



CONFIDENT, PREPARED

Meet Jim and Sally

▶ **About Jim and Sally**

Jim and Sally are a couple in their mid 60s. Jim is due to retire in the fall, turning the reins of their family printing business over to their daughter. Sally has helped out in the business, but Jim has always managed the finances. He has been careful about savings, but recognizes that they have no real safety net.

▶ **Nest Egg**

\$1,000,000

▶ **Their need**

Jim wants to be sure that if anything happened to him, Sally will be taken care of, but he also wants to make sure they have a healthy income stream so they can enjoy their retirement without the risk of outliving their savings.

▶ **Income Strategy**

Jim wants to maintain flexibility with his assets while building a guaranteed income stream. His advisor recommends an income ladder which will allow him to build guaranteed income over time, while still preserving the flexibility of his savings. And, by purchasing a joint lifetime contract, Sally will continue to receive income even if something would happen to Jim.

They use \$200,000 to purchase a joint lifetime single premium immediate annuity with a 66²/₃% survivor benefit. They plan to make systematic monthly withdrawals from their remaining \$800,000 in assets to cover their monthly expenses. They invest their remaining savings to target a 6.5% return. Then, in 5 years, they will take another \$200,000 and buy more lifetime income to add more security. They will repeat the pattern in another 5 years.

See reverse for an example of how this works ▶

- Not a bank or credit union deposit or obligation
- Not FDIC or NCUA/NCUSIF insured
- Not insured by any federal government agency
- Not guaranteed by any bank or credit union
- May lose value

Monthly Income at retirement

Basic Monthly Expenses: \$5,800, including mortgage

\$1,936	Social Security ¹
\$1,217	SPIA (1) joint lifetime with installment refund ²
\$2,667	4% Systematic monthly withdrawals
\$5,820	Total Monthly income
\$800,000	Nest Egg

Monthly Income 5 years past retirement

Basic Monthly Expenses: \$6,405, including mortgage (assumes 3% inflation)

\$2,164	Social Security (2.25% increase) ³
\$1,217	SPIA (1) joint lifetime with installment refund ²
\$1,314	SPIA (2) joint lifetime with installment refund ⁴
\$2,362	4% Systematic monthly withdrawals
\$7,057	Total Monthly income
\$708,483	Nest Egg⁵

Monthly Income 10 years past retirement

Basic monthly expenses: \$5,107 (assumes 3% inflation & \$2000/mo. mortgage paid off)

\$2,419	Social Security (2.25% increase) ¹
\$1,217	SPIA (1) joint lifetime with installment refund ²
\$1,314	SPIA (2) joint lifetime with installment refund ⁴
\$1,445	SPIA (3) joint lifetime with installment refund ⁵
\$6,394	Total Monthly income
\$604,550	Nest Egg⁶

Bottom Line

By layering in guaranteed income over 10 years, Jim and Sally have created a guaranteed lifetime income stream that should cover their basic expenses, even if Jim were to die prematurely. They have preserved a significant amount of savings to cover one time expenses and emergencies. Additionally, the installment refund guarantees their beneficiaries will receive any remaining return of premium.



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¹ Monthly benefit based on 2008 retirement at age 66 with \$90,000 income.
<http://www.ssa.gov/OACT/quickcalc/index.html>

² Based on Symetra Advantage Income quote as of 6/16/08. Assumes 66 year old male, 63 year old female, joint lifetime payout with 66 2/3% survivor benefit and installment refund.

³ Social Security Administration, "COLAs & AWI increases under the intermediate assumptions of the 2008 Trustees Report"

⁴ Based on Symetra Advantage Income quote as of 6/16/08. Assumes 71 year old male, 68 year old female, joint lifetime payout with 66 2/3% survivor benefit and installment refund.

⁵ Based on Symetra Advantage Income quote as of 6/16/08. Assumes 76 year old male, 73 year old female, joint lifetime payout with 66 2/3% survivor benefit and installment refund.

⁶ Assumes 6.5% hypothetical growth rate and 4% monthly withdrawal.

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