



LIFE INSURANCE: A VITAL PART OF YOUR RETIREMENT PLAN

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Retirement is a major life event that marks the beginning of a new chapter. It's an exciting time for many, but it can bring a lot of uncertainty and questions. One of the most important questions you can ask yourself is whether you know how to protect and preserve your retirement savings. With the right planning and proper resources, you can make the most of your retirement years and achieve the goals you've set for yourself.

Life insurance is one of the best ways to provide financial security for you and your loved ones during retirement.

It can be a crucial part of a comprehensive retirement plan, helping to ensure that you and your family have the resources to maintain your lifestyle, should something unexpected occur. With life insurance, you can have the peace of mind of knowing that, no matter what happens, your family will be taken care of. Investing in a life insurance policy now can ensure you have the security and peace of mind to enjoy life in your retirement years.

DO YOU NEED LIFE INSURANCE FOR RETIREMENT?

Consider your current retirement plan. Do you know how a life insurance policy could improve that current plan? To get started, think about your responses to the following questions.

"WHAT BENEFITS, IF ANY, WILL YOUR FAMILY INHERIT UNDER YOUR CURRENT PLAN?"

Beneficiaries of the deceased will receive their retirement accounts from work, but inheriting an IRA could lead to taxation consequences. Despite Social Security offering a survivor benefit, the amount of the benefit may not be as much as what was received while they were alive. Consider younger relatives, their needs and whether you hope to leave a legacy.

"HOW DO YOU PLAN TO PAY YOUR FINAL EXPENSES?"

The average cost of a funeral in the U.S. is around \$8,000, with cremation just \$1,000 less than that. Your family could also be left with medical bills or legal costs for your will and estate.

"ARE YOU HEAVILY IN DEBT?"

In 2021, more than 10 million Americans over the age of 65 still had a mortgage payment, and credit card and student loan debt continues to grow nationwide. The right policy can simplify each of these complicated scenarios. Knowing the answers to these questions can help determine whether life insurance is the answer for you.



LIFE INSURANCE IN 2023 AMERICA

Did you know that at least 75% of American adults have some form of life insurance?

Here are some more trends and statistics to help illustrate the impact life insurance can have on everyday Americans like yourself.

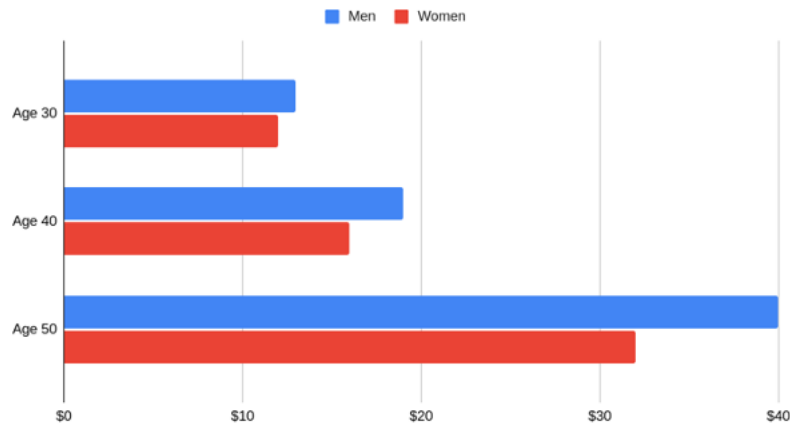
- While 57% rely solely on their employer for life insurance, 43% said they've purchased additional coverage outside their employer's policy.
- Of those who did so, 49% say they got additional life insurance to leave a legacy or provide an inheritance to the next generation — and 28% said they want life insurance to replace lost income for their beneficiaries.
- Despite this, the number of Americans who believe they don't have enough life insurance is more than 2x what it was in 2010.
- Why? 8 out of 10 consumers overestimate the expense of getting a life insurance policy.

SOURCE: Forbes.com

THE COST OF LIFE INSURANCE

Life insurance costs vary based on several factors: your age, gender, the type of policy you need, and the amount and length of coverage. On average, here are the prices you might face for a standard 20-year, \$250,000 policy:

Avg. Monthly Cost of a 20-Year, \$250,000 Term Life Insurance Policy



NAVIGATING THE RETIREMENT 'RED ZONE'

With the uncertain future of Social Security and the decline of traditional employer pension plans, it's more challenging than ever to enjoy a rewarding retirement lifestyle. After a lifetime of building up your qualified retirement savings, it's critical to have a solid investment strategy right now that can ensure your nest egg will provide for you. Financial professionals have long considered the five years before and the five years after retirement to be the most crucial time for an individual to make investment decisions. This timeframe is known as the retirement "red zone."

Five Years Before/Five Years After Retirement



RED ZONE

Poor market performance can have a devastating effect on your portfolio.

Your goal during your time in the "red zone" is to evaluate your retirement assets and make every effort to grow and protect them. This is where having a smart, informed, and well-planned investment strategy is essential.

Working with a financial professional, you can thrive in the "red zone," successfully evaluating your retirement rollover plan and making sure your portfolio will last through your retirement.

The stakes are high when you're in the "red zone." You can't take on the same risks as a younger investor because, simply put, you don't have the same amount of time to recover from losses.

