Increase your income without reducing your estate.

**Insured annuity strategy**
Purchase a payout annuity for higher after-tax income and use life insurance to provide an estate.

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**Meet Dennis and Rosemary.**

Their goal is to maximize their after-tax retirement income and preserve as much capital as possible for their estate.

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**The challenge**

*Low interest rates mean less income and less capital.*

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Dennis (68) and Rosemary (64), both former teachers, currently receive retirement income from their teachers’ and government pension plans. They also have money in guaranteed interest investments and savings bonds, and own a mortgage-free home. They know if they need additional cash in the future for a major life event, they can access these assets. Their children are grown and financially independent.

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**The solution**

*Maximize after-tax income now and provide an estate equal to the original capital with the insured annuity strategy.*
The insured annuity strategy generates retirement income from a payout annuity and a tax-free legacy from the insurance.

- Dennis and Rosemary use $500,000 (a portion of their savings) for the insured annuity strategy. Once they purchase an annuity, the features cannot be changed, and withdrawals are not allowed. As a result, they choose to leave a significant amount of money in their savings to cover any unforeseen events.
- They use $614 for the first monthly payment of a $500,000 SunUniversalLife policy.
- They use the remaining $499,386 to buy a joint life annuity, which provides a guaranteed income they can’t outlive. A portion of the future annuity income is used to make ongoing monthly insurance payments, leaving the balance available for their spending needs.

Advantages

- They will receive more spendable cash from the payout annuity than they would by withdrawing the interest from their savings and investments.
- Dennis and Rosemary have protected their estate for their beneficiaries with the life insurance policy.
- They have the comfort of the extra annuity income, knowing they are still leaving a tax-free estate for their family that is equal to the $500,000 they invested in the strategy.

The result

The insured annuity strategy increased their income in this example by 81%, providing an equivalent pre-tax yield of 7.24%!

This example shows how the insured annuity strategy can provide you with higher income even after you make the life insurance payment. And you have the proceeds from the life insurance policy to leave behind as an estate for your family.

Call your advisor today to see how the Sun Life Financial insured annuity strategy could work for you.