John Hancock
LIFE INSURANCE

One Resource Group

SUCCESS STRATEGY

INDIVIDUAL NEEDS | Advanced Markets

Life Insurance in Retirement Planning

Using Life Insurance to Supplement Retirement Income

Planning Concerns

Protecting family and planning for retirement are typically everyone's highest financial priorities. You may have put money aside in 401(k)s and IRAs, but still worry that you do not have enough savings opportunities. What other tools are available to help protect your family and supplement your retirement income? Cash value life insurance may be able to help.

The Solution

Life insurance can be a useful tool to supplement your retirement planning efforts. During your working years, the life insurance policy death benefit can protect your family and replace income that would otherwise be lost if something should happen to you. At retirement, you can access any potential policy cash value through tax-favored loans and withdrawals.

How It Works

First, you will apply for a John Hancock permanent policy on your life. The policy will provide a death benefit that will be received by your heirs income tax-free.[1] Permanent life insurance also has the potential to develop cash value, which will grow on a tax-deferred basis. When you retire, you may use any potential policy cash value for income purposes.

Benefits

- Life insurance can increase the amount of money left for heirs.
- Life insurance provides an income tax-free death benefit.
- Life insurance cash values grow tax deferred.
- Life insurance, depending on the state, can offer creditor protection.
- Withdrawals from insurance policies are not mandatory and may occur at any time or not at all, unlike distributions from qualified retirement plans which may be subject to an early withdrawal penalty at age 59½ and/or mandatory distributions at age 70½.

Considerations

- Plan requires evidence of insurability.
- The amount of life insurance protection you qualify for will be subject to medical and financial underwriting requirements and may be more (or less) than the amount applied for.
- The purchase of life insurance has costs and risks associated with it, including the cost of insurance.
- The policy cash value may not be guaranteed and the amount available for loans and withdrawals may be worth more or less than the original amount, depending on the type of policy and the performance of the policy.[2]

1. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration.
2. Loans and withdrawals will reduce the death benefit, cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½.

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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INSURANCE PRODUCTS:		
Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured by Any Government Agency	