



Overcoming retirement income challenges.

Work hard. Retire easy.

Successful retirees have a plan for unexpected challenges.

While planning for retirement is different for everyone, successful retirees share common traits. They saved diligently (when they could). They diversified their investments (when it made sense). They stayed the course (even when times were uncertain). Successful retirees also tend to have another thing in common: a guaranteed flow of retirement income.

Without a guaranteed “paycheck”, retirees may leave themselves open to a number of financial risks that are unique to retirement. Let’s take a look at some of these risks and the challenges they present.



A look at what’s ahead:

Life expectancy	1
Inflation	2
Market uncertainty	3
Withdrawal rate	4
Health care costs	5
Make retirement savings last a lifetime	6

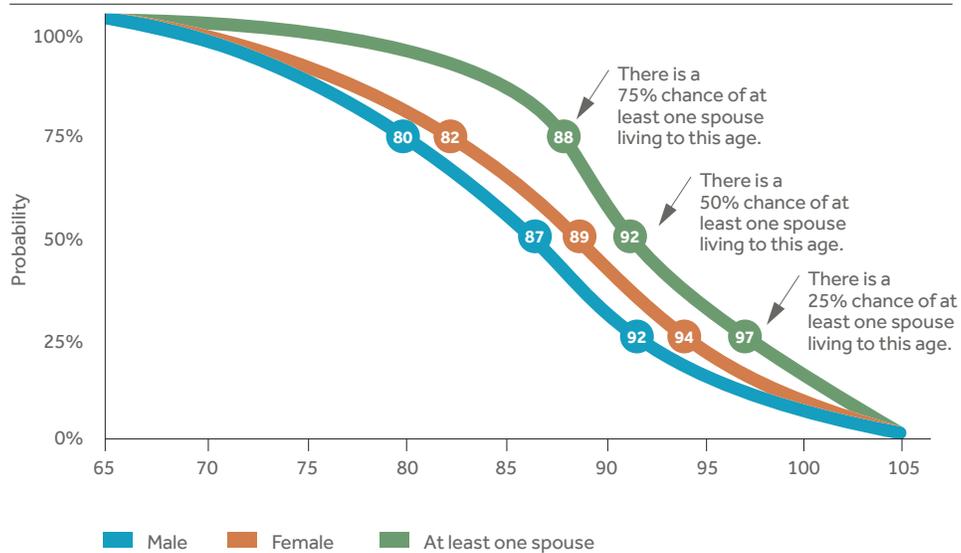
Life expectancy.

How long will we live?

People are living longer these days. With this longevity, however, comes the challenge of making sure retirement income lasts for 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 retirees could very well outlive their retirement savings.

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



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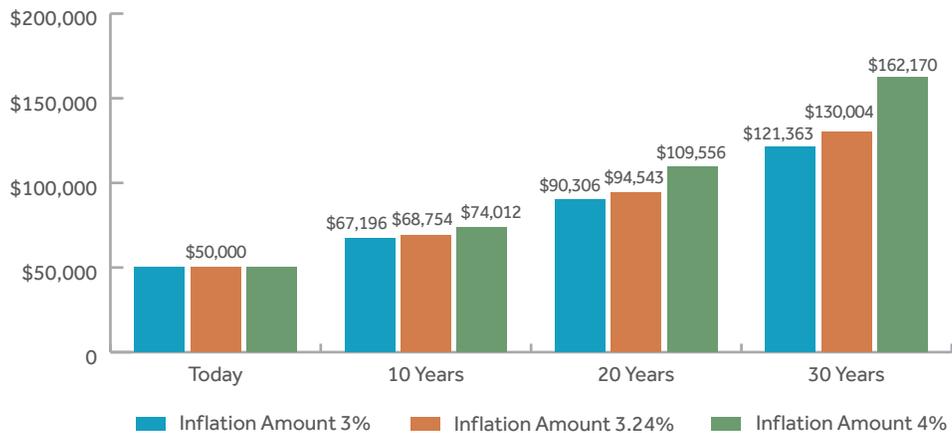
Inflation.

Will 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, expenses will rise over time, as well.

The average annual inflation from 1913–2020 was 3.24%.¹ At 3.24% annual inflation, \$50,000 in expenses will cost \$68,754 in 10 years, \$95,543 in 20 years, and \$130,004 in 30 years. If expenses rise, retirement income has to keep up, too.

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.

¹ Source: History of Consumer Price Index, 1913–2020, U.S. Department of Labor, Bureau of Labor, January 2020 edition.

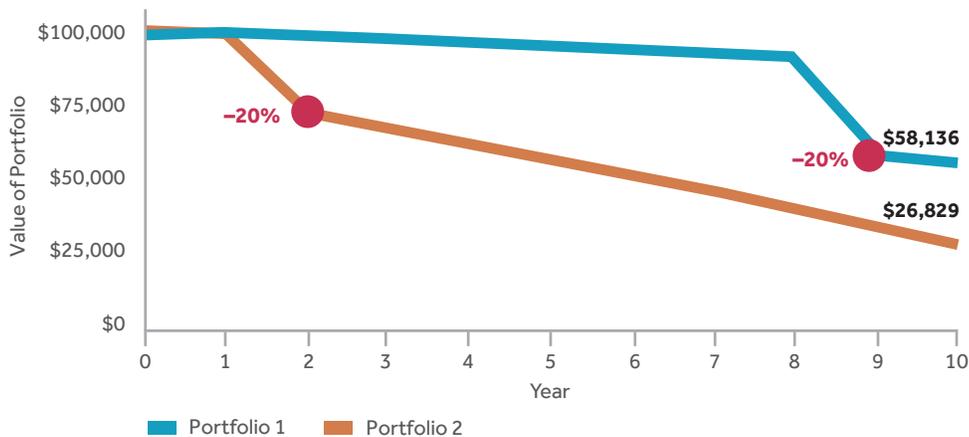


Market uncertainty.

