



LIVING THE DREAM

Providing the income stream you need to retire the way you've always imagined

MANY PEOPLE SHARE A COMMON dream about retirement—having the opportunity to live a long, active life. But have you taken the necessary steps to make sure you do not outlive your retirement funds? According to the Social Security Administration, about one out of every four 65-year-olds today will live past age 90, and one out of ten will live past age 95. With life expectancies continuing to increase, the concern of outliving your retirement fund is a reality and should be an important consideration when developing a retirement plan.

Recent economic conditions have also changed the retirement outlook of many Americans. Fewer companies are offering pensions, and many are contributing less to employees' 401(k) plans, or simply cutting retirement benefits altogether. You

work all of your life to save for the retirement you desire; don't let money dictate what you can do or how long you can do it.

For those at or nearing retirement, consider what your future could be like with the immediate, steady stream of income payments from your single premium immediate annuity.

What is a single premium immediate annuity?

A single premium immediate annuity is a guaranteed stream of income that could last for the rest of your life. This annuity is purchased by depositing a lump sum of cash, which is immediately converted into systematic payments back to you. With multiple payout options available, you have the flexibility to choose the one that is right for you.

What payout options are available?

Annuities provide the opportunity to customize a payout plan to meet your specific needs. These payouts, or settlement options, are part of what make annuities unique. NMB offers the annuity settlement options listed in the chart on page 5.

What are the advantages of an immediate annuity?

One of the greatest benefits of an immediate annuity is peace of mind, knowing you cannot outlive the funds. Depending on the settlement option you choose, you may even have the potential to receive more money than you originally contributed.

Many people find this is an easier way to budget. You can count on these checks much like you counted on a paycheck.

An annuity can also protect your retirement money from harsh economic conditions. In recent years, CDs and other savings account options have been paying very low interest rates.

Where do I find a lump sum of cash to convert?

The cash to fund an immediate annuity can come from anywhere. A great option would be to convert money from an IRA or 401(k) plan. You can also use cash from a CD or similar account. Many people use money from an inheritance to fund an immediate annuity. Money from an existing deferred annuity can also be converted to an immediate annuity.

How much do I need to start an immediate annuity and what will it pay?

Almost any amount of cash may be used to open an immediate annuity. Keep in mind that the more money you put in, the higher your payouts will be. Payout amounts will

also vary depending on the settlement or payout options chosen.

How will this affect my taxes?

For taxation purposes, your annuity will fall into one of two categories—qualified and nonqualified.

Since qualified annuities are established with pre-tax dollars, the entire payout is considered taxable.

Nonqualified plan payouts, which are established with after-tax dollars, will be broken into two parts—return of principal and interest. The portion of the payout that is considered return of principal is not taxable. Interest will be taxed. However, it is important to know that once your entire principal has been received, the entire payout becomes taxable.

What if I don't want to start payments immediately?

If the idea of income payments for life is appealing but you're not ready to start them now, it may be worth considering a

deferred annuity instead. Deferred annuities may be purchased with a single lump sum or by making flexible periodic payments. Deferred annuities allow you to postpone making a decision about your payout option until a later date.

Do annuities serve any other needs?

Although most often used for retirement, immediate annuities may serve other income needs. Another great way to use an annuity is to fund a life insurance policy with its payouts. This could help increase the amount of money that is transferred to your beneficiaries upon your death.

How can I learn more?

If you are interested in purchasing a competitive annuity from NMB, or want to hear a more personalized scenario of how this product can fit your retirement needs, please contact your local representative or return the postage-paid response card located on this page. ♦

ANNUITY SETTLEMENT OPTIONS	BENEFITS FOR YOU	BENEFITS FOR YOUR BENEFICIARY
Amount Certain: Provides payments for a certain amount of benefit.	Guarantees you receive fixed payments until the full benefit amount has been paid.	Beneficiary receives same payments until the full benefit amount has been paid.
Period Certain: Provides payments for a certain period of time.	Guarantees you receive fixed payments for the set period of time.	Beneficiary receives same payments until the end of the period. If you are alive at the end of the period, beneficiary receives no payments.
Life Annuity: Pays a fixed payment amount for as long as you live.	Provides structured payments for life.	There are no benefits for beneficiaries. This may be an appropriate choice if you do not have heirs to pass money along to.
Full Cash Refund: Pays a fixed payment amount for as long as you live.	Provides structured payments for life.	If you die before the original premium is paid back, the balance will be paid to your beneficiary.
Period Certain and Life: Provides payments for a certain period of time or for life, whichever is later.	Guarantees you receive payments for a set period. If you are living at the end of the period, payments continue for the rest of your life.	If you die during the period, your beneficiary will continue to receive the same payments for the rest of the period. If the period is expired, no payments will be made to the beneficiary.
Joint and Survivor: Provides payments on two annuitants during their lifetimes.	Guarantees income for as long as you and your joint annuitant (usually a spouse) live.	There are no benefits for beneficiaries. This may be an appropriate choice if you do not have heirs to pass money along to.