

Question of the Month

"I have been retired for several years and I am receiving a monthly pension from my employer. However, I recently received a letter offering me an opportunity to exchange my monthly pension check for an immediate lump sum. Should I accept this lump sum pension cash-out? Thank you. Fred"

Thank you for your question, Fred! This is a fairly common issue. The answer as to whether you should take a lump sum offer, or keep receiving your current pension checks, really depends on many factors that must be considered very carefully. The end game of evaluating all these factors is to find out which option best fits your unique situation and has the best chance of paying you the most money over your lifetime.

Retirement & Estate Planning



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I cannot make a formal recommendation to you without more information but, generally speaking, the lump sum option may be better if you (and your

spouse, if applicable) are in poor health and don't expect to live very long; you're certain that you can successfully invest and manage a lump sum to generate retirement income for the rest of your life; you're worried about the financial security of your pension plan; or, you don't need the monthly income and would like to use the money for other things.

Again, generally speaking, you should consider turning down the lump sum option and keeping the regular pension if you can't find an alternative plan to provide as much lifetime income; or you're concerned about the ability to successfully invest and manage the lump sum amount over your lifetime.

One thing for sure is that this is a major and very important decision with many factors to consider. I would definitely advise obtaining professional help when making this decision.

To learn more about this and to get answers to many more questions submitted by our readers and listeners, tune in next week to my educational radio show, the *It's Your Money Show*. Hear us on **WMEQ** (880 AM) on Thursday at 7:30am and Saturday at 9:00am, as well as on **WWIB** (103.7 FM) on Wednesday at 7:30pm and Saturday at 5:30pm. You can also obtain this information and independent advice for your specific situation by contacting me at **(715) 835-6022**, info@KeyStoneCV.com, or through our website, www.KeyStoneCV.com.

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