Safe Money Concepts

THE PERSONAL PENSION PLAN

A LIGHTHOUSE IN A FOGGY FINANCIAL WORLD

Garrison-Rhoads & Associates, LLC
29 Hay Avenue | Brookville, Ohio 45309
(937) 770-1007
Troy Rhoads: troy@garrisonrhoads.com
Tammy Garrison: tammy@garrisonrhoads.com
www.garrisonrhoads.com

Garrison-Rhoads & Associates, LLC

Safe Money Places™ A Proud Member of AGENT NETWORK

OVERVIEW

Most people marvel at the lighthouse. A simple structure that has played such a big role in navigating the sea. The lighthouse was designed to emit a beacon of light as an aid for ships at sea or on inland waterways. Lighthouses have marked dangerous coastlines and provided safe entry into harbors. **The Personal Pension Plan** does much the same regarding retirement income. It helps avoid the dangerous financial reefs and the turmoil and destruction that can follow.

The old retirement model of past generations is gone. Back then, along with the gold watch, the company could expect to only pay retirement benefits for 3-4 years. My, how things have changed. Today's retirement period can last 25, 30, 35 years or more. The new retirement model is all about longevity. That is why **The Personal Pension Plan** is very important in assuring that today's retirees have an income guaranteed long after the gold watch has quit working.

Let's be honest with ourselves, we probably didn't prepare enough for retirement. We should have saved more money and prepared for longevity. Let's take a closer look.

"I THOUGHT I HAD PLENTY OF TIME TO SAVE FOR RETIREMENT ... I JUST DIDN'T THINK TIME WOULD FLY BY SO FAST"

Age 25

"Hey, we can't save for retirement now. We just got out of school and have student loans to pay off. Also, we deserve to have a little fun. We have plenty of time to save for retirement. Plus, we will have good pensions."

Age 35

"We can't put away another nickel now! We have a growing family, new mortgage, and private school tuitions. We are going to stash away more savings when the kids are older. We will have extra money then."

Age 45

"Save more for retirement? Retirement... are you kidding? We've got one kid in college. This is the most expensive time in our lives. We'll start putting money away when our child graduates. It will be like... a pay raise?"

Age 55

"Hey, we know we should be saving more, but things just haven't worked out the way we thought. We are very comfortable in our jobs now, and at our age it's not easy to start a new job. For now, we'll have to ride along as we are. We think some of our investments may start to pop."

Age 65

"Where did the years go? We thought we would have plenty of time and extra money to save for retirement. We weren't really worried because our 401Ks and our tech stocks were flying off the charts. Then the bottom fell out of the market. What can we do now? We don't have a lot of extra cash flow."

HOW TO OBTAIN MORE RETIREMENT INCOME

Is there anything we can do to obtain more retirement income? Our social security, our pensions, and 401Ks just won't be enough. And, we can't afford to take risks.

WHAT'S THE ANSWER? THE PERSONAL PENSION PLAN.

The **Personal Pension Plan** provides a stream of income for as long as your retirement journey takes … and not only for you, but if you have a spouse … he or she is afforded the same comfort.

That's the beauty in developing your own **Personal Pension Plan**. It is not a one-size-fits-all model. It is all tailored to your needs and desires. There are no wrong decisions. Most importantly, the Personal Pension Plan is designed, funded, and implemented with fixed guaranteed products. No wishing and hoping, no gambles … only guarantees.

