

# Turning 65?

The Golden Years should be the best years of your life... with proper planning, it can be!

# Things to Consider

People do not plan to fail... they fail to plan

Remember, if you do not have a plan in place...  
your Local, State, and Federal Government  
have a plan already in place for you.

It's the difference between keeping your affairs  
private or having them become public.

# Legal Documentation

- Wills?
- Living Wills?
- Power of Attorneys?
- Durable Power of Attorneys?
- Medical Directives?
- Trusts?

Not any Attorney will do, you need an Attorney specializing in Estate Planning and Elderly Law

# Medical Planning

- Medicare
- Part A – Hospitalization
- Part B – Outpatient Care
- Part C – Medicare Advantage
- Part D – Prescription Drug Program
- Medicare Supplement
- Long Term Care

# Financial Planning

- Financial Advisors have different areas of expertise
- Accumulation / Investing
- Decumulation / Distribution
- RICP – Retirement Income Certified Professional
- Only designation specializing in clients about to or who are already retired.
- The risk factors associated with older age clients

# Savings & Retirement

*When it comes to your  
retirement...*

*What keeps you up at Night?*

# Savings & Retirement

## Accumulation Phase

- Growth

## Distribution Phase

- Income

# Additional Considerations

Must Provide Future Increases for Income

- Hedge Against Future Inflation
- Taxation
- Cost of Living Increases
- Medical Expenses as You Get Older



# Savings & Retirement

*Retirement is like a Box of Chocolates...*

*You never know what you're going to get  
until the Day you Retire!*

*If you don't know... how can you plan for  
retirement?*

# Savings & Retirement

- Stocks
- Bonds
- Mutual Funds
- CDs
- Savings
- Checking
- IRA
- 401(k)
- Annuities
- EFTs
- 403(b)

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Sinking Fund

# Let's Add Risk Factors to Retirement

- Longevity Risk
- Deflation Risk
- Market Risk
- Withdrawal Rate Risk
- Order of Returns Risk
- Long Term Care Risk
- Mortality Risk (Death)
- Inflation Risk
- Regulatory Risk
- Taxation Risk

# Increased Risk Factors in Retirement

The longer you live, the more likely:

- The market will crash
- You'll withdraw too much
- We'll have inflation
- You'll need Long-Term Care

\* Longevity Risk is the single greatest multiplier of the other risk factors combined.

# One Simple Change... Can Transform Everything

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- Bonds
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- Checking
- IRA
- 401(k)
- **Annuities**
- EFTs
- 403(b)

As you begin to receive distribution, when the account balance reaches zero...

