

Retirement Planning

Retirement is costly.

Diversify your approach
to maximize results.

Foresters 
Financial



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Not for use in NV and MS.

Retirement Planning

The situation

**What would
your retirement
portrait reveal?**



How much income will you need in retirement?



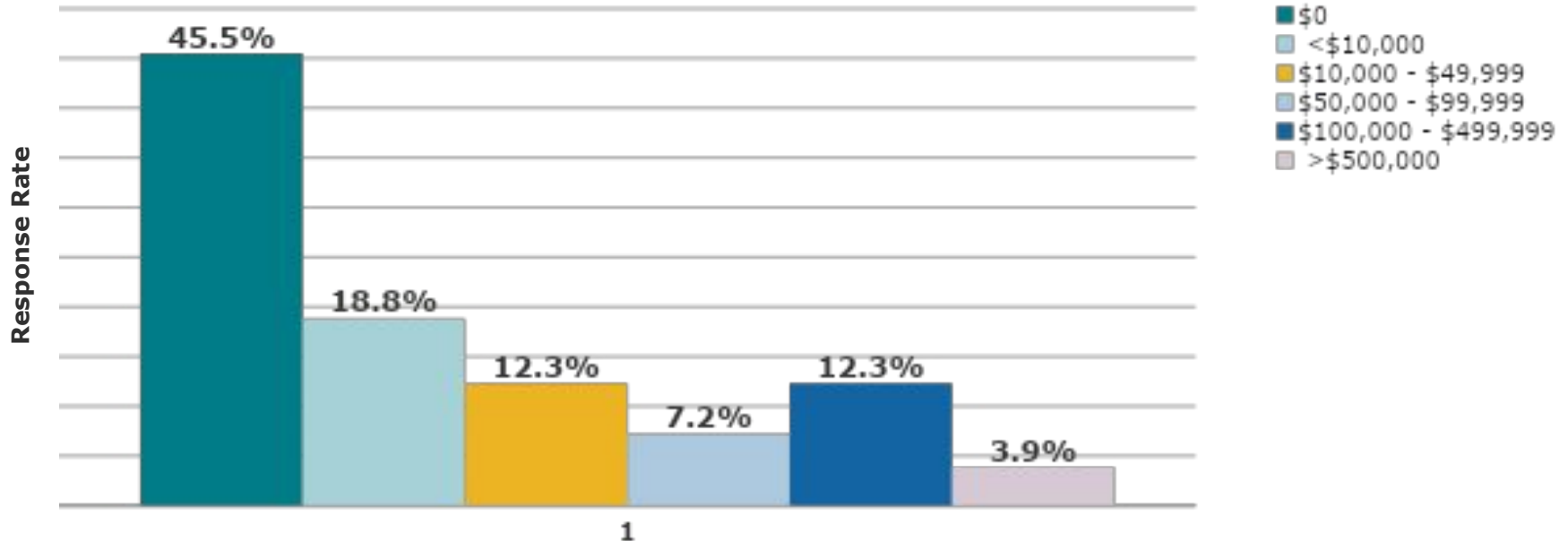
75%

of your pre-retirement income may be needed to maintain your lifestyle in retirement according to T. Rowe Price.¹

1. <https://www.troweprice.com/personal-investing/resources/insights/how-to-determine-amount-of-income-you-will-need-at-retirement.html>. Accessed August 2021

