Variable annuities with living benefit riders for retirement income

A variable annuity is an investment contract issued by an insurance company, designed to help you save money for retirement. It’s also intended to provide income during retirement if you make withdrawals or annuitize your contract. In addition, a variable annuity has several features you should consider before investing, including:

**Diversification**
The lump sum you give to the insurance company is invested and professionally managed in subaccounts. Subaccounts offer a diversified range of investment objectives, and you can choose how to allocate your money based on your investment objectives and risk tolerance. When your investment objectives change, you also have the ability to move your assets among various subaccounts without impacting your current tax situation. Although diversification does not ensure a profit or protect against loss, it is a way to help manage risk by having assets in more than one place.

**Rate of return and taxation**
The account value and investment return will fluctuate based on subaccount performance. As a result, your account value may be more or less than the original investment at any given time. Increases in the value of the annuity are not subject to taxes until withdrawn. So you control when you pay taxes on these earnings based on when you make withdrawals.

**Guaranteed death benefit**
If the policyholder dies, the beneficiary is usually guaranteed the amount originally invested, minus previous withdrawals. Some variable annuities offer death benefit options that may increase the death benefit over time.

**Fees and expenses**
A variable annuity has two asset-based expenses:

1. An investment management fee that covers the expenses of managing the investment portfolio
2. An insurance fee (commonly known as the mortality and expense charge) that covers the cost of insurance benefits, such as the guaranteed death benefit and lifetime income option

Variable annuities often assess an annual contract fee between $20 and $40, which may be waived if the contract value is above a certain amount.

**Living benefit riders**
A variable annuity can offer features known as living benefit riders. These riders provide additional guarantees when you make withdrawals or annuitize your contract. The guarantees are backed by the claims-paying ability of the issuing insurance company. Living benefit riders are optional and available at an additional cost (often referred to as an optional insurance fee). The variable annuity you choose will dictate which living benefit riders are available.

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Suitability
Variable annuities with living benefit riders aren’t suitable for everyone. Depending on your specific situation, a variable annuity with a living benefit may be appropriate if you:

- Need a portion of your retirement income guaranteed for a period of time or for life
- Understand that the guarantee is only for income, and the account value will fluctuate
- Intend to take withdrawals after age 59½ but prior to age 75 due to life expectancy
- Are willing to sacrifice some contract performance to pay for the living benefit

Before investing in a variable annuity with a living benefit rider, consult your Edward Jones financial advisor and a qualified tax advisor regarding your specific situation.

Edward Jones does not provide tax or legal advice. Please consult a qualified tax or legal professional regarding your particular situation.

Variable annuities are offered and sold by prospectus. You should consider the investment objective, risks, and charges and expenses carefully before investing. The prospectus contains this and other information. Your Edward Jones financial advisor can provide a prospectus, which should be read carefully before investing.

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