



# Overcoming retirement income challenges

You've worked hard.  
Retirement should be easy.





# Your i's are dotted. Your t's are crossed.

You worked through every scenario that retirement could throw at you. You diversified your portfolio. You saved and saved and saved some more. Now, all that's left is to tap that nest egg and turn your assets into a stream of income that can provide the retirement you've always wanted. That's what a sound retirement strategy is about, right?

The problem is, without guarantees, this stream of retirement income will face the risk of running out or diminishing in value due to common challenges that every retiree needs to be aware of. Let's take a look at some of these challenges.

## A look at what's ahead

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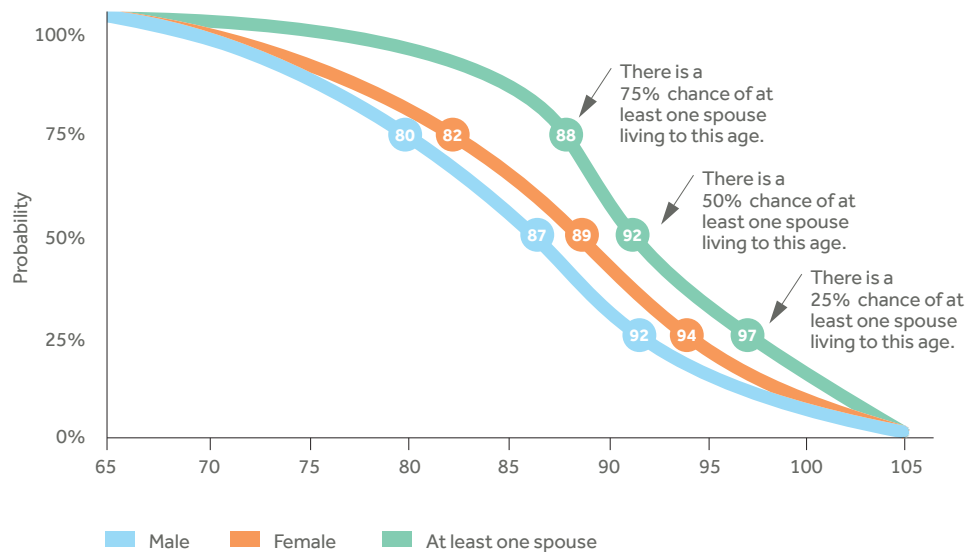
# Life expectancy.

## How long will you live?

People are living longer these days. With this longevity, however, comes the challenge of making sure your retirement income lasts for the rest of your life. Many people plan their retirement based solely on their life expectancy, but this strategy ignores the real possibility of living far beyond

that. Life expectancy simply means that 50% of people will live beyond a certain age and 50% will not. While we don't know how long we'll live, income planning based only on life expectancy means you could very well outlive your retirement savings.

**Probability of a Healthy 65-Year-Old Living to Various Ages**



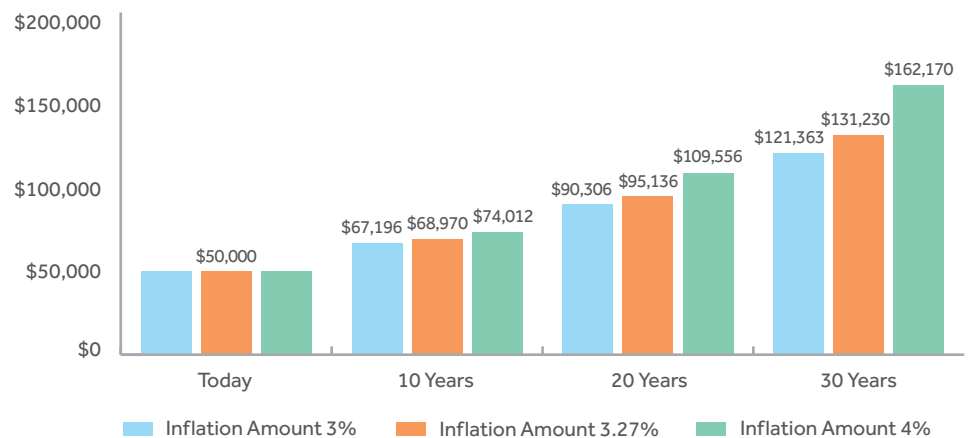
# Inflation.

## Will your retirement income keep pace with inflation?

Since folks are living longer, a retirement income strategy that keeps pace with inflation is a challenge all retirees will face. Inflation reflects the pace at which the price of goods and services rises over time, and due to inflation, your expenses will rise over time, as well.

The average annual inflation from 1913–2016 was 3.27%.<sup>1</sup> At 3.27% annual inflation, \$50,000 in expenses will cost \$68,970 in 10 years, \$95,136 in 20 years, and \$131,230 in 30 years. If your expenses rise, will your current retirement income keep up?

