

Thinking About Retirement Differently

People buy life insurance to help protect the financial security of their family or business. What they may not realize is that life insurance can help them achieve other financial goals, such as preparing for retirement.

#1: Paying Off Debts

If you still have a mortgage, student loans or other outstanding debt when you get to retirement, you may be able to take a partial surrender of your policy's cash value to help pay them off.² If you will continue to have loans during retirement, your life insurance could provide funds to help pay them off if you were to die.

#2: Increasing Social Security Benefits

Once you become eligible for Social Security retirement benefits, you may choose to delay filing to increase your monthly benefit. People who want to retire, but defer filing for Social Security retirement benefits for a few years, may take partial surrenders of cash value from their policy to supplement their income during that time.

#3: Protecting Retirement Benefits

A common issue facing retired couples is that the benefits they receive from Social Security, pensions and annuities may be reduced after the death of the primary recipient. Unfortunately, this may occur at a time when a surviving spouse still needs this income. Your life insurance will pay an income tax-free death benefit to your spouse that will help replace any reductions in his or her income.

#4: A Stable Source of Income During Market Downturns

A whole life policy may help you weather the inevitable market downturns that occur over time. Policy cash values do not fluctuate based on market conditions, and may be an alternate source of retirement income you can depend upon when your other retirement assets have declined in value.

#5: Getting More Out of Retirement Savings

Many couples entering retirement today are concerned that they will outlive their savings. As a result, they may try to limit their spending to what their retirement accounts earn each year, preserving the principal to help ensure they will never run out of money. Your whole life policy can help address this concern. The policy cash value and death benefit can be used to help supplement or replace your retirement savings as you spend them down. If you predecease your spouse, the death proceeds will provide additional financial security for him or her. Or, if you live longer than expected, you can use your cash value to provide additional income.

#6: Additional Guaranteed Retirement Income

If at some point you decide that you no longer need the life insurance protection your policy provides, you can surrender it (canceling your coverage) and apply the cash value to purchase a guaranteed monthly income annuity, or elect one of the guaranteed income options available in your policy.

The Robin S. Weingast & Associates team can help you explore how to use a whole life policy to help meet multiple financial needs during retirement.

Contact us today! rswtpa.com

