

PENSION MAXIMIZATION UTILIZING TERM LADDERS

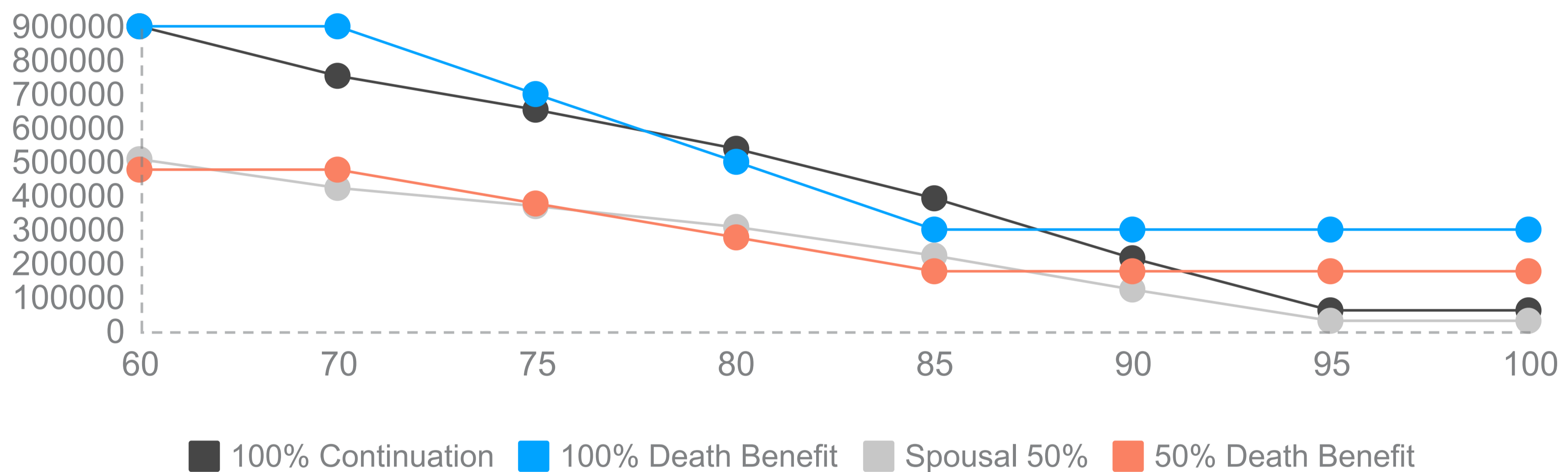
What is Pension Maximization?

Pension Maximization seeks to provide the ability to maximize the employees retirement income and control by utilizing death benefit to provide the surviving spouse with enough money to continue the income lost at the employee's death. When someone retires from an employer who provides a pension program (most often manufacturing companies or government institutions), they are given a pension designed to provide an income for the life of the employee. This typically is based on tenure and or income while working. Typically 5 years prior to retirement employers will ask for an initial election for how they would like to take their income in retirement. This typically shows up as Life Only (income lasts only while the employee is living), 100% Spousal Continuation (income will last for the life of the spouse after the death of the employee), or 50% Spousal Continuation (50% of pension income will last for the spouse after employees death).

How It Works:

Mr. Client is age 55 planning to retire at age 60 from ABC, Co.. He has three primary options he is considering for his pension options; 1. Life Only Income; 2. 100% Spousal Continuation; 3. 50% Spousal Continuation. The below chart shows the income need compared to the death benefit ladder we could provide.

Retirement Asset Need vs Planned Death Benefit



This chart shows the death benefit solved for versus the total benefit need to provide the corresponding income to age 95 if invested at a 4% rate of return.

Employee Pension Options

Life Only	100% Spousal	50% Spousal
\$61,500	\$48,000	\$54,000

Employee Pension Income based on election. 50% option will provide half of shown income to the surviving spouse

Key Findings

- **\$217,951 in Savings through age 95!**
- **\$3,825 in First Year Savings!**
- **Chronic AND Critical Illness Coverage**

Pension Maximization Savings

Age	100% Spousal	Cumulative Savings	50% Spousal	Cumulative Savings
60	\$900,000	\$3,825	\$475,000	\$1,914
70	\$900,000	\$38,250	\$475,000	\$21,057
75	\$700,000	\$62,810	\$375,000	\$21,233
80	\$500,000	\$91,595	\$275,000	\$44,770
85	\$300,000	\$128,701	\$175,000	\$63,038
90	\$300,000	\$173,326	\$175,000	\$85,169
95	\$300,000	\$217,951	\$175,000	\$107,300
100	\$300,000	\$262,576	\$175,000	\$129,430

This Chart considers the death benefit and cumulative savings by age after implementing this plan. All values shown are based on Standard Non-Tobacco Underwriting Class in the state of Colorado for the clients beginning age 55.

Insurance Options

Type	100% Spousal	50% Spousal
GUL	\$300,000	\$175,000
20yr Term	\$200,000	\$100,000
25yr Term	\$200,000	\$100,000
30yr Term	\$200,000	\$100,000

Type	100% Spousal	50% Spousal
Pension Gap*	\$13,500	\$7,500
Insurance Premium	\$9,675	\$5,586
Savings	\$3,825	\$1,914

*Pension gap is the difference between the Life Only income and the selected pension option.



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