

# Making Your Money Last For A Lifetime

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*Why You Need to Know About Annuities*

A Joint Project of  
The Actuarial Foundation and  
WISER, the Women's Institute for a Secure Retirement

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## 4. Inflation

Inflation is very difficult to predict.











# Immediate Annuities

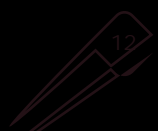
*An annuity lets you convert all or part of your retirement savings to a guaranteed stream of lifetime income. This gives you the security of knowing that you will continue to receive money each month for the rest of your life – even if you live to be 100 or older. The insurance company takes on the risk of figuring out how to make the money last as long you will live, so that you don't have to worry about it.*

## How they work

You can buy an immediate annuity with funds available from a 401(k) plan, IRA, savings account, life insurance policy, inheritance, or the sale of a home.

An insurance company that you select invests the money and makes regular payments, either by check to you or by automatic deposit to your bank or financial institution. You can choose how often you receive a payment: every month, quarter, half-year, or year.

The amount of income is based on the amount of money that you have to buy it, plus a number of factors including your age, sex, income option selected, and interest rates at the time of purchase. With a variable immediate annuity, the payments also are based on the performance of investments you choose.





## Immediate Annuities – They may be right for you if:

- ☒ **You have retirement expenses not covered**



