

# Understanding annuities: Which annuity may be right for you?

	RISK TOLERANCE	CONTRACT GROWTH AND PAYOUT	TYPE OF ANNUITY	CHARACTERISTICS
<b>INCOME NOW</b>	Risk averse investor	<ul style="list-style-type: none"> <li>Fixed rate of growth</li> <li>Fixed income payout</li> </ul>	Single Premium Immediate Annuity (SPIA)  Deferred Rate Annuity  Deferred Income Annuity (DIA)	<ul style="list-style-type: none"> <li>Single premium purchase payment</li> <li>Purchase payments grow at a fixed or market rate for a specified period of time</li> <li>Often purchased to provide income in late retirement years<sup>1</sup></li> </ul>
<b>INCOME LATER<sup>4</sup></b>	Risk averse/moderate investor	<ul style="list-style-type: none"> <li>Variable rate of growth</li> <li>Variable payout with fixed minimum</li> </ul>	Qualified Longevity Annuity Contract (QLAC)  Fixed Indexed Annuity (FIA)	<ul style="list-style-type: none"> <li>May transfer 25% or up to \$125,000 from retirement account to fund annuity; this amount exempt from RMDs at age 70½</li> <li>Must begin distributions by age 85 or as specified by contract</li> <li>Account growth is tied to a particular index (i.e. S&amp;P 500) with a cap on growth in exchange for downside protection<sup>2</sup></li> <li>Most contracts provide guaranteed minimum fixed growth</li> </ul>
<b>INCOME LATER OR NEVER<sup>4</sup></b>	Moderate investor  Moderate/aggressive investor	<ul style="list-style-type: none"> <li>Variable rate of growth</li> <li>Variable income with no guaranteed minimum payout<sup>3</sup></li> </ul>	Variable Annuity (VA)  Investment Only Variable Annuity (IOVA)	<ul style="list-style-type: none"> <li>Purchase payments are invested in subaccounts like mutual funds</li> <li>Guaranteed living benefits ("GLBs")<sup>3</sup> may be available for additional cost to provide minimum guaranteed account growth and/or minimum guaranteed retirement income</li> <li>Purchase payments invested in a variety of subaccounts, including alternatives and hedge funds</li> <li>Used for tax deferral, estate planning and asset location</li> </ul>

<sup>1</sup> DIAs are also known as longevity annuities and purchased during healthy years to provide income in later years when illness, dementia or other disability may set in and hinder sound income planning decisions.

<sup>2</sup> Some contracts contain caps on growth and limit gains attributable to account based on participation rate or other factors.

<sup>3</sup> Guaranteed living benefits and death benefits may be available with certain fixed and variable annuity products at additional cost.

<sup>4</sup> While non-qualified annuities are not generally subject to RMDs, state laws requiring contract annuitization may apply.