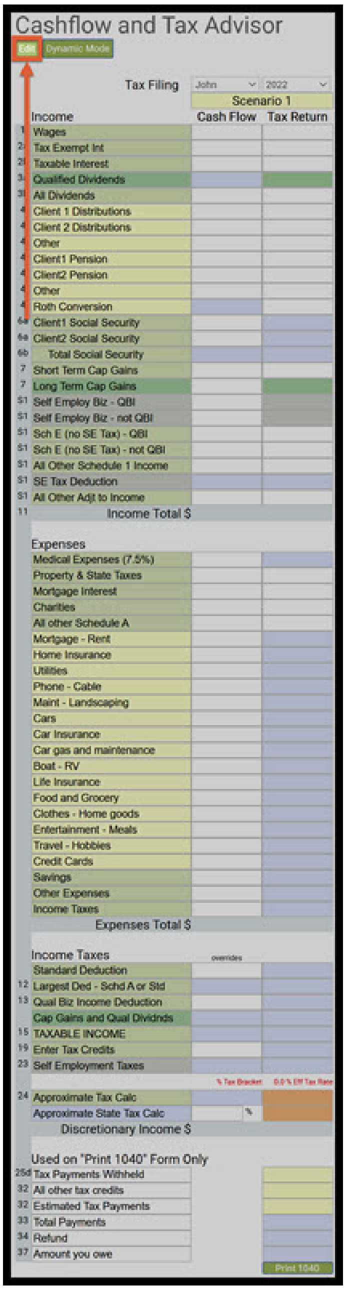
		Accounts						Incomes					
		Non-Qualified Account		IRA									
Year	John	Account	Income	Account	Income	Accounts Total	Planned Distribution	John Wages	John SS	Total Income	Target Income	Income Gap	Year
net return	60	6.00 %		5.00 %	John IRA								
initial amount		675,000		1,000,000		1,675,000	Subtotal					from total	
bonus %		0.00 %		0.00 %	John inc	0	of account	Infl Factor	Infl Factor		Infl Factor	income to	
w/bonus		675,000		1,000,000		1,675,000	incomes	2.00 %	2.50 %		2.00 %	target	
end of 1	61	715,500	0	1,050,000	0	1,765,500	0	125,000	0	125,000	75,000	50,000	end of 1
end of 2	62	758,430	0	1,102,500	0	1,860,930	0	127,500	0	127,500	76,500	51,000	end of 2
end of 3	63	803,936	0	1,157,625	0	1,961,561	0	130,050	0	130,050	78,030	52,020	end of 3
end of 4	64	852,172	0	1,215,506	0	2,067,678	0	132,651	0	132,651	79,591	53,060	end of 4
end of 5	65	822,120	81,182	1,276,282	0	2,098,401	81,182	0	0	81,182	81,182	0	end of 5
end of 6	66	788,641	82,806	1,340,096	0	2,128,736	82,806	0	0	82,806	82,806	0	end of 6
end of 7	67	751,497	84,462	1,407,100	0	2,158,597	84,462	0	0	84,462	84,462	0	end of 7
end of 8	68	710,435	86,151	1,477,455	0	2,187,890	86,151	0	0	86,151	86,151	0	end of 8
end of 9	69	665,187	87,874	1,551,328	0	2,216,515	87,874	0	0	87,874	87,874	0	end of 9
end of 10	70	659,329	45,769	1,628,894	0	2,288,223	45,769	0	43,863	89,632	89,632	0	end of 10
end of 11	71	652,424	46,465	1,710,339	0	2,362,762	46,465	0	44,960	91,425	91,425	0	end of 11
end of 12	72	644,400	47,170	1,795,856	0	2,440,256	47,170	0	46,084	93,253	93,253	0	end of 12
end of 13	73	635,181	47,882	1,885,649	0	2,520,830	47,882	0	47,236	95,118	95,118	0	end of 13
end of 14	74	624,688	48,604	1,979,931	0	2,604,619	48,604	0	48,417	97,020	97,020	0	end of 14
end of 15	75	662,169	0	1,998,442	80,485	2,660,612	80,485	0	49,627	130,112	98,961	31,151	end of 15
end of 16	76	701,899	0	2,014,042	84,322	2,715,941	84,322	0	50,868	135,190	100,940	34,250	end of 16
end of 17	77	744,013	0	2,026,794	87,949	2,770,808	87,949	0	52,139	140,089	102,959	37,130	end of 17
end of 18	78	788,654	0	2,036,007	92,127	2,824,661	92,127	0	53,443	145,570	105,018	40,552	end of 18
end of 19	79	835,973	0	2,041,314	96,493	2,877,287	96,493	0	54,779	151,272	107,118	44,154	end of 19
end of 20	80	886,131	0	2,042,325	101,055	2,928,456	101,055	0	56,148	157,204	109,261	47,943	end of 20
			658,366		542,432		1,200,799	515,201	547,562	2,263,562	1,822,302	441,259	

