

# **INCOME** ALLOCATION

*It's Time to Enhance Your Retirement Security*







# WELCOME

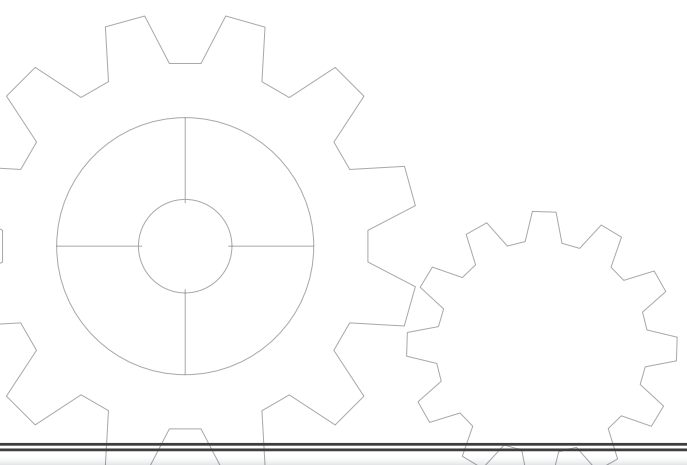
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Thank you for joining us for the Income Allocation workshop. Today we will examine the perils of Longevity Risk (the chance you'll outlive your resources) and Sequence Risk (the impact of a bear market occurring just before or after your retire) and Withdrawal Risk (the risk of depleting your portfolio too quickly).

Income Allocation is a retirement income strategy designed to replace worry and doubt for retirees with more confidence and clarity. It challenges traditional planning concepts like asset allocation and introduces financial strategies that provide guaranteed income sources that you cannot outlive.

This session is designed to provide an overview to help educate you on how financial product innovations and new thinking has created the opportunity to allocate a portion of your portfolio to locking in certain cash flow, leaving the remainder for ongoing investing and spending for a more enjoyable retirement.

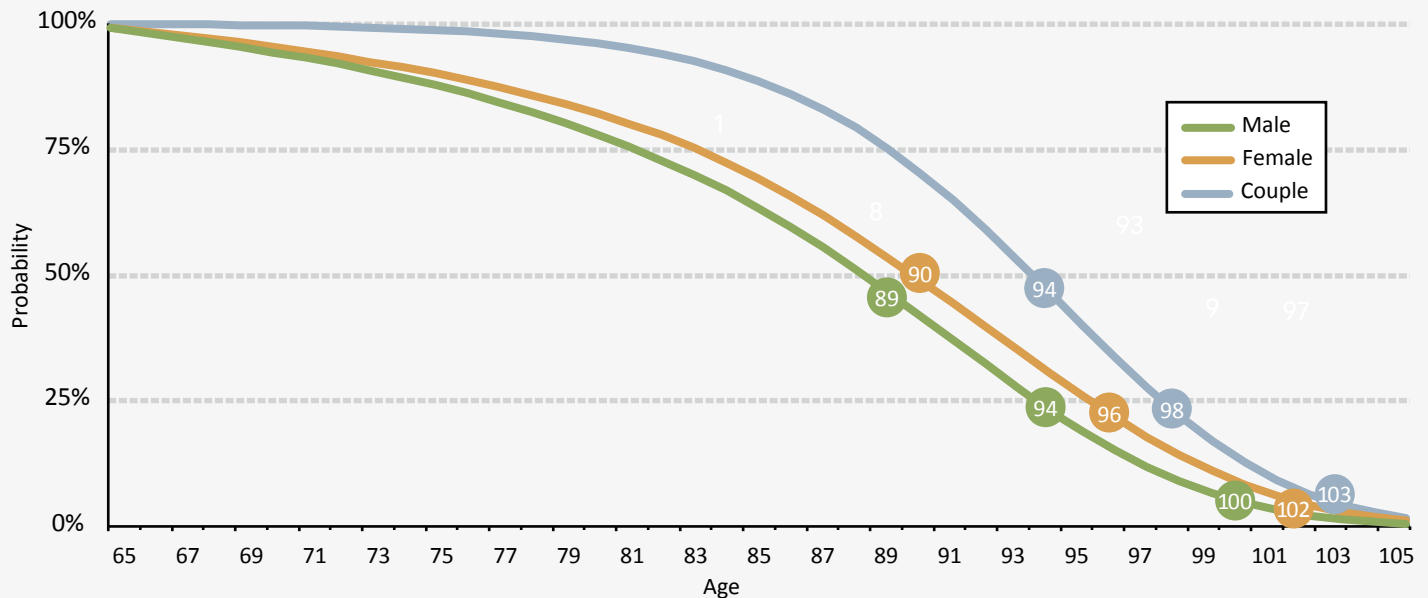
Thank you again for joining us today. After our time together, you will have the opportunity to schedule a private meeting to explore how strategies utilizing various financial and insurance products can help you meet your specific retirement income needs.