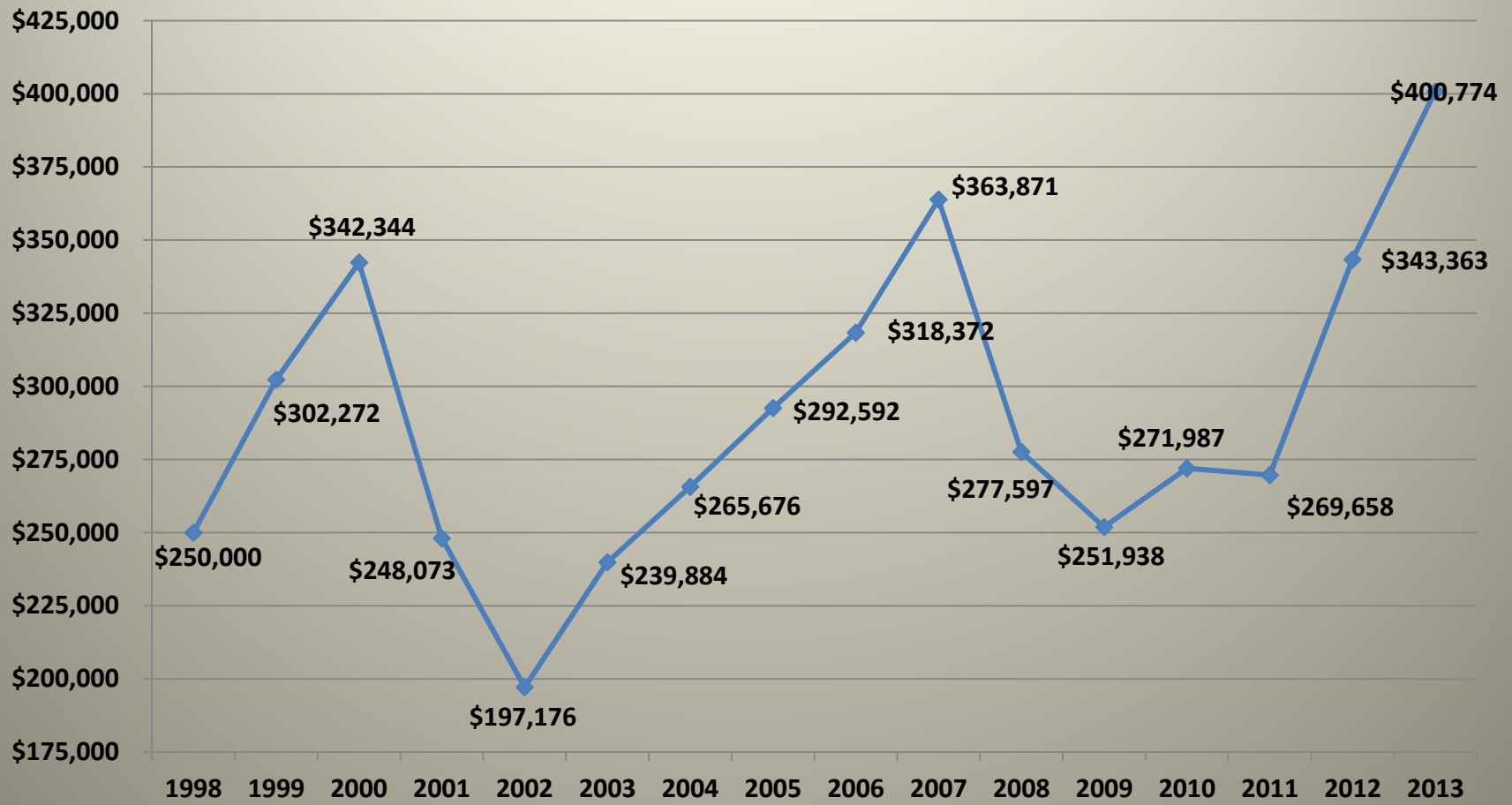
your income **STOPS!**

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You just created a Sinking Fund

## Income Benefit Rider

- Principal Protection until income is selected
- Immediate 10% Bonus
- 7% Roll Up Rate which is compounding until you Retire
- Participate in market performance
- Market gains are locked in Annually
- Protection against Market Losses
- Income is guaranteed as long as you live
- Any balance upon death is paid to your beneficiary
- Long Term Care benefit that will increase income as much as 100% for a 5 year period, then reverts back to your original income

