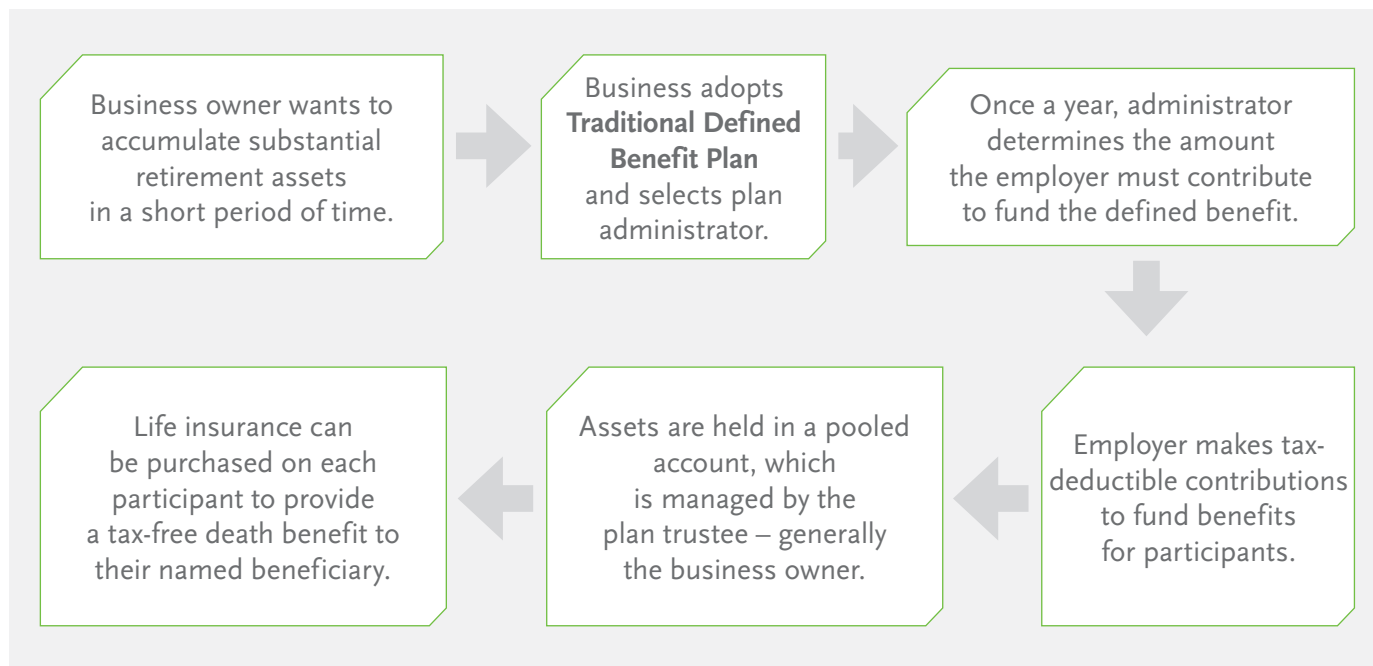


## Traditional Defined Benefit Plan

A strategy that helps build retirement benefits as well as an immediate tax deduction.

The benefit of substantial retirement savings and business tax deductions



### The advantages of this strategy:

- Allows for substantially large contributions, providing quicker accumulation of retirement assets.
- Contributions are tax-deductible.
- The contributions made on behalf of employees can be paid for with dollars that may otherwise have been paid in taxes.
- You can establish “eligibility requirements” that employees must meet to receive a contribution.
- Plan assets are protected from creditors.

# If you're looking for a way to accumulate substantial retirement benefits with greater tax deductions ...

## **A Traditional Defined Benefit Plan may be the solution.**

Here's how it works:

- After determining that a Traditional Defined Benefit Plan is the most suitable plan type, the business adopts the plan and chooses a plan administrator.
- Contribution amounts are based on what is required to fund the promised benefits at retirement. The amount of benefit payable at retirement is a percent of the employee's current income, and is based on retirement age and years of service.
- Fund the plan through tax-deductible contributions.
- Trustee selects how plan assets will be managed.
- Plan administrator performs services and reportings required by federal law.
- At retirement, distributions from the plan provide retirement income.
- Plan benefits may be rolled to an IRA for tax deferral until age 70½ when required minimum distributions must begin.

## **A Traditional Defined Benefit Plan can be funded with permanent life insurance: Why Include Life Insurance?**

- Can complete retirement funding in the event of premature death. The beneficiary receives the death benefit as well as their accrued benefit.
- Premiums are paid with tax-deductible plan dollars and pure death benefits are paid income tax-free.
- Frees up personal dollars that would be used to purchase insurance outside the plan.
- Policy is portable. At termination or retirement, insurance coverage can be continued, eliminating the need to convert costly group insurance.

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National Life Home Office: One National Life Drive, Montpelier, Vermont 05604 • (888) 297-3990 • [www.nationallife.com](http://www.nationallife.com).  
LSW Home Office: 1300 West Mockingbird Lane, Dallas, Texas 75247 • (800) 579-2878 • [www.lifeofsouthwest.com](http://www.lifeofsouthwest.com).

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