

# Spendthrift Planning with a SecureLiving® Index Annuity

Can your client control how their free spending beneficiaries will receive their inheritance? Now you can provide them some control over how their beneficiaries (other than spouse) gain access to the money they have spent a lifetime accumulating. Encourage your clients to review their plans and their expectations about how their beneficiaries would use the inheritance proceeds after their death and show them how an annuity contract can protect it from disappearing too quickly.

## The Client:

Looking to buy an index annuity (either non-qualified or IRA) with ability to preselect payout options for one or more beneficiaries.

## The Situation:

He or she may be looking to buy an index annuity for retirement and estate planning purposes, but is concerned that one or more of their children are not financially responsible enough to be left a lump sum distribution of death proceeds. If non-qualified, they could accomplish control by having a trust own the annuity, but would lose ability to stretch gain from death proceeds.

## The Strategy:

Buy a SecureLiving® Index Annuity and use the Restricted Beneficiary Payout Designation for SecureLiving Index Annuities form to restrict the payout of death proceeds for one or more beneficiaries. This election allows the contract owner to choose how the beneficiary will receive distributions from the contract after death.

Restricted election payout options are life with 10, 15 or 20 year period certain annuity, or Minimum Annual Income over life expectancy (stretch). No commutation or acceleration of payments are allowed under these payout options. Income tax treatment on non-qualified contracts differs for annuitization and stretch.

## How it Works:

Jennifer wants to use \$500,000 in non-qualified money to buy an index annuity. She has two children, Jane and Zach. Jane has a history of spending money quickly and without a great deal of thought, so Jennifer wants to be sure Jane doesn't get access to a lump sum of cash at her death. Zach, though, has good money sense, and Jennifer would like for him to be able to elect his own distribution option.

Jennifer buys a Genworth Life & Annuity SecureLiving® Index 7 annuity. She is the owner and annuitant; Jane and Zach are the beneficiaries. Jennifer pre-selects Jane's payout option - choosing life annuitization with a 15 year guarantee period.

At Jennifer's death, Jane will receive her half of the distribution as an annuity payment paid over her lifetime. The payments can't be accelerated or commuted (exchanged for a lump sum), so the worst she can do is spend the money one year at a time. Zach can select any available payout option he wants.

## Plan for Protection

- Help your clients control their money even after they are gone.
- Help them protect their money from disappearing too quickly.
- Give them an opportunity to protect their money and their beneficiary at the same time.

Issued by **Genworth Life and Annuity Insurance Company**, Richmond, VA

SecureLiving® Index 7 Annuity - Individual Single Premium Deferred Annuity with Market Value Adjustment and Optional Indexed Interest Crediting subject to policy forms GA3005-1113, GA303R-1113, GA3003-0711 and GA302R-0612 et. al. and ICC14GA3005, ICC14GA303R, ICC11GA3001 and ICC12GA302R. Features and benefits may vary by state or market and may not be available in all states.

Genworth Life and Annuity Insurance Company is licensed in all states except New York.

All guarantees are based on the claims-paying ability of Genworth Life & Annuity.

Withdrawals may be taxable and a 10% federal penalty may apply to withdrawals taken before age 59½.

There is no additional tax deferral benefit for annuities purchased in an IRA, or any other tax-qualified plan, since these plans are already afforded tax-deferred status.

The other benefits and costs should be carefully considered before purchasing an annuity in a tax-qualified plan.

This is a brief product description. Consult the annuity contract for a detailed description of benefits, limitations, and restrictions. The contract terms and provisions will prevail.

Although the contract value may be affected by the performance of an index, the contract does not directly or indirectly participate in any stock or equity investment including but not limited to, any dividend payment attributable to any such stock or equity investment.

<b>Insurance and annuity products:</b>	<b>Are not deposits.</b>
<b>Are not guaranteed by a bank or its affiliates.</b>	<b>May decrease in value.</b>
<b>Are not insured by the FDIC or any other federal government agency.</b>	