

GENERATING RETIREMENT INCOME



UNDERSTANDING YOUR OPTIONS

The information below provides a general description of several income options, comparing key features and highlights of important considerations.

WHAT ARE THE KEY FEATURES?

- **Income Guarantees** – Power of premium dollars to generate lifetime income guarantees
- **Legacy Protection** – Ability to maintain wealth for the next generation if income is not needed
- **Flexibility** – Ability to access and transfer assets

MANAGED ACCOUNT

Benefits:

- + Maximum control and liquidity
- + Capital gains treatment (non-qualified)
- + Step-up in basis on death (non-qualified)

Drawbacks:

- Subject to market volatility
- Income is not guaranteed, potential to outlive assets
- Rely on “safe” withdrawal rates and account performance to provide income

Individual Profile:

- Desires maximum control and access to funds
- Low to moderate life expectancy
- Sufficient income guarantees from Social Security, pensions, etc.

FEATURES	STRENGTH
Income Guarantees	★★
Legacy Protection	★★★★
Flexibility	★★★★★

SINGLE PREMIUM IMMEDIATE ANNUITY OR DEFERRED INCOME ANNUITY

Benefits:

- + Generally, provides the highest lifetime income guarantee
- + Inflation protection available
- + Exclusion ratio (non-qualified)
- + Ability to add death benefit features

Drawbacks:

- No tangible cash value, illiquid
- Irrevocable and non-transferrable
- Generally, no additional premiums allowable

Individual Profile:

- Conservative investor
- Desire for maximum income guarantees
- Low liquidity needs
- Moderate to long life expectancy

FEATURES	STRENGTH
Income Guarantees	★★★★★
Legacy Protection	★
Flexibility	★

FIXED INDEXED ANNUITY WITH LIVING BENEFIT RIDER

Benefits:

- + Provides lifetime income guarantee
- + Potential for tangible cash value
- + Principal protection

Drawbacks:

- Limited upside potential
- No inflation protection
- Generally, no additional premiums allowable
- Gains subject to ordinary income taxation, last-in-first-out (LIFO) treatment

Individual Profile:

- Conservative to moderate investor
- Moderate to long life expectancy
- Interested in principal protection

FEATURES	STRENGTH
Income Guarantees	★★★
Legacy Protection	★★
Flexibility	★★★

VARIABLE ANNUITY WITH LIVING BENEFIT RIDER

Benefits:

- + Provides lifetime income guarantee
- + Potential for tangible cash value
- + Upside potential
- + Generally, additional premiums are allowable

Drawbacks:

- Generally, more expensive compared to other solutions
- No inflation protection
- Gains subject to ordinary income taxation, last-in-first-out (LIFO) treatment

Individual Profile:

- Moderate to aggressive investor
- Moderate to long life expectancy
- Interested in upside potential

FEATURES	STRENGTH
Income Guarantees	★★★★
Legacy Protection	★★★
Flexibility	★★★

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DISCLOSURES:

The material contained herein is for informational purposes only and is not intended to provide specific advice or recommendations for any individual nor does it take into account the particular investment objectives, financial situation, or needs of individual investors. Individuals are advised to seek the advice of a qualified professional before pursuing any idea contemplated herein.

For more details about these income protection options, please consult with a qualified professional as well as any available resources including product materials, contracts, and/or prospectuses, if applicable.

These materials contain information about the features, risks, charges and expenses of each option. Please consider this information carefully. Solution availability and features may vary by state.

Guarantees are based on the claims-paying ability of the issuing company.

“Strength” assessments are educational in nature and intended to serve as a general guideline and not a recommendation to purchase a specific product or service. They are based on ValMark’s analysis of selected key features and not an all-inclusive review of every available feature. These assessments reflect the relative strengths between the managed account and four annuity options presented. Information is provided solely as an incidental service to our affiliated insurance professionals, financial planners, and investment advisors.