RETIREMENT SAVINGS

Which Savings Plan is Right for You?

FOUR WAYS TO SAVE FOR RETIREMENT

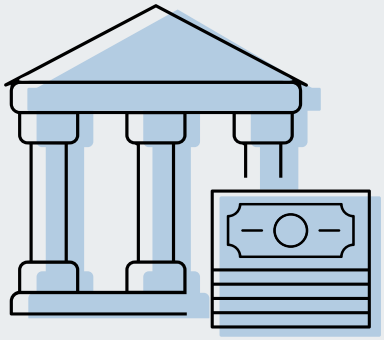
Bank
Deposit & Savings
Accounts

Taxable
Investments

Tax-Advantaged
Retirement Plans

Permanent
Life Insurance

LET'S EXAMINE THEIR PROS AND CONS



Bank Deposit & Savings Accounts

Checking and savings accounts, money market deposit accounts, money market accounts, and certificates of deposit (CDs)

Pro:

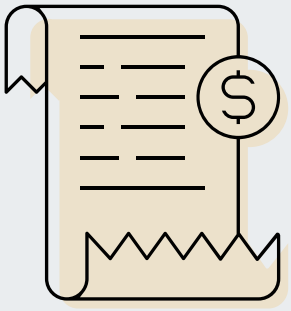
- **Safety** (FDIC insures each account up to $250,000)
- **Unlimited saving**
- **Anytime access**

Con:

- **Lower interest** rates than non-bank accounts
- **Annual taxes** on interest earnings
- Early **withdrawal penalties** (CDs)

Taxable Investments

Brokerage accounts, exchange traded funds (ETFs), and mutual funds.

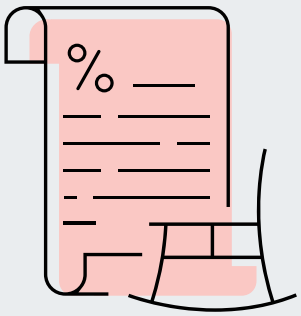


Pro:

- **Higher growth potential** than bank accounts
- **Unlimited saving**
- **Anytime access**

Con:

- **Not insured or guaranteed** from loss
- **Annual taxes** on dividends and interest



Tax-Advantaged Retirement Plans

IRAs, Roth IRAs, SEP-IRAs, 401(k)s, 403(b)s, profit-sharing plans

Pro:

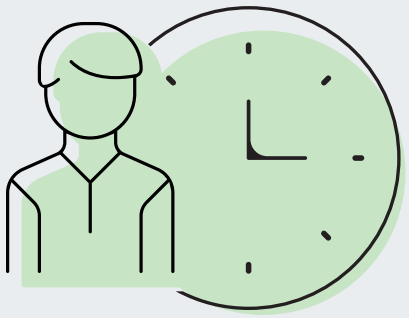
- **Tax-deferred** earnings
- **Tax-deductible contributions** (IRA, 401(k))
- **Tax-free withdrawals** (Roth IRA)

Con:

- **Contribution limits**
- **Limited access** (except via loans)
- **Early withdrawal penalties** (IRAs, 401(k), 403(b))
- **Taxable withdrawals** (IRAs, 401(k), 403(b))

Permanent Life Insurance

A retirement strategy using permanent life insurance—also called a life insurance retirement plan, or LIRP.



Pro:

- **Nearly unlimited saving***
- **Tax-deferred** earnings
- **Access** to cash value
- **Tax-free policy loans and withdrawals** (generally, up to the amount available in the contract)
- **Tax-free death benefit**

*with minimum death benefit maintained

Con:

- Potentially **fewer investment options**
- **Savings potential limited** by cost of death benefit
- **Taxable withdrawals** (generally, above the amount available in the contract)
- Loans and withdrawals may reduce the death benefit

TALK TO YOUR FINANCIAL PROFESSIONAL

about these and other ways to save for retirement, so you can generate the income you need to live your best life in retirement.

This M Financial infographic is designed to guide you toward a more secure future. Look for the rest of the series.

M Financial Group™

Loans or withdrawals from your policy may impact your policy including your future death benefits.

Cash values and death benefits may vary based on the policy you purchased. Please consult your full policy illustration at the time of purchase.

Cash value accumulation is determined by the policy contract and is not always guaranteed.

An insurance contract's financial guarantees are subject to the claims-paying ability of the issuing insurance company.

Investments in securities involve risks, including the possible loss of principal. When redeemed, shares may be worth more or less than their original value.

Savings in life insurance policies are not FDIC insured.
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