Retirement savings in a down market.

Most people saving for retirement do so by diversifying in a number of investments. When it's time to use retirement savings to generate income, a bear market can wreak havoc on a retiree's retirement portfolio. If a retiree is making regular withdrawals from their brokerage account for income, they 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 principal and deplete 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.



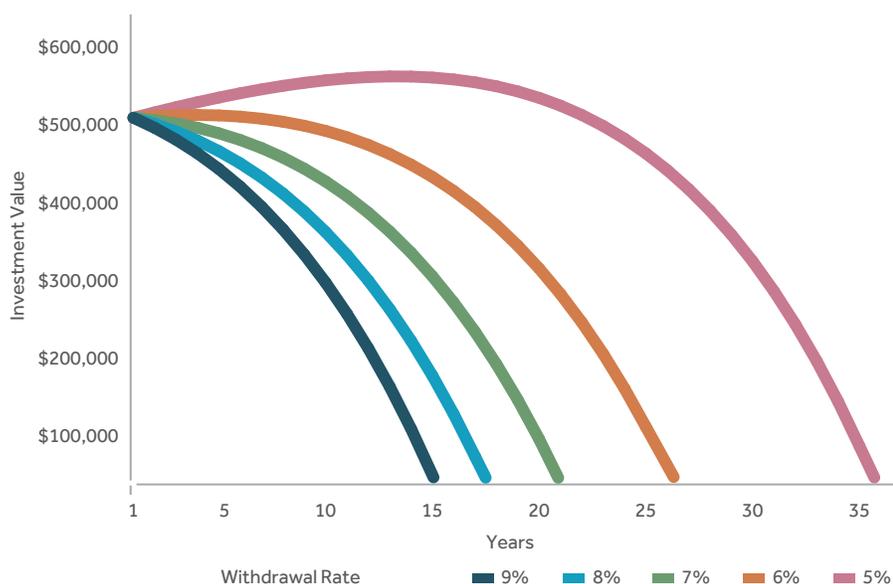
Withdrawal rate.

Will savings last?

Most folks have saved money their entire life, building a nest egg to fund a retirement of which they've always dreamed. The good news is that today's retirees are living active lifestyles and living longer than ever before. However, the longer a retiree lives, the more they risk outliving their savings.

Depending on how much has been earned on investments and how much is withdrawn from those assets each year, if someone lives long enough, they may eventually spend all of their 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 500 2020 Classic Yearbook, average of Long-Term Corporate Bonds from 1926–2019— Annual withdrawals adjusted by 3% inflation. Past performance is no guarantee of future results. Source: New York Life Insurance Company 2020

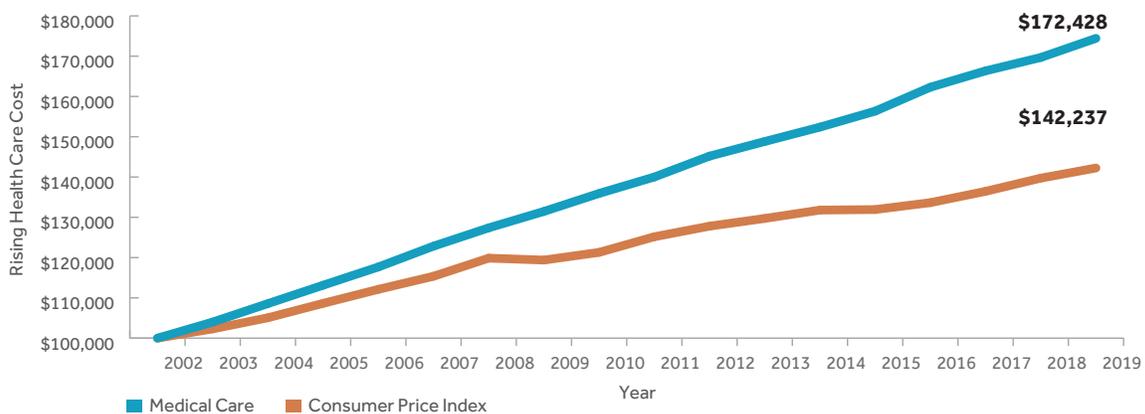


Health care costs.

Will health care costs deplete 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 costs 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), July 28, 2020. Medical care represents changes 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 retirement savings last a lifetime.

Concerned about making retirement savings last for life? A New York Life guaranteed income annuity may help put those concerns to rest.²

Ready for retirement income now?

The New York Life Guaranteed Lifetime Income Annuity can provide a steady income stream that will last for life. Simply make one premium payment and receive guaranteed, regular income for life.

Need retirement income soon or later?

The New York Life Guaranteed Future Income Annuity can provide guaranteed income for life, starting when needed at any date of choosing, two to 40 years³ in the future. Invest now for guaranteed income later, and benefit from planning ahead. Premium payments can be made over time, on the policyholder's terms. With an income annuity from New York Life, the policyholder can choose from several payout options to meet individual needs. Some folks need to maximize their income or leave a legacy for their family. No matter the need, a policy can be customized through the optional features that are available and different payout schedules in order to create a policy that's right for them.⁴

² 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 ICC16D-P06; it may be 211-P100 and state variations may apply.

³ Restrictions and limitations may apply.

⁴ Products and features available in jurisdictions where approved.

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SMRU1505067 (Exp.10.05.2022)

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