



BOB CARLSON'S

Retirement Watch

SPOTLIGHT SERIES

10 Questions I'm Asked the Most Now About Income, Safety and Annuities

Bob Carlson
Editor, *Retirement Watch*

800-552-1152



www.RetirementWatch.com



Wanted: Retirement Income

- **33% terrified about losing paychecks**
- **55% say can't replace 75% of paycheck**
- **49% of retirees don't have an income strategy**
- **52% want guaranteed lifetime income**

February 2022 Schroder's survey



What Should I Buy?

- **High-dividend stocks?**
- **Bonds, preferred stock?**
- **Closed-end funds? Others?**
- **Decide on goals, risks first**
- **Do you want options?**
- **Do you want principal protection?**



CDs or MYGAs or Bonds?

- **Probably should limit bonds now**
- **Brokered CDs vs. multi-year guaranteed annuities (MYGAs)**
- **FDIC protection for CDs**
- **MYGAs usually higher yields**
- **Combination probably is best**



What Are The Guaranteed Lifetime Income Choices?

- **SPIA: single premium immediate annuity**
- **DIA: deferred income annuity**
- **QLAC: qualified longevity annuity contract**
- **Income riders**
- **Others aren't guaranteed**



MYGA vs. SPIA?

- **SPIA is guaranteed for life**
- **MYGA: Solid yield, guaranteed for years**
- **MYGA yields now attractive**
- **How much money do you have?**
- **How much income do you need?**
- **Treasury bonds also an option**



What's the Yield on SPIAs?

- **Can you get 7% guaranteed yield?**
- **Depends on life span**
- **Need to know how calculated**
- **Why don't SPIA payouts rise much with interest rates?**



Inflation Protection?

- **None with traditional SPIAs**
- **But have lots of options**
- **No true inflation protection**
- **Trade offs**
- **Use other assets to protect purchasing power**



Wait for Higher Interest Rates?

- **Current rates a minor factor**
- **Insurer-specific issues**
- **Long-term vehicles**
- **Don't try to time rates**
- **Build a ladder if concerned**



How Indexed Annuities Work

- **Principal protected**
- **Interest varies with indexes, limits**
- **Don't buy based on back tests**
- **You're not "in the market"**
- **Income riders: guarantees with fees**
- **Know the two buckets**



What is MYGA to SPIA?

- **Alternative to income riders on FIAs**
- **Put money in MYGAs**
- **At maturity, rollover or deposit in SPIA**
- **Rollover or deposit should be tax free**
- **100% accumulated interest produces income**



More Questions

- **What is the best annuity?**
- **Can my IRA own an annuity?**
- **How safe are annuities?**
- **What about upfront bonuses?**
- **How much are the fees and commissions?**