



## INCOME FOR LIFE ANNUITY PROGRAM\*

Immediate Annuities for  
Retirement Income



*\*ICMA-RC partners with select insurance companies that make annuities available through the Income for Life Annuity program. Participating insurance companies compensate ICMA-RC for providing administrative services in support of the Income for Life Annuity program. The fee is at an annual rate of 80 basis points (0.8%) of the purchase amount of the annuity for a period of five years. Please consult Income for Life Annuity Program: Immediate Annuities for Retirement Income, prior to purchasing an annuity. 800-669-7400.*

Throughout your working career, you carefully built your savings and investments into a sizeable retirement nest egg.

Now, as you approach retirement or separation from employment, it's time to decide in what form you will receive your benefit payments. It may be time to consider an annuity.

But not just any annuity—take a look at the immediate annuity offered to you through ICMA-RC Income for Life Annuity Program.

## What is an annuity?

An annuity is a contract purchased from an insurance company that provides a guaranteed income for the rest of your life. The contract specifies the premium amount you must pay to purchase the annuity, the amount you will receive each month, and any other applicable terms and conditions.

## What is a single premium immediate annuity?

A single premium immediate annuity is a contract purchased with a single lump-sum payment. Your benefit payments must begin within 90 days of purchase of the annuity. ICMA-RC on your behalf will arrange the transfer of the lump-sum payment from your employer's retirement plan to an insurance company to purchase the annuity contract. Once payments commence, you may not change your payment schedule nor the named joint annuitant (if this option is selected). Payments may be made to you by mail or by direct deposit to the bank account you select.

A single premium immediate annuity is currently the only type of annuity that is available under ICMA-RC's Income for Life Annuity Program.

## What are the main advantages of purchasing an annuity?

### Guaranteed payments for life

Payments are guaranteed by the insurance company over your lifetime (and the lifetime of your joint annuitant, if applicable) regardless of how long you (or your joint annuitant) live.

## Guaranteed rate of return

The insurance company assumes the investment risk so that you do not have to worry about “market” fluctuations.

## What are the main disadvantages of purchasing an annuity?

### Payments cease when you (and your joint annuitant, if applicable) die

Depending upon the payment option selected, payments cease when you (and your joint annuitant, if applicable) die. There are no benefits available to your heirs if you choose Single Life or Joint and Survivor Life options.

### Investment performance

Once an annuity is purchased, the insurance company assumes responsibility for managing your investments. You do not benefit from any positive investment performance. You may also experience a loss of purchasing power due to inflation.

## How do I know if an annuity is right for me?

Some of the key questions you should ask yourself are:

- Do I feel comfortable with the amount of retirement assets I have, given how long I think I might live after retirement?
- Do I believe that rising inflation might erode the purchasing power of my monthly benefits?
- Do I want to continue to actively manage my investments?
- Will I receive a sufficient lifetime monthly income from other pension plans?

If you answered “no” to at least one of the above questions, you might want to consider an annuity.

However, if you answered “yes” more often than not, an annuity may not be the best payment option for you. Your own personal circumstances and risk tolerance should be the determining factors in your decision whether to purchase an annuity.

## Who is eligible to participate?

- An ICMA-RC 457 deferred compensation or 401 defined contribution plan participant upon termination of employment or at retirement

- A beneficiary of a deceased ICMA-RC 457 deferred compensation or 401 defined contribution plan participant

## Why should I buy my annuity through the ICMA-RC Income for Life Annuity Program?

**Group rates**—You will be part of a “group” of annuity purchasers. Group rates mean lower expenses and insurance company charges that translate into higher benefit payments than if you purchased an annuity on your own.

**Annuity providers of the highest quality**—ICMA-RC’s ongoing due diligence process identifies insurance companies in strong financial condition. Metropolitan Life Insurance Company, New York, NY (MetLife) and John Hancock Life Insurance Company, Boston, MA, are among ICMA-RC’s approved annuity providers.

**Multiple annuity providers**—Over time, ICMA-RC may add additional high-quality annuity providers to the program. The solicitation of quotes from multiple providers will ensure you receive the best value.

**Flexibility in combination with your other sources of income**—You can elect to annuitize all or a portion of your ICMA-RC account depending upon your retirement and investment objectives.

