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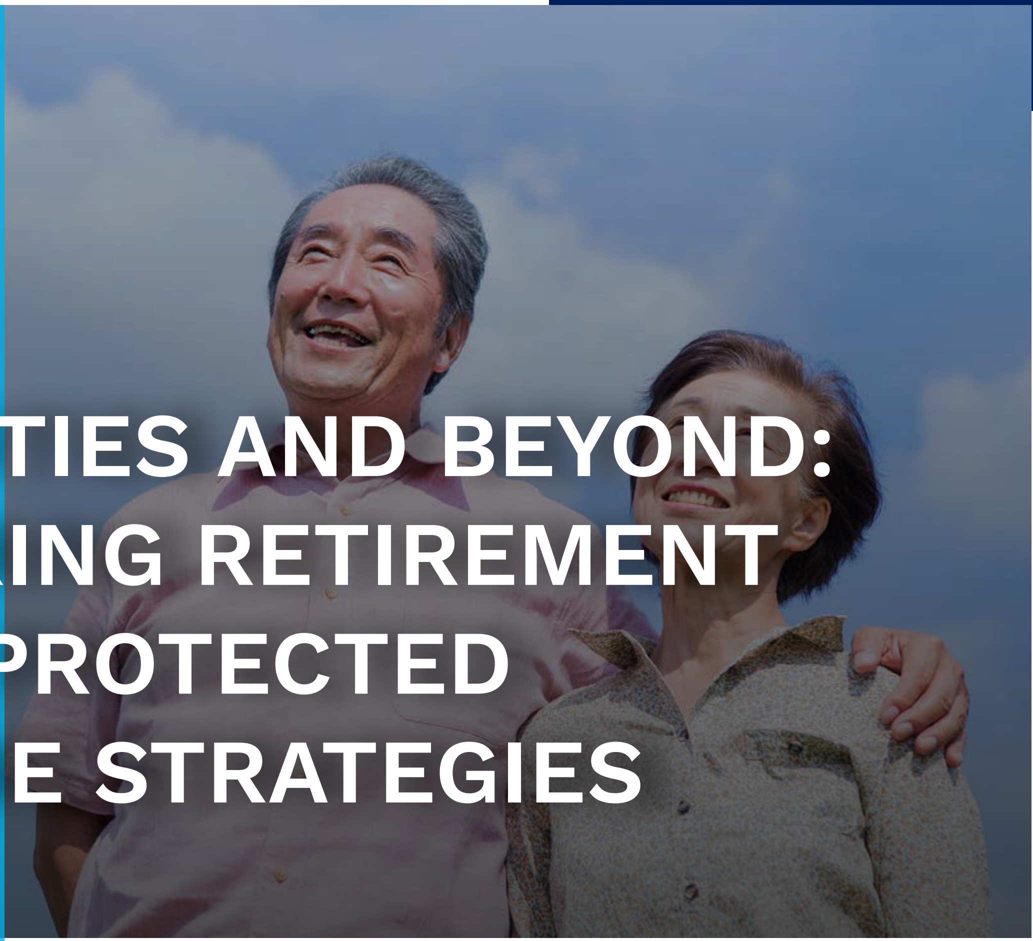

ANNUITIES AND BEYOND: SECURING RETIREMENT WITH PROTECTED INCOME STRATEGIES

Retirement should be a time of relaxation and enjoyment, not financial stress. However, achieving a comfortable retirement requires careful planning, particularly when it comes to generating retirement income.

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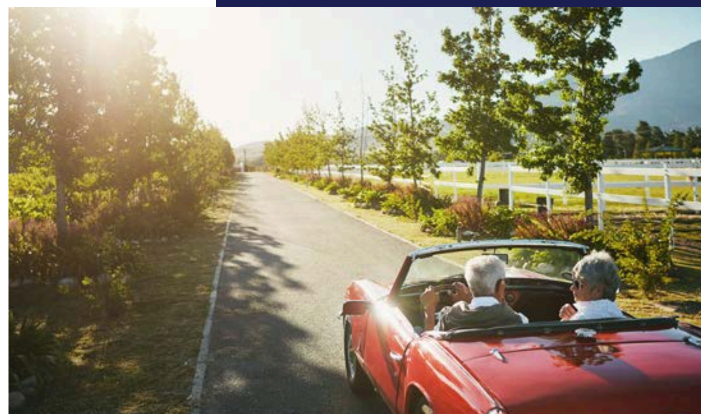
Social Security and pensions can cover a portion of this need, but often, additional strategies are necessary. This is where annuities can come in, serving as a "self-funded pension" that can provide guaranteed* income throughout retirement. Read on to learn how annuities can work alongside Social Security and pensions to help transform your retirement planning.

