



# THE INCOME LADDER

## CREATING A GROWING INCOME STREAM

Guaranteed income strategies are an important part of your client's Plan for Living. An annuity is the only way to provide a guaranteed income stream that your clients cannot outlive. However, many clients may not be ready or comfortable with transferring a large percentage of their assets into an annuity.

One potential strategy is to create an "Income Ladder" – using multiple annuity contracts to create a growing income stream over time. This strategy may be effective for clients who:

- Don't need all of their estimated retirement income immediately
- Will experience a gradual decline in earnings over time (may continue to work part-time in early retirement)
- Want to continue to grow their retirement nest egg while beginning to take income

### How it works

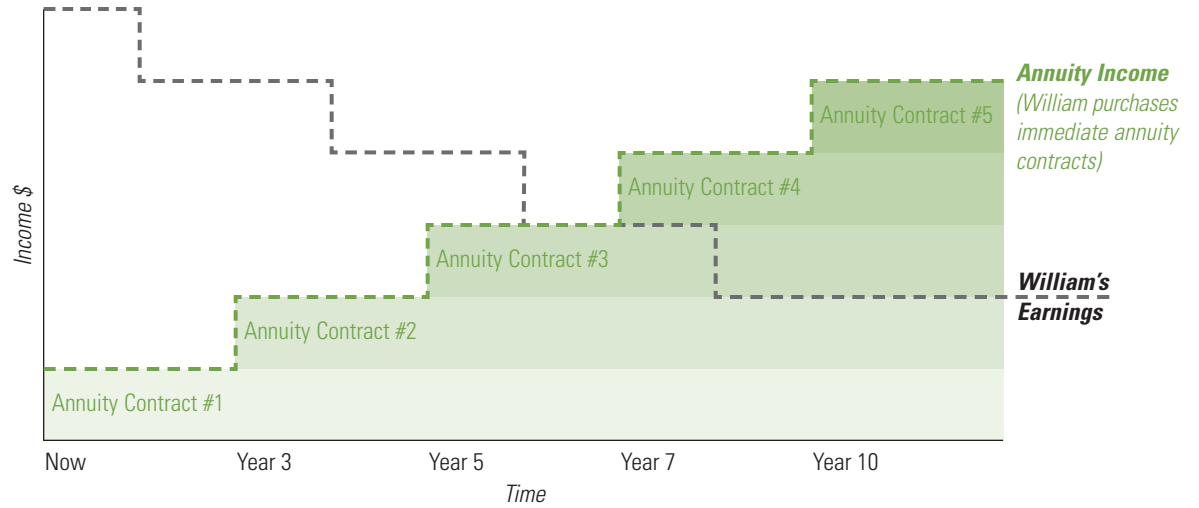


<b>Customer Profile</b>	William, age 60
<b>Work</b>	Semi-retired
<b>Sources of Income</b>	Social Security: \$12,500 annually Investments: \$2.5 million in mutual funds and bonds
<b>Key concern</b>	Wants to maintain his level of income and continue to grow his assets

William is beginning to think seriously about retirement. After years of long hours and hard work running his own business, he's dreaming of tee times and long vacations with his wife. As he begins to transition his business to his successors, he's also taking home a smaller paycheck.

William needs to begin receiving income but isn't ready to convert a large portion of his assets. He decides to use \$50,000 from his retirement savings to purchase an immediate annuity and use the income to supplement his current earnings. Over the next few years, he will purchase additional immediate annuity contracts (referred to as "laddering") to increase his retirement income as his earnings decline. In addition, he may opt to purchase a fixed deferred annuity with some of his other assets which will grow safely until he is ready to begin receiving additional income.

### William's Income Ladder



**This chart is for illustrative purposes only. Actual needs and results will vary.**

***Contact your company representative to request more tools and strategies from the Genworth Financial companies to help create a Plan for Living for your clients!***

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