

Cost of Life Insurance Inside a 412i Pension Plan

Corporate Cost to Fund 412i Plan with an Annuity Only	\$102,250
Cost to Fund 412i Plan with Life Insurance	<u>\$133,604</u>
Additional Cost of Life Insurance	\$31,354
Tax Deduction Received (30% tax rate)	\$9,406
Net Cost to Corporation	\$21,948
Actual Life Insurance Premium	\$67,342
412i Purchase Discount on Life Insurance	67%

** Costs and values based on an age 45 participant and maximum allowable plan contributions.