Multigenerational Income Strategies

Create Income for Generations

Create an income gift for a grandchild . . . or a whole family . . . with nonqualified (NQ) annuities

Create Income for Lifetimes
Provide Tax-Deferred Growth
Spread Potential Tax Liability
Grow Payouts Over Time
Avoid Potential Probate Issues

Nonqualified stretches are unaffected by the SECURE Act; they are still permitted under IRC Section 72(s).

Issuers: Integrity Life Insurance Company | National Integrity Life Insurance Company
**Pass Income to Your Grandchild with NQ Annuities**

Some grandparents support grandchildren financially during life. A multigenerational income strategy can continue that support after life. It’s a great way to leave an annual birthday gift to a grandchild and remain in their thoughts yearly. Payments start with grandparent and pass directly to a grandchild after the grandparent’s death.

**NOTE:** A custodial account under the minor’s state Uniform Transfers to Minors Act should be listed as the successor owner in case the grandparent dies while the grandchild is still a minor.

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**GRANDCHILD INCOME CASE STUDY***

Assumptions: $50,000 NQ SPIA Initial Premium | 4% IPO | Grandma (Age 75) & Grandchild Nick (Age 10) | Joint Annuitants

*Values calculated as of 6/1/22; for illustrative purposes only.

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Grandma (age 75) Retires.  
She receives SPIA annual lifelong payouts.  
YEAR 1 PAYOUT = $673

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Nick receives the payouts. It helps him in his adult life.  
YEAR 15 PAYOUT = $1,166 | $13,485 CUMULATIVE

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Grandson Nick (36) is Now Married.  
Payout stream continues. It helps pay for household expenses.  
YEAR 25 PAYOUT = $1,726 | $28,047 CUMULATIVE

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Nick (56) Sends Son to College.  
The annual income helps pay college costs.  
YEAR 45 PAYOUT = $3,783 | $81,509 CUMULATIVE

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Nick (66) Continues Receiving Income.  
The income helps him as he enters into retirement.  
YEAR 55 PAYOUT = $5,599 | $128,739 CUMULATIVE

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Nick (76) Retires.  
The income helps him meet retirement needs.  
YEAR 65 PAYOUT = $8,288 | $198,651 CUMULATIVE

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Nick (96) Enters Assisted Care Facility.  
The income helps with costs.  
YEAR 85 PAYOUT = $18,160 | $455,323 CUMULATIVE
Pass Income to Your Family with NQ Annuities

Some grandparents support family members throughout their lives. A multigenerational income strategy can continue that support after death with annual payouts if the grandparent names a family member other than a grandchild as a successor owner.

FAMILY INCOME CASE STUDY*

Assumptions: $500,000 NQ SPIA Initial Premium | 5% IPO | Great Grandpa (Age 90) & Great Grandchild Chris (Age 2) | Joint Annuitants

*Values calculated as of 6/1/22; for illustrative purposes only.

Grandpa (age 90) is Retired.
He names grandma Successor Owner and begins receiving SPIA annual lifelong payouts
YEAR 1 PAYOUT = $4,026

Grandpa Dies. Grandma (85) Receives the Income.
Grandma becomes new owner and names son Mike successor owner.
YEAR 5 PAYOUT = $4,894 | $22,247 CUMULATIVE

Grandma Dies. Son Mike (65) Receives the Income.
Mike becomes new owner and names his spouse Kate successor owner.
YEAR 10 PAYOUT = $6,246 | $50,640 CUMULATIVE

Son Mike (85) Dies. His Spouse Kate (80) Receives the Income.
Kate becomes new owner and names their child Julie successor owner.
YEAR 30 PAYOUT = $16,572 | $267,488 CUMULATIVE

Spouse Kate Dies. Her Single Adult Daughter Julie (64) Receives the Income.
Julie becomes new owner and names her child Chris successor owner.
YEAR 40 PAYOUT = $26,994 | $486,349 CUMULATIVE

Julie Dies. Her child Chris (73), Joint Annuitant/Great Grandchild, Receives the Income.
The income helps him meet retirement needs.
YEAR 70 PAYOUT = $116,666 | $2,369,459 CUMULATIVE

Chris (93) Continues to Enjoy Retirement.
The income lasts his lifetime.
YEAR 90 PAYOUT = $309,549 | $6,420,005 CUMULATIVE
Learn more about gifting income across generations from your financial professional.

Learn more about Legacy Planning. Free information is ready for you. Review the Overview and Worksheet with your financial professional.

Examples assumes NQ SPIA Joint and Survivor Lifetime with 30-year Certain Payout and a 4% or 5% Increasing Payout Option. An immediate annuity is permanent. Owner has no access to premium, which converts to an income payout stream. There is no cash value, no death benefit and the annuity can’t be surrendered. Contract terms, such as payment amount 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.

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