

Aid Your Grandchildren's Future with Lifetime Income Annuity

Someone once mused that grandchildren are the reward for living with your kids while they were teenagers. As any grandparent will admit, it's a reward worth waiting for. Grandchildren are a source of boundless joy for many reasons. You can simply enjoy them without minding the "rules" of when you were raising your own children. After all, part of being a grandparent is that you get to spoil your grandchildren.

Being Remembered for Your Generosity

When it comes to legacy planning, many grandparents would like to pass along their assets to future generations beyond their children. A New York Life Lifetime Income Annuity¹ with a Joint Life Option is a simple financial tool that can help a grandparent pass wealth to a grandchild, and even a great-grandchild, perhaps more than a century into the future. It is a beautiful way to be remembered and appreciated for generations to come.

To illustrate how New York Life's Lifetime Income Annuity works, let's talk about Betty*, a 70-year old grandmother who has a 5-year old granddaughter named Meghan. Using \$100,000 from another investment, Betty purchases a Lifetime Income Annuity as a Joint Life policy with a 50% death benefit² and chooses Meghan as the joint annuitant. This means that every year she lives, Betty will get \$5,242 of guaranteed income from the Joint Lifetime Income Annuity. When Betty passes away, the annuity will continue to pay the \$5,242 to Meghan for the rest of her life, regardless of market fluctuations.

*Example is fictitious.

Someday, when Meghan dies, the policy that her Grandma Betty put in place all those years ago will pay Meghan's beneficiary 50% of Betty's original premium. In other words, should Meghan have a daughter and name her the beneficiary, she will receive \$50,000 from the annuity her Great-Grandma Betty purchased years ago.

Making a Good Gift Even Better

Assume that Betty gifted her income payments to Meghan while she was alive and Meghan lived to be 100, the policy would pay Meghan \$497,990 in income payments plus another \$50,000 in death benefit to her beneficiary— a total of \$547,990 from an initial premium of \$100,000. That's a return of over \$440,000.

However, if Betty had chosen the 5% inflation protection feature³ available on the Joint Lifetime Income Annuity, all other things remaining the same, the initial annual payout would decrease substantially from \$5,242 to \$1,392. But, each year, that payout would

increase. Over time, the payout would add up to \$2,840,890 plus the \$50,000 death benefit – a total of \$2,890,890. Betty's initial \$100,000 would have returned over \$2.7 million dollars to her granddaughter and great-granddaughter!

The Long Term

A Joint Lifetime Income Annuity is a long-term financial tool. Therefore, choosing a reputable company is incredibly important. You need to be assured that the company will be there for you and your heirs. Both New York Life Insurance Company and NYLIAC are rated the highest possible for financial strength from all four of the major credit rating agencies⁴. New York Life Insurance Company, the parent company of NYLIAC, is a Fortune 100 company, and the largest mutual life insurance company in the United States. Since 1845, New York Life has served the needs of individuals, families and businesses.

A Legacy of Love

As a grandparent, you know that the bond you share with your grandchildren is one of life's treasures. If you want to indulge your grandchildren now and provide a legacy for them in the future, consider a New York Life Lifetime Income Annuity.

Illustration based on Lifetime Income Joint Annuity with 50% Death Benefit, 70-year-old female, 5-year-old female, \$100,000 premium, rates as of 3/19/2009. Rates are subject to change, and payout will vary with age and life expectancy. This hypothetical example is for illustrative purposes only. Illustration assumes a 3/26/1939 date of birth for the female, 3/26/2004 date of birth for the female, and an annuity payout start date of 3/26/2010. Some figures have been rounded to the nearest dollar for presentation purposes. Please note that the income amounts shown are pre-tax dollars. There may be gift, estate, and generation skipping transfer (GST) tax consequences for the grandparent/grandchild joint life option. Clients should consult with their own professional advisors to determine the appropriateness of any course of action.

1 Lifetime Income Annuities are issued by New York Life Insurance and Annuity Corporation (NYLIAC), a wholly owned subsidiary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010

2 The Percent of Death Benefit payment option is not available for tax qualified policies or in New York and Washington.

3 This option must be elected at the time of purchase and the policy owner must be at least age 59 1/2 at the time of the first income payment.

4 Standard & Poor's (AAA), A.M. Best (A++), Moody's (Aaa) and Fitch (AAA) Source: Third Party Ratings Reports (as of 09/04/2008).