

THIS MOTHER'S DAY, HELP MOMS ON YOUR CLIENT LIST PLAN FOR FINANCIAL LONGEVITY

Statistically, women live longer than men¹, so planning for income to support a long life can be a crucial part of their retirement plans.

On Mother's Day, reaching out to the moms on your client list is a great way to add a touchpoint and provide important financial guidance to help them better prepare for their statistical gift of longevity. It was definitely key for my mother, and I'm so glad she was able to financially prepare herself to enjoy her later years. Here are some ways you can help the moms on your books look out for themselves the way they so often look out for others.

Moms Who Work Outside the Home

- **Save to the match.** Remind your working moms to take advantage of their employers' retirement plans, at least up to any match offered—and preferably more.

- **Create future tax-free income.** Have your working moms consider starting a [Roth IRA](#) for a tax-free retirement income bucket.

Tip: If income exceeds the Roth limits, consider a backdoor Roth to create a [Roth IRA](#).

Note that proposed legislation may eliminate this option in the future.

- **Longevity annuity.** If the employer plan offers an income annuity, such as a deferred income annuity or a qualified longevity annuity contract (QLAC), clients might consider using that option for a portion of their contributions.

Out-of-the-Workforce Moms

Retirement planning is just as important for moms out of the workforce who stay home to care for children or other family members. They may not have an employer plan, but there are easy ways you can help them create future lifetime income.

- **Spousal IRA.** The spouse of a partner who is working outside the home can have his or her own IRA. The working spouse can simply use earned income to make the contribution for the nonworking spouse.

Tip: If income is less than the threshold, make it a Roth IRA. If not, again, consider a backdoor Roth, if that option is available.

- **Save for a lifetime payment.** Consider talking to your client about whether she could benefit from making regular contributions to a deferred income annuity, which will provide a specific amount of lifetime income in the future. This also is a type of longevity annuity.

- **Other deferred savings.** For some clients, a deferred annuity may offer both tax management and future lifetime income. While access to funds is restricted before age 59½, this may be another option for additional savings.

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Moms Near or in Retirement

If you have clients who are moms nearing retirement or in retirement, review the different sources of lifetime income they may have, such as [Social Security](#) benefits and pensions. For some with both Social Security retirement benefits and a pension, [essential monthly expenses](#) may already be covered. For others, using an annuity as an additional source of income for essential expenses may be beneficial.

Tip: Remember that nonqualified annuitization may offer tax-advantaged cash flow via exclusion-ratio treatment.

● Annuity with an additional protection benefit.

Some annuities offer a guaranteed minimum accumulation benefit (GMAB) for an additional cost. Typically, this benefit guarantees a return of all or most of the premium after a period of years. This feature allows investment for growth while securing a guaranteed amount for future income. For clients reluctant to stay invested, this strategy can offer the ability to invest while limiting downside risk.

● Annuity with an additional income benefit.

Some deferred annuities offer lifetime income through guaranteed minimum withdrawal benefit (GMWB) available for an additional cost. For the client with several years until retirement, some benefits offer simple credits that increase the amount available for income. If she plans on retiring soon, there also are benefits that start immediately.

So, be sure to reach out to the moms on your client list this Mother's Day to wish them health and longevity, and talk about creating the financial future they envision. What a great gift any day—and especially on Mother's Day!

Additional Resources and Links

[IRS: 401\(k\) Plans](#)

[IRS: Roth IRAs](#)

[National Vital Statistics System—Life Expectancy](#)

[Retirement Income Translator](#)

[Retirement: Planning for a Long Life Is Essential](#)

[Social Security](#)

For more information about retirement planning,
please contact our Retirement Strategies Group at
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PacificLife.com

¹National Center for Health Statistics. "NCHS Fact Sheet, March 2021." National Vital Statistics System.

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