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

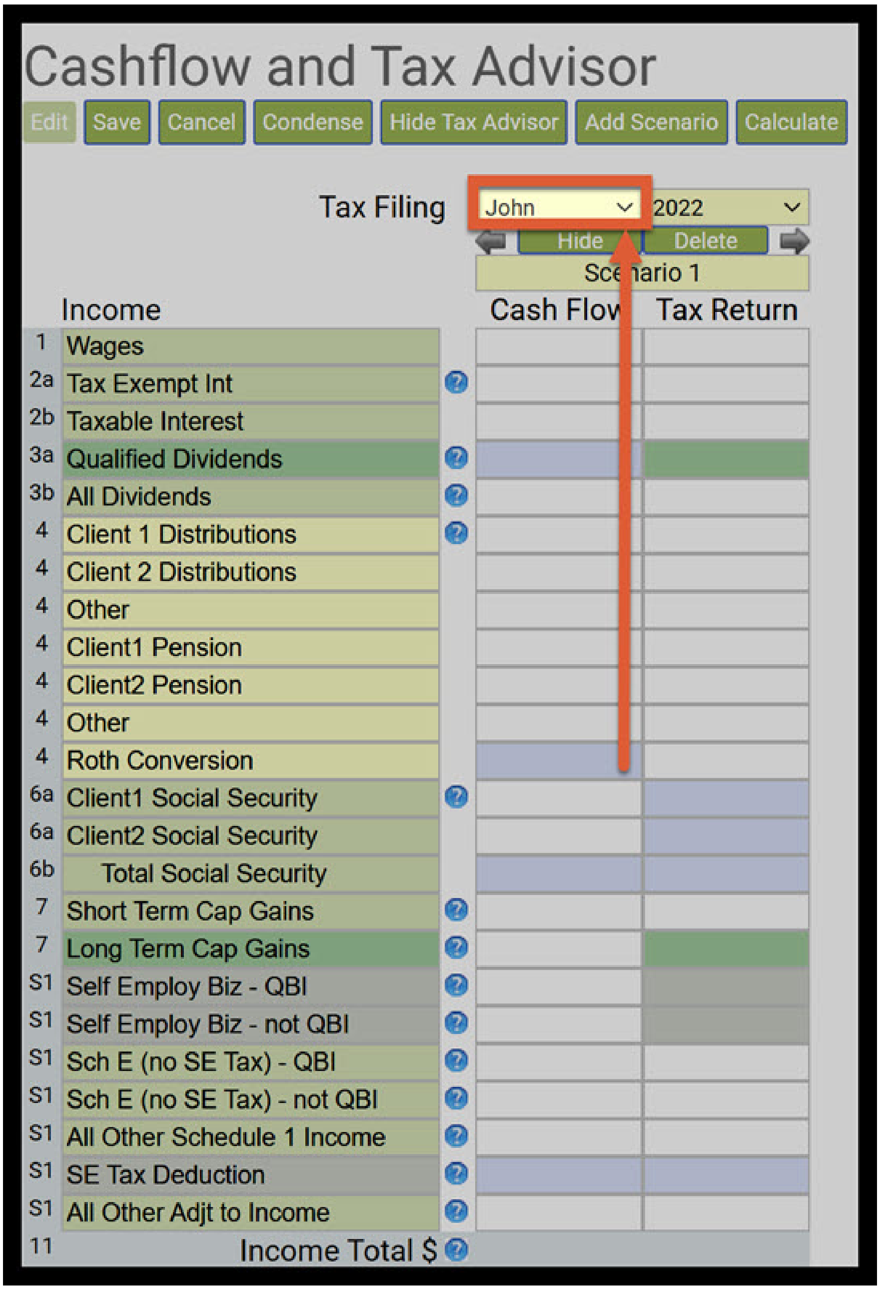


		Accounts						Incomes					
		Non-Qualified Account		IRA									
Year	John	Account	Income	Account	Income	Accounts Total	Planned Distribution	John Wages	John SS	Total Income	Target Income	Income Gap	Year
net return	60	6.00 %		5.00 %	John IRA								
initial amount		675,000		1,000,000		1,675,000	Subtotal					from total	
bonus %		0.00 %		0.00 %	John inc	0	of account	Infl Factor	Infl Factor		Infl Factor	income to	
w/bonus		675,000		1,000,000		1,675,000	incomes	2.00 %	2.50 %		2.00 %	target	
end of 1	61	715,500	0	1,050,000	0	1,765,500	0	125,000	0	125,000	75,000	50,000	end of 1
end of 2	62	758,430	0	1,102,500	0	1,860,930	0	127,500	0	127,500	76,500	51,000	end of 2
end of 3	63	803,936	0	1,157,625	0	1,961,561	0	130,050	0	130,050	78,030	52,020	end of 3
end of 4	64	852,172	0	1,215,506	0	2,067,678	0	132,651	0	132,651	79,591	53,060	end of 4
end of 5	65	822,120	81,182	1,276,282	0	2,098,401	81,182	0	0	81,182	81,182	0	end of 5
end of 6	66	788,641	82,806	1,340,096	0	2,128,736	82,806	0	0	82,806	82,806	0	end of 6
end of 7	67	751,497	84,462	1,407,100	0	2,158,597	84,462	0	0	84,462	84,462	0	end of 7
end of 8	68	710,435	86,151	1,477,455	0	2,187,890	86,151	0	0	86,151	86,151	0	end of 8