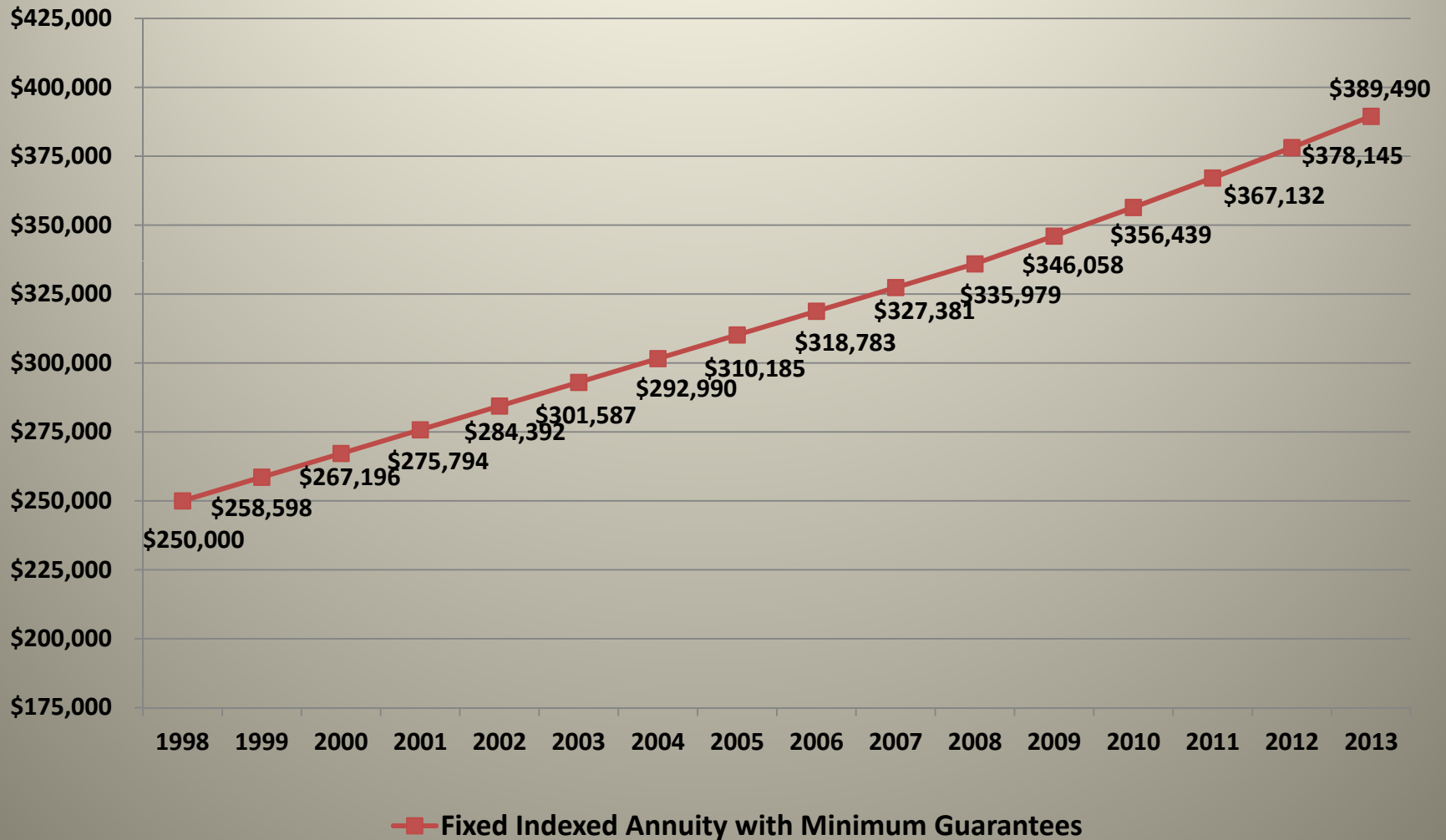
# S&P 500 Index<sup>®</sup> Performance



