



§412(i) Quick Facts

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What is a 412(i) Plan?

- ❖ Special defined benefit pension plan
- ❖ Plan investments are annuities or a combination of life insurance and annuities
- ❖ Less expensive than other plans
 - No actuarial certification required
- ❖ Generates significantly larger deductions than other defined benefit plans because it uses lower actuarial growth assumptions
 - Traditional DB actuarial growth assumption ranges between 6 – 8.5%
 - §412(i) DB actuarial growth assumption ranges between 2 – 4.5%. It is based upon an interest rate guarantee offered by the insurance company

Who are the ideal prospects?

- ❖ Businesses with less than 8 employees
- ❖ Owner is older than the employees
- ❖ Owner earns much more than the employees
- ❖ Company with stable income since the plan has annual funding requirements
- ❖ Existing profit sharing or other retirement plan
- ❖ Sole Proprietorship; Partnership; “S” Corporations; “C” Corporations; LLCs

When do clients need to act?

- ❖ Plan must be adopted on or before that fiscal year-end
- ❖ Plan can be funded up to the client’s tax filing date
- ❖ Policies are dated in the plan year

Why are these plans popular?

- ❖ Clients looking for larger deductions
- ❖ Clients want to purchase insurance survivor benefits on deductible basis
- ❖ Clients want to shorten retirement funding periods
- ❖ Clients want guarantees
- ❖ Clients are unhappy with existing plans

What do I do next?

- ❖ Target client needs
- ❖ Obtain and complete a Proposal Request/Census Data Form
- ❖ Fax to Koresko Financial (610-992-1091) for suitability review
- ❖ Receive client ready proposal
- ❖ Receive and have client complete Koresko prepared plan adoption package
- ❖ Visit www.412iplan.net for an on-line quotation (call for password & access code)

Contact Koresko Financial for proposals and case development at 877-469-4124.