## Hypothetical Pension Benefit Results

## Let's look at the results of the three most common pension benefit options, using a hypothetical example:

**Life Income Option:** If you receive your pension benefit under the life income option, you receive the maximum lifetime pension payment. If you die first however, your surviving spouse receives nothing after your death. For example:

**For as long as you live**, you receive a monthly pension benefit of \$2,000. **If you die first**, however, your spouse will receive a monthly pension benefit of \$0. **If your spouse dies first**, your monthly pension benefit remains unchanged at \$2,000.

**Joint and One-Half Survivor Option:** If you elect the joint and one-half survivor option, you'll receive a lower lifetime pension payment. On the other hand, if you die first, your surviving spouse will continue to receive a lifetime pension benefit equal to 50% of your pension benefit prior to your death. For example:

**For as long as you live**, you receive a monthly pension benefit of \$1,700 or about 85% of the maximum life income option benefit.

**If you die first**, your spouse will receive a lifetime monthly pension benefit equal to 50% of your benefit, or \$850 per month.

If your spouse dies first, however, your monthly pension benefit remains at \$1,700.

**Joint and Equal Survivor Option:** With the joint and equal survivor option, you'll receive a significantly lower lifetime pension payment. Your surviving spouse, however, will continue to receive 100% of your pension benefit if you die first. For example:

**For as long as you live**, you receive a monthly pension benefit of \$1,500 or about 75% of the maximum life income option benefit.

**If you die first**, your spouse will receive a lifetime monthly pension benefit equal to 100% of your benefit, or \$1,500 per month.

If your spouse dies first, however, your monthly pension benefit remains at \$1,500.

There may, however, be an alternative to reducing your pension benefit by 15% to 25% in order to provide your spouse with a survivor benefit...

**RETIREMENT INCOME PROTECTION** 

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