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## SENIORS

### Handbook discusses complications of lump sum payment

HARRY ROSENTHAL  
OVER 50



When you are in the 50 or 60 age range, a lump sum payment is a great idea. It gives you the full amount of money you need to live on. But there are some complications that you need to know about.

retirement offers in their life that, in the words of the Godfather, they can't refuse.

These offers are accompanied by a lump sum payment. Should you take the pension in a lump sum and manage the money yourself, or stick with the familiar monthly check? Each has advantages and disadvantages.

Lump sum payment and its many tax advantages became popular after 1974 when Congress passed ERISA — the Employee Retirement Income Security Act.

Under ERISA, the employee can offer a lump sum to a worker who is at least 55, has left the company or become disabled and who has participated in the plan for at least 5 years. The employee must

receive the money within one taxable year.

There are dozens of books about planning for retirement. But "The Lump Sum Handbook," published by Prentice Hall, is the first devoted exclusively to a lump sum payment by thousands of employees.

Author Anthony Gallo is a senior vice president, financial consultant, and portfolio manager for a large brokerage and financial services firm. He's assisted retirees for some of the country's largest corporations.

"I've seen just about all the bad things that people can do to themselves," Gallo writes. "I have heard about people losing their pension, about the planning, about making investments that blew away all their money, retiring too soon and depleting their lump sum."

But, he says, he's seen a lot of good things, too. "People who are able to take a lump sum, try it over time, and create real financial wealth for their families," he says.

Gallo's first example is a man who has the option of taking the lump sum of \$140,000 or a monthly pension of \$1,100, with had \$100,000 as his widow after her death. He chooses the monthly pension and dies two months later.

"Not a good deal," Gallo says. If the man had invested the lump sum, it would have earned \$100,000 in interest and left the \$140,000 intact as an inheritance to his family.

The book describes how a lump sum is computed, invested and distributed. The employee will send a check to an insurance company, which will, in turn, promise to pay you and your spouse a specific amount of money each month for the rest of your lives.

Five subjects in personal finance are as complicated as the lump sum, which requires knowledge of tax, investment, retirement planning, and estate planning, among others.

Almost everybody needs some expert help.

It is not a process that can be successfully negotiated alone, Gallo writes. "You are creating your own personal plan. Ask yourself: Am I qualified to do this? If not, can I get the help I need?"

You no longer have the security of a paycheck to see you through a difficult period.

Gallo made the book with a plan for a change in the tax laws which he calls "ridiculously complex and often vague."

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### League keeps him on the ball

72-year-old still playing in Battell Center softball

By MARY PAT REAL  
SOUTH BEND

South Bend — As a child, Chester Schia first heard the sweet crack of ball on bat when watching his father play. Now, 72, he still plays in the Battell Center softball league.

"I don't care who you are, but we just wanted to play ball," said the 72-year-old Schia. "I don't care who you are, but we just wanted to play ball."

of softball. A slow pitch league he has organized for the past three years.

The senior softball players have a motto, Schia said. "You don't stop playing because you're old. You just stop because you stop playing."

When I came out five years ago, I didn't know if I could do it. But I found out I could do it with a little help from my friends.

Schia said he was born in Italy and came to the U.S. as a child. He played baseball in high school and college. He was a pitcher and a catcher.

ready for a game of softball, Chester Schia poses with his bat.

Schia is a member of the Battell Center softball league. He plays for the "A" team. He is a pitcher and a catcher.

### More than finances in retirement plans

KENT COLLINS  
SOUTH BEND

A retired wife's secret letter to her husband about retirement plans is a letter that says, "I love you."

At the age of 65, Collins is a retired wife. She has been married for 35 years. She is a member of the Battell Center softball league.

Instead, at 65 years into his retirement, I think mostly of my wife. I think of her as a woman who has been with me for 35 years. I think of her as a woman who has been with me for 35 years.

What advice do you have for me? I have a lot of advice for you. I have a lot of advice for you. I have a lot of advice for you.

ANSWER: Not much. In most retirement plans, you have to pay for your retirement. You have to pay for your retirement. You have to pay for your retirement.

What advice do you have for me? I have a lot of advice for you. I have a lot of advice for you. I have a lot of advice for you.

### Fiscal planning vital for women over '50

DENVER AP — Women have come a long way in the past few decades, but they still have a long financial road to go.

Planning ahead for a variety of contingencies is the key to financial success, says a financial planner.

and characteristics, such as whether they are married or single, or whether they have children.

modifying your financial habits now.

SENIOR NOTEBOOK

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### State taxes complicate search for retirement home

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