



How will I receive my annuity payments?

Financial Planning

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An important decision in purchasing an annuity is deciding how you want to be paid. You can select annuity payouts for a set period of time or continue for your lifetime. With some options, a beneficiary can be designated to receive payments upon your death. Here is a review of several of the options.

Straight life

You will get income for your entire life?even after all the money you put into the annuity has been used up. However, if you die before the money in your account has been used up, nobody, not even your dependents, will collect payouts. The straight life annuity might be right for you if you need to maximize the amount of income you receive and either don't have dependents or are not planning to use the annuity for the purposes of estate planning.

Joint and survivor

This type of annuity pays you as long as you live. After your death, it will pay the joint annuitant for the rest of his or her life. You can choose the benefit your survivor will get upon your death, but this option reduces the payout amount you get.

Refund annuity

This payout option is gaining in popularity. It provides income for life. If, however, you die before you receive an amount equal to all of the premiums you paid, your beneficiary gets the portion you had not yet collected.

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