

## Wealth Ladders Overview

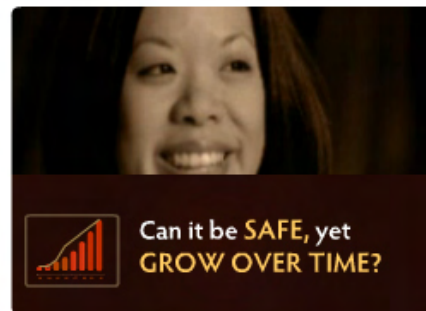
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 **WealthLadders**<sup>™</sup>  
Safety First in Retirement



# Income

A simple word but one with big implications.



For retirees, income takes on obvious importance.

One reason is that retirement income comes mainly from your savings, not your labor. In retirement, it's your savings that should work hard to produce income. Not you.

After years of economic uncertainty, many retirees would like their incomes to be more predictable.. and secure.

But turning assets into income can be both complicated, and risky. So questions may arise:

- Can income be made more certain?
- Can income have built-in tax advantages?
- Can it be safe, yet grow over time?

These are key questions that may be on the minds of savers looking to both protect their money, and create income.

- Can income be made more certain?
- Can income have built-in tax advantages?
- Can it be safe, yet grow over time?



Section

01



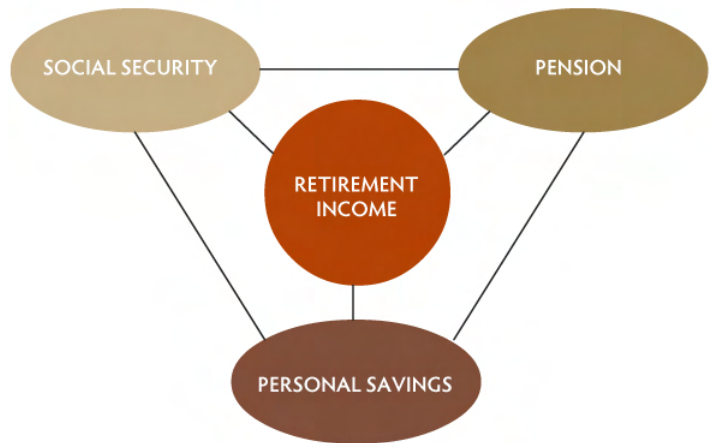
Retirement Security.  
Planning for Retirement is Essential.

# Everything has Changed.

Yesterday's Security no longer exists.

## The Three-Legged Stool

For decades, retirement security could be thought of as a three-legged stool. People could take comfort in the fact that Social Security, combined with company pensions, and personal savings would provide a solid standard of living in retirement.



**But how things change.**

## Company Pensions

In recent decades, company pensions have virtually vanished in favor of risky 401(k) plans.

How many people do you know today who have a pension income that's guaranteed by their employer?



## Personal Savings

And what about savings?

Over recent decades, personal savings declined dramatically, at some points even going into negative territory.

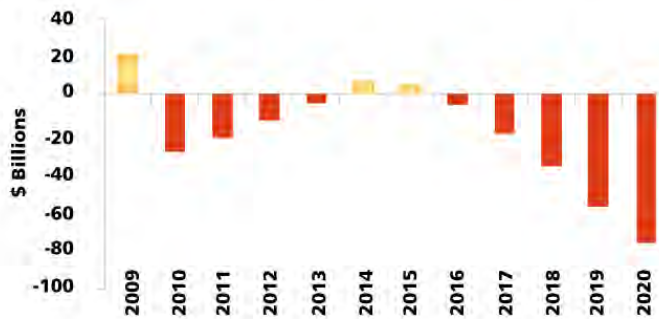


# Social Security?

Well, according to a report from the U.S. Treasury, Social Security is heading toward a \$13 Trillion deficit.

The report says that best solutions for closing the deficit are higher taxes, or reduced benefits. Or, for some, maybe no benefits at all.

Issue Brief No. 1: Social Security Reform: The Nature of the Problem, 2007



**The truth is each passing day puts the burden for creating retirement security more and more on our shoulders.**

Planning for retirement, therefore, has become an issue that is not just personal, it's essential. It's essential, especially when you consider how long retirement could last.

# The Lottery of Long Life

If you knew you had a 25% chance, or a 50% chance of winning a lottery, you'd probably feel that these are amazingly good odds.