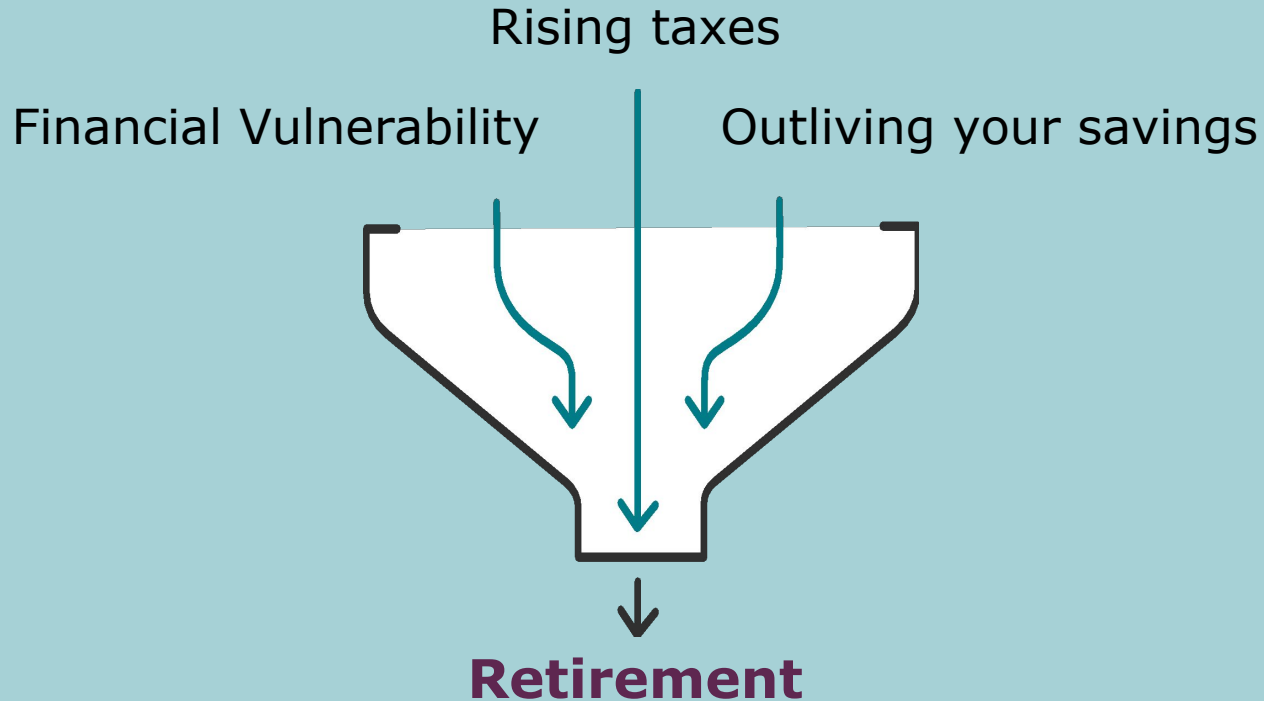
Are you saving enough for retirement?

If trends hold, 64% of Americans will retire with less than \$10,000 in retirement savings²



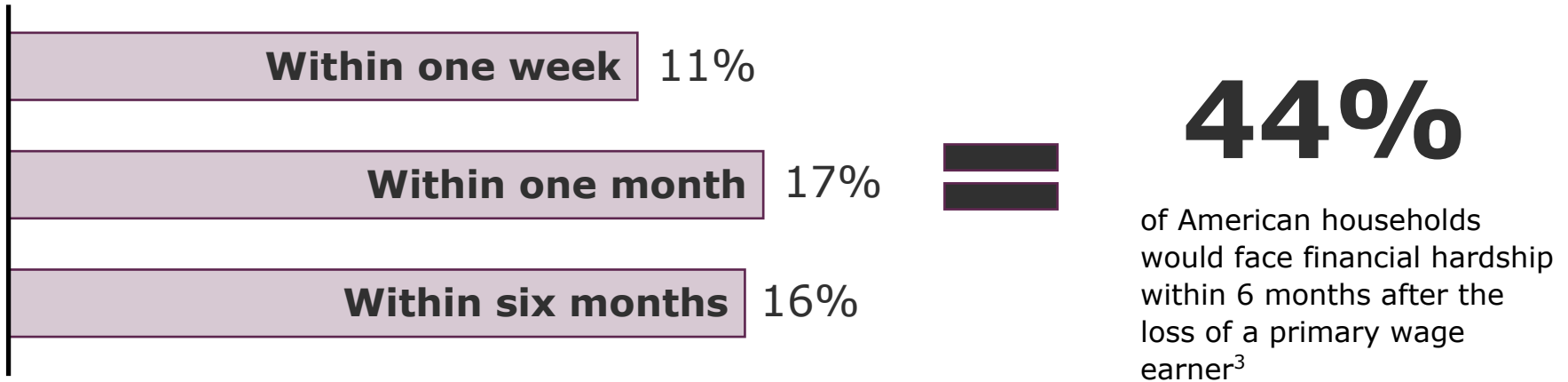
2. Source: <https://www.gobankingrates.com/retirement/planning/why-americans-will-retire-broke>. Accessed August 2021

