

LifeSource Plus[®]

SINGLE PREMIUM IMMEDIATE ANNUITY



CLIENT GUIDE



**Columbus Life
Insurance Company**

A member of Western & Southern Financial Group



Are you ready for retirement? If you're thinking about it, you're probably not alone. Many people entering retirement are looking for a plan, and **LifeSource Plus®** could be the right fit for your needs.

While you may be part of a large group, your plans and dreams for retirement are uniquely yours. Your retirement plan should be as unique as you are—designed to help you accomplish your retirement goals.

You spent a lifetime growing your retirement savings. Now the decisions you make about how to manage your finances may be even more critical than those you made accumulating wealth. How will you manage your assets to provide a comfortable lifestyle during retirement that may last two or three decades? How can you be sure you will not outlive your money?

While planning for retirement may be a complex process, the good news is that there are many investment options and income products available to help you reach your goals and possibly avoid risks to your long-term financial security.

A Guaranteed Paycheck for Life

LifeSource Plus Single Premium Immediate Annuity converts a portion of your assets into a steady stream of guaranteed income for as long as you choose:

a specific period of years or your entire lifetime.

If a life contingent option is selected, **LifeSource Plus** guarantees an income stream that you can't outlive. You can create a constant flow of income that can last a lifetime by putting part of your assets into a **LifeSource Plus** annuity.

LifeSource Plus offers a solution to leverage years of wealth accumulation under tax deferred growth plans. If your initial premium is from a tax deferred source such as a 401(k) plan, pension or IRA, you will owe income taxes when you receive the money. With an immediate annuity, your tax liability can be spread out over the years that you choose to receive payments. If the premium dollars used to fund your **LifeSource Plus** are from a source that was previously taxed, a portion of every income payment you receive will come to you tax free.

How LifeSource *Plus* Works



4 | 8

Diane
Age: 75
Retired for 10 years
Widowed mother of two

Consider this hypothetical example of how a LifeSource Plus annuity can make a difference in monthly retirement income:

Diane, 75, has been retired for 10 years. A widowed mother of two, she has been living on the earnings from her fixed-interest bearing investments. She has had some success, but Diane fears inflation and rising healthcare costs will have a negative effect on her retirement income. She has avoided the stock market in retirement because of its potential for loss.

To maximize her after-tax income and provide a more comfortable retirement, Diane's financial professional advised her to move \$150,000 from one of her fixed-interest investments into a LifeSource Plus annuity.* She chooses the life with installment refund payment option. Under this option, she will receive monthly payments for life, and upon death, payments will continue to her beneficiary until the net single premium (the single premium minus any applicable premium taxes) is returned.

Consider the difference in after-tax income under Diane's new strategy and her current strategy:

The new strategy provides Diane with lifetime monthly payments of about \$1,001,¹ approximately a \$543 increase per month. Additionally, if Diane dies before the contract value of \$150,000 has been paid, her beneficiaries will continue to receive the monthly payment until an amount equal to the net single premium has been paid.

Diane's purchase of the LifeSource Plus immediate annuity is permanent. She no longer has access to the \$150,000 premium, as she has converted that money into a stream of income payments. The terms of the annuity, such as the choice of income payment option, payment amounts and timing, and the rates of return, cannot be changed.

Current Strategy: Living on Interest Earnings

Portion of Fixed Portfolio

- \$150,000 non-qualified fixed-interest investment
- **Interest rate:** 5% (comparable fixed annuity rate)
- **Tax bracket:** 25% federal
- **Monthly interest payment:** \$458 after-tax (approximate)

New Strategy: Converting Assets to Income*

LifeSource Plus Immediate Annuity

- \$150,000 non-qualified fixed-interest investment paid as premium (assumes cost basis of \$150,000)
- **Payout option:** Life with installment refund
- **Tax bracket:** 25% federal
- **Monthly payment:** \$1,001¹ after-tax (approximate)

* Liquidating fixed investments to pay premiums may have tax consequences. An immediate annuity is permanent. An owner has no access to the premium, which converts to a stream of income payouts. There is no cash value, no death benefit and can't be surrendered. Terms, such as the payment amounts and frequency, cannot be changed, unless commutation is available and elected. An immediate annuity should not be purchased if access may be needed to any of the premium for living expenses or other purposes. Payment based on LifeSource Plus rates as of 8/31/2023. Rates are subject to change.

¹ Payment reflects an 80.3% exclusion ratio, which is the portion of each payment that is not subject to federal income tax because it is considered a return of premium under the Internal Revenue Code. Any payments received after the total premium is returned will be 100% taxable.



