

Want the MOST out of your Retirement?

What Is Pension Maximization?

Pension maximization is a retirement strategy for couples that involves opting for the highest possible annuity payout for one spouse's lifetime while obtaining life insurance to provide income for the surviving spouse.

*** Other sections of article redacted – refer to [link](#) below to view entire article ***

<https://www.investopedia.com/terms/p/pension-maximization.asp>

Understanding Pension Maximization

The higher payout of a life-only annuity can be attractive for some couples given that the risk of such a strategy may be reduced with a life insurance policy. The reasoning is that the increased payout of the life-only annuity may provide more than enough extra income to pay the premiums of the life insurance policy.

Other Considerations BEFORE Employing this Strategy to Consider

Pension Maximization Risks

There are many important factors to consider before attempting this strategy, including the health of both spouses, other sources of income, the tax implications, and the specific terms of the couple's pension or medical plan.

The key to success with pension maximization is protecting the surviving spouse by providing them with a sufficient income in perpetuity. Since such a strategy can be complicated, they should be discussed with a licensed insurance professional, financial planner, or financial advisor.

Source of Information: <https://www.investopedia.com/terms/p/pension-maximization.asp>

Note: **Above information is a small portion of the article**- please reference the ENTIRE article by,

Julia Kagan @ <https://www.investopedia.com/contributors/53409/>

*** This Information should be evaluated with other retirement planning techniques and you should always discuss the purchase of a life insurance policy with a “financial planning” focused professional!