

Defined Benefit

Many affluent small-business clients have used a SEP-IRA or 401(k) plan for their retirement needs. However, these designs are very limiting if your goal is to save more than \$55,000 a year. We can help you “build a better retirement plan”!

First-Year Contributions By Age Participant with \$200,000 + Salary



Why Defined Benefit?

If your business is stable and profitable, you may be able to commit to an increased level of retirement contributions. A classic or “Fully Insured” defined benefit plan may allow you to achieve:

1. **Guaranteed Future Benefits¹**
2. **Larger Plan Contributions²**
3. **Increased Current Tax Savings**
4. **Optional Survivor Benefits³**

¹ Unlike with SEP and 401(k) plans, the employer makes the contribution required each year to fund the promised benefit. In a classic defined benefit plan, the plan Trustees will invest the monies to achieve the desired goal; whereas a “Fully Insured” plan shifts the investment risk to an insurance company.

² The initial contributions for baby boomer or older participants are unsurpassed for defined benefit plans. Future costs may vary based on investment gains and losses but are often higher than can be achieved in a SEP-IRA or 401(k) plan.

³ A defined benefit plan may be an ideal plan design should you have any personal or business life insurance needs. That’s because the plan’s benefits are unaffected by the inclusion of optional survivor benefits.

Let Us Help You

Allow us to help you discover if a Defined Benefit or other “Next Level” retirement plan design is right for you. There is no cost or obligation.



Security Mutual ... Your Partner for Life.SM

This publication is intended for general information purposes or to support the promotion or marketing of the Company’s products and does not constitute legal or tax advice. This publication is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Internal Revenue Code or any other applicable tax law. Taxpayers are advised to seek tax advice based on the taxpayer’s particular circumstances from an independent tax advisor. There are various income, gift and estate tax consequences of utilizing life insurance within a qualified plan. A decision to purchase life insurance within a qualified plan should be made after considering the tax results and your non-tax needs for insurance. We recommended that you discuss your situation with your tax and legal counsel before purchasing an insurance product within a qualified plan.