



412(i) Defined Benefit Plan Contribution Chart – Retirement age 55

The following assumptions were used to calculate the contribution for a corporate business owner:
 Compensation \$210,000, Date of Hire 1/1/95, Date of Participation 1/1/05
 Normal Retirement Age (NRA) of 55 and 5 years of participation.
 Life Insurance based on Revenue Ruling 74-307. Death benefit assumes standard issue, non-smoker.
 Insurance company guaranteed annuity conversion rate. Product illustrated is the Patriot 100.
 Guaranteed cash values and annuity values under Lafayette Life Insurance Company contract, assumes level, annual premiums have been paid.
 “Life only” normal form of benefit.

412(i) Funded with Life Insurance and Annuity

Starting Plan at Age	Monthly Retirement Benefit	Lump Sum at Retirement	Death Benefit	Contribution (takes into account GATT)		
				Annuity	Life	Total
40	\$8,759	\$1,555,057	\$2,615,407	\$50,803	\$57,082	\$107,885
45	\$8,759	\$1,555,057	\$3,410,813	\$83,848	\$92,609	\$176,457
50	\$4,380	\$777,529	\$3,068,609	\$96,609	\$99,985	\$196,594
55 (NRA 60)	\$6,148	\$990,786	\$3,251,919	\$125,046	\$129,889	\$254,935

412(i) Funded with Annuity

Starting Plan at Age	Monthly Retirement Benefit	Lump Sum at Retirement	Contribution (takes into account GATT)
40	\$8,759	\$1,555,057	\$81,175
45	\$8,759	\$1,555,057	\$131,698
50	\$4,380	\$777,529	\$142,186
55 (NRA 60)	\$6,148	\$990,786	\$181,184

The charts are for illustration purposes only and are not to be used for funding. Actual contributions and benefits will be calculated based upon individual census data.

Factors that Impact the Contribution:

Whole Life Insurance Product

The following whole life insurance products can be used:
 Sentinel, Patriot 100, Contender 100, Heritage
 A policy illustration should be prepared to review the impact on the annual contribution when the dividend reduces premium.

Guaranteed Interest Rate

The charts illustrate a contract guarantee of 3%.
 The excess interest, if any, will decrease the future out-of-pocket contributions.

GATT

GATT prescribed new mortality and interest rate assumptions. This affects the maximum amount of benefits that can be paid as a lump sum benefit or fixed-term installment payment. The contribution calculations take into account GATT.

Annuity Purchase Rate

The annuity purchase rate is the factor that determines the amount of money required at retirement to pay the monthly benefit.

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