What concerns you about retirement?



Financial vulnerability

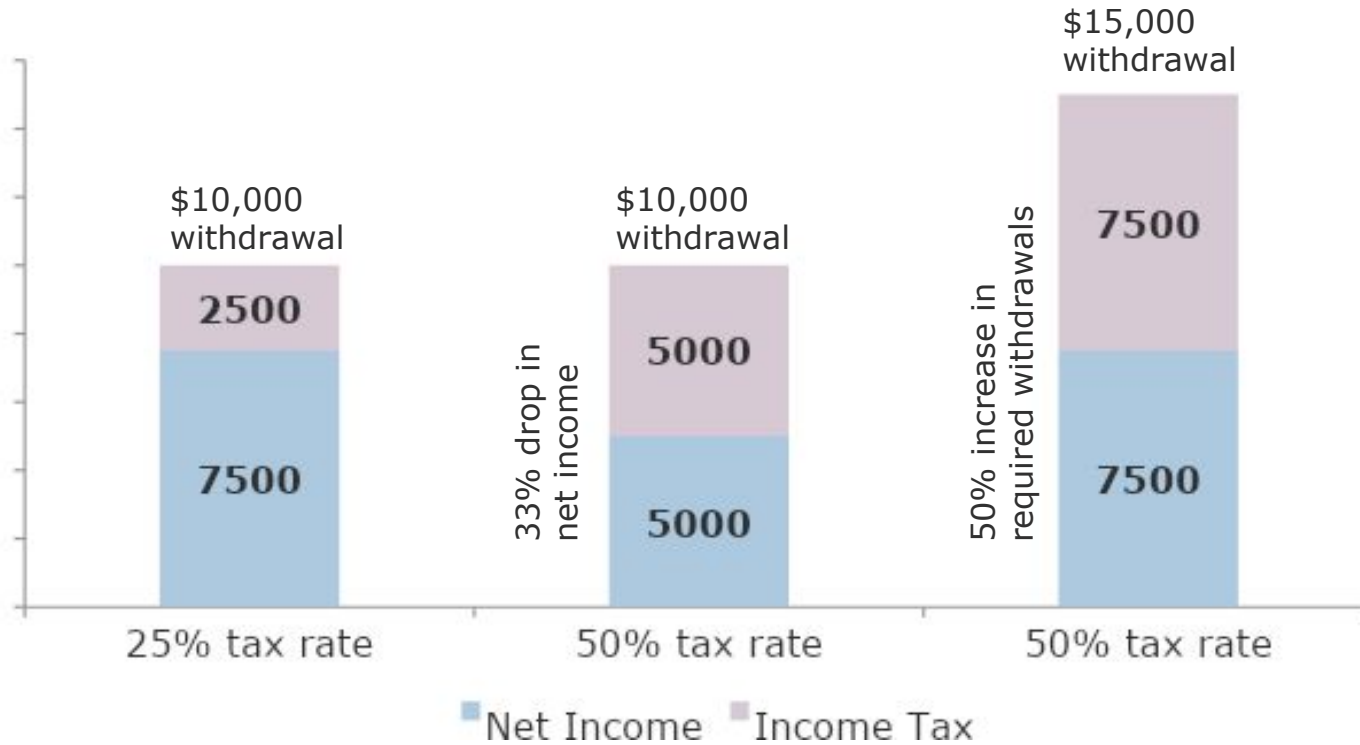
Would your family experience financial hardship if you pass unexpectedly?