end of 9	69	665,187	87,874	1,551,328	0	2,216,515	87,874	0	0	87,874	87,874	0	end of 9
end of 10	70	659,329	45,769	1,628,894	0	2,288,223	45,769	0	43,863	89,632	89,632	0	end of 10
end of 11	71	652,424	46,465	1,710,339	0	2,362,762	46,465	0	44,960	91,425	91,425	0	end of 11
end of 12	72	644,400	47,170	1,795,856	0	2,440,256	47,170	0	46,084	93,253	93,253	0	end of 12
end of 13	73	635,181	47,882	1,885,649	0	2,520,830	47,882	0	47,236	95,118	95,118	0	end of 13
end of 14	74	624,688	48,604	1,979,931	0	2,604,619	48,604	0	48,417	97,020	97,020	0	end of 14
end of 15	75	662,169	0	1,998,442	80,485	2,660,612	80,485	0	49,627	130,112	98,961	31,151	end of 15
end of 16	76	701,899	0	2,014,042	84,322	2,715,941	84,322	0	50,868	135,190	100,940	34,250	end of 16
end of 17	77	744,013	0	2,026,794	87,949	2,770,808	87,949	0	52,139	140,089	102,959	37,130	end of 17
end of 18	78	788,654	0	2,036,007	92,127	2,824,661	92,127	0	53,443	145,570	105,018	40,552	end of 18
end of 19	79	835,973	0	2,041,314	96,493	2,877,287	96,493	0	54,779	151,272	107,118	44,154	end of 19
end of 20	80	886,131	0	2,042,325	101,055	2,928,456	101,055	0	56,148	157,204	109,261	47,943	end of 20
			658,366		542,432		1,200,799	515,201	547,562	2,263,562	1,822,302	441,259	

