

#SaveSomeGreen



From the Desk of Adam Ziff
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Current News:

Owning Annuities
Impacts
People's
Retirement
Perspective
P.2

The Underwriter's
Corner P.2

Famous Estate
Planning Blunders:
Marvin Gaye
P.3

Infographic:
Retirement is
Lasting Longer

P.3

How to Retire with a Guaranteed Paycheck for Life

Does the thought of retirement fill you with stress or with happiness? Everyone wants to spend their retirement in a way that brings them the most joy, whether that's traveling the world or spending extra time at home with grandkids. When you're planning your retirement, you should have all the tools at your disposal to make sure you're able to retire stress-free.

Annuities are a one-of-a-kind retirement savings tool that can help supplement other forms of retirement income and provide you with peace of mind in retirement. In fact, it's the only financial instrument that can guarantee you a paycheck for the rest of your life! Think of an annuity as a pension you fund yourself.

What exactly is an annuity?

An annuity is contract issued by an insurance company. You fund an annuity with a premium (either one single



premium or multiple premiums over time) and when you decide you're ready, you turn the contract into a stream of income payments. These payments can last for the rest of your life or, you can have a joint payout that provides income for the rest of your life and your spouse's life! Having that guarantee can help when you aren't getting a regular paycheck from an employer anymore.

There are several different types of annuities but the easiest way to start is to decide whether you're ready to receive income now or later. If you're in or near retirement, you can purchase an immediate annuity. As the name suggests, an immediate annuity begins payouts almost immediately after you purchase.

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Current News:

Owning Annuities Impacts People's Retirement Perspective

Data from the Teachers Insurance and Annuity Association of America (TIAA) further reinforces that many Americans are not ready to face retirement.

Almost half of working Americans, or 45%, are worried about not having enough money to last them through retirement, according to a survey conducted in May by Greenwald Research for TIAA. A total of 1,001 working Americans from the ages of 27 to 75 participated in the survey.

To help alleviate retirement concerns and help with preparations, TIAA suggests creating a retirement plan that includes guaranteed lifetime income.

Having lifetime income through an annuity impacts the perspective of many of the respondents, according to TIAA.

Around 83% with an annuity feel financially secure about retirement, and many of them, or 64%, are confident that their savings will last 30+ years in retirement.

About seven in ten believe having guaranteed lifetime income provides certainty around essential expenses, allows for spending flexibility, and makes knowing how much to save easier, according to TIAA.

(Source: Financial Advisor IQ)

If you have a little time before you retire, you can select a deferred annuity. A deferred annuity lets you accumulate earnings for a period of time, and then when you're ready, you can begin receiving income payments.

You will also need to decide how much risk you want to take with your annuity. A variable annuity is the riskiest type, tying gains and losses to market gains and losses (meaning you can lose money).

A fixed indexed annuity allows you to participate in market gains without having to worry about market losses (although with this type you may earn 0% in a given year).

The simplest type of annuity is a fixed annuity. This annuity has all of the benefits of the other two types (tax deferral and a guaranteed income for life) but the interest rate is fixed so you will not experience market losses or have a year where you aren't credited any interest. Knowing exactly how much money you will accumulate can make planning for retirement much easier.

The benefits of an annuity?

Although lifetime income is an exciting benefit, it's not the only benefit of an annuity. Annuities also offer the benefit of tax deferral. Tax deferral means you don't pay taxes on the interest you earn right away. That's exciting because the money you would have paid to the government in taxes each year is still working for you, earning interest until you decide to make a withdrawal. And since most people are in retirement (and usually a lower tax bracket) when they begin taking withdrawals, they end up paying less tax overall on the same money.

How to pick the right annuity?

An annuity can help ease any worries about outliving your money with a guaranteed paycheck for the rest of your life.

First, think through when you want to start receiving income (now or later). Next, decide what level of risk feels right to you.

From there, find a company that provides the type of annuity you're looking for. It's important to make sure the insurance company has a strong financial history and great reviews from customers.

(Source: KTAR News)

The Underwriter's Corner: *Underwriting Q & A*

Understand What Affects Your Life Insurance Rate

The two key factors life insurance companies consider when determining the rate you pay for coverage are health and age. The younger you are when you buy life insurance, the cheaper it tends to be. That's because you tend to be healthier when you're younger, and therefore less risky to insure.

