



CCP Releases a New White Paper on Threat to Retirement Plans

Danbury CT, December 15, 2009, **Corporate Compensation Plans** (CCP) released its new White Paper on Health Related Events that can Devastate **Retirement Plans**.

"The real threat to individuals' **retirement security**," said Philip Davis, CCP's President, "is **not** market risk but **disability** risk – the risk of becoming disabled before retirement and the risk of being disabled after retirement and needing **long term health care**."

For example, when people become disabled before retirement, contributions to their qualified and nonqualified retirement plans **stop**. As a result, they can suffer devastating **losses** in their retirement benefits projected for age 65 – the time when payments from their **disability insurance plans** usually end. For example:

Potential Loss in Retirement Assets from a Disability

<u>Age disabled</u>	<u>Annual Contribution*</u>	<u>Loss of Assets at age 65 @ 6%</u>
35	\$20,000	\$1,676,000
	\$75,000	\$6,285,000
45	\$20,000	\$ 779,000
	\$75,000	\$2,924,000
55	\$20,000	\$ 279,000
	\$75,000	\$1,047,000

*Contributions to qualified and nonqualified retirement plans.

"Equally serious," said Tracy Shaw, Senior Vice President at **CCP**, "is that the **costs of long term health care** – which can run over a million dollars for 24/7 care resulting from a serious injury or stroke, or illnesses such as Parkinson's and Alzheimer's – can **devastate** retirement income. The result is that the family will have to live on less, or that assets earmarked for their security will have to be liquidated to pay care costs. In either event their retirement plan will have failed them." She added, "The fact that **70** out of **100** people over 65 will need **long term health care** during their lifetimes means that the majority of retirees will be forced to spend some, or all, of their retirement income on care costs rather than for their own benefit."

CCP's White Paper discusses how these threats have turned most retirement plans into health lotteries rather than programs offering certainty and guarantees. It also examines how **tax-advantaged** disability and **long term care insurance** can eliminate these threats and how they can be offered by employers on a **cost-neutral** basis.

Click [here](#) to view the White Paper, "Two Devastating Events that can Cause Retirement Plans to Fail"

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