***Guarantees are provided by the financial strength of the insurance company providing the annuity.**



Knowing Your Needs

When planning for income replacement, a lot of this depends on your planned lifestyle in retirement, and the budget that lifestyle will require.

This is where understanding your replacement ratio is key. This ratio helps determine how much of your pre-retirement income you need to replace. Generally, individuals with higher incomes before retirement need a lower percentage of that income once retired.

For instance, if before retiring every month you have a sizable amount of disposable income left, you probably won't need to replace 100% of your current income to maintain your lifestyle post-retirement. Compare that to if you're living paycheck to paycheck. In that case, you're going to need around the same amount of income as you did before.

Leveraging Protected Income

One of the biggest challenges for future retirees is how to get through retirement while minimizing volatility or risk in their portfolio. The goal is to lower the reliance on your investment portfolio so any potential volatility does not impact your ability to fund your lifestyle. To help achieve a secure retirement, a mix of protected income sources can be ideal. Commonly utilized sources include Social Security and pensions (if your employer still offers them). However, while these are both great sources to use in your retirement plan, they may not be enough. Especially when pensions aren't widely offered anymore, and Social Security is set to be depleted by the 2030s unless changes are made to how it's funded.

This is where annuities can be a beneficial part of some people's retirement plan, depending on the situation. Annuities are a contract between you and an insurance company, and there are many different types of annuities. Fixed indexed annuities (FIA)s provide the potential for market growth based on the performance of an index such as the S&P 500, but are not actually invested in the market. With FIAs, if the market is down, the lowest credited amount on your contract is 0%, which means your annuity has protection from stock market volatility.

By integrating an annuity into an overall retirement plan, a financial advisor can coordinate this income with other protected sources, like Social Security and pensions, to help ensure you have enough income throughout retirement without having to withdraw money from market investments when the stock market is volatile or down.

Navigating Annuities

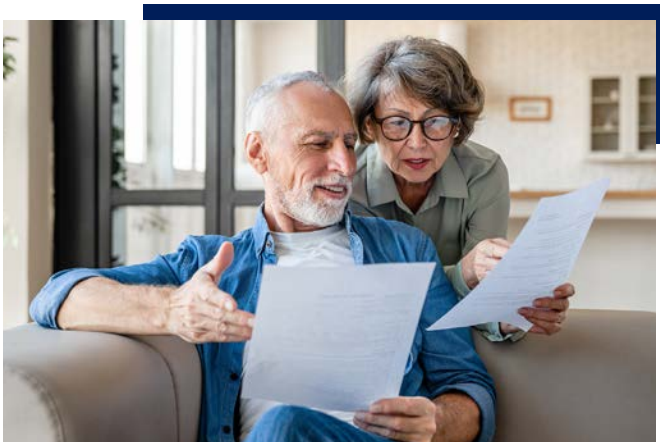
Deciding whether annuities are the right choice for your retirement strategy requires careful consideration and planning. Meeting with a financial advisor can help you navigate key factors such as:

- **Your Financial Needs:** Determining how much income needs to be replaced.
- **Timing:** Planning the start of the guaranteed income stream.
- **Tax Implications:** Considering the tax treatment, which is based on whether you use qualified or non-qualified funds to purchase the annuity.

Remember, just like any financial vehicle, there are risks and downsides, and not all annuities are the same. It's important to understand the fine print in any annuity contract before you purchase.

Here are some things to watch for:

- **High Expenses:** Costs can erode an annuity's potential returns. Complex contracts make understanding full internal expenses difficult for the average person—it's recommended you work with a financial advisor to help you, especially a fiduciary.
- **Not Liquid:** The money invested in an annuity is usually not accessible until that annuity payout begins. And if you wish to cancel an annuity contract, you can incur high surrender charges for the first 10 years or so, or however long the surrender period lasts per your annuity contract language.
- **Possibility of Insurer Defaulting:** Annuities are guaranteed by the issuing insurance company, but defaults can occur. State guaranty associations serve as a backup. It's important to check an insurer's financial solvency before purchasing an annuity.
- **Highly Complex:** Complex contractual language makes it difficult to understand rights, responsibilities, and value. There are different types of annuities as well, and significant variations between annuities complicate comparisons.



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We're here to guide you in planning your retirement, including the generation of retirement income from protected income sources.

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