3. Source: 2020 Insurance Barometer Study by LIMRA

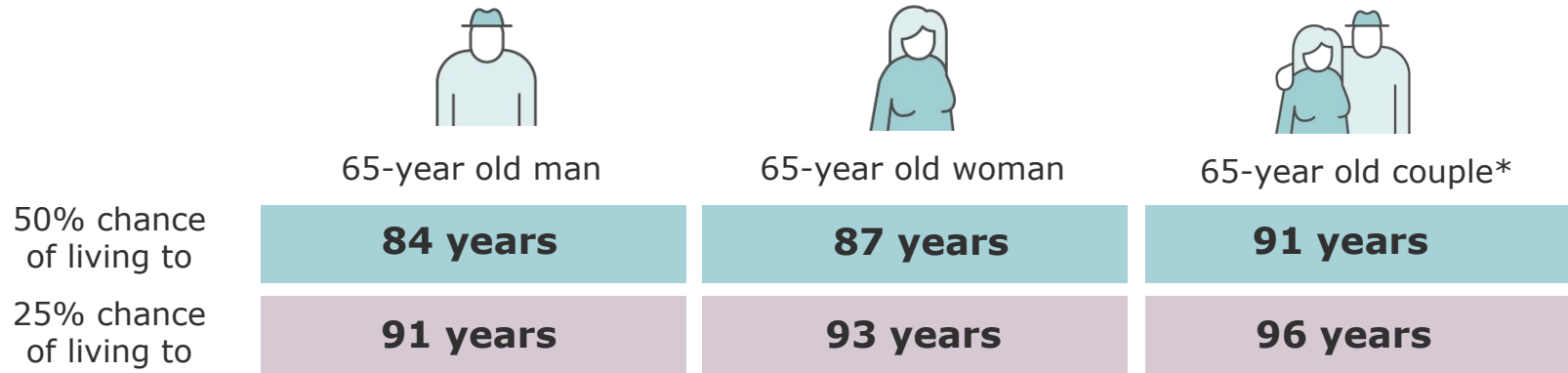
Rising taxes

How will rising taxes impact retirement income?



Outliving savings

The longer you live, the longer your money needs to stretch.
What are the chances of having a long retirement?



*At least one surviving individual.

Source: Society of Actuaries and American Academy of Actuaries, Actuaries, Actuaries Longevity Illustrator, as of May 10, 2021. For illustrative purposes.

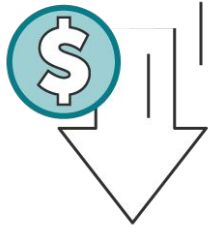
Is your portfolio diversified to enable a more favorable tax treatment?

Tax me up-front	Tax me now	Tax me later
<ul style="list-style-type: none">■ Invest with after-tax dollars■ Enjoy tax-deferred growth■ Not generally taxed during distributions	<ul style="list-style-type: none">■ Invest with after-tax dollars■ Growth is taxable as either ordinary income or capital gains as it's earned■ Not generally taxed during distributions (Profits from selling Mutual Funds may be taxable)	<ul style="list-style-type: none">■ Invest with pre-tax dollars■ Enjoy tax-deferred growth■ Taxable as ordinary income during distributions
Vehicles: Muni Bond Funds, Muni Bonds, Roth IRA, Life Insurance	Vehicles: Mutual Funds, CD, Money Market	Vehicles: 401 (k), IRA/ SEP, 403(b)

A balanced approach could provide greater tax control

Importance of a diversified portfolio

A diversified portfolio may allow you to:



Minimize taxes due
in retirement⁴



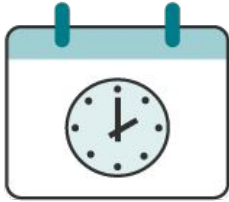
Maximize potential
income in retirement



Stretch your nest egg
that much further

4. Foresters, their employees and life insurance representatives, do not provide, on Foresters behalf, legal or tax advice. The information given here is merely a summary of our understanding of current laws and regulations. For questions around any tax or legal matter, individuals should consult their tax or legal advisors.