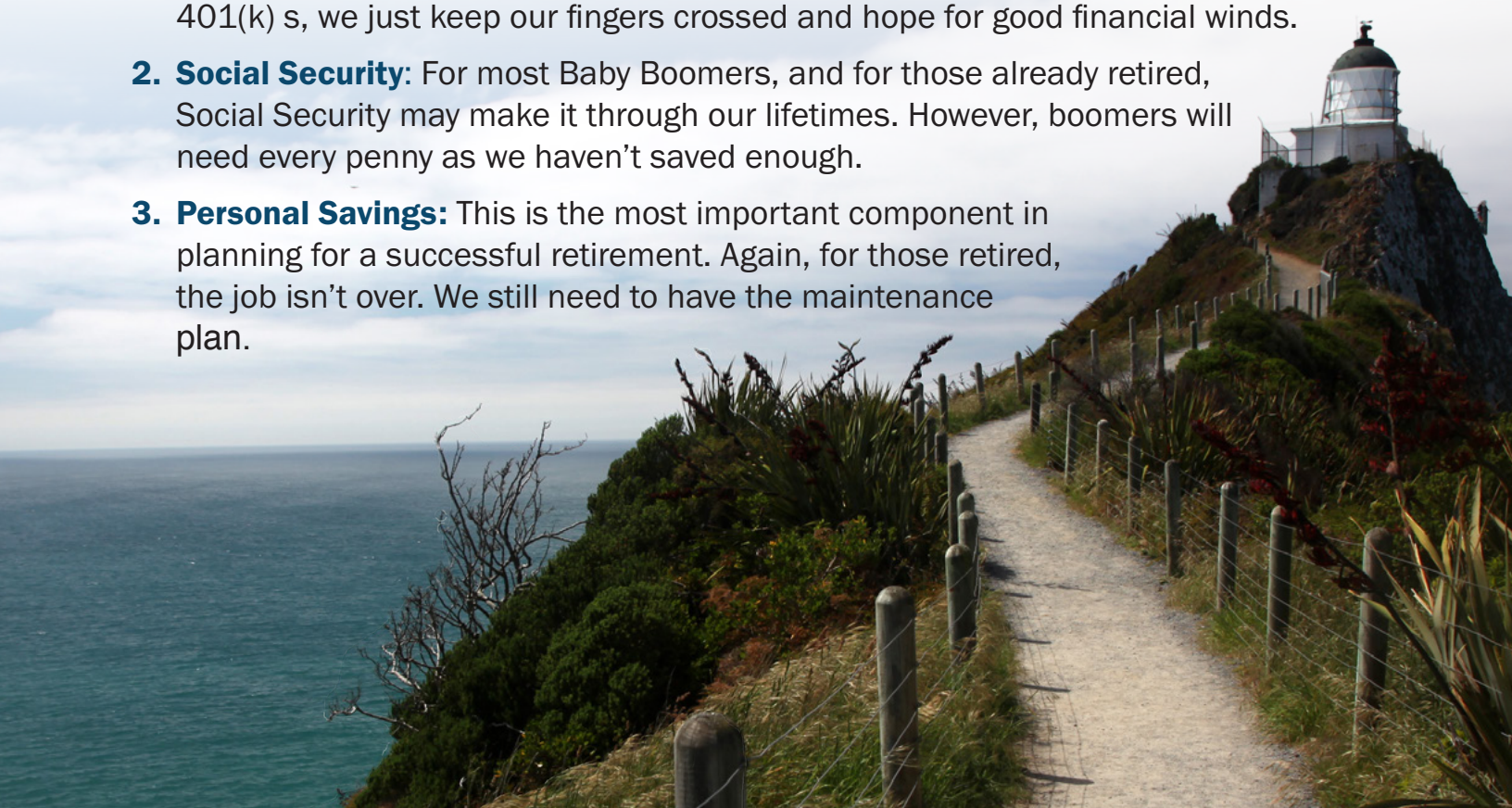
LET'S TAKE IT STEP BY STEP:

1. *What type of lifestyle do you want to maintain during retirement?*
2. *What life income is available to support that lifestyle? (Social Security, Pensions)*
3. *What amount of essential and discretionary income do you need?*
4. *What financial lifeboats are available to sustain your lifestyle should the unforeseen occur?*
5. *Finally … how much do you need and when do you need it?*

It appears that the majority of Americans are not very positive about the prospects of having a secured retirement. Even for those lucky enough to have pensions … they know it is unlikely to be sufficient.

WE HAVE ALL BEEN OPERATING OFF THE SAME THREE-LEGGED STOOL CONCEPT THAT HAS BEEN USED FOR GENERATIONS.

1. **Pensions:** We used to think that this would be enough. It turns out we need more. A recent Towers Watson survey stated that at the end of 1998, 90 of the Fortune 100 companies had a defined benefit pension plan. Today, only 17 of those companies offer such a plan to new hires. Now, most Americans are doing it on their own through 401(k)s. The difference between the "defined contribution" 401(k) and the "Defined Benefit" pension is all in the guarantees … or lack thereof. When it comes to 401(k) s, we just keep our fingers crossed and hope for good financial winds.
2. **Social Security**: For most Baby Boomers, and for those already retired, Social Security may make it through our lifetimes. However, boomers will need every penny as we haven't saved enough.
3. **Personal Savings:** This is the most important component in planning for a successful retirement. Again, for those retired, the job isn't over. We still need to have the maintenance plan.



Well, there are many choices such as investments or real estate. For those who no longer have a stomach for risk, the choices are fewer.

Most advisors present Monte Carlo simulations that present different withdrawal scenarios based upon years of past stock market performances. These simulations show that based on different assumptions, you should be safe and not run out of money. Equities are, and will continue to be for many, an important part of their retirement plans. However many people are looking for safe money places.

The personal pension is an old idea that is making a big comeback due to its simplicity. It entails separating essential and discretionary income needs, determining the need for increased income in the future, and analyzing assets available for income today and the potential income they would provide. Then we need to determine... how much do you need and when do you need it? Sounds simple, doesn't it? That is why it is in such favor today.

Many Americans are taking some at risk money and placing it in safe money places. Some have determined that they are at a place in life where they want zero investment risk and are willing to sacrifice the potential of great returns for the comfort and tranquility

of guaranteed income for life that cannot be outlived. This all depends on needs and timelines. How much does it take to fund the guaranteed income desired?

The Personal Pension Plan is not a one size fits all plan. Therefore, we will need to take some information, map out the amount of income you will need, determine when you will need it, and take into consideration any special needs or desires you have.

When most Boomers or retirees are asked, *"How long do they want this income to last?"* They usually say "*Forever*". When they ask the advisor, *"Why are you using annuities to accomplish these goals?"* The answer is the theme song for the James Bond 1971 film of the same name ... *"Diamonds are Forever"*... and so are annuities.

Call Garrison-Rhoads & Associates, LLC at (937) 770-1007 to discover what the Personal Pension Plan can do for you!