

When Tea for Two Becomes Tea for One . . . the Tea May be Served Without Sugar



Tea for Two

Two can live as cheaply as one? If this is true then it should be obvious that one cannot live on less than two. Well . . . maybe in some cases. But more often than not, extra expenses must be incurred to cover miscellaneous services that the deceased partner provided. It's a rare couple who are both equally proficient at cooking, housekeeping, home maintenance, yard maintenance, etc. Without a backup plan, this financial fairy tale for retirees may have an unhappy ending.

We recognize that cost of living is not going down.

Yet, retirement plan distribution options often provide a smaller benefit to the surviving spouse. Even our combined Social Security benefits are reduced when there's just one surviving spouse. Here's an example of how it works. Consider a couple receiving \$52,000 per year in Social Security income while both are living and collecting benefits.

Tea for One

This is a pretty picture; however, when one member of this happy couple dies, the annual benefit is reduced to \$30,000 per year, the larger benefit.

The loss of \$22,000 per year is relevant to anyone no matter what their current income is. For some, the loss of a spouse can mean a standard of living adjustment.



How much will you lose?

You can protect against the loss of this income stream. If you have time, you could try to save enough to fund the lost income. As an example, let's project that it will take \$200,000 to replace \$22,000 per year for the remaining life of the survivor in our scenario. A ten-year savings plan at 5 percent requires an annual savings of \$15,144. The larger drawback is that if one

of the couple dies before the ten years has passed, the savings will be short on sufficient funds with a potentially longer income funding period depending on the surviving spouse's lifespan. So, less must be spread farther.

Consider This Life Insurance Alternative:

- What if **you** needed \$200,000? . . . or more?
- What if you could guarantee that the amount you need would be available when you need it? *
- What if there was a funding method that required less total current cash flow than the savings plan? **
- What if the total \$200,000 cash would be available for the surviving spouse **the day of your first payment . . . not your last deposit?**
- What if the cash was **income-tax free**? ***
- What if the surviving spouse could also provide a legacy of equal value to your heirs?
- **You can keep your income stream flowing.**
Call or e-mail us today. We can discuss a life insurance policy that fits your family's specific needs.



* Guarantees are based on the claims-paying ability of Security Mutual Life Insurance Company of New York.

** Results will vary based on age and the underwriting class of the insureds.

*** Under current law. Tax laws are complex and subject to change. The information presented is based on current interpretation of the laws.

THE INFORMATION PRESENTED IN THIS ARTICLE IS FOR GENERAL INFORMATION ONLY.

The hypothetical example shown within is for illustrative purposes only and does not guarantee or predict the results of any particular product. In preparing the example, we did not take into account the investment objectives, financial situation or particular needs of a specific person. The depicted strategy may not be suitable or appropriate to your individual circumstances. Accordingly, it does not constitute a personal recommendation to you.

No information or tax advice contained herein is intended to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. No information contained herein shall be considered to be a formal opinion or specific legal advice. Please consult with legal, tax and other professional advisors before acting upon any of the information presented. Neither Security Mutual nor its representatives or agents are permitted to give legal or tax advice.

Copyright © 2018, Security Mutual Life Insurance Company of New York. All rights reserved.

0013781XX 09/2018



Security Mutual . . . Your Partner for Life.™

LinkedIn YouTube