Other factors that may impact your retirement



Social

Will traveling be your most desired activity?



Physical

How will you stay active for a healthy retirement?



Mental

What activities will you engage in to stimulate your brain?

Retirement Planning

The strategy

How life insurance can complement your retirement strategy

- Life insurance shouldn't replace other saving vehicles within your strategy, such as:
 - 401(k) or 403(b)
 - IRA
 - SEP
 - Profit-Sharing
- Rather, life insurance may provide the boost these other plans need due to:
 - Plan limitations
 - Restrictions on funding
 - Tax benefits
 - An abrupt end to the funding due to the loss of income from an unexpected death

Diversifying with life insurance may be a valuable addition

	Life Insurance	Qualified Plan/ Traditional IRA	Taxable Investments	Roth IRA	Municipal Bonds
Generally Income Tax-Free Death Benefit	✓ ⁵	X	X	X	X
No Income-Based Contributions Limits	✓	X	X	✓	✓
Tax-Deferred Growth	✓	✓	X	✓	✓
Tax-Advantaged Distributions	✓ ⁶	X	X	✓	✓
No Required Distributions	✓	X	✓	✓	✓
No Age-Based Penalties	✓ ⁷	X	✓	X	✓

5. Life insurance companies charge fees such as mortal and expense risk charges and surrender charges in exchange for the death benefit.

6. Access to tax-advantaged loans assumes the policy stays in-force until death. If the certificate lapses, there may be tax consequences on any cash value above the cost basis. A life insurance contract can become a Modified Endowment Contract when premiums paid exceed certain limits as outlined in the tax code. Withdrawals or loans will reduce the death benefit and cash values and may affect how long the insurance contract is in effect. Dividends are not guaranteed. Past dividends are not an indicator of future dividend performance. Loans can be taken if the certificate is in effect and has a positive cash surrender value. Interest is charged daily at current Foresters US variable loan rates. The death benefit payable is net of the outstanding certificate loan amount(s) (including accrued interest). If the loan amount exceeds the cash value plus the present value of PUAs and dividends on deposit amount the certificate will terminate.

7. If the certificate is classified as a modified endowment contract (see IRC 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59 1/2. 15

How does this strategy work?

- Purchase a Foresters SMART UL or Advantage Plus II Whole Life plan
- Upon an unexpected death, the death benefit may provide the funds to help continue funding your family's retirement plan and cover other financial obligations resulting from the loss of income
- Alternatively, when it's time for retirement, access the cash value:
 - The cash value growth may be more secure versus investments that are subject to direct market fluctuation risks
 - It provides you additional flexibility towards utilizing other assets for retirement income, such as taking distributions from the life certificate during down-markets to preserve other retirement assets with direct market risk

Meet Tom

Case study

Tom's situation

- Tom (40), in excellent health, is a certified electrician and owns his own business
- He's looking for:
 - A solid plan to protect his family from an unexpected death before retirement
 - An opportunity to build a supplemental retirement stream that's more secure than his IRA account, to which he's contributing the maximum allowed



Tom's solution

- Tom considers purchasing a:
 - Foresters Advantage Plus II Whole Life certificate with the Flexible Paid-up Additions Rider and any declared dividends⁸ applied towards paid-up additions; or
 - Foresters SMART UL with an increasing death benefit option during premium payment years, then switching to a level death benefit option
 - Fund the certificate with a \$700 monthly premium to age 65 assuming Preferred Plus Non-Tobacco and taking maximum distributions for 5 years starting at age 66 to allow him to delay taking Social Security



Tom's solution: Advantage Plus II

Coverage assumes medically underwritten Preferred Plus Non-Tobacco, solving for the maximum Flexible Paid-up Additions Rider that can be purchased, premiums to age 65, and non-guaranteed assumptions.

