

SPIA SOLUTIONS

FROM *Qualified Annuity Services, Inc.*

Single Premium Immediate Annuities

PLANNING ISSUE: Address Client Concerns about Cost of Living Increases	
CLIENT BACKGROUND:	
Client's Gender and Age:	Female, Age 66
State of Residence:	Minnesota
Amount of Funds Available for Consideration:	\$100,000.00

THE PROCESS:

1. This single, female client is from a line of descendants with a history of longevity.
2. During the past several years, she has taken advantage of market gains and has adequate resources to cover her short-term income needs.
3. Reaching her retirement years, she is now looking for a product that will offer a guarantee; she is becoming more risk adverse.
4. She is concerned that the income she receives today will not have the same purchasing power during her later years.

QAS' SOLUTION:

Product:	Single Premium Immediate Annuity		
Purchase Consideration:	\$100,000.00		
Annuitant:	Female, Age 66		
Option:	Life 10-year Certain, 4% Cost of Living Increase, compounded annually		
Value Added:	Monthly Benefit		Monthly Benefit
	<u>Without COLA</u>	vs.	<u>With 4% COLA</u>
Year 1	\$697.11		\$ 482.13
Year 11	\$697.11		\$ 713.67
Year 25	\$697.11		\$1,235.87

BENEFITS TO THE CLIENT:

- ✓ The client's current income needs are met through other sources, so she can afford a reduced income from the SPIA during the early payout phase.
- ✓ Because the SPIA is a fixed product and the COLA is guaranteed, she has peace of mind and no worries about market volatility and equity risk.
- ✓ The cost of living increase provides greater income in the annuitant's later years, allowing her to maintain her current standard of living.

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