Using Living Benefits for Retirement Income

In a 2011 study by the National Institute on Retirement Security, 84% of respondents expressed concern that current economic conditions could affect their ability to retire comfortably, and 73% said stock market volatility makes it difficult to predict how much they could save by retirement.[1] Clearly, uneven market performance has increased anxiety about having an adequate retirement income.

Pensions once offered a stable income for a large percentage of retirees, but this has changed dramatically. In 1975, almost nine out of 10 private-sector workers had a traditional pension, compared with just one out of three in 2005.[2]

Purchasing the guaranteed living benefits that are available with some variable annuities (for an extra cost) is a potential way to establish a predictable income stream. Some investors may find that the increased stability may be worth the cost of these guarantees.

Guaranteed minimum accumulation benefit. The value of the annuity will not fall below a certain amount (usually equal to the amount of premiums paid, regardless of market performance) after a specified term.

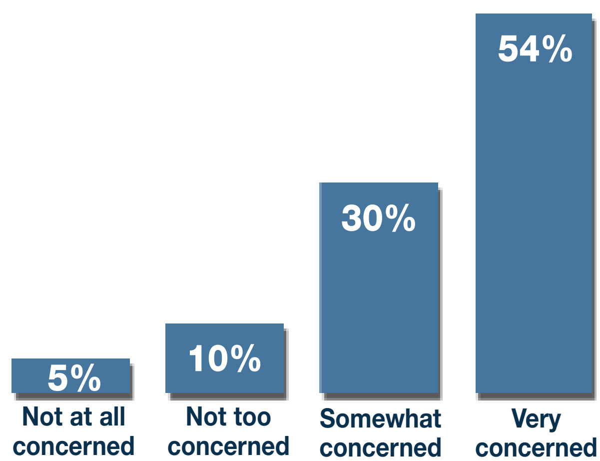
Guaranteed minimum income benefit. The income payment will be based on the greater of the actual contract value or a minimum amount. Benefit payments can begin after a specified waiting period.

Guaranteed minimum withdrawal benefit. A percentage of the annuity premiums paid can be withdrawn annually for a defined period of time (including life, if specified), regardless of market performance.

A variable annuity is a long-term investment vehicle designed for retirement purposes. There are contract limitations, fees, and charges associated with variable annuities, which can include mortality and expense risk charges, sales and surrender charges, investment management fees, administrative fees, and charges for optional benefits.

ECONOMY SPURS RETIREMENT CONCERNS

Here's how Americans age 25 and older responded when they were asked: "How concerned are you about current economic conditions affecting your ability to achieve a secure retirement?"



Source: National Institute on Retirement Security, 2011

Withdrawals reduce an annuity's living and death benefits and values. Variable annuities are not guaranteed by the FDIC or any other government agency; they are not deposits of, nor are they guaranteed or endorsed by, any bank or savings association. Withdrawals of annuity earnings are taxed as ordinary income and may be subject to surrender charges plus a 10% federal income tax penalty if made prior to age 59½. Any guarantees are contingent on the claims-paying ability of the issuing company. The investment return and principal value of an investment option are not guaranteed. Because variable annuity subaccounts fluctuate with changes in market conditions, the principal may be worth more or less than the original amount invested when the annuity is surrendered.

Variable annuities are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the variable annuity contract and the underlying investment options, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1–2) National Institute on Retirement Security, 2011