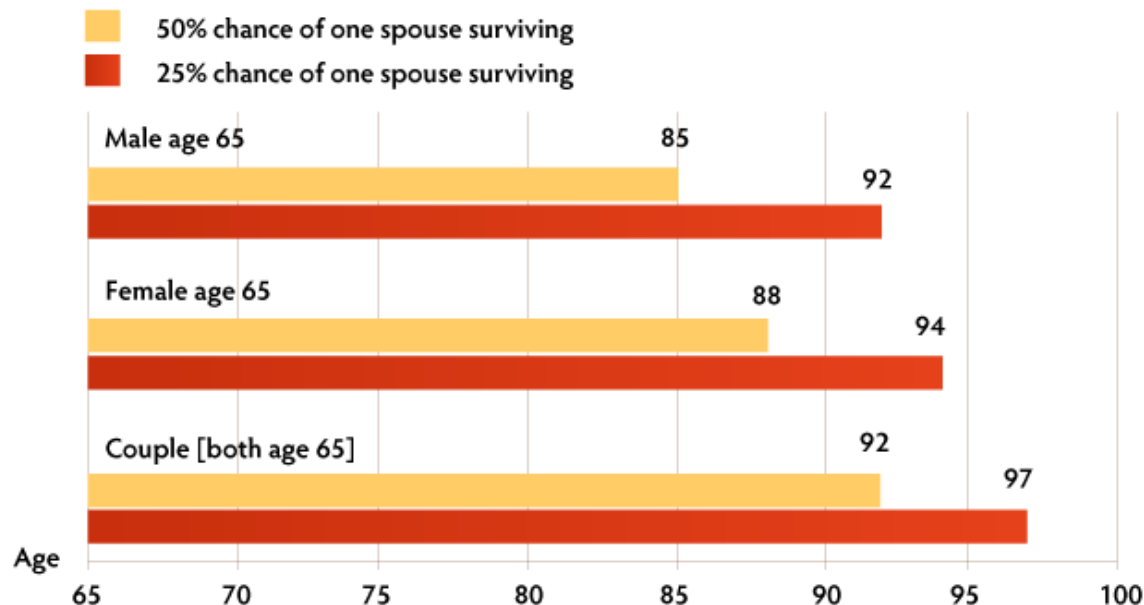
The truth is, though, you may have already won the lottery of long life.

For example, consider a healthy, married couple age 65.

There's a 50% chance of one spouse living beyond age 92.

And, a 25% chance of one spouse living beyond age 97.

What are the implications for your income needs in retirement, when retirement may last so long?

