QUALIFIED LIFE · THE FLOW, STEP BY STEP

QL How the savings pay for your DI

Example: $1,000,000 of term, age 40, 30% tax, employer match. The savings don't sit in your 401(k); they show up in your paycheck.



Same $1,429 you spend today. Three results. $0 of new cash.

What you actually do

1 Enroll in Qualified Life through your plan

2 Once it's in force, cancel the retail policy

3 Start the DI at $400 a year, by bank draft

4 Set the rest aside in a savings account

Over time

Age	Freed	DI	Savings
40	$583	$400	**$192**
50	$475	$400	**$2,062**
55	$391	$400	**$2,798**
59, term ends	$310	$400	**$3,145**
60–64	$0	$400	**$1,694 at 65**

Hypothetical. Assumes a 30% tax rate, 10% unisex savings, an employer match of 100% of the first 3% and carrier REB rates. Savings shrink with age as the tax on the REB rises; the $400 DI premium is level and paid after tax. Savings account at a hypothetical 5%. DI benefits depend on policy terms. Plan must permit life insurance. See Parts I and II.

QUALIFIED LIFE + DI · IF A CLAIM HAPPENS

QL Added protection, no added cash-flow drag

Both people spend the same $1,429 of pay a year. One buys retail term the traditional way. The other uses Qualified Life and the Redirect. At 50, each becomes disabled and can't work.

TRADITIONAL DESIGN

Retail term, no DI

$251,129

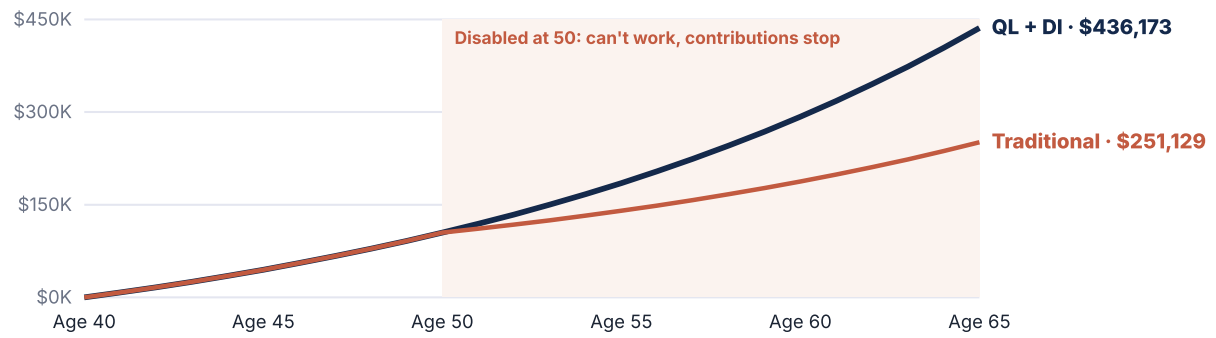
401(k) at 65. Contributions stopped at 50.

QUALIFIED LIFE + DI

Same $1,429, three results

$436,173

401(k) at 65. The carrier kept contributing.



$185,044 of retirement savings protected for $4,000 of DI premiums, paid entirely from the Qualified Life savings.

$0 new cash

Disabled at 50	Traditional: retail term, no DI	Qualified Life + DI
Yearly outlay before a claim	$1,429 of pay: $1,000 retail term premium after tax	**$1,429 of pay: $596 term, $400 DI after tax, $183 saved**
What that outlay buys	$1,000,000 of term life only	**$1,000,000 of term life, plus DI, plus savings**
401(k) contributions after the claim	Stop. No one contributes for you	**Carrier pays $7,500 a year into the 401(k) to 65: $112,500**
401(k) at 65	$251,129	**$436,173, as if you had kept working**
Life insurance during disability	$1,000 a year still due from reduced income unless a waiver rider was added	**Premium waived; $1,000,000 stays in force at no cost**
DI premium during the claim	None to pay, and no protection	**Stops once benefits begin**
Savings on hand	$0	**$2,062 in the Redirect account**

Disabled at 55: $331,386 without DI vs. $436,173 with it, $104,787 protected for $6,000 of premiums. Hypothetical: 401(k) at 6% ($7,500 a year from 40); savings account at 5%; $400 DI premium paid after tax. DI premiums stop once benefits begin; the life policy's waiver of premium applies during a qualifying disability. Benefits depend on policy terms. Plan must permit life insurance. See Part II.