Pension vs. Lump Sum

When retiring with defined benefit plans, you face import decisions that profoundly impact your retirement. "Should I take a lump sum from my retirement plan, or should I elect a monthly pension?" Compare the income generated from investing a lump sum payout with monthly pension benefits, using both single and joint life options. Select the income needed - equal to the pension, interest only, or a specified dollar amount and clearly see which option is best.

Client Information:

Individual 1 Name: _____ Birthday: _____

Individual 2 Name: _____ Birthday: _____

Check if Married: ☐

Lump Sum Information

Lump Sum:

Age to start income payout from lump sum: _____

Lump sum distribution amount: $ _____

Estimated taxes or other reductions from lump sum: $ _____

Anticipated rate of return on account: _____%

Time value of money (discount rate for Net Present Value): _____%

Tax rate to be charged against interest or distributions: _____%

Lump sum tax treatment: IRA Rollover: ☐ Ordinary Taxable: ☐ (check one)

Distribution Options

Monthly distribution option: (check one)

Use same amount as the pension benefits: ☐

Use interest only: ☐

Use override amount: ☐ If checked, enter the override amount $_____

Annual increate rate (inflation) for distribution: _____%

Pension Information

Pension Values:

Age to start income payout from pension:

Monthly participant income if single life pension is elected: $ _____

Monthly participant income if joint & survivor pension is elected: $ _____

Survivor benefit as % of original amount: _____%

Increase rate (cost of living increase): _____%

Dollar amount annual increase: $ _____

Tax rate to apply to pension income: _____%