

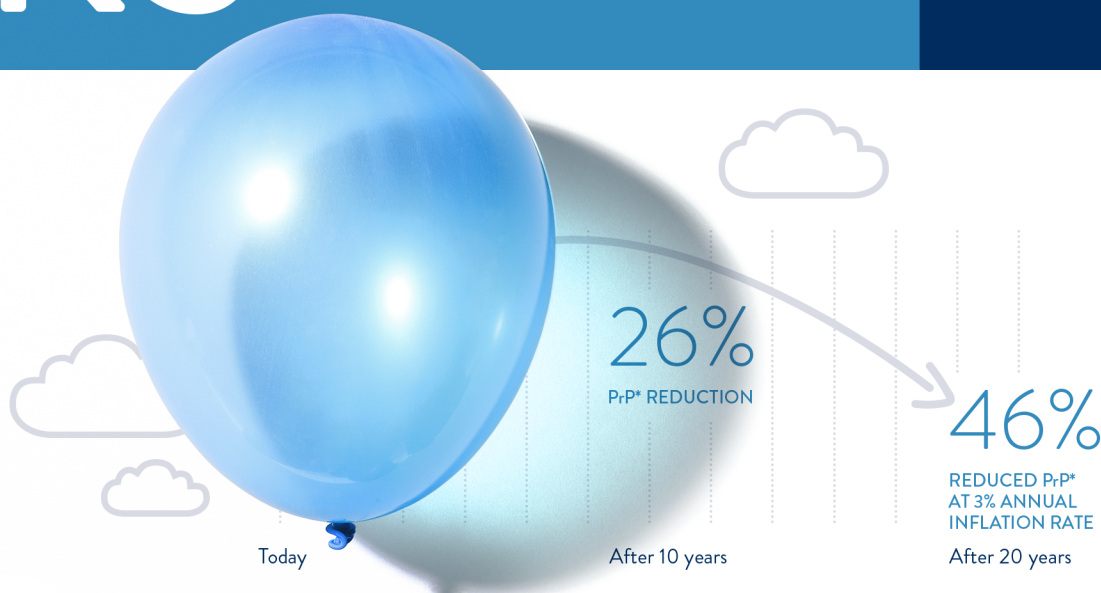
# RISKS @ RETIREMENT

## INFLATION

As the cost of goods rises, the purchasing power of today's dollar falls.

Annual Inflation Rate	Reduced PrP* After 20 Years
2%	33%
2.5%	40%
3.5%	51%
4%	56%

\*PrP = Future Purchasing Power



## TIMING OF RETIREMENT



Planned or unplanned?

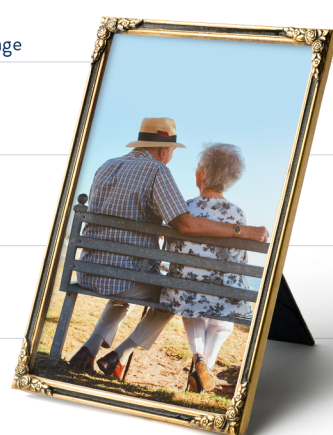
49% OF RETIREES RETIRED EARLIER THAN PLANNED.

78% OF THIS GROUP RETIRED DUE TO HEALTH OR JOB-RELATED REASONS.

## LONGEVITY

People are living longer...

	% Chance of	Reaching age
MALE	75%	78
	50%	85
	25%	91
FEMALE	75%	81
	50%	88
	25%	93
AS A COUPLE	75%	81
	50%	92
	25%	93



## RULE OF 219

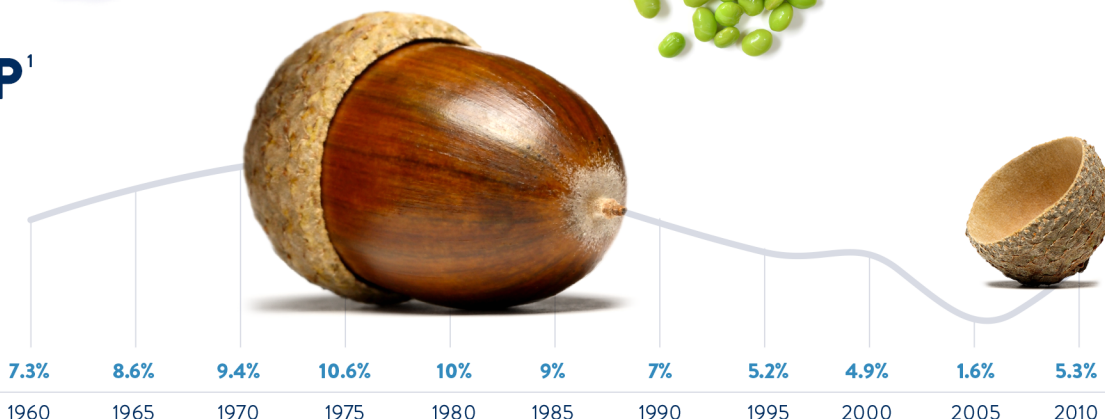
We all need to eat!



## INCOME GAP<sup>1</sup>

U.S. workers are not saving enough compared to earlier generations.

U.S. SAVING RATE  
As a percentage of disposable income



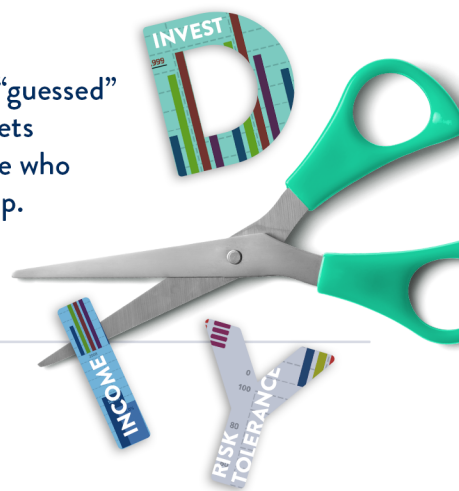
## LOSS OF SPOUSE<sup>2</sup>

Some income may stop at the death of your spouse. Be sure to have adequate income succession and wealth transfer plans.



