

Retirement Income Distribution Options

Systematic/ Partial Withdrawal	4-6	Leave your retirement accounts invested and withdraw a fixed dollar amount or a fixed percentage on a regular basis (monthly, quarterly, semi-annually or annually). In addition to regular withdrawals, you can also withdraw any dollar amount whenever you wish.	Your beneficiary may choose to withdraw the remaining balance all at once or continue to receive payments until the account balance is depleted.	You can change how much you withdraw each year, and you have the flexibility to make “big” withdrawals for special needs. But since your income isn’t guaranteed for life, you could run out of money before you die. If you’re a “spender,” stay away from this option.
Combining Lifetime/ Long-term income with Systematic/ Partial Withdrawal	7-9	Convert a portion of your retirement accounts to an immediate annuity, to provide the desired amount of lifetime/long-term income (such as to cover your essential living expenses). Leave the remaining retirement assets invested and withdraw any additional amounts when needed or on a regular schedule	Your beneficiary may choose to withdraw the remaining balance from the systematic/partial withdrawal accounts or continue to receive payments until the account balance is depleted. Depending on the Payout Option chosen (see next page), your beneficiary may receive some income from your annuity.	A certain amount of your income is guaranteed for life, while you retain control over the rest of your retirement account assets. You are choosing less certainty/more opportunity than total lifetime/long-term income but more certainty/less opportunity than systematic/partial withdrawal.
Lifetime/ Long-term Income	10-12	Convert your retirement accounts to an immediate annuity by purchasing a fixed or variable immediate annuity. The amount of your income is determined by the Payout Option you choose (described on the next page), your age, your beneficiary’s age, and current interest rates or expected market returns.	You can guarantee your beneficiary(s) a certain amount of income for a certain time period or even for their lifetime. Alternatively, you can totally eliminate your beneficiaries from receiving any income at all, if you so choose.	Your income is guaranteed for life. If you are a “spender,” this option will help keep you from overspending. You give up control over how much and when you can take withdrawals. You also limit or eliminate the amount of money you can pass on to your beneficiaries. With “fixed” lifetime/long-term income, you’ll get a set dollar amount regularly; but inflation will make this money worth less and less in the future. With “variable” lifetime/long-term income, you have a better chance of maintaining your standard of living over time; but your income will vary from period to period.