

Identifying Retirement Income Gaps



1 How much to maintain your lifestyle?

Typically, you will need 75-85% of your current gross monthly income to maintain your current lifestyle. You may need more or less, depending on your expenses, health care costs and retirement goals.

Gross Annual Income		
Months	÷	12
Percent of gross monthly income needed	x	
Estimated monthly retirement income needed	=	

2 How much guaranteed monthly income?

Social Security		
Pension	+	
Other income	+	
Estimated monthly income from guaranteed sources	=	

3 How much income from your retirement portfolio each year?

Estimated monthly retirement income needed		
Estimated monthly income from guaranteed sources	-	
Estimated monthly income needed from retirement portfolio	=	

Did you know?

The average couple retiring at age 65 can expect to spend almost \$1,000 in medical costs¹, \$500 on food² and \$1,300 on housing² per month.

4 Will your retirement portfolio last your lifetime?

It may be best to plan for retirement to last 30 years.

Estimated monthly income needed from your retirement portfolio		
Number of months	x	
Total funds needed from your retirement portfolio	=	

Allocating a portion of your portfolio to a fixed index annuity is one option that could help you fill monthly income gaps. For example, a 63-year-old male client is considering purchasing an annuity using **IncomeShield 10** with a lifetime income benefit rider (LIBR) and starting joint income at age 70*. No matter how much he decides to purchase, he can feel confident knowing he has monthly income options that will last a lifetime.

Annuity Premium Amount	Monthly lifetime income payment
\$100K	\$591
\$250K	\$1,479
\$500K	\$2,957
\$750K	\$4,436
\$1 Million	\$5,914

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*LIBR available for ages 50+. Hypothetical example includes the following assumptions: an Income Account Value (IAV) rate of 7.25% simple interest; a 7% bonus on first year premium; a joint life payout factor of 4.40%; and no withdrawals from the annuity contract. Rates are set at issue and are subject to change. A rider fee will be deducted from the contract value on each contract anniversary as long as the rider is attached to the contract. See disclosure and sales brochure for details.

¹ Money, "Here's how much the average couple will spend on health care costs in retirement." April, 2018

² Bureau of Labor and Statistics. Based on responses from 2017 nationwide survey "Consumer Expenditures Survey." 2018



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