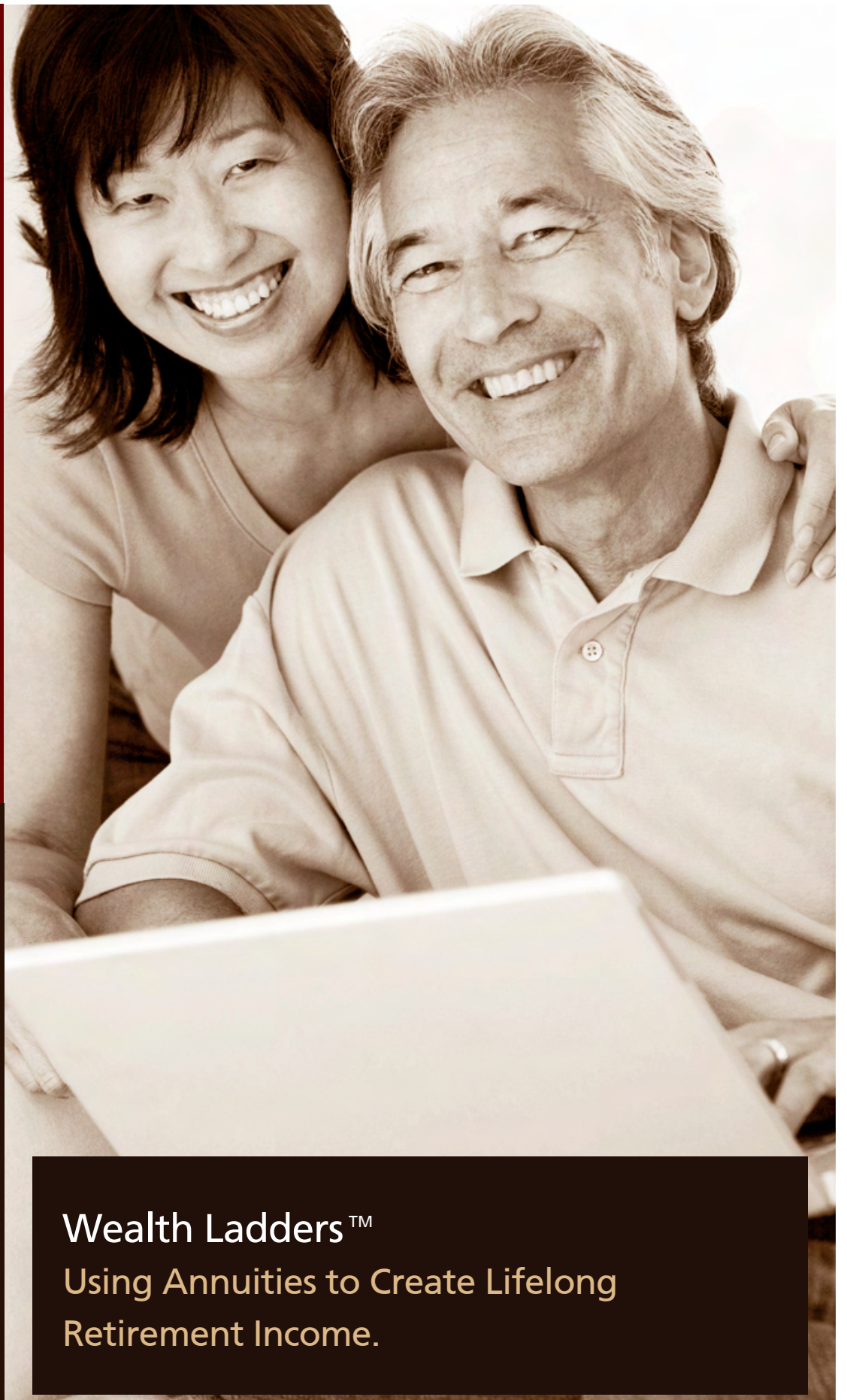


No wonder retirees often ask, "How long will my money last?"



Section

# 02



**Wealth Ladders™**

Using Annuities to Create Lifelong  
Retirement Income.



Increasingly, annuities are seen as an answer to reducing the risk of uncertain retirement income. But combining several annuities may actually deliver excellent results.

Annuities that are strategically combined, or laddered, may provide several important benefits including peace-of-mind, long-term, tax deferred growth, and lifetime guaranteed income.

Wealth Ladders is an approach for custom-tailoring a laddered annuity strategy to help strengthen your retirement security.

It's a flexible solution that can help savers who wish to avoid subjecting their savings to investment risk.

And, it's a retirement income strategy that may offer high appeal to people who are looking for predictable income they can't outlive.



While Wealth Ladders is truly flexible, one popular design might work like this.



A portion of your retirement savings is allocated to four discrete pools of money, called SEGMENTS. These are named:

- the Immediate Income Segment
- the Accumulation Segment
- the Longevity Segment, and
- the Time-Capsule Segment.

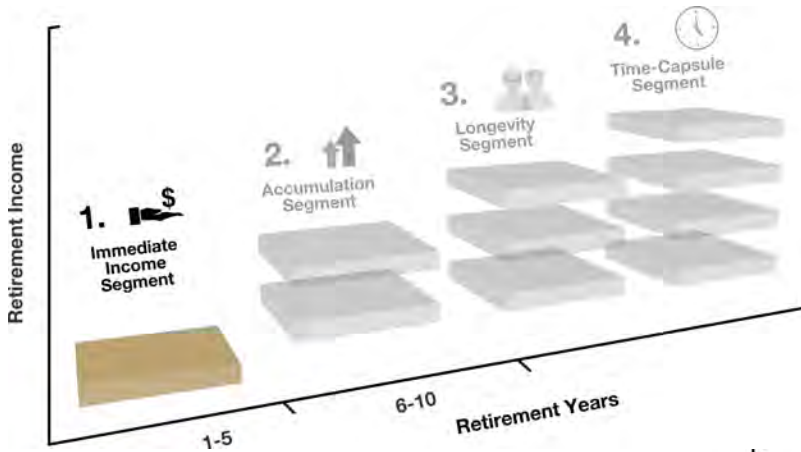
Each of the segments is funded by one or more annuity contracts.

# Wealth Ladders™

Using Annuities to Create Lifelong Retirement Income.