Initial Life Insurance Design		
Initial face amount	\$214,927	← Provides an initial face amount of \$214,927
Total monthly premium:	\$700.00	
Base Life Insurance	\$256.61	
FPUA Rider	\$443.39	
Starting at age 66		
Planned distribution amount	\$50,001	← Tom may be in position to take up to \$50,001 a year, for up to 5 years, as supplemental retirement income
Number of years for distribution	5	
At age 85		
Cumulative gross distributions	\$250,005	← Over 5 years, Tom potentially could have distributed ⁹ \$250,005 as supplemental retirement income. At age 85, Tom would still have a death benefit of \$213,795
Loan balance at age 85	\$80,908	
Cash value at age 85	\$154,802	
Net death benefit at age 85	\$213,795	←

9. The benefits and values shown are neither guaranteed nor estimated for the future except for those items clearly labeled as guaranteed. The benefits and values assume that the non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur as the assumptions on which they are based are subject to change. The actual results may be more or less favorable and are expected to vary from those shown.

Tom's solution: SMART UL

Coverage assumes medically underwritten Preferred Plus Non-Tobacco, an increasing death benefit to age 65 then switching to a level death benefit and non-guaranteed assumptions.

Initial Life Insurance Design		
Initial face amount	\$166,775	← Provides an initial face amount of \$166,775
Monthly premium payment amount	\$700	
Starting at age 66		
Planned distribution amount	\$69,490	← Tom may be in position to take up to \$69,490 a year, for up to 5 years, as supplemental retirement income
Number of years for distribution	5	
At age 85		
Cumulative gross distributions	\$347,450	← Over 20 years, Tom potentially could have distributed ⁹ \$496,439 as supplemental retirement income. At age 85, she would still have a death benefit of \$43,158
Loan balance at age 85	\$496,439	
Cash value at age 85	\$17,463	
Net death benefit at age 85	\$43,158	←

9. The benefits and values shown are neither guaranteed nor estimated for the future except for those items clearly labeled as guaranteed. The benefits and values assume that the non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur as the assumptions on which they are based are subject to change. The actual results may be more or less favorable and are expected to vary from those shown.

Foresters FinancialTM

Get to know us!

A different kind of life insurer

Foresters is a Fraternal Benefit Society—a member-based life insurance provider for everyday families. Foresters is driven to enrich the well-being of families and their communities. Imagine choosing a life insurer that makes a positive difference in the world.

- Driven to share, not shareholder-driven!
- Not-for-profit structure means we reinvest profits to help members and communities
- Purpose-driven organization focused on living well by doing good
- More than two million members across three countries



Offering you strength and security

**A growing member-driven organization since 1874,
you can count on Foresters.**

"A"
(Excellent)

A.M. Best Financial Strength rating
for the 21st consecutive year¹⁰

Assets of
\$14.2
Billion USD¹¹

Liabilities of
\$12.6
Billion USD¹¹

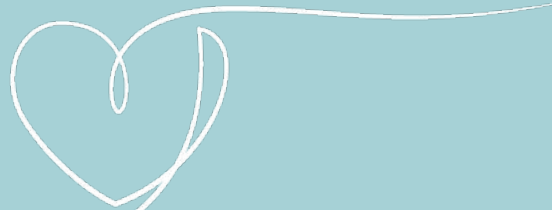
Surplus of
\$1.7
Billion USD¹⁴

10. The A.M. Best rating assigned on July 29, 2021 reflects the overall strength and claims-paying ability of The Independent Order of Foresters (IOF) but does not apply to the performance of any non-IOF issued products. An "A" (Excellent) rating is assigned to companies that have a strong ability to meet their ongoing obligations to policyholders and have, on balance, excellent balance sheet strength, operating performance and business profile when compared to the standards established by A.M. Best Company. A.M. Best assigns ratings from A++ to F, A++ and A+ being superior ratings and A and A- being excellent ratings. See [ambest.com](https://www.ambest.com) for our latest rating.
11. All figures are presented in USD. The figures are based on consolidated financial results prepared in Canadian dollars as at December 31, 2020 and converted into USD using the Bloomberg spot exchange rate of 1.2725. The surplus represents excess funds above the amount required as legal reserves for insurance and annuity certificates in force and provides additional assurances to our members for our long term financial strength. Financial strength refers to the overall health of The Independent Order of Foresters.

