

Pension plan Exercise

Suppose that Joe is 20 today and wishes to start saving so that when he's 65 he can have 20 years of \$100,000 annual withdrawals. How much should be the annual payments if the interest rate is 8% payments????????!!!!!!!((((()))@@\$

	A	B	C
1	SAVING FOR RETIREMENT		
2	Joe's age today	20	
3	Joe's age at last deposit	64	
4	Number of deposits	45	$\leftarrow =B3-B2+1$
5	Number of withdrawals	20	
6	Annual withdrawal from age 65	100,000	
7	Interest rate	8%	
8			
9	Annual deposit	2,540.23	$\leftarrow =(B6/(1+B7)^{(B4-1)}) * PV(B7, B5, -1) / PV(B7, B4, -1, , 1)$
10			
11	Joe's age today	Annual amount deposited	
12	20	2,540.23	$\leftarrow =(\$B\$6/(1+\$B\$7)^{(\$B\$3-A12)}) * PV(\$B\$7, \$B\$5, -1) / PV(\$B\$7, \$B\$3-A12+1, -1, , 1)$
13	22	2,978.96	$\leftarrow =(\$B\$6/(1+\$B\$7)^{(\$B\$3-A13)}) * PV(\$B\$7, \$B\$5, -1) / PV(\$B\$7, \$B\$3-A13+1, -1, , 1)$
14	24	3,496.73	$\leftarrow =(\$B\$6/(1+\$B\$7)^{(\$B\$3-A14)}) * PV(\$B\$7, \$B\$5, -1) / PV(\$B\$7, \$B\$3-A14+1, -1, , 1)$
15	26	4,109.02	
16	28	4,834.85	
17	30	5,697.73	
18	32	6,727.03	
19	34	7,959.85	
20	35	8,666.90	
21	38	11,239.91	
22	40	13,430.03	
23	42	16,123.53	
24	44	19,471.60	
25	46	23,688.86	
26	48	29,090.61	
27	50	36,159.79	
28			
29			