# WealthLadders™

Safety First in Retirement

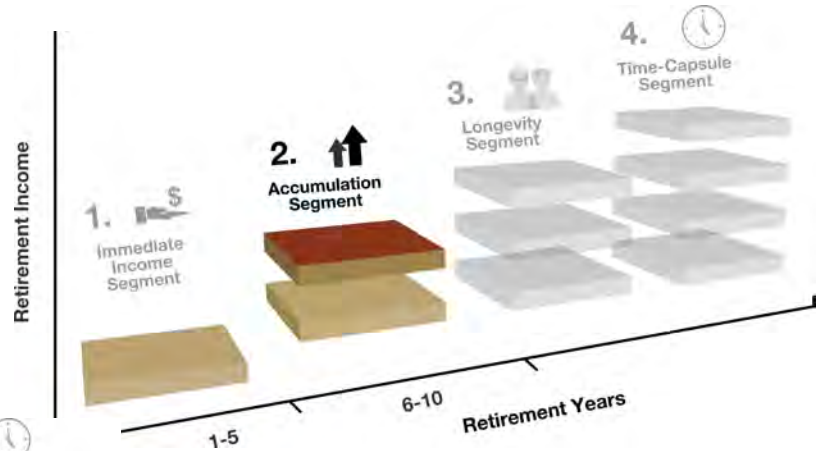


The Immediate Income segment provides guaranteed income for a period of five years.

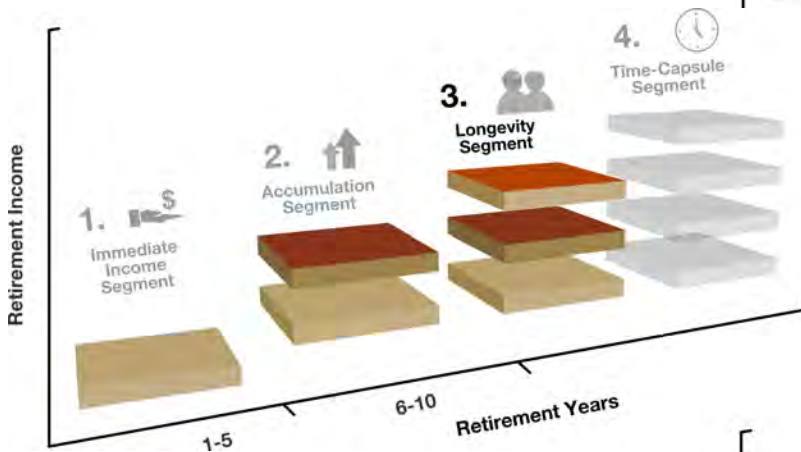
While income is being provided by the Immediate Income segment, other segments are accumulating.

Beginning in year six, the money in the Accumulation Segment begins to provide guaranteed income for years six through ten.

While this income is being provided, the Longevity Segment and Time-Capsule segments continue to accumulate.

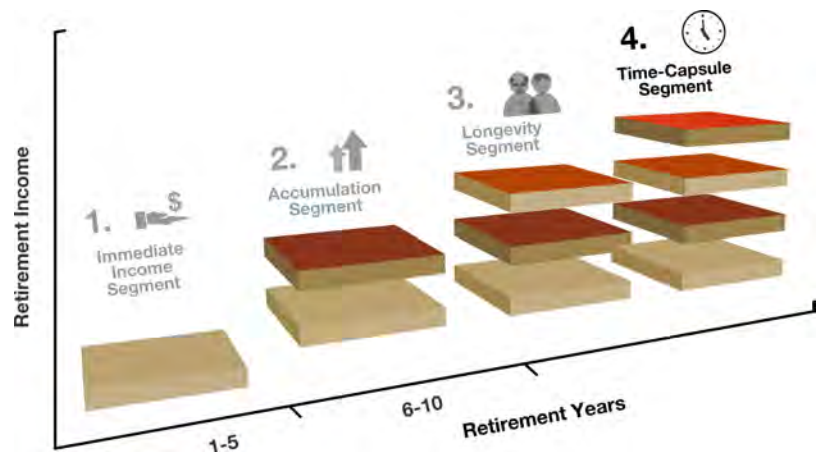


Beginning in year eleven, the Longevity Segment begins to provide income that is guaranteed to continue for life.



Now, the Time-Capsule Segment has a special role. It remains in place to serve as an emergency fund that may help meet unplanned health care or other expenses.

Or, it could serve as the source of a bequest for your loved ones.



