



COVER YOUR BASIC EXPENSES: PROTECTED LIFETIME INCOME FOR ESSENTIAL EXPENSES

CASE STUDY: RETIRED WOMAN

- Lives in Florida
- 70 years old
- \$400,000 in assets

EXPENSES BASED ON FLORIDA AVERAGES AND ASSUMPTIONS

- **Rental in Florida:** \$11,220 (\$933/mo)
- **Health Insurance Cost:** \$5,500 (\$458/mo)
- **Utilities:** \$3,000 (\$250/mo)
- **Transportation Spending:** \$2,200 (\$183/mo)
- **Annual Groceries Cost:** \$2,800 (\$233/mo)

TOTAL BASIC EXPENSES: \$24,700 (\$2,058/mo)

Social Security: \$18,600 (\$1,550/mo)

SHORTFALL: \$6,100 (\$508/mo)

ADD AN ANNUITY TO COVER YOUR BASICS

If she purchases an annuity for \$100,000 (25% of her assets), it could generate protected lifetime income of \$6,211 (\$517/mo).¹ She will cover her BASICS so she doesn't have to worry about her current basic living expenses, and she still has \$300,000 in probable income to withdraw to pay for other expenses.

EDUCATIONAL COMMENTARY

For consumers

1. Data sourced by CANNEX Financial Exchanges Limited as of June 5, 2020. The estimated annual income amount of \$6,211 is for a single premium immediate annuity (SPIA). This is based on an average of the top five highest annual income amounts from 16 insurance companies that provided data to CANNEX Financial Exchanges Limited. The data reflects a single life annuity with annual payments, with a premium of \$100,000, for a female annuitant born on June 5, 1950, who resides in Florida. This is for illustrative purposes only. Please contact a financial professional for information on costs and details on annuity options available to you.

Expenses are based on state averages, U.S. Census Data and certain assumptions.

Annuities are long-term investments designed for retirement purposes. The value of variable annuities is subject to market risk and will fluctuate. Product guarantees are subject to the claims-paying ability of the issuing insurance company.

Earnings, when withdrawn, are subject to federal and/or state income tax, including a 10% tax penalty for withdrawals before age 59½.

Some income guarantees offered with annuities take the form of optional riders and carry charges in addition to the fees and charges associated with annuity products.

There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses. Investments in annuity contracts may not be suitable for all investors.

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