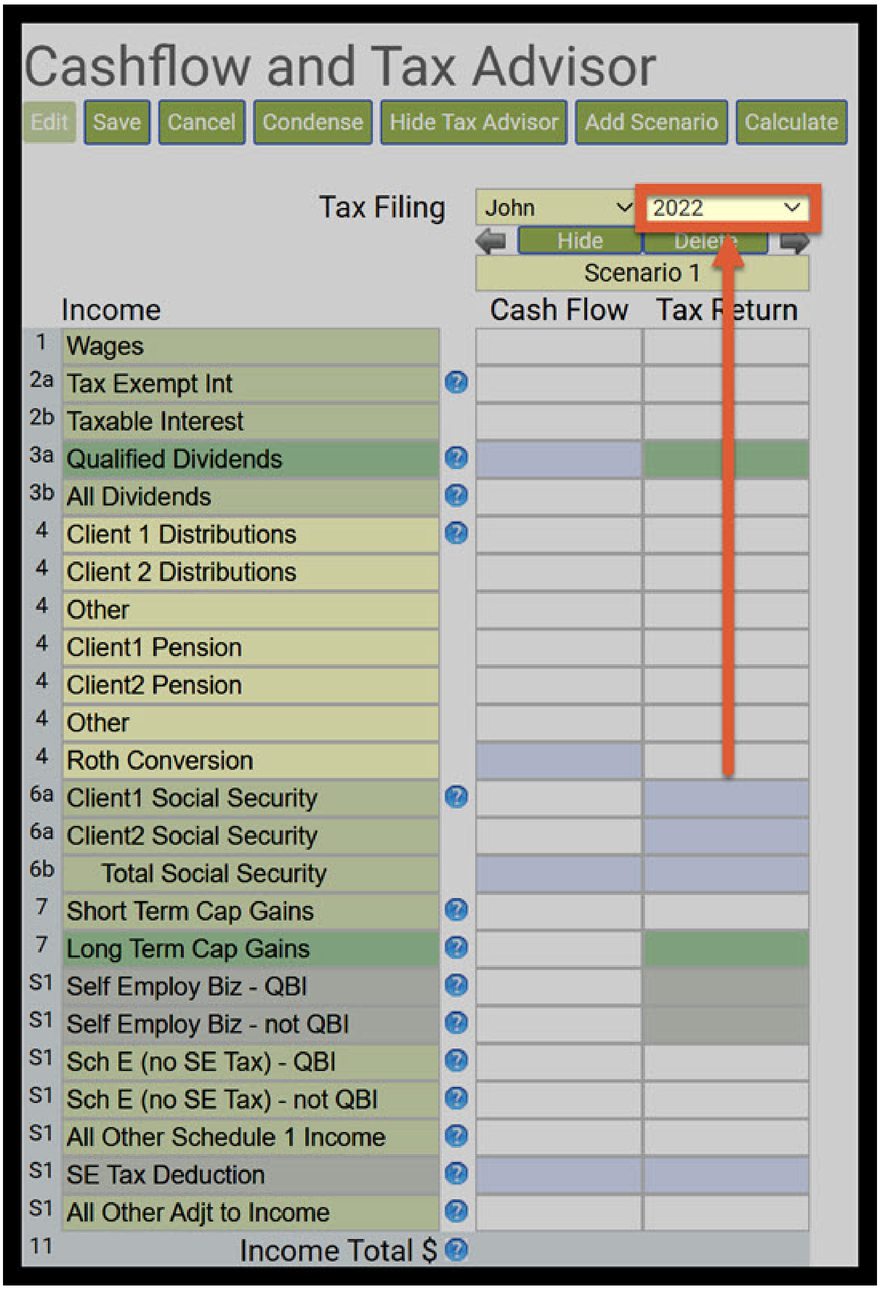
Step 3: Edit: Click on the green Edit button underneath the Cashflow and Tax Advisor heading.