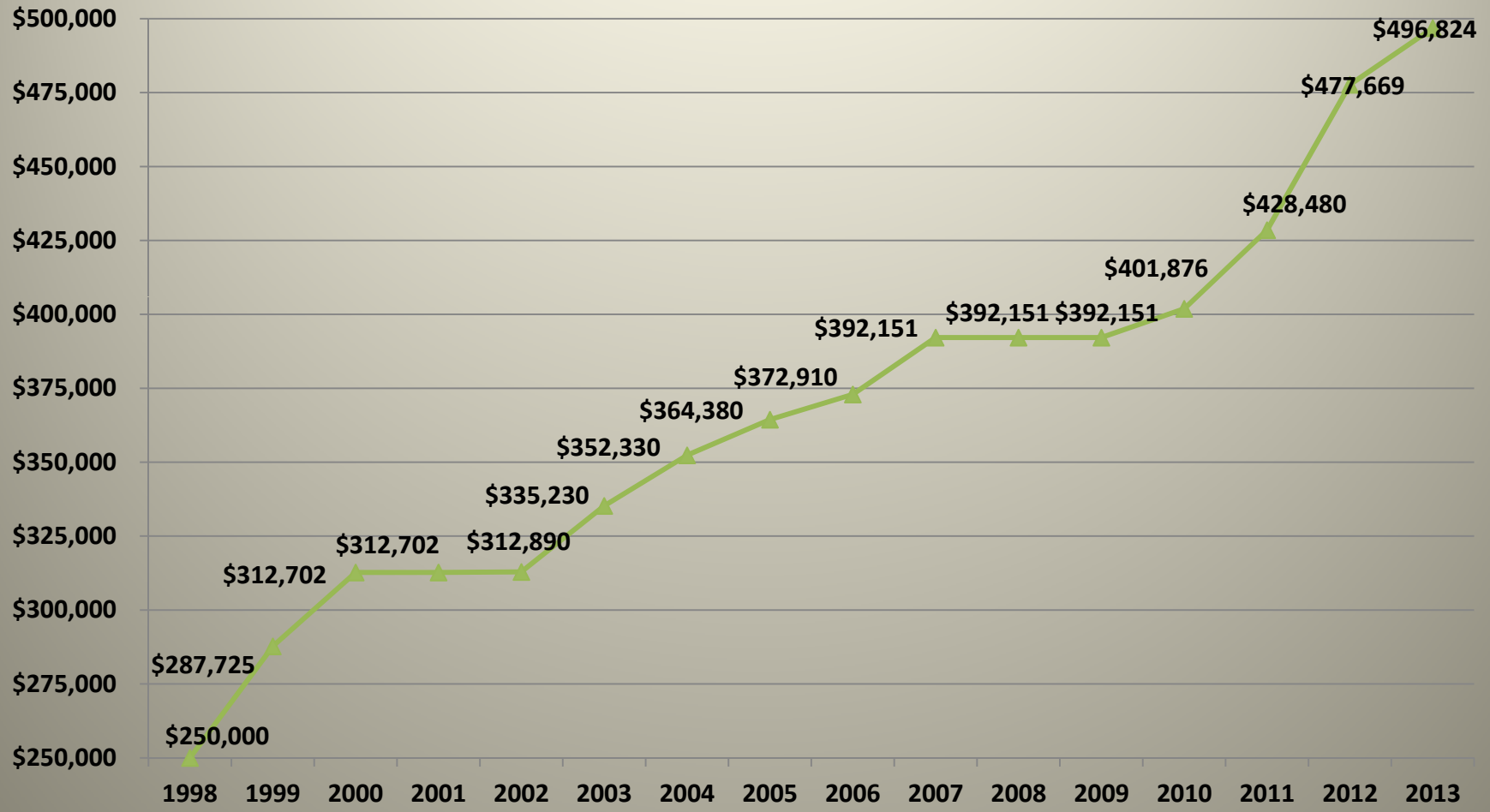
—◆— S&P 500<sup>®</sup> Performance from Sept. 1998 thru Sept. 2010



