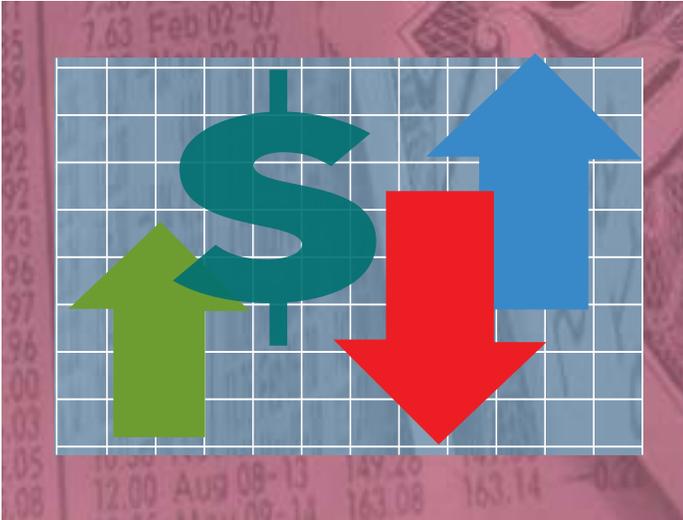


# Auxiliary Fund (2 Year)

**A** defined benefit plan is a promise made by the employer to guarantee a future benefit. Many “underfunded” plans have been in the news in recent years because the plan sponsor failed to back the fixed promise with a fixed-interest trust fund. Rather, they subjected the Plan’s assets to the fluctuations of the equity market, and many did not have sufficient assets to meet their long-term obligations. By using guaranteed interest contracts, we can help you “build a better pension fund.”



## Overview

Security Mutual Life developed this pension funding contract specifically for defined benefit plans. It has features you need for your plan to operate smoothly. This Auxiliary Fund can guarantee the accumulations for two years while providing benefit-sensitive withdrawals to pay plan benefits without a surrender charge. And because this is only a two year contract period, you can take advantage of rates move quickly if they rise. This contract features:

- No Loads or Fees
- Guaranteed Interest for the Entire Term
- Benefit Sensitive Withdrawals to Pay Retirement Benefits
- Withdraw Funds to Pay the Premiums on Associated SML Life Policies
- Ability to Match the Trust Assets with Your Plan Liability

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## Putting All the Money to Work

**Guaranteed Interest.** This is a two-year guaranteed pension funding contract. The two-year interest guarantee period will end with that of the deposit from which it was generated. Thus, each deposit is fully guaranteed for two years from the date we receive and credit the payment. Maturing funds are automatically reinvested at the interest rate applicable to new deposits. Withdrawals during the two-year guarantee period are permitted only to pay retirement benefits or to pay premiums on Security Mutual Life policies held within the Plan.

**No Loads or Fees.** Many investment products today have up-front loads and/or periodic fees to support record-keeping and other administrative services. There are no fees assessed against our Auxiliary Fund accounts.

**Automatic Renewal.** Deposits will automatically renew for another two-year period unless the agreement is terminated within 30 days of the deposit renewal date.

## Money When You Need It

**Benefit-Sensitive Withdrawals.** Our Auxiliary Fund allows the Trustees access for purposes of paying plan benefits, thus allowing the cash balance plan to operate smoothly.

**Paying Life Premiums.** The Internal Revenue Code generally allows a Sponsor to fund the Plan by the tax filing date (including extensions). However, life insurance contracts may have only a 31-day grace period or the coverage will lapse. The Auxiliary Fund includes a special feature that allows the Trustee to access funds to pay premiums of Security Mutual Life policies held within the Trust, without incurring a surrender charge.

*“Promises Made, Promises Kept...”*



*The Company That Cares.®*



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