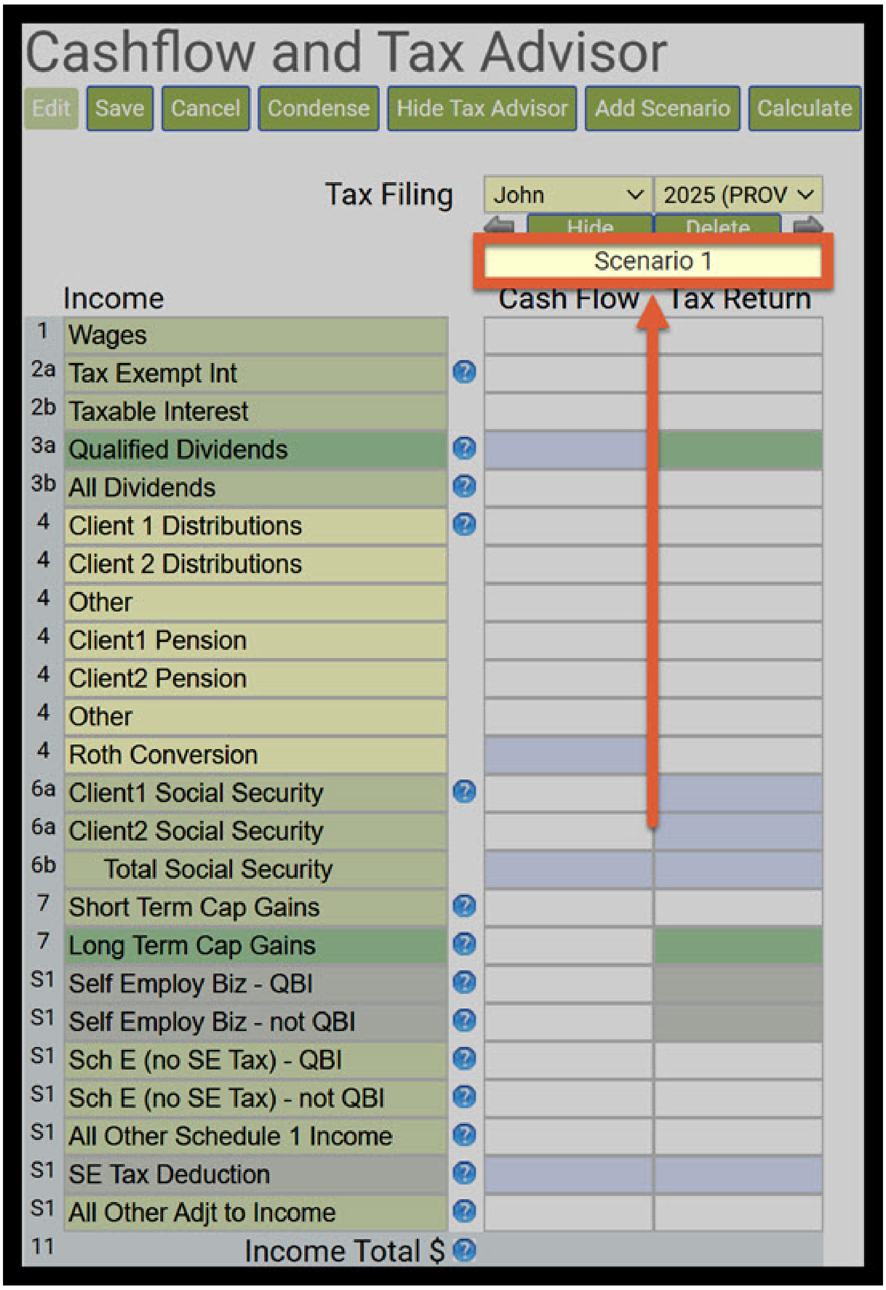
Step 4: Tax Filing Name: Tax Filing Name: Click on the dropdown to select the tax filing (client 1, client 2, or joint).