# FIA with Minimum Guarantees

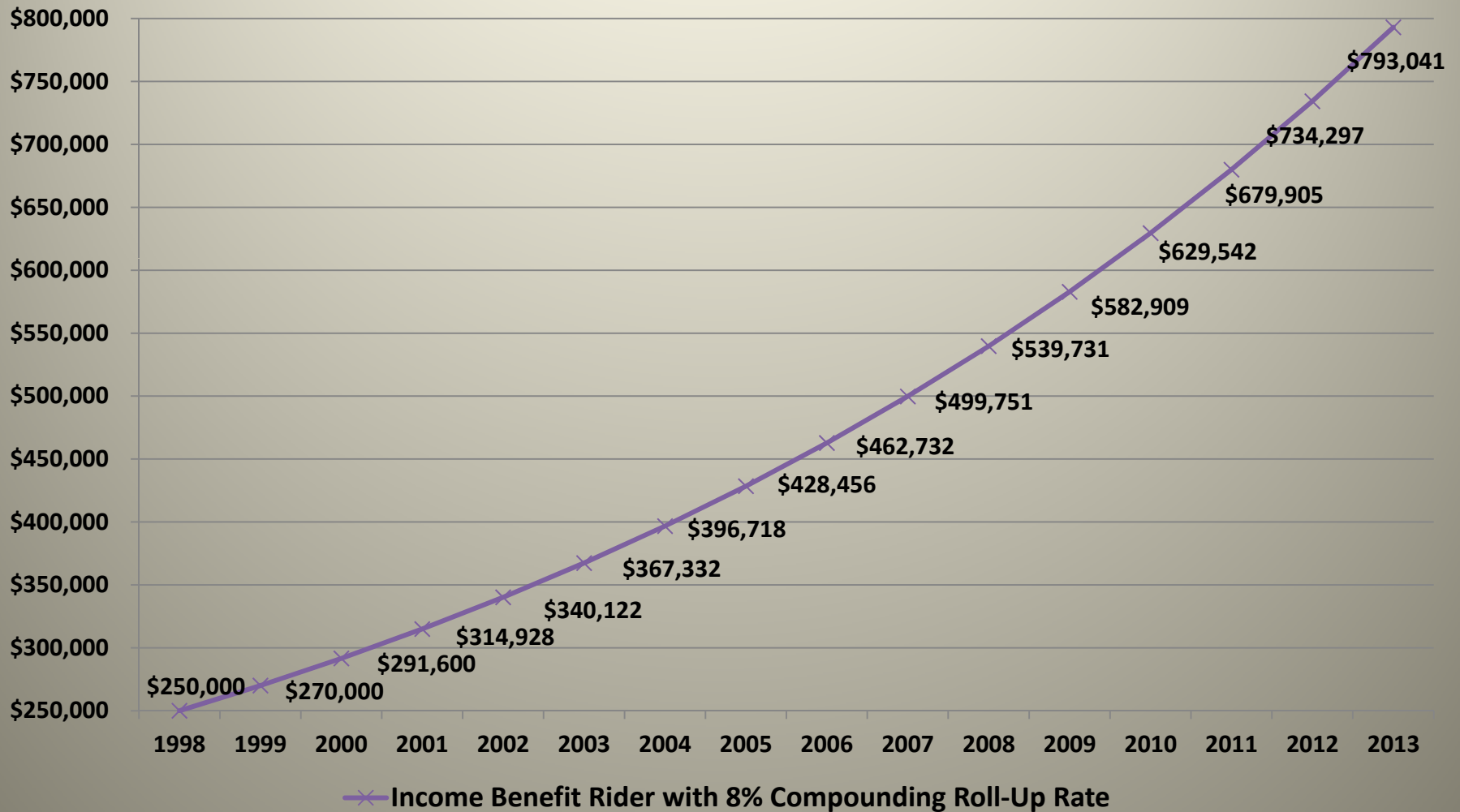


# FIA using S&P 500<sup>®</sup> Index Crediting Option

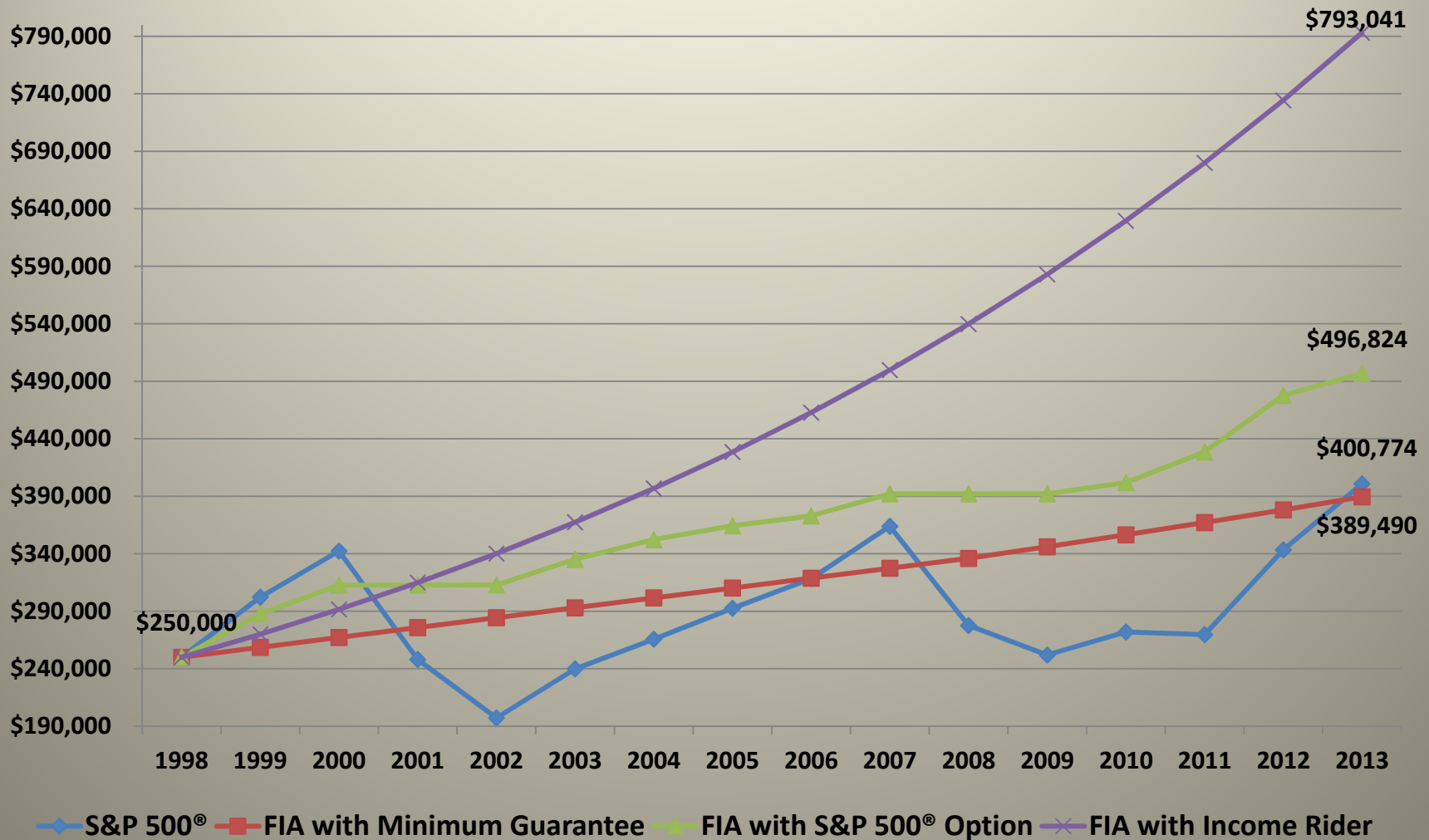


▲ Fixed Indexed Annuity Option using S&P 500<sup>®</sup> Performance

# Annuity with Income Benefit Rider



# S&P 500<sup>®</sup> vs. Fixed Indexed Annuities with Income Benefit Riders



# Fixed Indexed Annuity Returns

In the last 3 years, the market has increased significantly, but what kind of returns did Fixed Indexed Annuities provide?

- 2012 – 17.2%
- 2013 – 11.4%
- 2014 – (July 2012 thru July 2013) 9.6%

Each year the account value is credited with any increase and are locked in... your account will never go down based upon negative market performance

## Yield & Income

Client Age:	60
Deposit:	\$100,000
Bonus:	10%
Account Value:	\$110,000
Roll-Up Rate	7%
Years to Defer:	<u>10</u>
Income Benefit Rider:	\$216,386.65

## Yield

Income Benefit Rider	\$216,386.65
Subtract Initial Deposit:	-\$100,000.00
Interest from Rider:	\$116,386.65
Divide years of Deferral:	10
Annual Interest:	\$ 11,638.65
Divide by Initial Deposit:	\$100,000.00
Annual Effective Yield:	11.63%

## Annual Effective Yield

11.63%



# Guaranteed Income

Client Age:	70
Income Benefit Rider	\$216,386.05
Payment Factor:	<u>5.5%</u>
Guaranteed Lifetime Income:	\$ 11,901.23

Guaranteed Lifetime Income

\$11,901.23

Annually

# Additional Benefits

## “Activities of Daily Living”

- Bathing
- Dressing
- Eating
- Mobility
- Grooming
- Toilet Hygiene

# Inability to complete 2 of 6 “ADLs”

The income increases by 50% for a Joint and 100% for a Single Payout for a total of 5 years. After 5 years the income will reduce to the initial income distribution.

\$23,802.46

Annually

5 Years or until recovery.

# Fixed Income Annuity using Income Benefit Rider

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