Becoming a member

When you purchase a life insurance certificate from Foresters, the insured person becomes a member.

It's that simple.



More with membership

Better living for everyday families

When you become a member, you will have access to a suite of member benefits¹² you can use to help live richer, fuller lives.



Scholarships



Well-being benefits



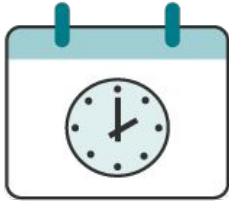
Community Grants



Community and volunteer opportunities

12. Foresters member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice or are no longer available.

Other factors that may impact your retirement



Social



Physical

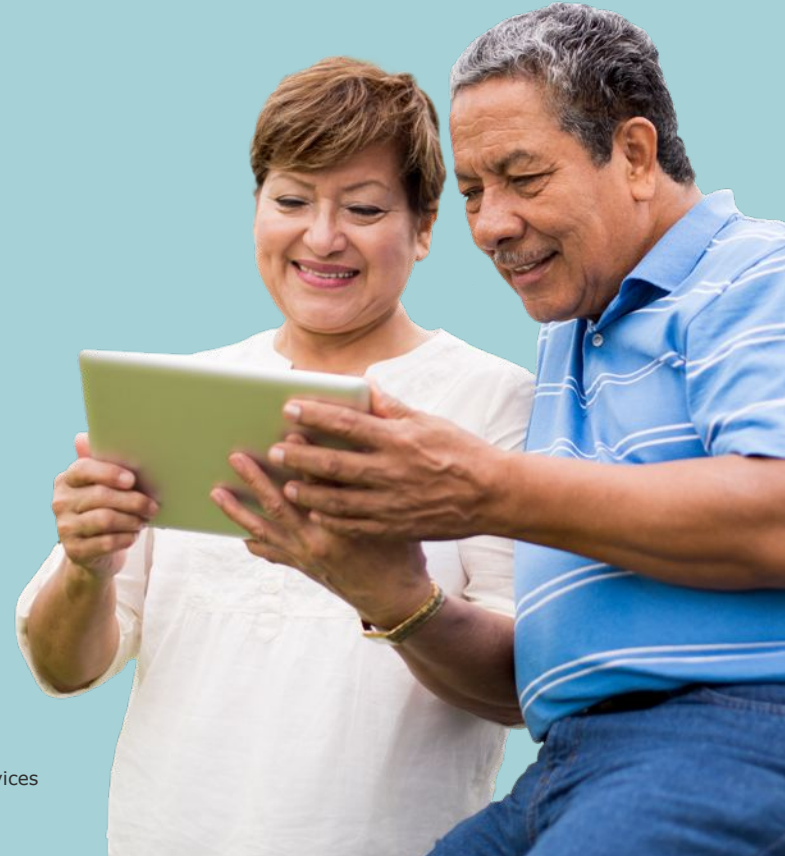


Mental

More with membership

LawAssure¹³

- Complimentary and easy to use online document preparation service
- Members can create customized:
 - Wills
 - Powers of attorney
 - Healthcare directives
- Customized based on the member's location and their answers to a questionnaire



13. LawAssure is provided by Epoq, Inc. Epoq is an independent service provider and is not affiliated with Foresters. LawAssure is not a legal service or legal advice and is not a substitute for legal advice or services of a licensed attorney. Foresters Financial, their employees and life insurance representatives, do not provide, on Foresters behalf, legal, estate or tax advice. Some features not available in Louisiana.



More with membership

Community Grants

Helping our members make a difference by giving back to their local communities.