*Any guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.*

# THE REAL RISK OF LONGEVITY

## PROBABILITY OF 65-YEAR-OLDS SURVIVING TO SELECT AGES



Note: "Couple" assumes lives are independent. Health is assumed to be average in all cases.

Source: Life Expectancies are based upon 2012 IAM Basic Mortality Table.

According to the 2012 IAM Basic Mortality Table, one out of four 65-year-old men of average health will live to age 94, while one out of four 65-year-old women will live to age 96. For married couples, there is almost even chance that one of them will live to celebrate a 94th birthday, a one in four chance that one or both will reach age 98, and a 5% chance that one will celebrate his or her 103rd birthday.

The reality is retirees today have a realistic possibility to living to at least, and possibly beyond, the average life expectancy. And with people living longer, the chances of outliving your financial resources increase. We refer to this as longevity risk. Longevity Risk as it relates to retirement income is the risk of potentially outliving one's assets during retirement due to the increasing average life expectancy.

What steps have you taken within your retirement income plan to help ensure longevity risk is accounted for?

There are strategies that can be implemented that can significantly reduce or even eliminate longevity risk all together. Through the use of fixed index annuities (FIAs), you can guarantee you won't outlive your income stream, ensure your spouse doesn't take a significant reduction in income, and even in some cases account for inflation concerns with increasing income potential.

Ask your financial professional today for more information, and reduce your longevity risk in retirement.

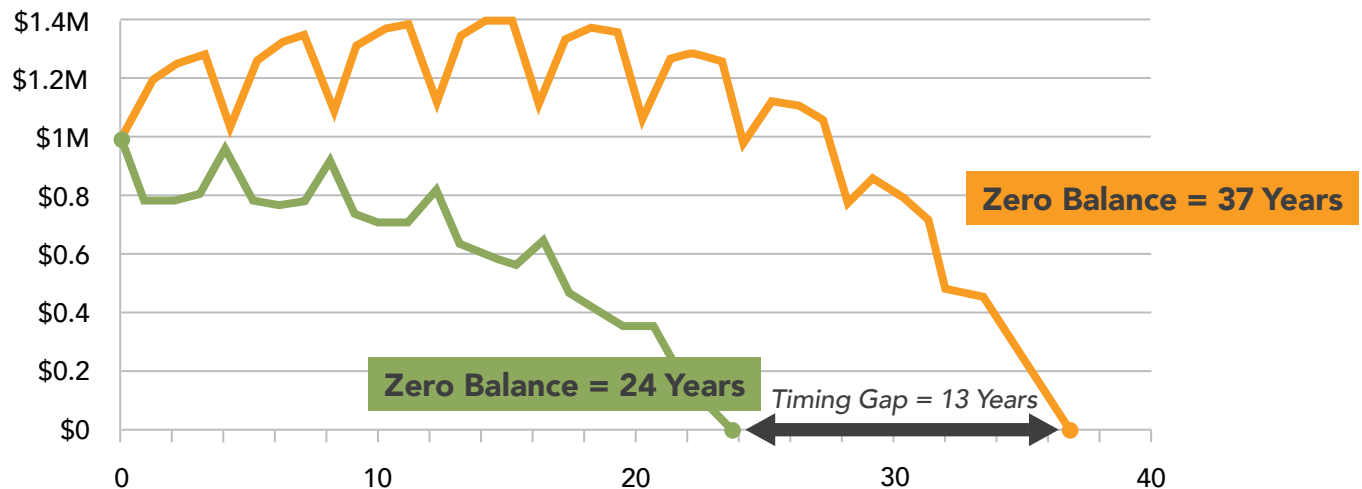
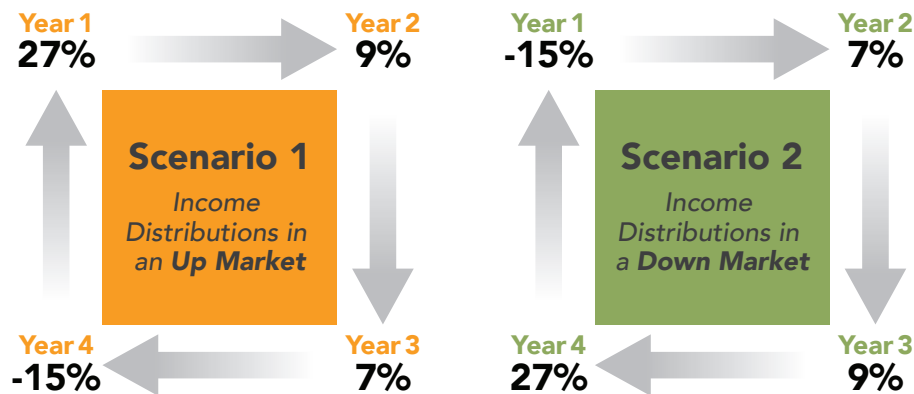
Fixed index annuities are designed to meet long-term needs for retirement income. Early withdrawals may result in loss of principal and credited interest due to surrender charges. Withdrawals are subject to ordinary income tax and, if taken prior to 59½, a 10% federal tax penalty. Guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.



