

UNITED OF OMAHA LIFE INSURANCE COMPANY

MUTUAL OF OMAHA RETIREMENT SERVICES



# Lifetime Guaranteed Income Account



Most retirement plan participants understand the importance of saving for retirement. Yet they're uncertain of how much they'll need to accumulate to live comfortably. And when it comes to how much income their retirement savings will provide, or how much to withdraw each year to ensure it will last, many are even more unsure.

That's why Mutual of Omaha – through our subsidiary – United of Omaha Life Insurance Company – developed the Lifetime Guaranteed Income Account. It's a new kind of investment option that:

- Converts each contribution into a guaranteed amount of retirement income
- Shows participants how much annual income they'll have
- Guarantees participants can't outlive their retirement income

## How It Works

Participants can choose to direct all or some of their contributions into the Lifetime Guaranteed Income Account. Employers may also direct their matching contributions into the account. Those contributions will purchase units of retirement income. Quarterly participant statements will clearly display the account value both as annual retirement income and as a lump sum amount. (Amounts are updated daily on the participant Web site.) This tangible information allows participants to answer these very important planning questions:

1. How much income will my current retirement savings provide?
2. How long will it last?
3. Do I need to increase my contributions to generate more retirement income?
4. Will my retirement savings be there when I retire?

### **For example**

Lisa is 50 and has \$200,000 invested in the Lifetime Guaranteed Income Account. Assuming she stays invested in the account until she retires at age 65, she'll receive at least \$24,250 of retirement income every year for the rest of her life. As Lisa's account balance grows through additional contributions, her annual retirement income also will grow. If she contributes an additional \$10,000 every year until she retires, Lisa will receive at least \$37,734 a year for the rest of her life.

*This example is for illustration purposes only and is intended to show the mechanics of the feature. Amounts depicted are purely hypothetical and dependent upon a participant's age, contribution date, contribution level and date of retirement, as well as specific retirement plan terms.*

*\* Certain restrictions apply to transfers in and out of the Lifetime Guaranteed Income Account. Direct transfers between the Guaranteed Account and the Lifetime Guaranteed Income Account are not permitted.*

## Lifetime Guaranteed Income Account

- Provides guaranteed retirement income participants can't outlive
- Protects retirement income from stock market risk and volatility
- Offers certainty – turns each contribution into known retirement income
- Allows participants to better plan for retirement by knowing how much money they'll receive each month
- Gives participants the flexibility to move their money to other investment options within their plans\*





## Key Benefits

### **Added Pension Benefit**

Traditionally, the appeal of employer-sponsored pension plans was that the employer made the contributions and the plan guaranteed participants a lifetime income at retirement. The Lifetime Guaranteed Income Account may be used in a similar manner without the obligations and administrative costs associated with a traditional pension plan. Plan sponsors may direct all matching or employer contributions to this fund to provide participants with a guaranteed lifetime benefit at retirement while still allowing employees to direct the investment of their own contributions.\* Participants will appreciate the added benefit.

### **Participant Security**

Faced with one of the most important decisions they'll ever make – how to manage their retirement savings to help ensure it doesn't run out – many participants don't know what to do. The Lifetime Guaranteed Income Account gives participants an easy way to convert their savings into a guaranteed stream of retirement income that they can't outlive.

### **Flexibility**

Participants have the flexibility to move their money from the Lifetime Guaranteed Income Account fund to another investment option within their plan at any time.\*\* They also can move their money back into the fund at any time and a new guaranteed-income amount will be calculated based on the account value and the age of the participant at the time of the transfer.

### **Portability**

Lifetime Guaranteed Income Account includes a rollover option for participants who terminate employment or leave their plan.\*\*\*

### **Strong, Stable Provider**

Many retirement product providers currently offer a similar type of “guaranteed income for life” investment option. However, the strength and stability of the insurer offering the guarantee is a major consideration for plan sponsors, especially during a time when some large insurance companies have faltered. Plan sponsors want to make sure that when the time comes, the insurer will make good on its promises. Mutual of Omaha and our subsidiaries have remained strong, stable and secure through all kinds of economic conditions, including the recent recession.

\* If a plan sponsor chooses this option, plan sponsor fiduciary protection under ERISA 404 (c) will not be available for the employer or matching contributions directed to the Lifetime Guaranteed Income Account.

\*\* If funds are moved to another investment option, participants will lose the guaranteed retirement income feature. Direct transfers between the Guaranteed Account and the Lifetime Guaranteed Income Account are not permitted.

\*\*\* Rollover option not available in all states and specific features may vary by state.

## Increased Demand

A 2008 survey by Callan Associates, Inc., a leading strategic investment advisor, revealed the interest in guaranteed income options within retirement plans had increased by more than 800 percent over 2007. According to the survey, 13 percent of participating companies said they were “very likely” or “somewhat likely” to offer some type of guaranteed-income product to employees in 2009, up from only 1.6 percent a year earlier.

*2008 Defined Contribution Plan Sponsor Survey, Callan Associates, Inc.*

## Reduced Risks

The Lifetime Guaranteed Income Account is designed to eliminate three of the most common pitfalls of retirement savings plans:

- The impact market volatility can have on a participant's ability to accumulate sufficient savings (market risk)
- The possibility of participants outliving their savings (longevity risk)
- The impact a down market at the time of retirement can have on a participant's retirement income (sequence of returns risk)



## UNITED OF OMAHA LIFE INSURANCE COMPANY

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Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09 or 902-GAQC-09(OR) or 901-GAQC-07 or 901-GAQC-07(OR)) underwritten by United of Omaha Life Insurance Company, which accepts full responsibility for all of United's contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account and the Lifetime Guaranteed Income Account as provided under the contract. Neither United of Omaha nor its representatives or affiliates offers investment advice in connection with the contract.

Lifetime Guaranteed Income Account (Rider Forms 651-GAQR-10 or 651-GAQR-10(OR)) may not be available in all states and specific features may vary by state. Availability may vary by plan.

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