

Build A Better Retirement Plan Insured Defined Benefit Plan

The Pension Protection Act of 2006 (PPA '06) reshaped the retirement plan landscape, allowing for greater contribution flexibility in Defined Benefit Plans. This allows retirement plans to be designed to provide much larger deductible contributions for the owners and key employees while keeping the employee benefit costs reasonable and predictable. By incorporating elements of the Pension Protection Act with our Insured Defined Benefit Plan, we can help you “build a better retirement plan!”

What Is An Insured Defined Benefit Plan?

The Insured Defined Benefit Plan is a traditional Defined Benefit Plan that includes a pre-retirement survivor benefit funded by life insurance. The funding rules under the PPA '06 create a wide, flexible range of deductible contributions to fund both retirement benefits and death benefits. The Plan also provides flexibility in the choice of funding vehicles that may be used, allowing risk-averse individuals to choose guaranteed life insurance and annuity products. Individuals with a higher level of risk tolerance may choose from other products available for qualified plan investments.

Insured Example

Anthony, age 55, is the sole owner and employee of an S-Corporation. He consistently earns in excess of \$500k per year in a very stable industry. He is averse to investment risk, particularly in light of recent economic conditions. Utilizing the funding rules, the Insured Defined Benefit Plan produces a very flexible range of contributions.

The flexibility of the Insured Defined Benefit Plan allows for the use of whole life or universal life insurance products; the choice is up to the Plan trustee.

Census Data			Contribution Amounts	
Position	Age	Salary Limit on Annual Compensation	Minimum	Maximum
Owner	55	\$290,000	\$175,293	\$320,913
Survivor Benefit with Whole Life Insurance			\$3,250,000	
Survivor Benefit with Universal Life Insurance			\$3,250,000	

The Insured Defined Benefit Advantage

An Insured Defined Benefit Plan allows a range of contributions, with investments ranging from guaranteed products to equity-based products. Its advantages include:

- **Large Plan Contributions and Tax Savings**
- **Flexible Contributions if Desired**
- **Easy to Understand and Communicate**

We offer Plan design, life insurance and annuity products, and service. Allow us to help you discover if an Insured Defined Benefit Plan is right for you.

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.

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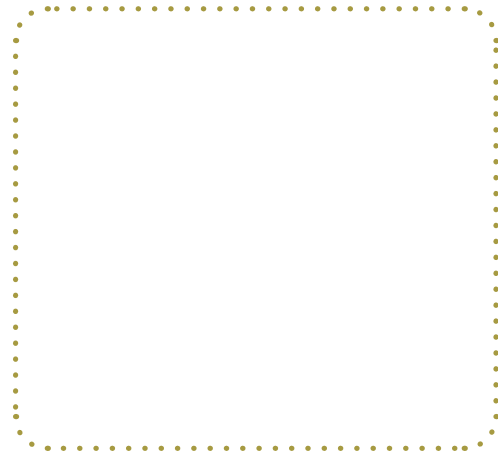
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