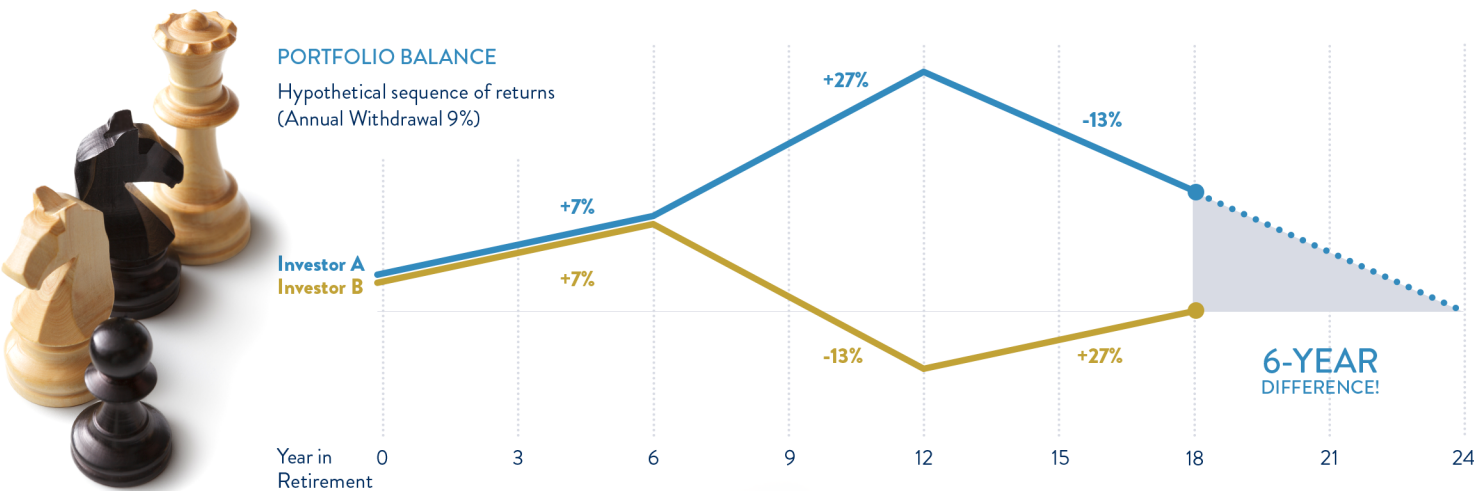
## DIY<sup>3</sup>

"Do it yourself"ers who had "guessed" their retirement savings targets chose more poorly than those who had received professional help.



## SEQUENCE OF RETURNS

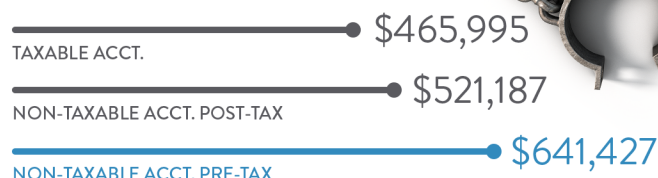
Timing is everything: It's not just the average of returns that impact your financial wealth, but the sequence of those returns.



## TAX DRAG<sup>4</sup>

Remove the annual tax drag with a tax-deferred account or product.

\$200,000 initial investment  
28% tax bracket  
6% annual rate of return over 20 years

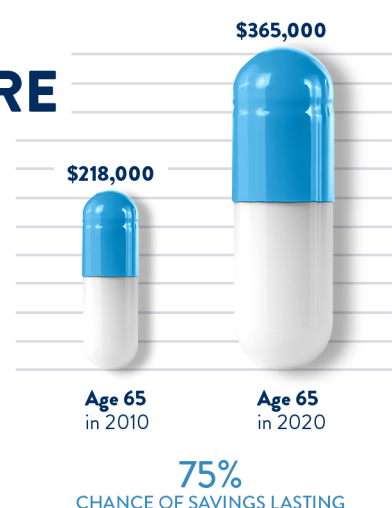


## RISING HEALTH CARE COSTS<sup>5</sup>

Health care costs are rising fast!

FOR A MARRIED COUPLE IN GOOD HEALTH LIVING TO AVERAGE LIFE EXPECTANCIES

Estimate of amount of money needed to pay for Medigap and Medicare premiums, and other out-of-pocket expenses. Long-term care not included!



SOURCES: 1. Personal Savings Rates by Months 1-1-1959 to 3-1-2013, U.S. DOC., 4-2013. 2. LIMRA, The Retirement Income Reference Book, 2015. 3. Employee Benefit Research Institute (EBRI), March 2013. Vol 34, No. 3. 4. This chart is for illustrative purposes only and does not depict the performance of any variable investment option. The taxable investment account number does not reflect the deduction of any fees or service charges. The non-taxable numbers do not reflect the deduction of any charges or fees associated with any financial product or variable investment options. If these charges or fees were accounted for, these numbers would be lower than the numbers shown. Changes in tax rates and tax treatment of investment earnings may impact comparative results. 5. Employee Benefit Research Institute (EBRI) Issue Brief No. 351, Funding Savings Needed for Health Expenses for Persons Eligible for Medicare, December 2010.