



What is a lifetime annuity?

Financial Planning

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You can think of a lifetime annuity as investment vehicle that functions as a personal pension plan. Sometimes referred to as "single life," "straight life," or "non-refund," these are a form of immediate annuity that provides income for your entire life. The payments can be increased to cover a second person. This is called a "Joint and Survivor" annuity. While most provide income for life, some may offer the option of payments for a fixed number of years.

A lifetime annuity could serve as a retirement income supplement to Social Security checks, 401(k) retirement plans, company pension funds, etc. Lifetime annuities provide income for as long as you live - even after all the money you contributed is exhausted. They can be useful for those who want the certainty and security of establishing a regular and guaranteed income stream. If, however, you die before all the funds in your account have been used up, the payment option to your beneficiaries will be determined by the choice you made when you purchased the annuity. In some cases, no payouts will be made to your

dependents or other beneficiaries. Instead, you will be getting an income that you can't outlive.

A straight life annuity makes sense for someone who needs the most retirement income possible and does not plan to use the money invested for dependents or other beneficiaries.

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