

Shoring Up Financial Security for a Spouse: Create 'Joint Retirement Account' (JRA*) Income



Problem: Many retirement financial plans fail to address the risks associated with increasing life expectancy and joint longevity, which could leave a surviving spouse with less financial security than they would like.



Potential solution: Repositioning an individual's qualified funds into an annuity with a Guaranteed Living Benefit Rider (GLBR), like Guaranty Income's WealthChoice FIA, could help a client and their spouse live comfortably for both of their lives, even when the account value is depleted.

An overlooked aspect in retirement income planning

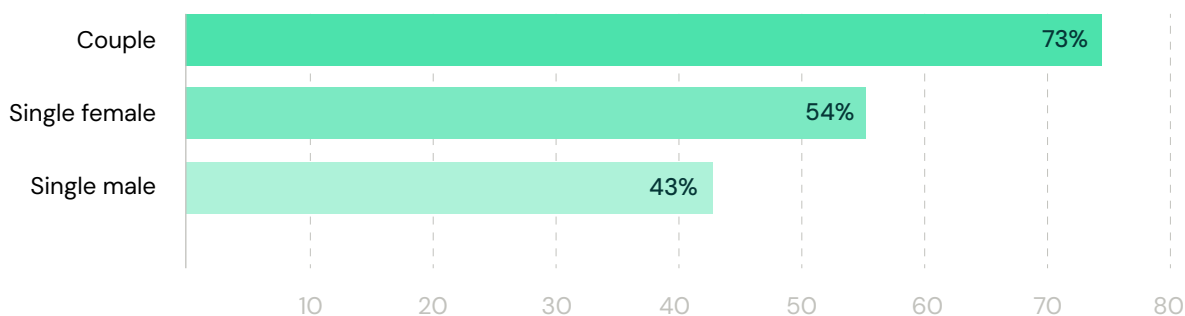
Actuarial tables can offer guidance for planning the length of a client's post-working life, but these measures may be misunderstood.

While life expectancy averages suggest men live to 74.8 and women to 80.2, these numbers increase with age.¹ For example, a 65-year-old man can expect to live to 82, and a similarly aged woman can expect to live to 85.²

What also may be overlooked is **joint longevity**.

Consider this: a 65-year-old man has a 43% chance of reaching age 90 and a 65-year-old woman has a 54% of attaining age 90, a similarly aged couple has a 73% chance that one spouse will reach that milestone, and a 46% chance one will live to age 95.³

Probability of living to age 90 based on life expectancy of today's 65-year-old



And given that women typically outlive their spouses by an average of five years⁴ and often have significantly lower retirement savings⁵, planning for retirement should account for joint longevity.

Transform an IRA to a JRA*

Americans had **\$7.4 trillion** invested in 401(k)s and **\$13.6 trillion** in IRAs in the fourth quarter of 2023, according to the Investment Company Institute.⁶

Although qualified plans don't allow for joint ownership, fortunately there is a way to enjoy the tax deferral benefits of an IRA, 401(k), or other comparable qualified account while also creating a competitive joint income payout for life.

John and Mary are both age 69. Mary has been a stay-at-home mom most of her life, and her accumulated retirement savings would likely only sustain her for a few years. Their advisor has explained how they can turn John's IRA into a JRA, 'Joint Retirement Account,'* with a fixed indexed annuity and GLBR. This would address John's main concern about Mary's financial protection if he passes first.

However, John is also concerned about getting the most income they can in retirement.

"More than likely Mary will outlive me, but since I don't know for sure, I'm struggling to decide if it makes sense to include my spouse if it means reduced income."

The WealthChoice FIA with GLBR Advantage

To help avoid the downside of taking a single life payout, their advisor introduces them to the WealthChoice FIA with GLBR, which does NOT reduce joint life income payouts.

This enables John and Mary to take as much income as possible and enjoy the time together now —while ensuring Mary continues to receive that same amount if John passes first, even when the account value is depleted.

By age 73, the account value is \$300,000 when they exercise a joint income payout. The payout factor of 8.10% generates annual payments of \$24,300.**

With no reduction for joint income, when John passes away, Mary continues to receive \$24,300 each year for the rest of her life, even after the account value is depleted, helping ensure her financial stability.**

Call our sales desk at 800-535-8110 to learn more about the benefits of our WealthChoice FIA with GLBR.

1-FastStats - Life Expectancy (cdc.gov). 2-U.S.: Female life expectancy at the age of 65 years 2001 to 2021 | Statista. 3-Non-smokers in good health, Social Security Administration, Period Life Table, 2020 (published in the 2023 OASDI Trustees Report); American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, <http://www.longevityillustrator.org/> (accessed January 2024), J.P. Morgan Asset Management. J.P. Morgan Private Bank (jpmorgan.com). 4-Study: Why U.S. Women Are Living 6 Years Longer Than Men (prevention.com). 5-Retirement Savings by Gender (investopedia.com). 6-Release: Quarterly Retirement Market Data, Fourth Quarter 2023 | Investment Company Institute (ici.org)

*"JRA" is not an official IRS term or plan.

**The rates shown above are for illustrative purposes. Please refer to the Guaranteed Living Benefit Rider flyer, WC-32 for current rates.

WealthChoice Fixed Indexed Annuity is underwritten and issued through Guaranty Income Life Insurance Company. Guarantees are backed by the financial strength and claims paying ability of the company. Product availability and features may vary by state. There are no reductions for joint payouts with GLBR, the factor used is based on the age of the younger spouse. JRA is not an official IRS term or plan.

Not insured by FDIC, NCUA or any federal agency • Charges may apply • Not a deposit • May go down in value • Please consult your attorney or tax professional for legal or tax advice.