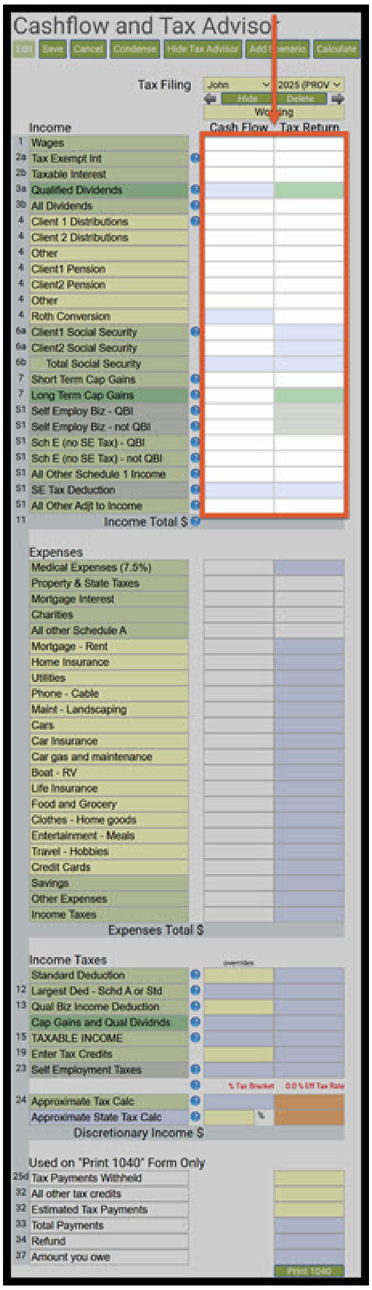
Step 5: Tax Filing Year: Click on the dropdown and select which tax year you would like to use. SIPS has the ability to create hypothetical returns for past and future years.



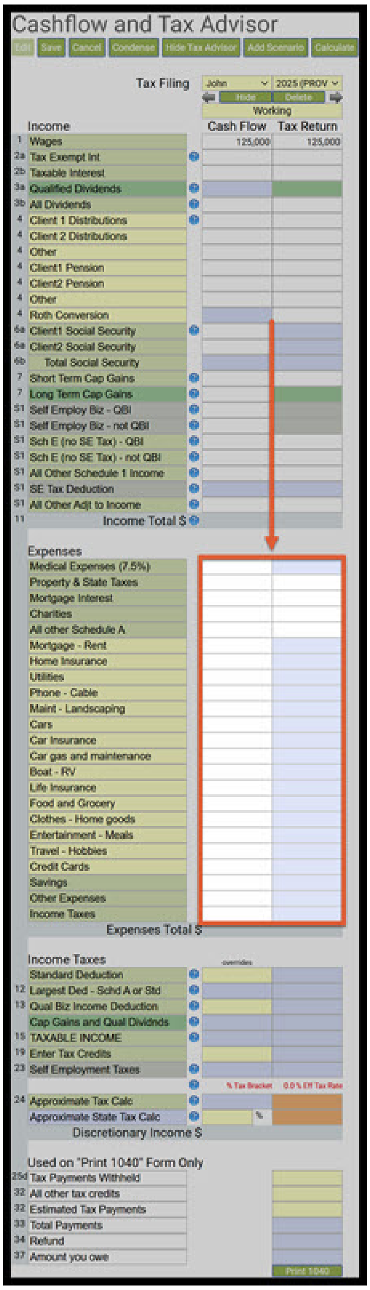
Step 6: Scenario Title: Enter in a new title for the scenario.



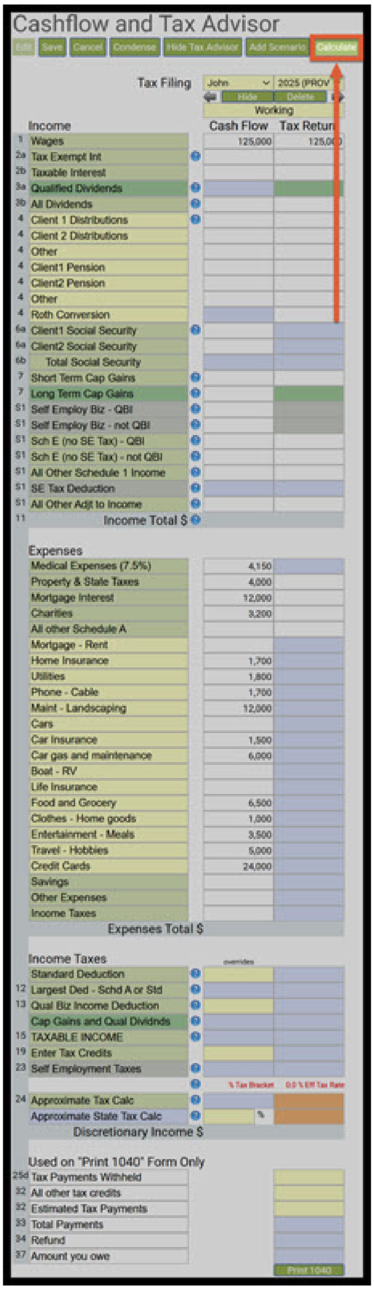
Step 7: Incomes: Enter in incomes into the wage's cash flow and tax return columns.



