

Money

HELP YOUR ASSETS REACH NEW HEIGHTS



DAVE MORTACH

At this point in human history, people are living longer than ever before. Based on studies by LIMRA, a worldwide financial organization, 25% of retirees will live into their 90s.¹ Not long ago, British gerontologist Aubrey de Grey claimed, "the first person to live to 150 has already been born."²

The possibility of living past 100 is so real that it is one of the biggest fears of retirees. Living longer has caused individual's savings and retirement incomes to be stretched to new heights. Unfortunately, this comes during an extremely unsettled stock market and interest rates that cannot keep up with inflation.

Here's what to do if you are approaching retirement and don't want to outlive your assets.

How to Not Outlive Your Money in Retirement

In the past, setting up a retirement withdrawal strategy involved taking a small percentage from a retiree's overall portfolio and letting the remaining capital continue to grow. These withdrawals, coupled with Social Security benefits and employer-sponsored pensions, were normally enough for individuals to live comfortably for the remainder of their golden years.

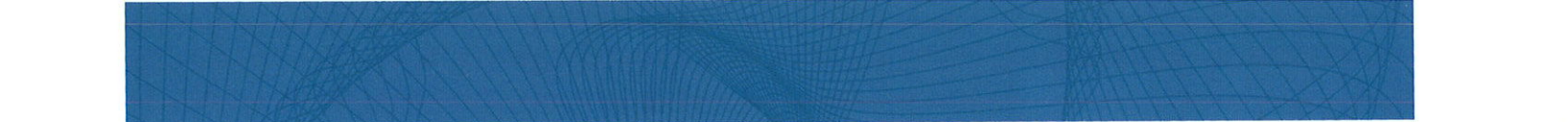
Today, things have changed. Because most companies no longer offer defined benefit pension plans, individuals must ensure that they have enough income for their retirement. Luckily, there is a way to manage your retirement income by investing in a fixed indexed annuity.

With a fixed indexed annuity, or FIA, income payments can be set up so that they will last for the remainder of your life. The income payment can be received on an annual, quarterly, or monthly basis. Having this type of control allows you to know exactly how much you have coming in, and how much can be allocated for living expenses.

Most fixed indexed annuities also allow you to choose a joint lifetime income option. This option lets you choose an individual to receive your retirement income for the remainder of their lives.

Additional FIA Advantages

In addition to income benefits, a fixed indexed annuity can offer an array of other advantages. For instance, during the accumulation phase these annuities provide their owners with the ability to take part in the growth of the underlying index. However, in down markets, investors are not subject to negative market performance. This occurs because contractual guarantees are based upon the insurer's claims-paying ability and financial strength of the issuing insurance company.



Also, funds are allowed to grow on a tax-deferred basis. This means that money can compound over time without being subject to income taxation until the time of withdrawal.

The Number One Fear in Retirement Solved

While longer life expectancies bring about various challenges in planning for retirement income, the right strategy can help you establish a lifetime income.

By taking control of your retirement income with a fixed indexed annuity, you will know how much income to expect and when you will receive it. You are also on track to solve the problem of outliving your assets. In doing so, you have less to worry about and more time to enjoy your retirement.

¹Limra, "The Real News on Life Expectancy and Planning," June 18, 2013

²Forbes, "The First Person to Live to 150 Has Already Been Born—Revisited," Feb. 2013

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