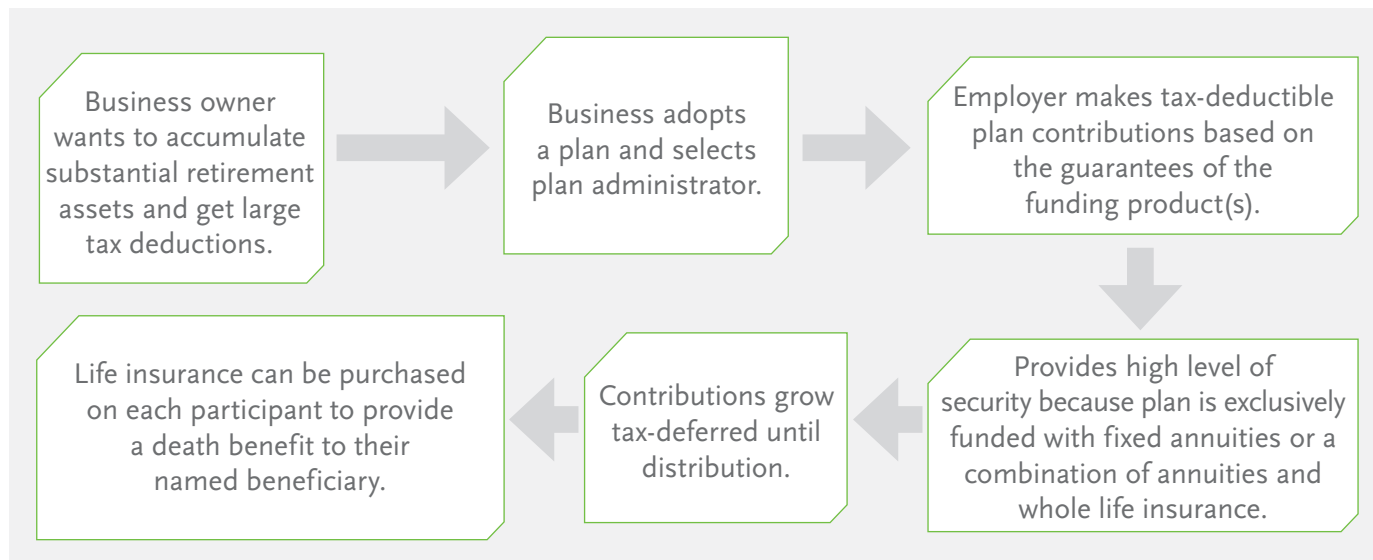


Fully Insured 412(e)(3) Defined Benefit Plan

Guaranteed retirement benefits and potentially greater tax deductions than other qualified plans.

The benefit of substantial retirement savings based on guarantees and business tax deductions



The advantages of this strategy:

- The 412(e)(3) Defined Benefit Pension Plan allows for both greater tax-deductible contributions and a greater degree of guarantees than other qualified plan types.
- Earnings on plan assets are tax-deferred.
- Guaranteed benefits are provided through insurance product guarantees.*
- The contributions you make on behalf of employees can be paid with dollars that may otherwise have been paid in taxes.
- Plan assets are generally protected from creditors.

* Guarantees are dependent upon the claims-paying ability of the issuing company.

If you're looking for a way to transfer assets of your business and guarantee retirement benefits ...

A 412(e)(3) Defined Benefit Pension Plan may be the solution.

Here's how it works:

- After determining that a 412(e)(3) Defined Benefit Contribution plan is the most suitable qualified plan, the business adopts the plan and chooses a plan administrator.
- Name the trustees for the plan (generally the business owners).
- Fund the plan through tax-deductible contributions.
- The plan must be funded with a fixed annuity or a combination of a fixed annuity and whole life insurance.
- Funding the plan at the product guarantee means excess earnings go back into the plan each year to reduce your out-of-pocket contribution.
- Because the plan is funded at the product guarantee, there is no need for annual actuarial review resulting in lower administrative fees.
- 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 412(e)(3) Defined Benefit Pension Plan may be funded with permanent life insurance.

Why Include Life Insurance?

- By funding the plan with permanent, whole life insurance, the retirement funding is complete in the event of premature death. The beneficiary receives the death benefit along with 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.

National Life Home Office: One National Life Drive, Montpelier, Vermont 05604 • www.nationallife.com.
LSW Home Office: 1300 West Mockingbird Lane, Dallas, Texas 75247 • www.lifeofsouthwest.com.

This information is not intended as tax or legal advice. Please consult with your Attorney or Accountant prior to acting upon any of the information contained in this correspondence. National Life Group® is a trade name of National Life Insurance Company and its affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. LSW is not authorized to sell insurance in New York and does not do any insurance business in New York.