Income Payout Options

- **Life Income.**
This option pays the income amount to the annuitant as long as the annuitant lives. No further payments are made after the death of the annuitant.
- **Period Certain.**
This option pays the income amount until the end of the certain period. This option is not life contingent. If the annuitant dies before the end of the certain period, the payments continue to the beneficiary for the remainder of the certain period.
- **Life Income with Payments Certain (certain periods of 10 or 15 years).**
This option pays the income amount to the annuitant as long as the annuitant lives. If the annuitant dies before the end of the certain period, the payments continue to the beneficiary for the remainder of the certain period.
- **Life Income with Installment Refund.**
This option pays the income amount to the annuitant as long as the annuitant lives. If the annuitant dies and the total of all payments made is less than the net single premium, payments will continue to be made to the beneficiary until the total of all payments equals the net single premium.
- **Joint and Survivor Life Income.**
This option pays the income amount while both annuitants are living. Upon the death of one annuitant, the surviving annuitant will continue receiving the income amount for as long as the surviving annuitant lives. Also available with 10-year payment certain period.
- **Joint and Survivor Life Income with Income Reduction (66 $\frac{2}{3}$ % to survivor).**
This option pays the income amount while both annuitants are living. Upon the death of one annuitant, the surviving annuitant will receive 66 $\frac{2}{3}$ % of the income amount for as long as the surviving annuitant lives. Also available with 10-year payment certain period.
- **Joint and Survivor Life Income with Income Reduction (50% to surviving co-annuitant).**
This option pays the income amount while both annuitants are living. Upon the death of the primary annuitant, the surviving co-annuitant will receive 50% of the income amount for as long as the surviving co-annuitant lives. If the co-annuitant dies before the primary annuitant, payments will be paid at the full income amount for as long as the primary annuitant survives. Payments cease upon the death of both annuitants. Also available with 10-year payment certain period.

Your Money, Your Way

With LifeSource *Plus* there is a variety of income payment options when deciding how your income stream will be delivered. It's important to review all the options with your financial professional to determine which option is right for your particular situation. Your options are listed on the opposite page.

Your Personal Plan

A Columbus Life LifeSource *Plus* immediate annuity can help provide you with peace of mind and certainty regarding your future income. Your financial professional can help you discover how an annuity may contribute to your financial well-being. Now you can focus on what is most important: enjoying your life and enjoying your family.

Why Columbus Life?

When you consider financial services and products, the resources and expertise of the financial services provider are paramount. Columbus Life Insurance Company is a leader in financial security, service quality and performance excellence.

We are part of Western & Southern Financial Group, a family of financial services companies whose heritage dates back to 1888 and whose assets owned (\$70 billion) and managed (\$35 billion) totaled \$105 billion as of June 30, 2023. Find out more about our financial strength and distinguished history at ColumbusLife.com.



Columbus Life Insurance Company

A member of Western & Southern Financial Group

400 Broadway • Cincinnati, Ohio 45202-3341
800.677.9696, Option 4 • ColumbusLife.com

An immediate annuity is permanent. An owner has no access to the premium, which converts to a stream of income payouts. There is no cash value, no death benefit and can't be surrendered. Terms, such as the payment amounts and frequency, cannot be changed, unless commutation is available and elected. An immediate annuity should not be purchased if access may be needed to any of the premium for living expenses or other purposes.

Payouts end at annuitant death unless certain period or installment refund option elected. Life contingent payout may be less or more than premium based on length of annuitant(s) life. Life and Temporary life payouts provide no benefit on or after the death of the annuitant(s). If a payout for life or for two lives is selected, whether the payouts received are less than or greater than the premium paid will depend on how long the annuitant(s) lives. If death occurs after any guaranteed income payouts have been made, no additional payments will be made to the beneficiary.

Annuity products are not bank products, are not a deposit, are not insured by the FDIC, nor any other federal entity, have no bank guarantee, and may lose value.

Payment of benefits under the annuity contract is the obligation of, and is guaranteed by Columbus Life Insurance Company. Guarantees are based on the claims-paying ability of Columbus Life Insurance Company. Products are backed by the full financial strength of Columbus Life Insurance Company.

Earnings and pre-tax payments are subject to income tax at withdrawal. Withdrawals may be subject to charges. Withdrawals of taxable amounts from an annuity are subject to ordinary income tax, and, if taken before age 59½, may be subject to a 10% IRS penalty. Interest rates are declared by the insurance company at annual effective rates, taking into account daily compounding of interest.

Columbus Life is licensed in the District of Columbia and all states except New York.

Neither Columbus Life, nor its agents, offer tax advice. For specific tax information, a tax attorney or advisor should be consulted. The information provided is for educational purposes only.

Single Premium Immediate Annuity Contract series CL-21. Product and feature availability, as well as benefit provisions, vary by state.

© 2018-2023 Columbus Life Insurance Company. All rights reserved.