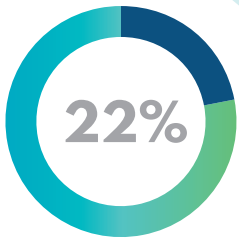


# WHICH ANNUITY IS RIGHT FOR ME?

## An overview of ways to establish predictable lifetime income

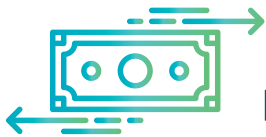
In the past, many Americans relied on employer-sponsored pensions to address income needs in retirement; today, only **22 percent of workers** have access to such defined benefit plans.<sup>1</sup> Annuities can fill the gap by creating a guaranteed\* income stream that doesn't decrease or run out, no matter how long you live.



Unfortunately, annuities are often misunderstood — one reason is that there are various types of annuities that work differently to provide options to retirees and future retirees based on their specific financial circumstances.

Answer the following questions to better understand the different types of annuities and help determine which may be the right fit for you.

Do you need income now or later?



**NOW**

**Immediate annuities** allow you to pay a lump sum in return for regular income payments, which typically start within 12 months of contract signature. Payments can be received over a set number of years, or they can last for the rest of your life or your spouse's life.

What type of payout do you need?

- Fixed** → The amount of income received each month is a set amount that will stay the same throughout the term of the annuity contract.
- Inflation-Adjusted** → Using a predetermined formula usually tied to changes in the consumer price index (CPI), the insurance company delivers an income stream that will rise over time and as inflation continues.
- Variable** → The amount of income received will depend on the performance of a portfolio of underlying investments, usually stock and bond mutual funds. This means the payment will vary each month, or it will at least reset once a year.

Once you have decided which type of annuity is best suited to your situation, an experienced financial professional can suggest products that will help you meet your financial goals in retirement.



**LATER**

**Deferred annuities** delay payments until a future date of more than one year — even up to 40 years in the future. You pay a lump sum now or a series of principal payments in exchange for guaranteed\* lifetime income later.

What is your accumulation need?



**LOW**

**Fixed annuities** pay a guaranteed rate of interest that in many cases is higher than a bank CD or savings account. The principal is protected from market trends, providing a safe haven for your assets. You can defer income or draw income immediately. Keep in mind that interest credited to the annuity grows tax-deferred until it's withdrawn.



**MODERATE**

**Fixed indexed annuities** provide asset protection with more upside potential. Because your principal is not invested in the markets, it won't lose value. Rather, interest earned is tied to the performance of a market-based index. When the index goes up, a portion of the gain is credited to the annuity; if the market drops, the annuity realizes zero gain but is protected from loss.



**HIGH**

**Variable annuities** provide the most upside potential. However, the account value can grow or shrink, mirroring market conditions, because the principal is invested in subaccounts and therefore at risk. There is no limit to nonqualified contributions, which may make this option attractive to those who have maxed out other retirement savings options.

\*Guarantees backed by the claims-paying ability of the issuing insurance company.

<sup>1</sup> "Report on the Economic Well-Being of U.S. Households in 2018," Board of Governors of the Federal Reserve System, May 2019. This material has been prepared for informational and educational purposes only. Agents may not give tax, legal, accounting or investment advice. Individuals should consult with a professional specializing in these areas regarding the applicability of this information to his/her situation. Agents must be life insurance licensed to sell fixed and fixed indexed annuities. Variable annuities are registered products and may only be sold by securities licensed advisors. Contact your financial professional with questions or for confirmation of appropriate licensure.