The rate you pay also depends on the type of policy you get and how large the death benefit is. If you get a term life insurance policy, the length of the term you choose also will affect your premium. If you can only afford a term life policy now but want permanent life insurance, most term life policies offer the option to convert to permanent life insurance. You can lock in a low rate with term life now and switch to a permanent policy if your income increases. (Source: Forbes)

RETIREMENT IS LASTING LONGER

Your retirement could last for more than 20 years.

LIVING WELL IN RETIREMENT

Most people want to maintain their current lifestyle in retirement.



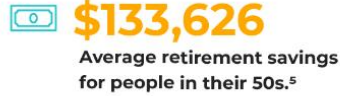
The amount of gross pre-retirement income most retirees need to maintain their lifestyle.³



Amount a retiring couple can expect to spend on health and medical expenses in retirement.⁴

HOW MUCH WILL YOU REALLY NEED?

Outliving savings is one of the greatest challenges facing retirees.



Average retirement savings for people in their 50s.⁵



Total amount of savings needed to last through a 20-year retirement.



The number of years most U.S. retirees will likely outlive their savings.⁶

MAKE YOUR MONEY LAST

Your Social Security benefits and retirement savings may not be enough to comfortably fund a retirement that could last for more than two decades. Annuities can guarantee monthly income for life.⁷

LENGTH OF RETIREMENT INCOME WITHOUT AN ANNUITY



The average monthly Social Security payment for retirees is only \$1,503.⁸

Retirement savings may run out around age 74, roughly 10 years before average life expectancy.

LENGTH OF RETIREMENT INCOME WITH AN ANNUITY



An annuity provides steady, reliable monthly income for your entire life.

(Source: Pacific Life)

INSURANCE 101

Famous Estate Planning Failures



NAME: Marvin Gaye

DIED: April 1, 1984 **AGE:** 66

CAUSE: Shot to Death by his Father

ESTATE BLUNDER: Not having a will in place, and leaving behind \$9 million of debt

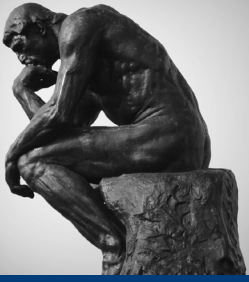
The tragic death and subsequent estate battle of Marvin Gaye are unfortunately arguably more famous than the Motown legend himself. Gaye was 44 years old when he was shot and killed inside his California home by his own father.

At the time of his unexpected passing, "Marvin was in debt to the tune of \$9 million," explains Mark Roesler of CMG Worldwide.

Without a will and a large host of creditors, the fate of Gaye's financial legacy was left to a court-appointed bankruptcy attorney to salvage. And salvage it, they did.

With savvy marketing of Marvin's song royalties, image rights and even the official rights to produce his life story, the executor of the late icon's estate paid off his debts and accumulated millions of dollars in assets, serving as a turning point in music copyright history that has in turn affected all subsequent artists.

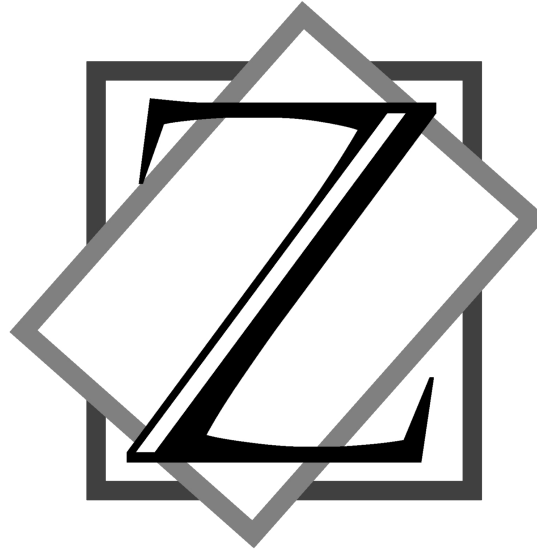
(Source: Radar Online)



HERE'S A
THOUGHT...

*"Winter is not a
Season, It is a
Celebration!"*

– Anamika Mishra



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#InsureYourLove*

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