



PERMANENT LIFE INSURANCE CAN ADDRESS Key Retirement Challenges

Permanent life insurance does not typically come to mind when creating a retirement planning strategy.

Often, people don't realize that life insurance can be much more than death benefit protection. The cash value that accumulates in a permanent policy can be borrowed without tax implication and does not need to be repaid*. This can add tremendous value to your retirement plan by addressing several common retirement challenges.

Longevity: Climbing the Mountain

What's the goal of climbing a mountain? The right answer is not to reach the top but rather to make it safely down the mountain. Retirement planning is similar to mountain climbing in that the main focus is often on building retirement assets rather than planning how to get back down the "retirement" mountain without running out of money. Creating a retirement spending strategy can help ensure your money lasts as long as your retirement. And, with life insurance as part of your retirement plan, you can generate an additional source of retirement income that could last as long as you live. Plus, you will have a death benefit to leave for loved ones.

Diversification: Flexibility to Address Uncertainty

In addition to diversifying your retirement **assets**, experts also recommend having several options for retirement income. Life insurance provides an extra option to supplement the conventional source of your 401(k), traditional and Roth IRAs, Social Security, etc. The difference with life insurance is the potential to quickly and easily access tax-free retirement income. For example, if you need to access cash in an emergency, the cash value in your life insurance policy can provide immediate income. This can avoid other alternatives, such as having to get a bank loan, locking in market losses if your account values are down or facing potential tax penalties in order to get quick access. The flexibility for a tax-free loan and/or withdrawal from your life insurance policy can be a great option to address whatever the future holds.

*As long as premiums are paid and the policy doesn't lapse. Assumes contract is not a modified endowment contract under IRC §7702A

Volatility: Creating a Cushion

In retirement, a common problem when taking income withdrawals is earnings volatility. For example, if you withdraw 3% in a year when market is down say 10% - then you've lost 13% of your money. But, if you have a permanent life insurance policy as part of your retirement plan, you have the option to stop taking withdrawals from your IRA or brokerage account when the market is down and let it recover. Having the option to access the cash value in your life insurance as supplemental retirement income can help act as a cushion against volatility.

Conservation: Establishing Another Option

Many people save a significant amount for retirement in 401(k)s and IRAs and then are reluctant to take income, fearing the money could run out or may decide to leave a sizable amount to loved ones and charities. Life insurance can create another option that is separate from your other retirement plan assets. This can provide added peace of mind that you can spend down your other retirement assets and live life to the fullest knowing that your life insurance can be a more tax-efficient way to leave money to loved ones.

Social Security: Maximizing Income Benefits

Social Security is the only guaranteed source of retirement income for many retirees, yet money is constantly being left on the table as many do not know how to maximize their benefits. Often, retirees don't realize that the age you begin taking Social Security impacts the benefit amount that you can collect over your lifetime. The full retirement age for Social Security was 65, but, depending on the person's year of birth, it can now be as late as 67 and given the concerns about the future of social security no one can predict how that will change in the future. Creating a retirement income strategy that uses the cash value in a life insurance policy can be an option to supplement income while delaying Social Security. This strategy can translate into thousands of dollars in additional retirement income over the course of a 30-year retirement.

Permanent life insurance provides multiple possibilities for retirement by providing both death benefit protection and cash value to use as needed. Learn more today.

Accessing cash values may result in surrender fees and charges, may require additional premium payments to maintain coverage, and will reduce the death benefit and policy values.

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