

Legacies Are about More than Wealth

With some 76 million baby boomers in the United States, more than half of them are already 65 or older. As this historic, post-World War II generation has shaped trends and purchasing habits through their prime earning years, they look certain to make their retirement legacies memorable as well.¹

As they look across the arc of their lives, many have evolved from the “Me Generation” professionals of the ‘80s to active, successful individuals in the autumn of their years who have pressing concerns about the legacy they will leave behind.

LEGACY PLANNING HAS A MAJOR IMPACT ON KEY DECISIONS

- Wills
- Legacy and income tax minimization
- Incapacity planning
- Long-term care
- Generational gifting
- Business succession planning
- Insurance
- Family Limited Partnerships (FLPs) and Limited Liability Corporations (LLCs)
- Revocable and irrevocable trusts
- Guardian provisions

¹ IRI Boomer Expectations for Retirement 2017 Seventh Annual Update on the Retirement Preparedness of the Boomer Generation https://www.myirionline.org/docs/default-source/research/iri_boomers-expectations-for-retirement-2017.pdf

If you too are thinking about the generations in your life, consider these advantages to building a sound legacy plan:

Establishing financial security for both yourself and your loved ones is a priority.

Establishing a legacy involves providing resources, gifts, assets or donations to others. However, no one can support others if they are not providing for themselves first. Do not put your own standard of living at risk. The sharp downward sell-off in asset prices in 2008 brought that message home to many.

Transitioning a business may be a goal. If you are the founding owner of a company, you must decide which people will own, manage and benefit from your business. The key is to have a succession plan in place.

Protecting an estate is especially critical. Straightforward vehicles like trusts and limited partnerships can help protect assets, while offering different ways to hold title to assets through IRAs or annuities. Discuss the assets you want protected with your financial professional as you review the legacy planning choices ahead.

Addressing potential tax burdens is especially important. After determining who should benefit from your wealth, transfer your assets in a way that provides the least tax exposure while still allowing you to meet your long-term legacy planning goals.

Legacy Planning for the Generations in Your Life

Investors Who Prefer Annuities (and Employ Financial Professionals) Are Better Prepared

Today's fixed index annuities (FIA) offer a range of benefits that may help investors accumulate assets for retirement, preserve what they have accumulated, turn those assets into a guaranteed stream of income and help them pass on a financial legacy to their loved ones.

Baby boomers who have taken positive steps toward planning, such as engaging financial professionals and purchasing retirement income products like annuities, tend to be better prepared for building their future legacy. In fact, according to the Insurance Research Institute, nine out of 10 baby boomers who work with financial professionals have taken steps to bolster their retirement savings.²

How a Fixed Index Annuity Supported a Special Needs Child

A 70-year-old debated how best to bequeath assets that would benefit a child with special needs.³

The individual had originally invested \$300,000 for the child. While the market trimmed \$130,000 from the amount, most of the losses had been recouped.

The investor's financial professional arranged for a qualified trustee to oversee the child's account. Since the investor made it clear that no exposure to market risk was wanted, the financial professional recommended an FIA with a death benefit rider. In this case, the least average growth rate combined with a percentage guarantee meant that if the individual died in 10 years, more than \$650,000 in cash would still be available to for child's care.

² IRI Boomer Expectations for Retirement 2017 Seventh Annual Update on the Retirement Preparedness of the Boomer Generation https://www.myirionline.org/docs/default-source/research/iri_boomers-expectations-for-retirement-2017.pdf

³ Daily Finance <http://www.dailyfinance.com/2014/08/15/how-to-increase-amount-your-heirs-estate-planning/>

Three Ways to Protect Your Legacy

The benefits of an FIA, whose cost varies by product and company, include these three protective benefits:

1

Accumulation

Your principal and credited interest are protected against market downturns.

2

Guaranteed Income

You can be protected from the possibility of outliving your assets.

3

Death Benefit

If you pass away before annuity payments begin, an FIA may help provide for your loved ones.

Avoid Probate with an FIA Death Benefit

Your beneficiary may choose to receive your contract's value in a single payment or in a series of payments over time. The death benefit alone is often a reason for individuals to purchase an FIA. While there may be no immediate plan to receive withdrawals, some individuals like the idea that the money is available to them in an emergency (potentially subject to a surrender charge)—or to pass on to their beneficiaries.

