SEE HOW PROTECTED INCOME CAN EASE THE PRESSURE ON YOUR RETIREMENT PORTFOLIO.

Carol's Situation

- Age 67
- Retiring soon
- $750,000 in investment assets

Carol's Financial Goals

- Not running out of money in retirement
- Securing lifetime income
- Reduce the reliance on her investment portfolio for her annual income

Meet Carol:

After working for decades, Carol is getting ready to retire! She is looking forward to a long retirement since her family has a history of longevity. This is a critical "point of protection" for Carol as she wants to ensure her portfolio lasts as long as she does.

Currently, she has $750,000 in an investment account which consists of 60% equities and 40% bonds. She figures that in retirement, she will need to generate $30,000 per year from her investment account to supplement her other sources of retirement income.

Carol wonders if she can safely withdrawal $30,000 every year without running out of money, since her retirement could last 30 years or more.

Her financial professional tells her that a traditional strategy would be for Carol to take a 4% annual withdrawal from her investment account to provide the $30,000 she needs each year.

$750,000 x 4% annual withdrawal = $30,000 annual income

(Subject to market swings and not guaranteed for life)

This withdrawal strategy can work for her; however, her financial professional explains that her income would be susceptible to market downturns and is not guaranteed to last for her entire life.

Her financial professional then introduces her to another strategy that can efficiently create lifetime income.

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How an annuity can work for Carol

Carol's financial professional suggests an annuity as a way to help provide a level of protection for a portion of her savings. The portion allocated to the annuity, called the "protected percentage", can help reduce the impact of market volatility and provide a reliable stream of income in retirement. It's important to note that the different types of annuities offer different features, benefits and levels of protection.

Carol decides to use a portion of her assets ($250,000) from her investment account to purchase an annuity.

Carol's Investment Account $750,000

$250,000
Annuity x 6%
Annual Withdrawal

$15,000/yr.
Lifetime Income

Here's how her strategy with lifetime income from an annuity works

$500,000
Investment Account x
3% Annual Withdrawal

$15,000/yr.
Income

$30,000/yr. Income

Hypothetical mathematical example does not reflect any specific annuity product.

6% represents an average withdrawal rate at age 67 for Prudential's income product offerings as of 10/2024. Rates subject to change.

Results:

- The annuity helps her protect a portion of her assets (protected percentage) by generating half of the annual income ($15,000) she needs using only a third ($250,000) of her investment account.
- The annuity takes the pressure off the amount she needs to withdraw annually from her investment account by **significantly lowering her withdrawal rate from 4% to 3%**.
- Adding predictable lifetime income from an annuity helps Carol feel more confident that her income will last in retirement.

Protect your life's work. Talk with your financial professional today to see if an annuity is right for you.

Investors should carefully consider the features of the contract, index strategies, and the underlying portfolios' investment objectives, policies, management, risks, charges and expenses. The initial summary prospectus and the index strategies prospectus for the contract, and the summary prospectus or prospectus for the underlying portfolios (collectively, the "prospectuses") contain this and other important information and can be obtained from your financial professional. Please read them carefully before investing.

It is possible to lose money by investing in securities.

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Annuity contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your licensed financial professional can provide you with complete details.

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All references to guarantees, including obligations arising under any annuity contract guarantees, rider guarantees, optional benefits, fixed account crediting rates, index-based interest crediting, or annuity payout rates are backed by the claims-paying ability of the issuing insurance company. Those payments and credits and the responsibility to make them are not the obligations of the third party broker-dealer from which this annuity is purchased or any of its affiliates. All guarantees, including optional benefits, do not apply to any underlying investment options.

Withdrawals or surrenders may be subject to contingent deferred sales charges. Withdrawals and distributions of taxable amounts are subject to ordinary income tax. Withdrawals reduce the account value and the living and death benefits.

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