

Retirement Planning

More Than Just Saving And Investing

MENTION “RETIREMENT PLANNING” and most people think about their 401(k)s, IRAs or mutual funds. Keep saving, invest those savings wisely, get to age 65 and voilà! You’re set for retirement.

Maybe. But what if things don’t work out exactly as you planned. “What if you die prematurely or become disabled? What will happen to those people in your life, especially your spouse, who may be depending on your retirement savings to help support them well into old age?” says Allan Hancock, CLU, ChFC, AEP, chief executive officer of the Hancock Group in Altoona, Pa. “A retirement plan without insurance is just a savings and investment program that dies or becomes disabled when you do.”

Below are four ways insurance can help you meet important retirement planning objectives:

Prevent Your Retirement Plans From Dying When You Do

If you die before retirement, your survivors would miss out on both your salary for living expenses and the money you were setting aside for the future. “People who die prematurely haven’t had as much time to put together an investment program that can really pay off,” Hancock says. “If you have sufficient life insurance, it can help pay your family’s expenses and may still be there for your spouse’s retirement.”



Protect Your Ability To Save For Retirement

If you become too sick or injured to work, disability insurance can help you meet daily living expenses — and more. “In addition to helping you stay self-reliant, disability income insurance can allow you to keep making regular deposits into your retirement savings account,” says Hancock.

Supplement Your Retirement Income

Suppose your circumstances change and you no longer have anyone who would need the proceeds of a death benefit. With a permanent life insurance contract, you have the flexibility to surrender the policy and supplement your retirement income with the funds that have accumulated in the policy’s cash value account.

Preserve Your Estate Assets For Your Survivors

If you’ve accumulated a large estate, life insurance can help foot the estate tax bill from Uncle Sam, preserving assets for your heirs. Or, if your estate is more modest, life insurance can provide a legacy for your children and grandchildren even if you use up most of your assets during your retirement years.

For more information about insurance and how it can help safeguard your financial plans for the future, visit LIFE’s Web site at www.lifehappens.org



This piece has been reprinted by Penn Mutual Life Insurance Company with the permission of the Life and Health Insurance Foundation for Education, a nonprofit organization dedicated to helping consumers make smart insurance decisions to safeguard their families’ financial futures.
© LIFE 2009. All rights reserved.

T2697-F

A9JC-0731-04