**Convenience**—ICMA-RC will provide you with a personalized annuity quote within 24 hours of receiving your request. Once you are ready to purchase your annuity, all you have to do is complete ICMA-RC’s Request for Withdrawal and Purchase of an Immediate Annuity Enrollment Form.

## What payment options are available?

For a Participant:

### Single life

Provides you with regular payments for as long as you live. No amounts are payable to your beneficiaries upon your death.

### Term Certain

Fixed payments are made in monthly, quarterly, semi-annual or annual installments over the period of years you have selected, and will cease at the end of the period certain. If you die before the end of this period, payments

will continue to your surviving designated beneficiary for the remaining period certain.

### Single Life with term certain

Provides you with regular payments for as long as you live. If you should die before the specified period of time (term certain), payments will continue to your beneficiary for the balance of the period. For example, a 10-year term certain/single life annuity will provide your named beneficiary with regular payments for the remaining eight years of the 10-year term certain if you die after receiving regular payments for only two years. Under ICMA-RC's program the term certain period must be either five, 10, 15, or 20 years.

### Single life with cash refund

Payments are made as long as you live. However, if the payments you have received during your lifetime are less than the original purchase amount, a final lump sum payment will be made to your survivor equal to the difference between your purchase amount and the total installments made.

### Joint and Survivor

Provides you with regular payments for as long as you live and then to your joint annuitant for his or her lifetime. Under ICMA-RC's program, the joint life annuity will provide a benefit of either 50, 66 2/3, 75, or 100 percent of your payment to the joint annuitant. No amounts are payable to your beneficiaries upon the death of your joint annuitant.

### Joint and Survivor Life with Term Certain

Provides you or your joint annuitant with regular payments for as long as you or your joint annuitant live. Under ICMA-RC's program, the joint life annuity will provide a benefit of either 50, 66 2/3, 75 or 100 percent. If you and your joint annuitant should die before the specified period of time (term certain), payments will continue to your beneficiary for the balance of the period. Under ICMA-RC's program the term certain period must be either five, 10, 15, or 20 years.

### Joint and survivor with cash refund

Payments will be made in monthly, quarterly, semi-annual or annual payments over your life and your survivor's lifetime. If you predecease your survivor, payments continue to your survivor based upon the

percentage selected. If your survivor predeceases you, your payments do not change. However, if both you and your survivor die before receiving payments equal to your original purchase price, your designated beneficiary will receive a lump sum payment equal to the excess of the purchase price over the total payments made.

### For a Beneficiary:

#### Single life

Provides you with regular payments for as long as you live. No amounts are payable to your beneficiaries upon your death.

The following options may also be available: **Term Certain, Single Life, Single life with cash refund.**

Please contact ICMA-RC's Investor Services staff at 1-800-669-7400 for more information on other options.

## How much of my account balance can be used to purchase an immediate annuity?

All or part of your ICMA-RC account balance may be used to purchase an annuity. The minimum amount required to purchase an annuity is \$5,000.

Under federal law, the standard payment option for married participants in 401 money purchase plans is a qualified joint and survivor annuity for the entire account balance. Participants who do not wish to receive their entire account balance in the form of a qualified joint and survivor annuity must have their spouse provide written consent to their selection of any other payment option.

## Who will own the immediate annuity I purchase?

Under a 457 plan the "owner" of the annuity is the trust established to hold plan assets. However, just like all 457 assets held in a trust, the annuity is used exclusively to pay retirement benefits to you and/or your joint annuitant.

Under a 401 money purchase plan, the participant is the owner of the annuity.

## How do I enroll, get more details or obtain a personalized annuity quote?

Call ICMA-RC's Investor Services staff at 1-800-669-7400.

*Vantagepoint securities are distributed by ICMA-RC  
Services LLC, a broker dealer affiliate of ICMA-RC,  
member FINRA/SIPC.*



*Building Retirement Security*

ICMA RETIREMENT CORPORATION  
777 NORTH CAPITOL STREET, NE  
WASHINGTON, DC 20002-4240  
TOLL-FREE 1-800-669-7400  
EN ESPAÑOL LLAME AL 1-800-669-8216  
[WWW.ICMARC.ORG](http://WWW.ICMARC.ORG)

BRC000-008-0705-102-156