



National Life Group®

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How to Make Any Size Tax Refund Go Further

It's tax season, and like last year it's always tempting for anyone to spend their refunds rather than put them to work. But, you may have a retirement gap that is still looming.

Close the Gap...a Little at a Time

Ask your agent about The Retirement Analysis Kit (TRAK) software, from National Life, to show you what your expected retirement gap is, so you can stay true to your retirement savings goals by moving assets, even a smaller once-a-year windfall like your tax refund, into your 403(b) plan using "capital conversion."

Let's look at an example:

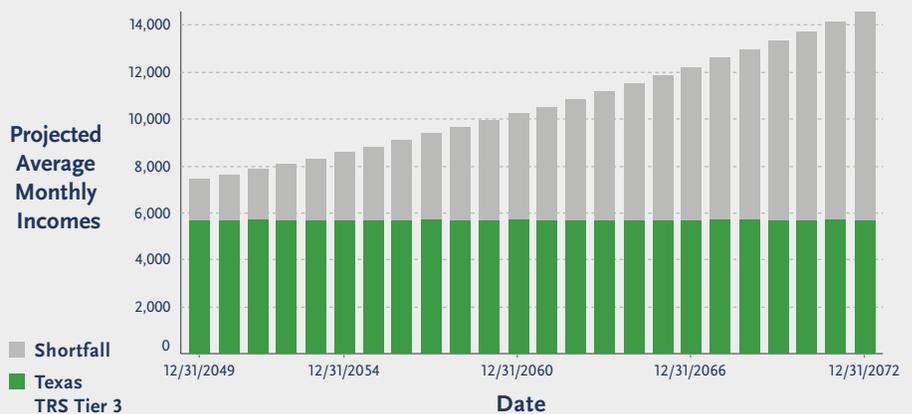
Meet Jane

Jane is a 32-year-old teacher, and has just received a \$2,000 tax refund. She had thought about using it for a trip over spring break or remodeling her bathroom, but remembered her long-standing goals to save more for retirement.

She meets with her insurance agent, Pat, to go through her retirement plan for the future. Using TRAK, Pat shows her the estimated retirement shortfall that she could experience if contributions to her 403(b) plan remain level.

Sample Gap Analysis Report

Retirement Years



Products issued by

Life Insurance Company of the Southwest®

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Pat explains how, through “capital conversion,” she can use her tax refund to save more for retirement by using her \$2,000 refund for living expenses for the next four months (\$500 per month), and reducing her take home pay by \$500 per month over the same time period.

And since her 403(b) contributions are pre-tax, Jane's take-home pay reduction of \$500 translates to a contribution of \$568.18 per month for a total of \$2,272.72.

Data Input	
Employer	12 Pay Monthly no FICA
Gross Income per Paycheck	\$3,000.00
Pre-Tax Withdrawals	
Medical and Dental	\$250.00
403(b)	\$0.00
The employer does not contribute to the retirement	
Pension	0%
Federal Withholdings	
W-4 Status	Single
W-4 Allowances	0
Additional Federal Tax	\$0.00
Roth 403(b)	\$0.00
After-Tax Deductions	\$0.00

Calculations	Current	Proposed #1
Federal Status/Allow	S/0	S/0
Gross Income per Paycheck	\$3,000.00	\$3,000.00
Pre-Tax Withdrawals		
Medical and Dental	\$250.00	\$250.00
403(b)	\$0.00 0%	\$568.18 18.9393%
Pension	\$231.00	\$231.00
Total Taxable	\$2,519.00	\$1,950.82
Taxation		
Federal Taxes	\$249.40	\$181.22
State Taxes	\$0.00	\$0.00
FICA	\$0.00	\$0.00
Medicare	\$39.87	\$39.87
Marginal Tax Bracket	12%	12%
Tax Savings	N/A	\$68.18
403(b) Roth	\$0.00 0%	\$0.00 0%
After-Tax Deductions	\$0.00	\$0.00
Net Pay	\$2,229.73	\$1,729.73
<i>Estimated Change in Take Home Pay:</i>		<i>(\$500.00)</i>

Questions?

Contact your agent today to set your appointment!

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

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