

## Help Client Couples Create a Financial 'Plan B' and ... **Tackle the Elephant in the Room**

Working with clients to address the difficult process of acknowledging and planning for death helps ease concerns surrounding its prospect. Facing the inevitable, making plans and taking charge of their future helps free clients to devote their emotional energy toward enjoying life.

Clients may feel a moral imperative to provide support for their families after their death. Helping them create income strategies and plan for managing death benefits helps promote a sense of control. Knowing they have faced their concerns and put a financial "Plan B" in place to help secure their families' future needs helps foster peace of mind.



### Creating Income Certainty with a Financial 'Plan B'

Clients may want to provide for their children and grandchildren, but also may need to ensure income for themselves and their spouses for their lifetimes. Allocating some assets to an immediate annuity may help align retirement and legacy goals, while potentially providing lifetime income to the surviving partner.

A single premium immediate annuity (SPIA) helps:

- › Secure a lifetime income that your clients and their spouses can't exhaust
- › Provide a measure of freedom from having to manage savings to generate income

IncomeSource® Series<sup>1</sup>, from Integrity Life Life Insurance Company or National Integrity Life Insurance Company, helps counter client objections regarding SPIAs:

Objection	Solution
Cash flow stream of a fixed payout may not keep pace with inflation	Increasing Payout Option (IPO) <sup>2</sup> increases annual payout by a compounded interest rate of 1% to 5%
Owner cannot access funds if needed	Commutation <sup>3</sup> option provides emergency cash access, allowing 10% to 90% of the present value to be withdrawn
Beneficiary cannot access funds if needed	Death benefit commutation <sup>3</sup> allows beneficiary to cash out the remaining certain payouts upon the death of the annuitant (single life) or the last-to-die joint annuitant (joint and survivor)

## Prudent Legacy Planning

Knowing income is guaranteed may make lifetime gifting emotionally satisfying and enlightening – as well as more confident – for client couples. As is said, “He who gives while he lives also knows where it goes.”

How their children manage these lifetime gifts may signal a need for oversight in the future. Trusts can be excellent tools to help protect, invest and manage assets for beneficiaries, but creating and administering a trust can be a complex, time-consuming and relatively expensive process. Deferred annuities with payout options pre-selected by your clients may provide a viable alternative.

### Here’s How: A Tool Designed for Helping Manage Death Benefits

Do your client couples worry that their beneficiaries will squander their inheritance while foregoing professional advice? Are they concerned that a future lump-sum distribution to a beneficiary may result in all income tax due on their annuity benefit being owed and payable in a single year?

The **Beneficiary Designation Form** helps restrict beneficiaries’ spending of their inheritance:

- It gives the annuity owner control to designate how assets are distributed from their annuity contract.<sup>1</sup>
- It enables a beneficiary to spread annuity distributions and payment of related income tax over a period as long as their lifetime by deferring distributions to align with their tax deferral and income needs objectives.

For Integrity Life or National Integrity Life issued contracts, the Beneficiary Designation Form applies to the death benefit paid either at the annuitant’s death (for annuitant-driven contracts) or at the owner’s death (for owner-driven contracts) to the person(s) named as beneficiary(ies). With an annuitant-driven contract, the Beneficiary Designation Form does not apply to the payment of proceeds payable at an owner’s death to the owner’s beneficiary when the owner and the annuitant differ.

*For details on helping secure a financial “Plan B” while building a multi-generational client relationship, contact your regional representative.*



- 1 Each version in the IncomeSource Series has a different set of current rates and factors used to determine its periodic income payments. A financial professional may offer only one version.
- 2 The option is not tied to any outside index or indicator. Once a contract is signed, the option cannot be added or removed, as the income stream is adjusted from the start of the contract. All options may not be available. IPO payments are lower initially than a payment option without IPO. IPO payments increase annually and at some point, depending on payment option elected and annuitant’s longevity, exceed those received under a payment option without IPO. If annuitant dies before life expectancy, a payee may receive less total income with an IPO than without one.
- 3 Currently unavailable in NY. Not available with life only payouts, temporary life payouts and certain period payouts of less than 10 years.
- 4 Monthly payouts to beneficiary(ies) must be \$100 or more, or a lump-sum distribution will be made.

Annuity is issued by Integrity Life Insurance Company, Cincinnati, OH or National Integrity Life Insurance Company, White Plains, NY. Integrity Life operates in DC and all states except NY, where National Integrity Life operates. W&S Financial Group Distributors, Inc., Cincinnati, OH (doing business in CA as W&S Financial Insurance Services) is an affiliated life insurance agency of the issuer. Issuer has sole financial responsibility for its products. All are Western & Southern Financial Group members. Payment of benefits under the annuity contract is the obligation of, and is guaranteed by the issuer. Guarantees are based on the claims-paying ability of the company issuing the annuity. Products are backed by the full financial strength of the issuing company. Withdrawals may be subject to charges. Western & Southern member companies and their agents do not offer tax advice. For specific tax information, clients should consult their attorney or tax advisor. Interest rates are declared by the insurance company at annual effective rates, taking into account daily compounding of interest. Product and feature availability, as well as benefit provisions, vary by state.

Single Premium Immediate Annuity contract series ICC16 ENT-01 1701, ENT-01 1701 NY, Commutation Rider (Deceased Annuitant) series ICC09 ER.02 0901 and Commutation Rider (Living Annuitant) series ICC09 ER.01 0901. An immediate annuity is permanent. The owner has no access to the premium, which converts to a stream of income payouts. There is no cash value, no death benefit and no surrender. Contract terms, such as payment amount and frequency, cannot be changed, unless commutation is available and elected. A client should not purchase an immediate annuity if they may need to access any of their premium for living expenses or other purposes. Payouts end at the annuitant’s death unless a certain period or installment refund option is elected. If a payout for life or for two lives is elected, 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 payouts will be made to the beneficiary.

Interest earnings grow tax deferred until received. Distributions from nonqualified annuities and IRAs are subject to ordinary income tax. Distributions from a Roth IRA are tax free after age 59½ if established for at least 5 years. Withdrawals before age 59½ may incur a 10% IRS penalty tax in both traditional and Roth IRA plans and in nonqualified annuities. Distributions to beneficiaries from nonqualified annuities and IRAs are subject to income tax as received.

**No bank guarantee. Not a deposit. May lose value. Not FDIC/NCUA insured. Not insured by any federal government agency.**

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