

# Securing retirement income for life



## Overcoming common myths



**78% of plan participants continue to say they can do all the right things to manage their finances and still be blindsided by outside events.<sup>1</sup>**

Market volatility and today's economic environment are increasing this concern and making the long-term guarantee of a lifetime income investment option more attractive.

Guaranteed lifetime income solutions are in-plan investment options that offer an opportunity to grow your retirement savings with the confidence that you can generate lifetime income payments. These solutions have evolved as have myths about how they work.

If you're one of the many people looking to learn more about these types of in-plan guarantees, Nationwide® is here to help by addressing some common myths:

### **Myth:** **Complexity**

Guaranteed lifetime income solutions are complex.

### **Reality:**

- Many guaranteed lifetime income solutions are structured as a target date fund held within a collective investment trust right inside your employer-sponsored retirement plan
- This delivers a more simplified experience that can provide access to **growth potential while offering guaranteed lifetime income — all in one investment option within your retirement plan**

### **Myth:** **No growth potential**

Income solutions sacrifice growth to provide guarantees.

### **Reality:**

- Guaranteed lifetime income doesn't mean an investment is automatically more conservative
- Some solutions **offer as much growth opportunity as traditional investments** due to their design and the way the income component is incorporated into the overall target date fund

### **Myth:** **Surrender fees**

In-plan guarantees have surrender fees.

### **Reality:**

- Many of these solutions **don't have surrender fees** when you transfer your balance or withdraw money from the investment, so you have flexibility if you change your mind.

Note: If you transfer out of these investment options, you may lose your guaranteed lifetime income benefit.

<sup>1</sup> Nationwide Advisor Authority Survey (August 2022).

**Myth:**  
**High cost**

In-plan guarantees carry a high cost.

**Reality:**

- Compared with what you may be used to seeing in your plan's investment lineup, the fees for in-plan guaranteed lifetime income solutions could be higher
- However, the overall cost is typically lower than similar guaranteed lifetime income investments offered outside the plan
- **That's because in-plan guarantees are offered within a group retirement plan, so you benefit from reduced expenses compared with solutions outside of the plan**

**Myth:**  
**Annuitization**

I have to give up access to my money.

**Reality:**

- The guaranteed income amount is taken as a systematic withdrawal from the investment balance, so there is no need to annuitize
- Even after the investment balance is depleted, income continues because it's guaranteed to last your lifetime
- Future income payments could be reduced if withdrawals exceed a certain amount, but **your access to lump sums is not eliminated** as long as you have a positive investment balance
- **This means that your surviving spouse and heirs can be beneficiaries and have access to any remaining investment balance**

**Myth:**  
**No portability**

If I change jobs, I will lose my guarantee.

**Reality:**

- As a plan participant, you may be able to roll over your balance into another retirement plan if it offers the same investment option, **allowing you to retain your income guarantee**
  - An IRA product that offers an option to retain an income guarantee may also be available
- Note: Any available IRA investment vehicle may have different investments, fees and features.

**Myth:**  
**Too good to be true**

Nothing in life is guaranteed.

**Reality:**

- Nationwide® is a Fortune 100 company with nearly 100 years of evolution and sustained momentum. We're a strong and stable mutual company owned by our members, and we're committed to delivering on our promises of income for life.

Guaranteed lifetime income solutions are designed to offer simplicity, flexibility and convenience with potential for growth and income guarantees you can't outlive.



**For additional information and resources, contact your Nationwide representative or log in to your plan website.**



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