

Table 1: Withdrawal Rates and Surplus Available for Ladder Extension as a Function of TIPS Yields

TIPS Yield	Withdrawal Rate	Surplus if Only 4% Needed	Surplus After 30 Years (TIPS Rate)	Years Ladder Extended	Total Years of 4% Withdrawals	Age Where Survival Odds < 10%
-1.00%	2.84%	--				
-0.50%	3.08%	--				
0.00%	3.33%	--				
0.50%	3.60%	--				
1.00%	3.87%	--				
1.25%	4.02%	--				
1.50%	4.16%	\$39,400	\$61,500	1.5	31.5	70
1.75%	4.31%	\$72,600	\$122,100	3.1	33.1	67
2.00%	4.46%	\$104,100	\$188,600	4.7	34.7	66
2.25%	4.78%	\$134,200	\$261,600	6.5	36.5	64
2.50%	5.10%	\$162,800	\$341,500	8.5	38.5	61

Note: \$1 million assumed available. All entries are rounded and assume for simplicity that zero-coupon TIPS can be purchased in arbitrarily small dollar amounts. Longevity is annuitant longevity; see Table 2. The right column is the client age at TIPS ladder creation where the value to the left (e.g., 31.5 years) takes a married couple out to a point where the odds that either one is still alive drop to 10% or less.