

The Mississippi Producers Newsletter

September 2025

You Don't Think It Will Happen To You

I know I have mentioned the need for Life Insurance a lot in my newsletters. You always think that you have time. Well let me be the first to admit, that time may catch up with you and you will not be protected. My family had a terrible scar earlier this month when my 51-year-old sister became deathly ill with congestive heart failure out of the blue. She has been in the hospital since the end of August and prayerfully getting out today (Sept 17th). She has a long road to recovery and will hopefully be able to return to her normal life. But what if she couldn't. What would happen if she did not make it? What would happen if she were not able to maintain her normal lifestyle? What would happen if she needed long term care? These are all questions most people ask when it is too late. I can tell you one thing, going through the past 20 days has made me feel more confident I did the right thing when I purchased a life insurance policy with a Quality-of-Life rider. This rider allows your insurance to provide you with funds to help pay for long-term care, health care costs, etc. if you were not able to perform 2 out of the 6 living functions. So even though I am led to help each and everyone of you to better prepare for retirement from the state, I also want to make sure you are prepared for retirement in general. Life insurance is a great way to leave a legacy to your beneficiaries.

So why do people put off buying life insurance?

"It costs too much; I can buy it later."

"I have enough life insurance coverage."

"I'm covered at work."

"Honestly, what are the odds of something?"

I felt this way at one time and I am glad I was proactive because once something like this happens to you, you may not be able to purchase life insurance. Then what?



I know that I mentioned my family's health scare with my sister (actually my twin sister) all ready. I had hoped to get this newsletter out by the first of the month but have been at the hospital on and off for the past few weeks. But I have actually seen so many deaths in many middle-aged individuals lately. I had a phone call just yesterday about a colleague who passed away at 52. And I have to hope that they had insurance in place in order to help cover their final expenses and ease the financial burden on their families.

These events also provided me with a great teaching point to my adult children of why you have life insurance. They fussed at me when I strongly encouraged them to purchase their life insurance policies. But am thankful now that their families will be covered if something were to happen to them. Why wouldn't anyone want to purchase a large, term life policy when they are young for less than \$30 a month with a conversion option later in life. If you ask me, it is a no brainer and everyone who is able should be covered. I know I wish I would have.

Check out our podcast "Navigating your Retirement" on our website www.themississippiproducers.com or your favorite Podcast platform and hear from state retirees/employees.

Until Next Month,
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“You cannot escape the responsibility of tomorrow by evading today.” ~ Abraham Lincoln

RETIREMENT OPTIONS

For the next couple of months, I will cover each of the Retirement Options along with pros/cons of each. This month we will discuss Option 2.

OPTION 2 - 100 Percent Joint and Survivor Annuity

Option 2 provides you with reduced monthly benefits for life compared to what you would receive under the Maximum Retirement Allowance Option so that, after your death, your beneficiary will receive the same monthly amount for life.

- You must name one beneficiary.
- Your beneficiary must be a person, not an estate, organization, or trust.
- You are not required to name your spouse as a beneficiary.
- You may not change your beneficiary once selected unless he or she dies or unless you divorce and your spouse is named as beneficiary. If so, you may apply to Pop-Up to the Maximum Retirement Allowance Option. In the event of a late filing, the recalculation of benefits can be retroactively effective for up to three months if the beneficiary dies.
- Your beneficiary's benefit may be limited by the Internal Revenue Service if the beneficiary is not your spouse. (See Appendix H of the PERS Members Handbook.)
- PLSO is available with this option, if you are eligible.

PROS

- 1) Retiree has a sense of confidence that survivor continues to receive 100% of Retiree's benefit and 100% of 13th check.
- 2) Partial lump sum available if eligible

CONS

- 1) Retiree gets reduced income and reduced 13th check.
- 2) Only one beneficiary.

THOUGHTS TO CONSIDER IF CHOOSING OPTION 2

- 1) Purchasing life insurance to leave to your beneficiaries
- 2) Investing the Partial Lump Sum

POP UP/POP DOWN PROVISIONS

POP UP PROVISION – allows a retiree who selected Option 2, Option 4, or Option 4A to change to the Maximum Retirement Option if the designated beneficiary dies before the retiree or if the retiree divorces the designated beneficiary.



We would love to speak at your school about planning for retirement. Contact me today to schedule a time and date.

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