THE 7 WAYS LIFE INSURANCE CAN ENHANCE YOUR RETIREMENT

Whether you're in the "red zone" or near it, the retirement talk is relevant to you. Here are seven clear ways you can improve your retirement years by purchasing a life insurance policy.

1. INCOME YOU CAN COUNT ON

Many people don't realize that a life insurance policy can be used to create a steady flow of cash to help supplement retirement income. By taking out a life insurance policy, you can have access to cash value that accumulates over time. This cash value can be used to provide a steady stream of income during retirement years. Some policies even have an income rider, which allows you to draw a portion of your death benefit as regular income. This income can also be used to help supplement your retirement income and provide additional financial security.

2. TAX BENEFITS FOR YOU & YOUR LOVED ONES

Life insurance can provide enhanced tax benefits in retirement, as well as upon the policyholder's death. Premium payments are typically not deductible, but the death benefit is generally tax-free. This means that should you die, your beneficiaries will receive the proceeds free of income tax. Beneficiaries may also be able to withdraw the death benefit free of estate or inheritance tax.

Another way to enjoy tax savings with your life insurance policy is to take what's known as a policy loan. This is essentially a loan against the cash value of your policy. The interest you pay on the loan is treated as an expense and is offset by the policy's cash value, so it's not subject to taxes.

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3. GROWTH WITHOUT MARKET RISK

Life insurance policies can provide market-neutral growth without any of the risks associated with stock market investments. Unlike in markets where your investments can fluctuate in value, life insurance values are guaranteed and will remain consistent over time.

Life insurance policies have the potential for long-term growth. Many policies are structured so that cash value can increase, thereby increasing the potential payout. This means that you can enjoy the growth of your assets without any of the risks associated with stock market investments. Cash value also provides policyholders with an additional layer of protection, as it can help to pay for the policy's premiums if the policyholder experiences financial hardship.

With the right life insurance policy, you can protect your assets and have a more predictable retirement income.

4. MORE PROTECTION DURING RETIREMENT & BEYOND

Did you know 44% of American households would face serious financial problems within six months if they lost their primary wage earner? For 28%, it would only take a month.

Life insurance provides a financial safety net for you and your family. It can be used to help protect your assets and loved ones from the unknown. It guarantees that, in the event of your death, your beneficiaries will receive a lump sum of money to help cover funeral costs, medical bills, debts and other expenses. With a life insurance policy, you can ensure that your family will have the financial security they need in the event of your death.

5. HELP WITH COSTLY LONG-TERM CARE

Long-term care is an increasingly expensive necessity and one that can take a huge chunk out of your retirement savings. Many people aren't prepared for this expense, and they're not aware of all the options available to them.

There are a few different types of life insurance policies that can be used to help with long-term care costs, including:

- Traditional life insurance policies are designed to pay out a lump-sum death benefit to your beneficiaries when you pass away. This money can be used to help cover the cost of long-term care.
- Another option is a long-term care insurance policy. These policies are designed specifically to help cover the cost of long-term care. They provide benefits to help cover the costs of nursing home care, assisted living facilities and other long-term care services.

6. ESTATE PLANNING

Life insurance can be used for estate planning purposes through the death benefit of your beneficiaries. Life insurance policies can help to ensure that your estate is passed on in the way that you intended, rather than being subject to the potential delays and costs of probate.

Your life insurance policy can also be used to cover any debt you may have left behind, such as a mortgage or business loan. This can help protect your beneficiaries from having to pay off any outstanding debt that you may have had.

7. FURTHER INVESTMENT OR GIVING

Considering additional investment opportunities? Some policies have an investment element, allowing you to invest a portion of the death benefit in the stock market. This can be a great way to grow your wealth and achieve your retirement goals.

Life insurance can also be a great way to invest in and fund your children's education. Some policies have a rider that allows you to use the death benefit to pay for your children's education expenses. This will ensure that your children can pursue their educational goals without having to worry about cost.

For those interested in charitable giving, policyholders can name a charity as the beneficiary, and their death benefit will go to the charity of their choice. This can be a great way to ensure your favorite charity isn't forgotten.

TAKE STEPS NOW FOR A BRIGHTER, MORE SECURE TOMORROW

Retirement years are a time to enjoy the fruits of your labor and take advantage of the life you've created. But it's also time to be smart and take steps to ensure you have the financial security to enjoy what is yours.

Purchasing a life insurance policy or reviewing a current policy for enhancement potential is an essential part of any comprehensive retirement plan. Doing so can provide you with the peace of mind that your family will be taken care of — even if the unexpected happens.

With the right life insurance policy, you can protect your assets and have a more predictable retirement income

Don't wait! Take the steps now to ensure that you and your family have the security and peace of mind you need to enjoy life in your retirement years.

RESOURCES:

<https://adamdolson.com/product/redzone-retirement-plan-a-playbook-to-executing-your-ideal-retirement/>

<https://www.forbes.com/advisor/life-insurance/life-insurance-statistics/#life-insurance>

<https://www.investopedia.com/articles/personal-finance/010716/do-you-need-life-insurance-after-you-retire.asp>

<https://www.bankrate.com/insurance/life-insurance/average-funeral-cost>

<https://www.forbes.com/advisor/life-insurance/how-much-is-life-insurance>

<https://www.forbes.com/advisor/life-insurance/life-insurance-statistics/#more-important>

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