Your spouse and your pension.

Your pension is part of your promise.

When you said "I do," you made a promise to take care of each other through thick and thin. That's one of the reasons you worked hard to earn a pension that would help support both of you. It's understood that your promise doesn't end when one of you passes. With the right plan in place, you can maximize your pension income and make sure it's there for your spouse in case you pass away first.

There's no compromise when it comes to taking care of your loved ones.

Determining which course to take when planning your retirement is not always easy. And deciding how to receive your pension benefits is no different. You may be aware of something called the "pension dilemma," in which you may end up making a trade-off on your pension—either taking your full pension benefit and exposing your spouse to a loss of benefits at your death, or taking less than your maximum benefit in exchange for continuing benefits to help support your spouse after you die.

Take a look at the kind of choice couples may face:

Example: $3,000 monthly pension benefit

Single Life Option

–$3,000 monthly pension
–Paid as long as you live
–Payments do not continue after death
–Loss of $36,000/year as long as your surviving spouse lives

Or

Joint and Full Survivor Option

–$2,400 monthly pension
–Pays benefits as long as either of you is alive
–Payments continue after you pass away
–Loss of $7,200/year from the time you start taking pension payments

The joint and full survivor option adds up to a loss of $72,000 over a 10-year period!

Seeing how much can be lost with these options has many retirees and those close to retirement looking for another option.

Potential Benefit Loss Over 20 Years

($3,000 monthly benefit reduced by 20% to provide "joint and full survivor" benefit)*

Years	Full Benefit	Reduced Benefit	Accumulated Loss
1	$ 36,000	$ 28,800	($ 7,200)
5	$180,000	$144,000	($36,000)
10	$360,000	$288,000	($72,000)
15	$540,000	$432,000	($108,000)
20	$720,000	$576,000	($144,000)

* For illustrative purposes only. Your actual benefit reduction will depend on your individual situation.

New York Life has an option that can maximize your retirement income.

Pension maximization is a fairly simple concept:

1. Purchase a sufficient amount of permanent life insurance on yourself prior to retirement, naming your spouse as beneficiary. Then, earmark the death benefit to replace the lost pension benefit if you die first.
2. At retirement, you and your spouse opt to take the "single life benefit option"—receiving your maximum pension benefit for as long as you live.
3. Use a portion of the additional pension funds—the difference between the amount for a single versus a joint and survivor benefit—to pay the life insurance premiums.

Will this strategy work for you?

There are many factors you need to consider, including your ages, health status, actual pension benefit, the terms of

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your pension plan and costs. Check with your pension plan administrator and find out about your projected benefits under the straight life option and what the decreased amount will be each month to add your spouse under a survivorship option.

Once those numbers are clear, talk to your New York Life Agent and ask to be shown a personalized life insurance illustration[1]—there's absolutely no obligation.

An extremely critical issue to determine is whether or not your pension plan requires you to select the "joint and full survivor option" in order to continue postretirement medical benefits. You may not wish to pursue the pension maximization alternative if it means your medical coverage will cease.

The sooner you decide, the lower your premiums will be.

As with most life insurance policies, the younger you are when you make this decision, the lower your rates will be. However, pension maximization may work even if you are at or near retirement.

Why does pension maximization make sense? Because:

1. You receive the maximum pension benefits to which you are entitled.
2. Should you die first, even though your pension stops, your spouse's income continues in the form of insurance proceeds. In fact, if you like, these insurance proceeds can be set up as an annuity—with income benefits guaranteed[2] for life.
3. Should your spouse die first, your benefits will continue. The life insurance can be surrendered or the beneficiary changed.
4. Should your spouse die first, and you maintain coverage with a new beneficiary, cash value continues to accumulate in your permanent life insurance policy. If you live well into your golden years, the life insurance can help protect other assets for your heirs. In fact, no matter what happens, your estate can be protected, enabling you to pass the policy proceeds on to the beneficiary that you select. For example, you could name your children, grandchildren, or a favorite charity as your beneficiary(ies).

Why New York Life?

Since 1845, New York Life Insurance Company has been providing quality insurance products to individuals, families, and businesses. For nearly 170 years, we have conducted our business around the central values of financial strength, integrity and humanity—and have remained committed to being a mutual company, owned solely by our policy owners. This means that, regardless of the economy, our focus is fixed on just one objective: meeting the needs of our customers, now and far into the future. Talk to your New York Life agent today and find out why we are *The Company You Keep*®.

[1]The amount of premium required to keep the policy in force should be no larger than the difference between the amount for a single versus a joint and survivor benefit. If the illustration for a whole life policy shows out-of-pocket premium payments ceasing because dividends are being used to fund the policy, keep in mind that the premium is due throughout the life of the policy, until the insured dies. That means that if the dividend scale, which is not guaranteed, is reduced, additional out-of pocket premiums will be necessary in order for your spouse to obtain the proceeds at your death.
2 All guarantees are based on the claims-paying ability of the issuer.

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