Delaware Life®

Putting time on your side:

How compound interest can help to accelerate your retirement savings

Issued by Delaware Life Insurance Company

When you're saving for retirement, two key factors determine how much you can accumulate:

1 the **rate of interest you earn** on your savings

2 the **amount of time you have** to earn that interest

That's why the sooner you start saving for retirement in a tax-deferred account, the longer your money has the potential to grow in value from compound interest.

With compounding, the interest you earn each year earns additional interest in each year that follows, so the value of your account accelerates over time. In addition, because you pay no taxes on any earnings in a tax-deferred account until they are withdrawn, your account can grow at an even faster pace.

The following tables show how an initial premium payment in a fixed annuity could grow through compounding at various interest rates over seven different time periods.

(Note: Rates and results shown in the tables are hypothetical and do not represent the actual performance of any Delaware Life annuity.)

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The table below shows the hypothetical cumulative growth over time as percentages.

Cumulative percentage growth by term and interest rate

Credited rate	3 years	5 years	6 years	7 years	8 years	9 years	10 years
0.25%	0.75%	1.26%	1.51%	1.76%	2.02%	2.27%	2.53%
0.50%	1.51%	2.53%	3.04%	3.55%	4.07%	4.59%	5.11%
0.75%	2.27%	3.81%	4.59%	5.37%	6.16%	6.96%	7.76%
1.00%	3.03%	5.10%	6.15%	7.21%	8.29%	9.37%	10.46%
1.25%	3.80%	6.41%	7.74%	9.09%	10.45%	11.83%	13.23%
1.50%	4.57%	7.73%	9.34%	10.98%	12.65%	14.34%	16.05%
1.75%	5.34%	9.06%	10.97%	12.91%	14.89%	16.90%	18.94%
2.00%	6.12%	10.41%	12.62%	14.87%	17.17%	19.51%	21.90%
2.25%	6.90%	11.77%	14.28%	16.85%	19.48%	22.17%	24.92%
2.50%	7.69%	13.14%	15.97%	18.87%	21.84%	24.89%	28.01%
2.75%	8.48%	14.53%	17.68%	20.91%	24.24%	27.65%	31.17%
3.00%	9.27%	15.93%	19.41%	22.99%	26.68%	30.48%	34.39%
3.25%	10.07%	17.34%	21.15%	25.09%	29.16%	33.36%	37.69%
3.50%	10.87%	18.77%	22.93%	27.23%	31.68%	36.29%	41.06%
3.75%	11.68%	20.21%	24.72%	29.39%	34.25%	39.28%	44.50%
4.00%	12.49%	21.67%	26.53%	31.59%	36.86%	42.33%	48.02%
4.25%	13.30%	23.13%	28.37%	33.82%	39.51%	45.44%	51.62%
4.50%	14.12%	24.62%	30.23%	36.09%	42.21%	48.61%	55.30%
4.75%	14.94%	26.12%	32.11%	38.38%	44.95%	51.84%	59.05%
5.00%	15.76%	27.63%	34.01%	40.71%	47.75%	55.13%	62.89%
5.25%	16.59%	29.15%	35.94%	43.07%	50.58%	58.49%	66.81%
5.50%	17.42%	30.70%	37.88%	45.47%	53.47%	61.91%	70.81%
5.75%	18.26%	32.25%	39.86%	47.90%	56.40%	65.40%	74.91%
6.00%	19.10%	33.82%	41.85%	50.36%	59.38%	68.95%	79.08%

The table below applies those percentages to illustrate the growth of a $100,000 payment.
For example, a $100,000 single premium earning 2.5% interest annually would grow 13.14% in five years to $113,141.

Cumulative growth in dollars by term and rate

Example: $100,000 initial premium

Credited rate	3 years	5 years	6 years	7 years	8 years	9 years	10 years
0.25%	$752	$1,256	$1,509	$1,763	$2,018	$2,273	$2,528
0.50%	$1,508	$2,525	$3,038	$3,553	$4,071	$4,591	$5,114
0.75%	$2,267	$3,807	$4,585	$5,370	$6,160	$6,956	$7,758
1.00%	$3,030	$5,101	$6,152	$7,214	$8,286	$9,369	$10,462
1.25%	$3,797	$6,408	$7,738	$9,085	$10,449	$11,829	$13,227
1.50%	$4,568	$7,728	$9,344	$10,984	$12,649	$14,339	$16,054
1.75%	$5,342	$9,062	$10,970	$12,912	$14,888	$16,899	$18,944
2.00%	$6,121	$10,408	$12,616	$14,869	$17,166	$19,509	$21,899
2.25%	$6,903	$11,768	$14,283	$16,854	$19,483	$22,171	$24,920
2.50%	$7,689	$13,141	$15,969	$18,869	$21,840	$24,886	$28,008
2.75%	$8,479	$14,527	$17,677	$20,913	$24,238	$27,655	$31,165
3.00%	$9,273	$15,927	$19,405	$22,987	$26,677	$30,477	$34,392
3.25%	$10,070	$17,341	$21,155	$25,092	$29,158	$33,355	$37,689
3.50%	$10,872	$18,769	$22,926	$27,228	$31,681	$36,290	$41,060
3.75%	$11,677	$20,210	$24,718	$29,395	$34,247	$39,281	$44,504
4.00%	$12,486	$21,665	$26,532	$31,593	$36,857	$42,331	$48,024
4.25%	$13,300	$23,135	$28,368	$33,824	$39,511	$45,440	$51,621
4.50%	$14,117	$24,618	$30,226	$36,086	$42,210	$48,610	$55,297
4.75%	$14,938	$26,116	$32,107	$38,382	$44,955	$51,840	$59,052
5.00%	$15,763	$27,628	$34,010	$40,710	$47,746	$55,133	$62,889
5.25%	$16,591	$29,155	$35,935	$43,072	$50,583	$58,489	$66,810
5.50%	$17,424	$30,696	$37,884	$45,468	$53,469	$61,909	$70,814
5.75%	$18,261	$32,252	$39,856	$47,898	$56,402	$65,395	$74,906
6.00%	$19,102	$33,823	$41,852	$50,363	$59,385	$68,948	$79,085

There is no additional tax deferral benefit for annuity contracts purchased in an IRA or other tax-qualified plan, since these are already afforded tax-deferred status. Thus, an annuity should only be purchased in an IRA or qualified plan if you value some of the other features of the annuity and are willing to incur any additional costs associated with the annuity to receive such benefits.

An annuity is a long-term insurance contract sold by an insurance company, designed to provide an income, usually after retirement that cannot be outlived. There are fees, expenses and surrender charges that may apply.

Annuities are generally suitable for long-term investing, particularly retirement savings.

Money not previously taxed is taxed as ordinary income when withdrawn. Withdrawals before age 59½ may be subject to a 10% federal tax penalty.

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Service Center: P.O. Box 758581, Topeka, KS 66675-8581
Sales Support: 844.DEL.SALE (844.335.7253)
Customer Service: 877.253.2323

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