

What You Should Know About Qualifying Longevity Annuity Contracts (QLAC)

Guardian SecureFuture Income AnnuitySM

IRS REGULATION:



Effective July 2014, if you are a participant in a 401(a), 401(k), 403(b), governmental 457(b), or an owner of an individual retirement account (IRA), you are allowed to purchase a deferred income annuity (DIA) and designate it as a Qualifying Longevity Annuity Contract (QLAC). A DIA is a deferred fixed annuity designed to provide you with a future stream of annuity payments that is guaranteed to last for your lifetime and, if selected, your spouse's lifetime. The QLAC is designed to be funded by IRAs and qualified plans (all of which are listed above), and allows you to extend the start date of income past the required minimum distribution (RMD) age of 70½.

WHAT DOES THIS MEAN?



Typically, the Internal Revenue Code requires that Traditional IRA and qualified plan owners take income on those assets beginning at age 70½ through what is known as required minimum distributions (RMDs). However the new Treasury Regulations allow individuals to set aside a portion of their Traditional IRA and qualified plan assets into a QLAC, which can be paid out over the QLAC owner's life, beginning as late as age 85 and the amount used to purchase the QLAC is excluded from any RMD requirements.

WHY?



As individuals are living longer there is a need for retirement assets to last longer, so for those who don't need to take income from all their assets at age 70½, this regulation allows one to set aside a portion of assets to access later in retirement to hopefully ensure quality of life in advanced years. While one cannot know how long one will live, one can at least insure a level of income for later years.

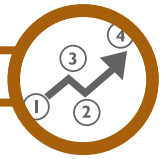
For example, an individual might use a portion of investable assets to purchase a QLAC at age 65, schedule payments to begin at age 85, and use withdrawals, interests, dividends, etc. from the remainder of their retirement portfolio to provide income for the 20 years from age 65 to age 85. If the individual dies prior to age 85, the beneficiary designated by the QLAC owner would receive a death benefit. (Certain rules may apply).

HOW?



You can purchase the Guardian SecureFuture Income AnnuitySM, a DIA, as a Qualifying Longevity Annuity Contract (QLAC). This product is issued by The Guardian Insurance & Annuity Company, Inc. (GIAC), and GIAC is currently only accepting assets from Traditional IRAs (which includes IRA rollovers) to purchase the Guardian SecureFuture Income AnnuitySM as a QLAC Traditional IRA. The Guardian SecureFuture Income AnnuitySM as a QLAC is a single premium contract.

RULES TO FOLLOW:



- First, consider if you can afford to delay taking income from a portion of your assets until as late as age 85. If so, consider purchasing a Guardian SecureFuture Income Annuity.SM
- Use assets from a Traditional IRA.
- Elect QLAC on the application and submit a signed QLAC Certification and Disclosure form at the time of purchase.
- As a Traditional IRA owner, you must be between the ages 31 to 82. For joint life contracts (which factor in information on both spouses lives) you and your spouse must be between ages 31 to 82.
- You, individually are permitted to use for premiums the lesser of:
 - 25% of the total account balances of all Traditional IRAs; or
 - \$125,000 (Subject to IRS adjustments)
- You are responsible for ensuring that the premium amount placed in a QLAC does not exceed the required amount permitted (noted above). If you inform GIAC that the limits were exceeded, the excess amount will be returned in the form of a lump sum amount, or the amount will be applied to a Traditional IRA DIA contract where the income start date is accelerated to age 70½, or in 30 days if the owner is past age 70½.
- Select an annuity income option. (See the Guardian SecureFuture Income AnnuitySM Fact Card for details).
- Select your income start date. (Income payments must begin no later than the first day of the month following the month of your 85th birthday).

The Guardian SecureFuture Income AnnuitySM, offers a future guaranteed income stream and depending on your needs may be appropriate for you as a QLAC contract. Different rules may apply if you purchase the contract but don't elect QLAC.

Speak with your financial professional to understand more about a deferred income annuity and the value it can bring to your overall retirement portfolio.

Important Information

The information provided herein is not written or intended as tax or legal advice and may not be relied on for purposes of avoiding any federal tax penalties.

Current tax law is subject to interpretation and legislative change. Tax results and the appropriateness of any product for any specific taxpayer may vary depending on the particular set of facts and circumstances. Entities or persons distributing this information are not authorized to give tax or legal advice. Individuals are encouraged to seek specific advice from their personal tax or legal counsel.

Guardian SecureFuture Income AnnuitySM is a service mark of and is issued by The Guardian Insurance & Annuity Company, Inc. (GIAC), a Delaware corporation whose principal place of business is 7 Hanover Square, New York, NY 10004. (800) 221-3253.

GIAC is a wholly owned subsidiary of The Guardian Life Insurance Company of America.

Product availability and features may vary by state.

Contract guarantees are guaranteed solely by the claims-paying ability and strength of The Guardian Insurance & Annuity Company, Inc.

For more information about Guardian SecureFuture Income AnnuitySM please contact your financial professional or call GIAC at (800) 221-3253.

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