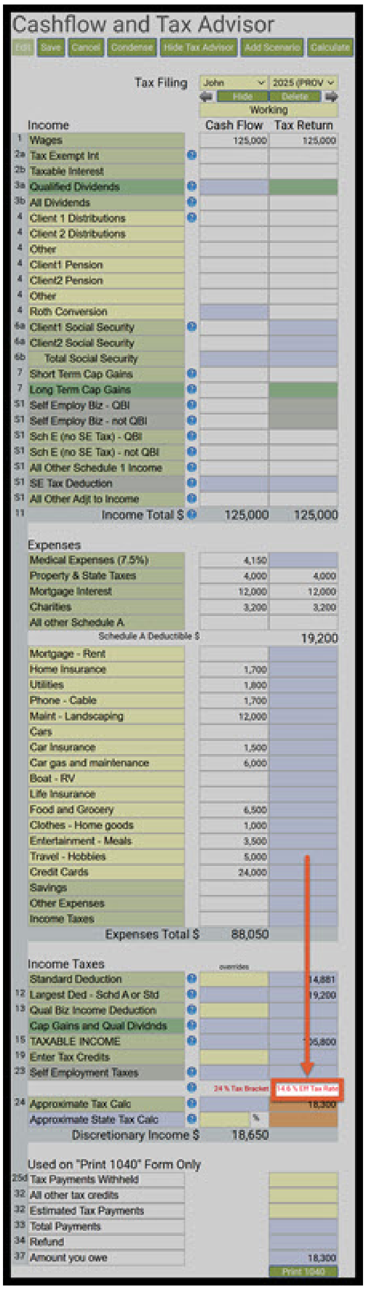
Step 8: Expenses: Enter in the expenses for the particular tax year. If you do not have the data for expenses, skip this step.



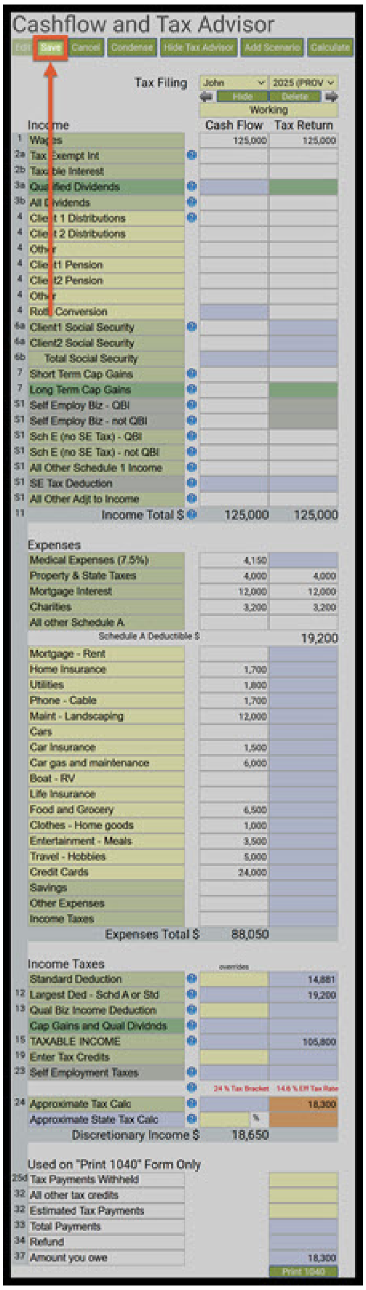
Step 9: Calculate: Click on the green calculate button underneath the Cashflow and Tax Advisor heading.



Step 10: Tax Bracket: Scroll down the page and take note of the marginal tax bracket and effective tax-rate.



Step 11: Save: Click on the green Save button underneath the Cashflow and Tax Advisor heading.



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.