# SEQUENCE OF RETURNS

## HYPOTHETICAL CASE STUDY

John & Jane, Age 60 • \$1,000,000 Life Savings • Annual Withdrawals: \$50,000 Adjusted 3.5% annually for inflation. Considering continued market uncertainty, let's explore how long John & Jane could expect their retirement nest egg to last under up and down market scenarios at the onset of withdrawing income.



As illustrated above, by starting retirement in a down market versus an up market, John & Jane's retirement income could run out 13 years sooner. One way to address sequence-of-returns risk and also obtain guaranteed retirement income that cannot be outlived is through the use of a fixed index annuity. These long-term retirement income vehicles offer tax-deferred growth potential and a death benefit for beneficiaries during the accumulation phase. Maybe it's time to explore your options to help ensure financial reassurance in retirement.

*These are hypothetical examples for illustrative purposes only. The hypothetical returns are not indicative of actual market performance. Actual market returns will vary. This is not intended to project the performance of any specific investment or index. It is not possible to invest directly in an index. If this were an actual product, the returns may be reduced by certain fees and expenses.*

*Withdrawals taken from fixed index annuities are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax. Guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.*



# CURRENT RETIREMENT ASSESSMENT

WHAT'S YOUR RETIREMENT NUMBER? [ \$ \_\_\_\_\_\* ]

*\*Total Retirement Savings Goal or Current Total Assets, if Retired.*

<input type="text"/>	—	<input type="text"/>	=	<input type="text"/>
<b>AGE</b> of the <b>OLDEST</b> person you know?		<b>AGE</b> you want to retire?		<b>ESTIMATED # OF YEARS</b> you may need your retirement income

<input type="text"/>	—	<input type="text"/>	=	<input type="text"/>
<b>ESTIMATED \$ NEEDED</b> per year during retirement		<b>\$ PER YEAR COVERED</b> by Guaranteed Income sources		<b>ANNUAL GUARANTEED INCOME GAP</b> (Shortfall)

How do we fill the income gap for \_\_\_\_\_ years, using \$ \_\_\_\_\_ of your retirement savings goal or current total retirement assets if currently retired, to fill a \$ \_\_\_\_\_ annual income shortfall without exhausting your resources?

Now may be a good time to explore your options, such as fixed index annuities, to help ensure your financial security through retirement.

*Fixed index annuities are designed to meet long-term needs for retirement income. Early withdrawals may result in loss of principal and credited interest due to surrender charges. Any distributions may be subject to ordinary income tax and, if taken prior to age 59 ½, an additional 10% federal tax. Guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.*