### Inflation Could Make Future Expenses Rise



The hypothetical example is for illustrative purposes only and assumes annual retirement expenses of \$50,000 at the start of retirement.

<sup>1</sup> Source: History of Consumer Price Index, 1913–2016, U.S. Department of Labor, Bureau of Labor, December 2016 edition.

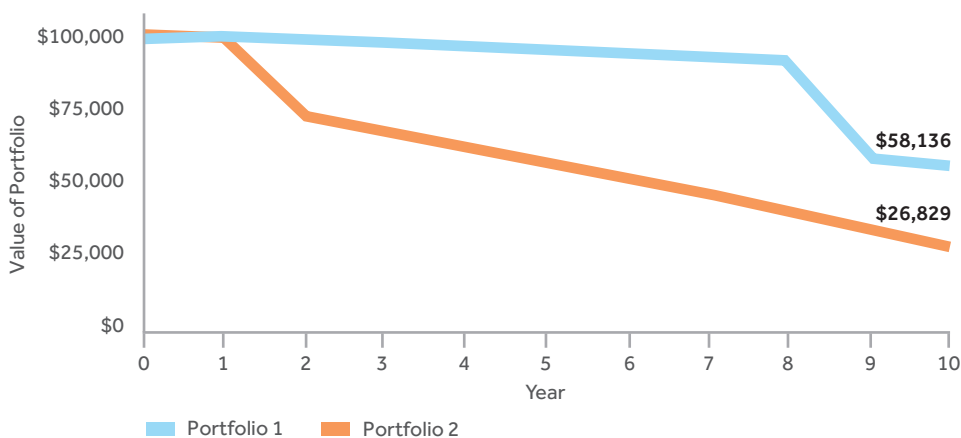


# Market uncertainty.

## Your retirement savings in a down market.

If you're like most investors, your retirement savings are probably in a mix of investments. When it's time to use your retirement savings to generate income, a bear market can wreak havoc on your retirement portfolio. If you're making regular withdrawals from your brokerage account for income, you may have to sell investments at a loss during a down market and miss out on potential future gains. Withdrawals during down markets can reduce your principal and deplete your assets.

### Early Negative Returns Could Affect Future Income



### Annual Returns (Hypothetical)

Year	1	2	3	4	5	6	7	8	9	10	Average
Portfolio 1	10%	10%	10%	10%	10%	10%	10%	10%	-20%	10%	7.00%
Portfolio 2	10%	-20%	10%	10%	10%	10%	10%	10%	10%	10%	7.00%

Assumes \$100,000 initial investment and \$10,000 withdrawal at beginning of each year for income. This hypothetical example is for illustrative purposes only. It is not intended to predict nor guarantee any actual product results and does not reflect the effect of any applicable fees, charges, or taxes.





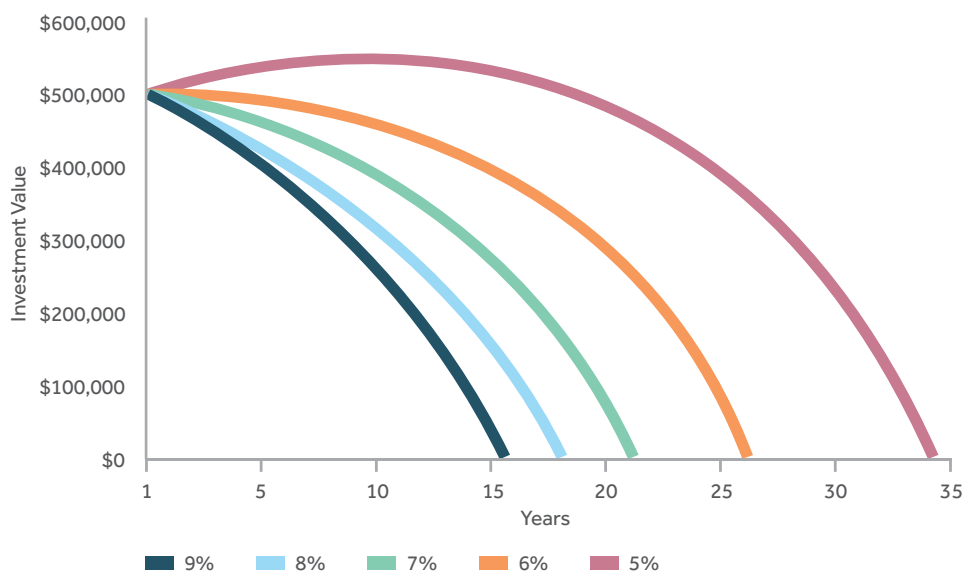
# Withdrawal rate.