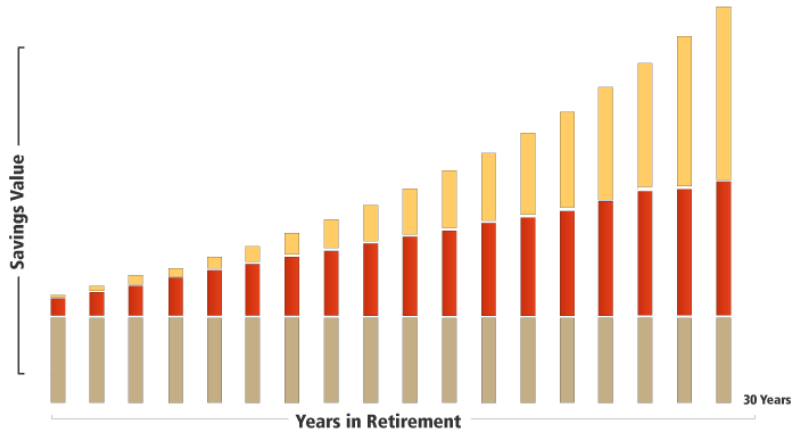




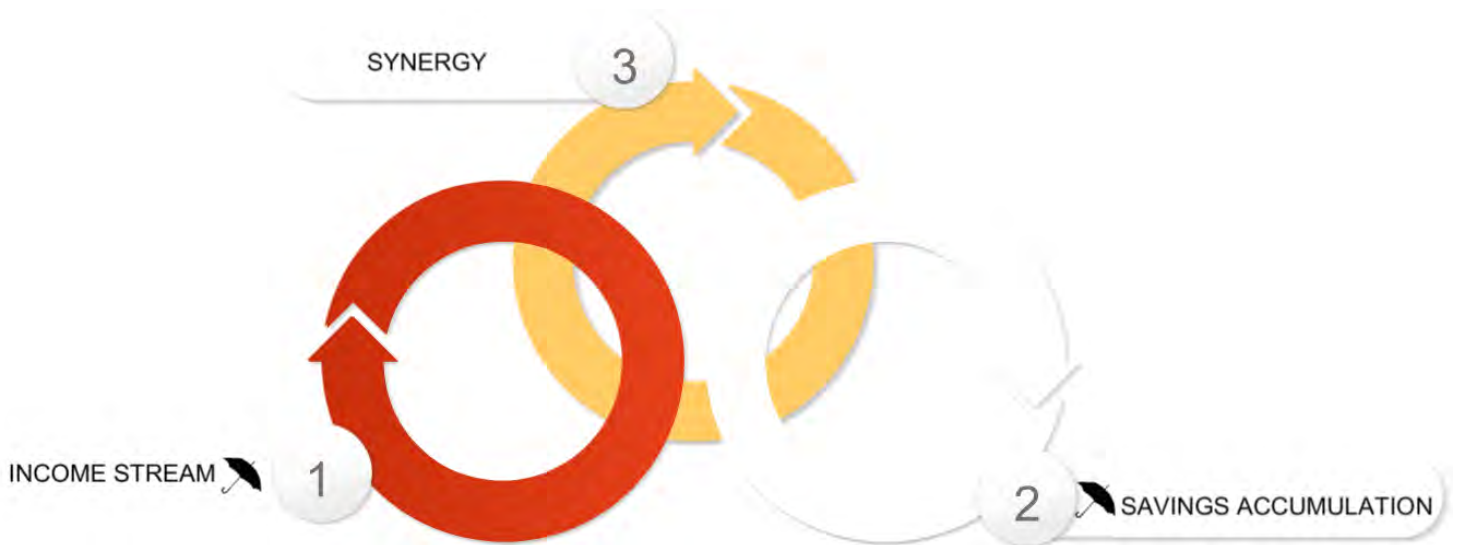
The Wealth Ladders strategy may offer significant benefits including :

- guaranteed retirement income
- safety of principal
- tax-deferred growth
- reasonable levels of liquidity, and,
- competitive rates of interest, consistent with safety.

At the core of Wealth Ladders are **two economic principles**: The first is that time is a critical factor in being able to achieve a potentially higher accumulation of interest: more time equals greater compounded interest.



