

# Retirement Planning



## GET THE MOST OUT OF YOUR PENSION INCOME



Plan today to achieve your retirement objectives tomorrow. Investing in a life insurance policy may help you get the most from your pension income. It can help maximize your retirement plan benefits by providing income for your spouse if you die. Or it can give you the flexibility to change your plan based on your family's needs.

### Your pension choices

When you retire, two common options on how to receive your pension income are to elect a joint and survivor annuity or to choose a life-only option.

#### *The joint and survivor option*

If you elect this option, your pension payments may be reduced by as much as 30 percent of your maximum monthly income while both you and your spouse are still living. If you die, that payment reduction could have an impact on your surviving spouse's income.

Additionally, if:

- Your spouse dies before you do — then you will continue to receive the reduced income for the rest of your life
- You and your spouse die within a short time of each other — the entire pension benefit is lost
- You and your spouse live long lives — you won't get a significant benefit from selecting the joint and survivor option

#### *Life insurance only option*

If you select the life-only option, you can invest the extra pension income you receive in a life insurance policy that you own and control. The life insurance can provide money to your spouse when you die — money that your spouse can use to replace your pension benefit.

By choosing this option, you gain the flexibility to:

- Maximize your pension income and receive the highest monthly benefit
- Choose a limited premium payment period, allowing the accumulated cash values to keep the policy in force
- Change beneficiaries if your family situation changes
- Access policy cash values in case of an emergency
- Provide an income-tax-free death benefit payable to your spouse, children, or charity

*(continued on back)*

*Look forward to a comfortable retirement, one that you enjoy.*

## Get the most out of your pension income

### Benefit payout scenario

A 55-year-old male will retire at age 65 after working 25 years. At retirement, his defined benefit pension will pay him \$3,000 a month for the rest of his life if he selects the life-only option in his retirement plan. If this option is selected, the spouse will receive nothing from the pension when he dies.

To guarantee income for his spouse, the joint and survivor option is elected. The monthly pension is reduced to \$2,250 a month, but it guarantees his spouse an income for life after his death. (see chart)

Benefit payout options	
In the following scenario, the life-only option provides the maximum pension income for the husband's life only, with no benefit for the spouse. The joint and survivor option provides a benefit for the husband and wife's lives, but is 75 percent of the maximum income provided with the life-only option.	
<b>Husband and wife alive</b>	
Life-only option — \$3,000	
Joint and survivor option — \$2,250	
<b>Only husband alive</b>	
Life-only option — \$3,000	
Joint and survivor option — \$2,250	
<b>Only wife alive</b>	
Life-only option — \$0	
Joint and survivor option — \$2,250	

If the life-only option is selected, the couple in the example get an extra \$750 in monthly income. It may be to their financial advantage to consider purchasing a permanent life insurance policy that will provide a monthly income that is equal to or greater than the joint-and-survivor option of \$2,250 at a premium less than \$750 per month. That helps them get the

most out of their retirement income, it provides added financial protection for the spouse and it gives her the freedom and flexibility to change the plan based on their needs.

### Important items to consider

When considering the pension alternative, it's important to understand that your health and age will determine the cost of the life insurance that must remain in force until it is needed.

Start your planning now. A review of your retirement income sources takes careful planning and a thoughtful approach to achieving your retirement goals.

**For more information, call your representative today.**

Life insurance underwritten by:

#### **UNITED OF OMAHA LIFE INSURANCE COMPANY**

Omaha, Nebraska 68175

#### **COMPANION LIFE INSURANCE COMPANY**

Hauppauge, New York 11788

United of Omaha is not licensed in New York. In New York, life insurance is underwritten by Companion Life Insurance Company, Hauppauge, NY.

MUTUAL of OMAHA'S  
**WILD KINGDOM**



OFFICIAL SPONSOR

Each underwriting company is solely responsible for its own contractual and financial obligations.

This is for general information and is not designed to be all-inclusive or to serve as a substitute for legal or tax advice. The information in this guide is subject to change without notice.