## Will your savings last?

You've saved money your entire life, building a nest egg to fund a retirement of which you've always dreamed. The good news is that today's retirees are living active lifestyles and living longer than ever before. However, the longer you live, the more you risk outliving your savings.

Depending on how much you earn on your investments and how much you withdraw from these assets each year, if you live long enough, you may eventually spend all of your money.

### Withdrawal Rate Risk



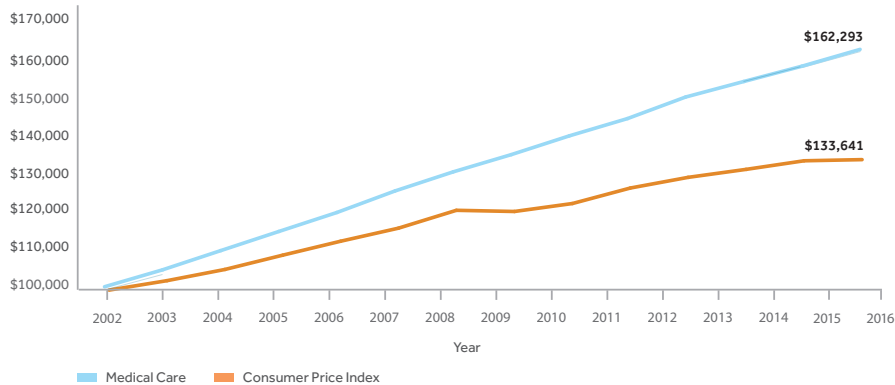
Hypothetical illustration — not specific to the performance of any product. Assumptions: Hypothetical annual return assumption 6.4%. Source: Ibbotson S&P 1992 Classic Yearbook, average of Long Term Corporate Bonds from 1926–2015— Annual withdrawals adjusted by 3% inflation. Past performance is no guarantee of future results. Source: New York Life Insurance Company 2017.

# Health care costs.

## Will health care costs deplete your savings?

Health care costs are increasing faster than overall inflation. These costs may include ongoing expenses for medicine or a large, one-time expense for an acute illness. While retirees are enjoying longer, more productive lives than ever, the risks of rising health care can really cut into their savings.

### Rising Health Care Costs Can Affect Retirement Savings



Source: U.S. Department of Labor, Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)), January 26, 2017. Medical care represents change in prices of all medical care purchased for consumption by urban households. The Consumer Price Index represents changes in prices of all goods and services purchased for consumption by urban households.

# Make your retirement savings last a lifetime.

If you are concerned about making your money last for as long as you live, consider a New York Life income annuity.<sup>2</sup>

## Ready for retirement income now?

The New York Life Guaranteed Lifetime Income Annuity can provide you with a steady income stream that will last for the rest of your life. Simply make one premium payment and receive guaranteed, regular income for as long as you live.

## Need retirement income soon or later?

The New York Life Guaranteed Future Income Annuity can provide guaranteed income for life, starting when you need it—at any date of your choosing two to 40 years<sup>3</sup> in the future. Invest now for guaranteed income later, and benefit from planning ahead. You can even make premium payments over time, on your terms. With an income annuity from New York Life, you can choose from several payout options to meet your individual needs. Whether you need to maximize your income or want to leave a legacy, there are also several optional features available to customize your payments.<sup>4</sup>

<sup>2</sup> The New York Life Guaranteed Lifetime Income Annuity and New York Life Guaranteed Future Income Annuity (GFI) are issued by New York Life Insurance and Annuity Corporation (NYLIAC), a Delaware Corporation, a wholly owned subsidiary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010. Products available in jurisdictions where approved. All guarantees are subject to contract terms, exclusions, and limitations, and the claims-paying ability of NYLIAC. The GFI contract is irrevocable, has no cash surrender value, and no withdrawals are permitted prior to the income start date. Income payments are guaranteed at least as long as the annuitant is living, provided the annuitant is alive on the chosen income start date. The Life Only payout option will not provide a death benefit either prior to, or after, the designated income start date. For most jurisdictions, the policy form number for the New York Life Guaranteed Lifetime Income Annuity is ICC11-P102; it may be 211-P102 and state variations may apply. For most jurisdictions, the policy form number for the New York Life Guaranteed Future Income Annuity is ICC11-P100; it may be 211-P100 and state variations may apply.

<sup>3</sup> Restrictions and limitations may apply.

<sup>4</sup> Products and features available in jurisdictions where approved.

**Let's get started.**

**To learn more about the New York Life Guaranteed Lifetime Income Annuity or New York Life Guaranteed Future Income Annuity, talk to your representative today.**

**New York Life Insurance Company**

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