Voya™ time savers

Stretch: income planning for the next generation with Non-qualified Annuities

What is a "Stretch"?

A Stretch strategy is an estate-planning option designed to continue an asset allocation strategy for the next generation. It extends the tax-deferred earning power of a non-qualified annuity, while producing a lifetime income stream and possibly spreading out tax liability for beneficiaries.

Traditionally - after inheriting a non-qualified annuity - a non-spouse beneficiary was required to either take all the money within five years, or annuitize the contract. A third option allows a beneficiary to "stretch" payments over the beneficiary's life expectancy without annuitizing the contract.

How does a "Stretch" work?

Each year, the beneficiary is required to take out a minimum amount annually, starting no later then one year from the date of death of the annuity owner. The amount of the distribution is determined by taking the prior year end value and dividing by the beneficiary's life expectancy factor.

Important Note: For the first distribution, the life expectancy factor is determined by IRS tables using the age the beneficiary will obtain at the end of the year of the first distribution. Every subsequent year, that life expectancy factor will reduce by one.

What are the benefits of a "Stretch"?

Your client has worked hard to save money throughout their lifetime and wants to ensure that those assets have the potential to last through another generation.

"Stretch" can benefit your clients' beneficiaries by:

- Structuring a stream of income over their life expectancy.
- Allowing the beneficiaries to "stretch" the tax liability over that time.
- Extending the tax-deferred earning power of assets in the non-qualified annuity.

"Stretch" can benefit you by:

- Allowing you to assist your clients in developing an income stream for their heirs.
- Creating opportunities for you to develop a relationship with your client's beneficiaries.
- Providing a future income stream for you as a result of potential commission trails.

What happens if my client's beneficiary dies while assets are still in the annuity?

The beneficiary can name someone to receive payments after his or her death; however the passing of the original beneficiary does not affect the payment schedule. The payments will continue under the original schedule, until all assets in the annuity are distributed.

Your client can control how the assets are distributed

A stretch strategy can be voluntary or involuntary:

Voluntary – Allows the beneficiary to elect to "stretch" the death benefit payout upon death of the owner.

Involuntary – If available, allows the owner of the contract to pre-determine that the beneficiary must "stretch" the contract upon their death. This is commonly known as a Restricted Beneficiary Designation.

A Restricted Beneficiary Designation allows your client to direct the frequency and duration of all or a portion of the annuity's distributions (within IRS guidelines) so they can:

- Potentially remove the risk that the beneficiaries will spend their inheritance too quickly.
- Provide additional funds that may be used for a child or grandchild's education.
- Give the beneficiary a steady stream of income.

Although the IRS permits the ability to stretch a contract and restrict the payout option, it's important to note that financial institutions are not required to offer this option.

For more information or to request a "stretch" illustration, please contact the **Voya Sales Desk at 800-369-5301.**

Contracts are issued by Voya Insurance and Annuity Company.

"Stretching" as described in this flyer is a sales concept using a fixed annuity. The "stretch" strategy assumes the fixed annuity contract has cash value to support withdrawals.

Withdrawals may be subject to Federal/State income tax and, if taken prior to age 59½, an additional 10% Federal penalty tax. Neither the company nor its agents and representatives can provide tax, legal or accounting advice. Clients should consult their own attorney or tax advisor about their specific circumstances. Withdrawals do not participate in index interest. Guarantees based on claims paying ability of the insurer.

Neither the company nor its agents or representatives can provide tax, legal or accounting advice. Please consult your attorney or tax advisor about your specific circumstances. IRAs and other qualified plans already provide tax deferral like that provided by an annuity. Additional features and benefits such as contract guarantees, death benefits and the ability to receive a lifetime income are contained within the annuity for a cost. Please be sure the features and costs of the annuity are right for your clients when considering the purchase of the annuity.

Annuity income is defined as a series of periodic payments, a part of which may be return of your premium or principal, which is guaranteed by the issuing insurance company for a specified period of time or for the life of the annuitant.

For agent use only. Not for public distribution. CN0624-19383-0616

137828 09/01/2014