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## Immediate Annuities

# Be out living your life, not outliving your savings

## Discover the value of an annuity

An annuity is a long-term, tax deferred investment that is issued by an insurance company and purchased through a Financial Professional.



An immediate annuity is the most basic type of annuity. You make one lump-sum contribution, and it's converted into an ongoing, guaranteed stream of income for a specified period of time (as few as 3 years) or for a lifetime. Payments must begin within a year.

## Who might consider it?

This option is designed for those who plan to withdraw money in the first year, or for someone who has access to other retirement income and wants guaranteed income for the rest of their life or for a set period of time.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

## What are the benefits?

### Tax advantages

If you fund your immediate annuity with money you've already paid taxes on, you'll have a source of income that's partially tax free.

### Immediate

You begin receiving guaranteed payments within the first year.

### Customized guaranteed income

Create income for either one or two people for a specific period of time or for life.

### Income

You can receive a fixed, guaranteed amount on a set schedule.

### Additional features for added protection

On some products, you may have options for a cost-of-living adjustment (to protect against inflation) and a liquidity feature (to allow lump-sum withdrawals in the event of a financial emergency). Liquidity benefits may be available for an additional cost. Keep in mind that not all annuity providers offer these features.

## What should you consider before purchasing?

### It's not for everyone

This product may not be right for you if you:

- Have enough income to maintain your cost of living and don't need income security
- Need immediate and continuous access to cash and have little retirement savings

### Options matter

There are many payout options, and your financial professional can help guide you.



**Some immediate annuities offer a cost-of-living adjustment (COLA) feature.** To help offset inflation, this feature automatically increases your annual payment amount by 1%, 2%, 3%, 4% or 5% compounded annually.



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This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Annuities have limitations. They are long-term vehicles designed for retirement purposes. They are not intended to replace emergency funds, to be used as income for day-to-day expense or to fund short-term savings goals.

Neither Nationwide nor its representatives give legal or tax advice. Please consult with your attorney or tax advisor for answers to your specific tax questions.

Fixed annuities may be appropriate for individuals who want guaranteed interest rates and the potential for lifetime income.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

If you take withdrawals before you're age 59½, you may have to pay a 10% early withdrawal federal tax penalty in addition to ordinary income taxes. Withdrawals may trigger early surrender charges and reduce your death benefit and contract value.

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