The Challenge of Legacy Planning

Retirees who are preparing a legacy for the future must ensure they have:

- Sufficient income to cover expenses
- Increasing income to bridge the gap between Social Security and any other income sources
- Certainty that they cannot outlive their income
- Emergency resources for long-term care
- Discretionary income for travel and special events

An investment-only portfolio can help provide a desired outcome for a legacy plan, but can only go so far. Without at least some exposure to an insurance-backed solution, an individual's investment-only portfolio has no shelter from the unpredictable price pressures of the global marketplace.

LEGACY PLANNING CHECKLIST

- ☐ Have a valid will that reflects your current goals and objectives
- ☐ Decide upon a living revocable trust or irrevocable life insurance trust
- ☐ Have a durable power of attorney and medical directives in place
- ☐ Have beneficiary designations (primary and contingent) for retirement plans, annuities and life insurance policies
- ☐ Take steps to avoid probate
- ☐ Establish measures to reduce tax liabilities for beneficiaries

A Legacy Plan Is Important for You – and the Ones You Love

For the Retirement Dimensions in Your Life: Growth Today for Income Tomorrow

If you are like many individuals nearing or entering retirement, you are looking to achieve two primary goals: Accumulate dollars today and receive dependable income tomorrow.

The journey between those goals, however, may involve unwanted risk exposure unless you have adequate information, expert advice and access to proven strategies. One strategy you and your financial professional may want to consider to secure a sustainable retirement lifestyle is a proven, cornerstone financial product like an FIA.

An FIA, in effect, is a contract between you and an insurance company that is designed to help you meet your long-term retirement needs. In exchange for your payment of an insurance premium, the insurance company gives you the opportunity to earn additional interest based on the performance of a market index, and pays you income in the future.

Is a Fixed Index Annuity Right for You?

You might be a good candidate for an FIA if you agree with any of these statements:

"I want a convenient way to receive predictable monthly payments after I retire."

"I need to find a way to preserve my retirement principal."

"I'm retiring yet still want my money to keep growing while it pays me income."

"I'd like a solution that locks in value I can leave to my heirs."

Experience Delaware Life Dimensions

Delaware Life Dimensions is designed to help you reach your retirement goals through timely, thoughtful ideas and leading research. This 12-part educational program offers general advice concerning principal preservation, growth and income during retirement. It is not intended as a substitute for a consultation with a qualified financial professional who understands how this information may apply to your specific situation. Guarantees are backed by the financial strength and claims-paying ability of the insurance company issuing the annuity.

Do You Want to Learn More?

Ask your financial professional about other topics in the Delaware Life Dimensions Retirement Education Series, including:

>2 **Planning for Longevity** Americans over age 65 are the country's fastest-growing demographic. What pre-retirees need to consider as they look ahead.

>5 **Making Up a Retirement Shortfall** Volatility can take a toll on retirement portfolios. Here's a strategy that could help investors and savers pick up the pace of accumulation.

>10 **Keeping Up with Rising Costs** Even at today's historically lower inflation rates, price increases today can still undercut buying power tomorrow.

About Delaware Life

We are dedicated to supporting you with valuable, straightforward solutions that help you save today and provide income for tomorrow. Our current product offerings include fixed and fixed index annuities. Delaware Life Insurance Company manages approximately 342,000 in-force annuity and life insurance policies representing \$36.6 billion in assets under management and \$14.1 billion of invested assets as of September 30, 2017.

Contact Your Financial Professional Today to Learn More

Delaware Life Insurance Company is authorized to transact business in all states except New York, as well as in the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Delaware Life Insurance Company is a member of Group One Thousand One.

**NOT FDIC/NCUA INSURED | MAY LOSE VALUE | NO BANK/CREDIT UNION GUARANTEE | NOT A DEPOSIT
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

This communication is for informational purposes only. It is not intended to provide, and should not be interpreted as individualized investment, legal or tax advice. To obtain such advice, please consult with your investment, legal or tax professional.

© 2017 Delaware Life Insurance Company. All rights reserved.

DLPC 0564 11/17 EXP 11/18 (Revised 12/17)