- Members can apply for financial grants to support activities in their communities.
 - Community Volunteer grants
 - Fun Family grants
 - Foresters Care™

\$2.44

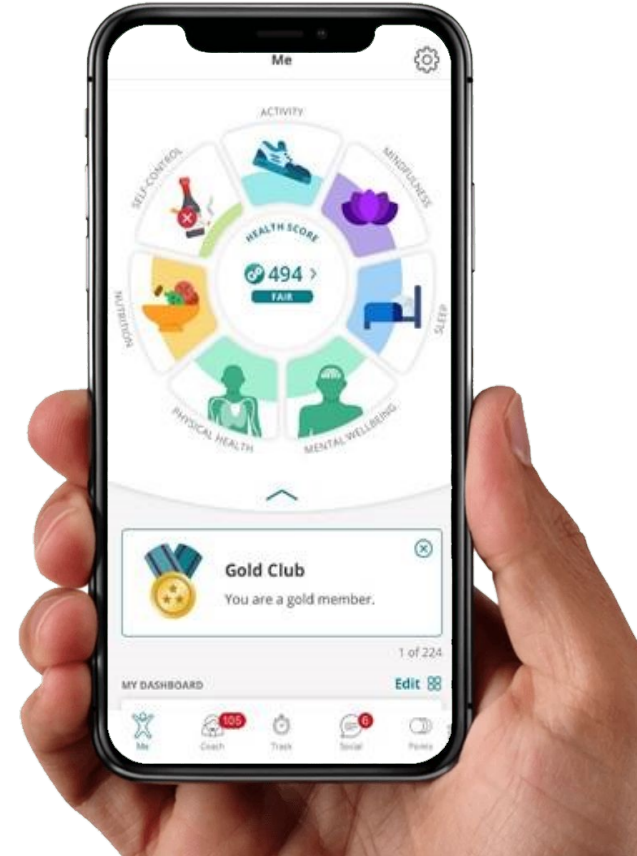
Million USD

in grants creating 3,352
Fun Family and volunteer
activities in 2020

More with membership

Foresters Go™₁₄

- It offers so much more as your wellness app. It's a fun and flexible way to earn rewards for healthy living, family activities and giving back in communities
- Helping members be a HERO- for themselves, their family and community
 - Health: Set goals, stay active. Feel amazing.
 - Engagement: Connect with family and community. Have fun.
 - Rewards: Live well, earn points. Redeem for premium rewards.



More with membership

Lifelong Learning¹⁵

- Easy-to-use learning library offers over 200 online courses covering a diverse range of topics including:
 - Business management
 - Health and wellness
 - Professional development
 - And much more
- Members can learn at their own pace based on their interests and schedules, and track their progress on a personalized dashboard



Disclaimer

This PowerPoint is provided for information purposes only; it does not form part of the Foresters Advantage Plus II Life Insurance or Foresters SMART UL Life Insurance contract and is not intended to amend, alter or change any of the terms and conditions of the contract. Life insurance contracts are underwritten and issued by The Independent Order of Foresters, a fraternal benefit society. Foresters Advantage Plus II and Foresters SMART UL and its riders may not be available or approved in all states and are subject to underwriting approval, limitations, contract terms and conditions, and state variations. Refer to the Foresters Advantage Plus II Life Insurance or SMART UL Life Insurance contract for your state for these terms and conditions. Foresters Advantage Plus II and SMART UL and its riders are filed under the form numbers listed below. Foresters SMART Universal Life: ICC18-UL-SMART-US01 or UL-SMART-XX01-2018 or UL-SMART-FL02-2018; Foresters Advantage Plus II: ICC21-WL-US01 or WL-XX01-2021 or in NY, Whole Life: WL-NY01-2021; Flexible Payment Paid-up Additions Rider: ICC19-WL-FPUAR-US01 or WL-FPUAR-XX01-2019.

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Thank you

Foresters
Financial 

Helping is who we are.[™]

Visit foresters.com to see how we can help you.

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