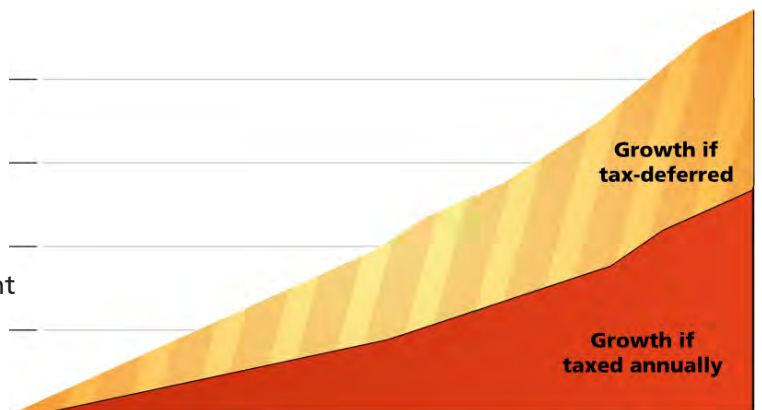
The second is that by strategically combining annuities designed to provide guaranteed income streams, with others designed to accumulate savings dollars, a synergy can develop which may offer more retirement income over time.



And, there's **income tax benefits**.

Tax-deferred annuities, typically used to fund the Accumulation, Longevity and Time-Capsule segments, accumulate savings with income taxes deferred until money is actually withdrawn.

And, depending upon the tax status of your retirement savings, immediate annuities, used to provide income from the Immediate Income Segment, may offer an exclusion ratio that can lower income taxes.



Section

# 03



**What Type of Retirement Income is Right for You?**

# Is Wealth Ladders™ Right for You?

## Your Insurance Professional Will Assist You.

What's most important is that you look carefully at the type of retirement income that is best for you. You should also be sure that you understand the types of annuities that may be recommended to you, their associated costs, and their early withdrawal charges. Your insurance professional is required to provide you detailed disclosure information on each annuity contract recommended.

Whether you want safety and predictability or something else - knowing the type of retirement income that best suits your needs is the essential first step in building a retirement that's financially secure.





# Important Disclosures

Insurance agents and, or, insurance-licensed financial advisors that offer Wealth Ladders are independent business owners and are not affiliated with Wealth2k, Inc.

Wealth2k, Inc. does not give legal, tax or accounting advice. The information contained herein is our understanding of current laws as they relate to annuities. These laws are subject to change in the future. Please consult your personal advisor for any needed legal, tax or accounting advice.

Wealth2k, Inc. does not recommend or endorse any specific annuity contracts. The presentation is of a general nature and is only intended to explain how various types of immediate, fixed deferred and fixed indexed annuities may be used to provide a combination of retirement income and cash accumulation. This presentation is not intended to explain the details of any specific annuity contract.

Withdrawals of all or part of the value from your deferred annuities before the end of the term of the contracts may result in surrender charges and/or a reduction in the interest credited to the annuities including loss of indexed interest. Earnings are taxable as ordinary income when withdrawn, and if taken before age 59', may be subject to a 10% federal tax penalty.

Annuity contracts have costs, fees and penalties for early withdrawal. Be certain that you understand these costs. Licensed insurance agents are required to provide detailed disclosure of costs associated with the purchase of annuity contracts. Be certain that you receive an illustration issued by the insurance company issuing any annuity contracts you purchase.

Lifetime income benefits from a fixed indexed annuity of deferred annuity may be provided under the terms of an income benefit rider. You should ask your insurance agent for a detailed explanation of the terms and conditions under which such riders provide income benefits. Annuities offering income rider benefits may provide separate and distinct accounting for cash accumulation value and income value accumulation. Cash accumulation values may be lower, and some contracts, under certain conditions, may provide continuing income benefits but offer no cash value benefit.

# Important Disclosures [continued]

Fixed indexed annuities that may be used to fund the Wealth Ladders strategy are not registered securities or stock market investments and do not participate in any stock or equity investments.

Wealth Ladders is a system designed to help insurance agents explain in a general nature the benefits of fixed annuities used in the context of providing retirement income. The Wealth Ladders Personalized Analysis produced by Wealth2k, Inc. is not intended to represent the results of any specific annuity contract, and does not constitute an annuity contract or a contract of any kind.

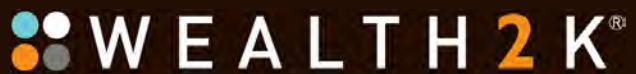
The accumulations shown in the various segments are not guaranteed. Tax-deferred annuity contracts may offer a short-term interest rate guarantee that is higher than the contractually minimum interest rate guarantee. You may not rely on this proposal for any indication of accumulation amounts guaranteed, and you may only rely on the annuity contracts and illustrations provided by the company or companies issuing such annuities.





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