FULL CIRCLE
Financial Services Limited

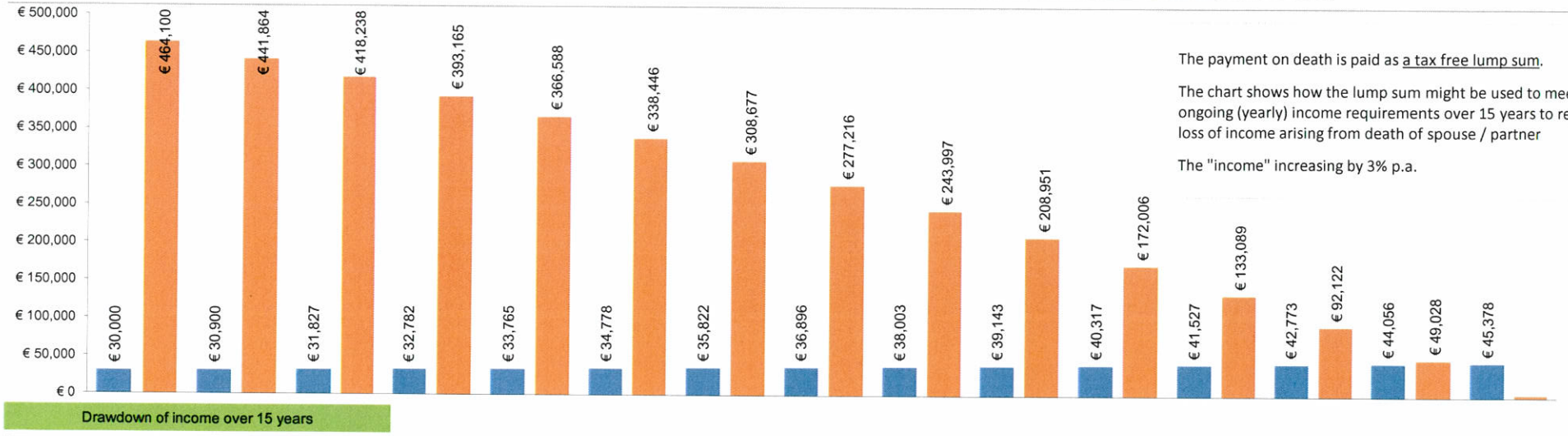
Replacing the INCOME on the premature death of spouse / partner

Prepared by Full Circle Financial Services Limited - indicative illustration

When a spouse / partner dies the emotional consequences aside the family "loses an income". That income needs to be replaced. The table below indicates how the payment of a "Tax Free Cash Lump Sum" via a Life Assurance Policy can replace the loss of income to the family. The chart below shows how if this 'Lump Sum' was invested (earning modest interest) and the beneficiary then drew down an income (CPI increases as shown) that this lump sum would be sufficient to meet the identified loss of income in the event of a premature death of a spouse / partner.

Assumptions for Mr Sample Client	Date of Birth	01 Jun 1979	Age Next Birthday	38	Protection Term	**15 years**

Target Term	Youngest child being 25 when plan expires / renewed		Target ANNUAL Income Now Required	€ 30,000	
Target Monthly Income Required	**€ 5,000**		CPI increases (indicative)	3.00%	
Less Mortgage Repayments (no longer applicable)	€ 1,400	*(mortgage cleared via separate life plan)*	Income to be replaced for:-	**15 years**	
Net Income Required	€ 3,600		Target Lump Sum Required	**€ 485,000**	Investment Return of 2 % p.a.
Less (indicative) Social Welfare Benefits	€ 1,100		Offset other 'Liquid assets'	€ 0	
Target Monthly Income NOW REQUIRED	**€ 2,500**				
Target ANNUAL Income Now Required	**€ 30,000** p.a.		Life Cover (Lump Sum Required)	**€ 485,000**	



The payment on death is paid as a tax free lump sum.

The chart shows how the lump sum might be used to meet the ongoing (yearly) income requirements over 15 years to replace the loss of income arising from death of spouse / partner

The "income" increasing by 3% p.a.

Chart Legend

The 'notional' income being drawn down by the family to meet the loss of income (on premature death of spouse / partner)

Tax Free Lump Sum (reducing year on year as income stripped out of the life cover)