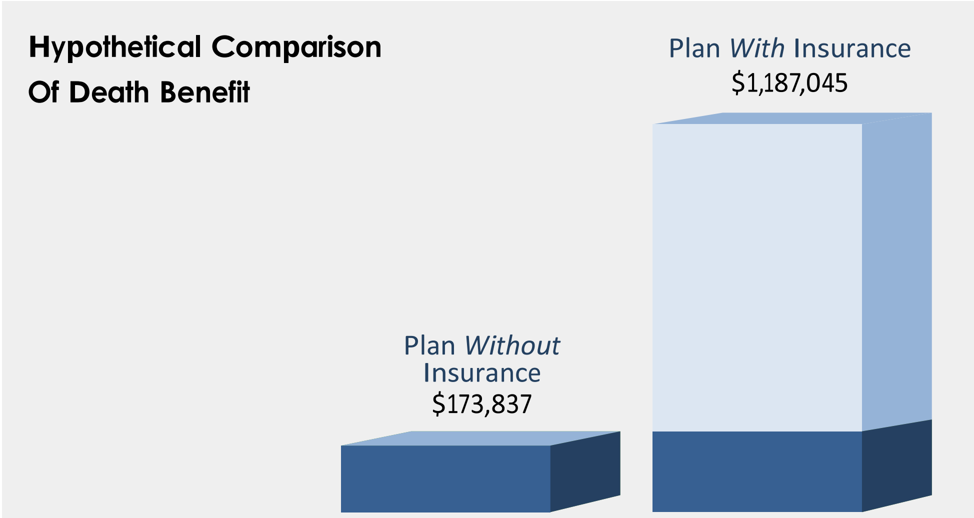
LIFE INSURANCE IN QUALIFIED PLANS

LIFE INSURANCE:

- Can protect plan benefits
- Is purchased with tax-deductible dollars
- Increases future benefits for beneficiaries
- Can maximize tax-deductible plan contributions



	Plan Without Insurance	Plan With Insurance
Insured Death Benefit	$0	$978,660
Accrued Retirement Benefit	$173,837	$173,837

MORE PROTECTION CAN BE PURCHASED WITH LESS DOLLARS

Premiums are paid with pre-tax dollars allowing for the purchase more life insurance with fewer dollars or putting more money aside for retirement.

Example, Age 58	**Life Insurance Face Amount $500,000**
Life Insurance Premium*	$ 17,300
Taxable Income Needed to Pay Premium	$ 26,212
$ Otherwise lost to taxes can grow in the Plan	*$ 8,912*

*34% tax rate

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HOW IT WORKS:

- Deductible employer contributions fund life insurance premium.
- At the time of the insured's death, an added death benefit will be paid to their beneficiary income tax-free, over the accumulated cash on participant's behalf in the plan.
- At retirement, the insurance policy can be transferred to the insured as part of the retirement distribution.
- If needs have changed at retirement, the insurance policy can be surrendered inside of the plan and the policy cash value added to the retirement fund accumulation.[1]
- There are limits on the amount of insurance that may be purchased in a qualified plan. These 'incidental limits' are established by the IRS and are quite generous, allowing most insurance needs to be met. When more insurance is needed, monies rolled into the plan from another Qualified Plan or IRA may also be used to purchase life insurance.
- Tax the insured may pay annually on the 'economic benefit' provided by the life insurance policy may be recovered income tax-free at retirement.
- Policy is portable—at termination or retirement, insurance coverage can be continued, eliminating the need to convert costly group insurance

[1]Surrender charges may reduce the policy's cash value in early years.

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