



Pension Maximization

This concept has become more prevalent in today's market as assets set aside by clients for retirement have decreased significantly.

In order to maximize retirement income available from a pension, it may be necessary to consider taking **Retirement Option 1** (maximum retirement income). However, selection of the maximum retirement income by the worker could create a situation where a surviving spouse has no continuing income stream if the worker passes before the spouse. Alternatively, to assure the surviving spouse continued income, the worker must select a plan or **Retirement Option 2** (lower income with survivor benefits) that may provide inadequate income to both.

The goal is to provide funding at a reasonable cost so a worker can select Retirement Option 1, yet still provide the spouse with the same survivor's benefit available in Option 2. This is made possible through the purchase of an insurance policy using a portion of the savings by selecting Option 1 with the spouse as beneficiary in an amount sufficient to provide the needed Retirement Option 2 spousal income.

The advantages to this strategy:

- *The policy's cash value belongs to the worker if the spouse predeceases.*
- *Residual value of the insurance proceeds may be passed income tax free to heirs (if properly structured), a feature unavailable with either retirement option presently available.*
- *Unlike the pension income, which is fully taxable, a substantial portion of the income derived from investing the life insurance death benefit is tax free.*

This strategy will allow the worker to elect the maximum retirement income without forsaking spousal survivor income.

FOR MORE INFORMATION ON PENSION MAXIMIZATION CONTACT:



LARRY GORDON AGENCY, INC.

Chicago: 800.666.6988

Milwaukee: 800.999.0200

Rockford: 800.477.1741

Or, visit us on the web at www.lganet.com