



**Nationwide®**  
is on your side

Better together:  
spousal opportunities

Conversation starter

# Share the love

## Two layers of guarantees for you and your spouse with a Nationwide® variable annuity

As you and your spouse enter retirement, you may have concerns about how you will provide for each other in the future. Nationwide variable annuities offer two features designed specifically to help address these concerns.



### *What's inside:*

#### **Nationwide's Spousal Protection Death Benefit Feature offers flexible death benefits.**

Both spouses can be named as co-annuitants and primary beneficiaries — even on IRAs.

#### **Nationwide's Joint Option offers guaranteed lifetime income.**

Married clients can ensure that their surviving spouses receive uninterrupted income at the same level.

#### **Some things are better together.**

When paired, these features offer a multi-layered approach for married clients to protect their financial futures.

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

## TWO LAYERS

Provide for each other  
with options that live on

### A two-layered approach

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#### LAYER

# 1

**Guaranteed death benefit**

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#### LAYER

# 2

**Guaranteed lifetime income**

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*The combination of our Spousal Protection Death Benefit Feature and our Joint Option<sup>1</sup> for lifetime income can help you and your spouse plan for what's to come.*

## Things to keep in mind

### What is a variable annuity?

A variable annuity is a contract you buy from an insurance company to help you accumulate assets for retirement. It's called "variable" because its value will fluctuate based on the performance of the underlying investment options you and your advisor select.

**All the guarantees and protections of variable annuities and riders are based on contract terms and are subject to the financial strength and claims-paying ability of Nationwide.** These guarantees don't apply to any variable accounts, which are subject to investment risk (including the possible loss of your principal).

### An optional rider can help

Variable annuities may offer optional benefits, called riders, for an additional cost. Riders let you add the features most important to you. Lifetime income can also be achieved through annuitization for no additional cost.

### You get what you pay for

Because of the unique features you select for your annuity, the fees and charges will vary. They may include mortality and expense risk fees, administrative fees, contract fees and the expense of your investment options.

### More important information

Variable annuities do have some limitations. Because they're designed for long-term investing, you may be charged penalties if you take your money out early. And if you take withdrawals before age 59½, you may have to pay a 10% early withdrawal federal tax penalty in addition to ordinary income taxes.

Withdrawals may be subject to ordinary income taxes. They may trigger early surrender charges and reduce your death benefit and contract value.

<sup>1</sup> Available on Nationwide variable annuities for an additional cost.

## Guaranteed death benefit to cover both of you

Nationwide variable annuities offer a built-in Spousal Protection Death Benefit Feature. This feature allows the guaranteed death benefit to cover **both spouses**, regardless of who passes away first — even on IRAs. **Nationwide is the only provider that offers this option on IRAs.**<sup>2</sup> Below, we provide details about how this feature works.

### The difference between owners and annuitants

Annuity contracts have an owner and an annuitant. The owner has the authority to make changes to the contract, and the annuitant is the person whose age is used to make calculations. The owner and the annuitant are often the same person. Most annuities pay a death benefit when the owner passes away, but **Nationwide pays a death benefit when the annuitant passes away, meaning our annuities are annuitant-driven.** This distinction becomes important when working with IRAs.

### How spousal protection is unique at Nationwide

IRAs can have only one owner, and other annuities pay the death benefit only when the owner passes away. Because our annuities are annuitant-driven, they have more flexibility.

IRAs can have co-annuitants, and with Nationwide's spousal protection, an owner and their spouse can be named co-annuitants as well as co-beneficiaries. As a result, the death benefit goes to the surviving spouse, no matter which spouses passes away first. **We're the only provider who offers this on IRAs.**

With spousal protection, the surviving spouse has the flexibility to:

Continue the contract as the owner at the higher of the death benefit or market value

~ or ~

Take a lump-sum distribution at the higher of the death benefit or market value

*It's important to note that with spousal protection, **all surrender charges are waived upon the first spouse's passing.** Also, if the surviving spouse continues the contract, no tax consequences would occur related to the transfer of ownership.*

<sup>2</sup> VARDS, vards.com (2018).

Let's look at an example

Lisa and John

**Contract:** Lisa purchases a Nationwide Destination<sup>SM</sup> 2.0 variable annuity

**Owner/annuitant:** Lisa

**Co-annuitant:** John

**Beneficiary:** Lisa and John

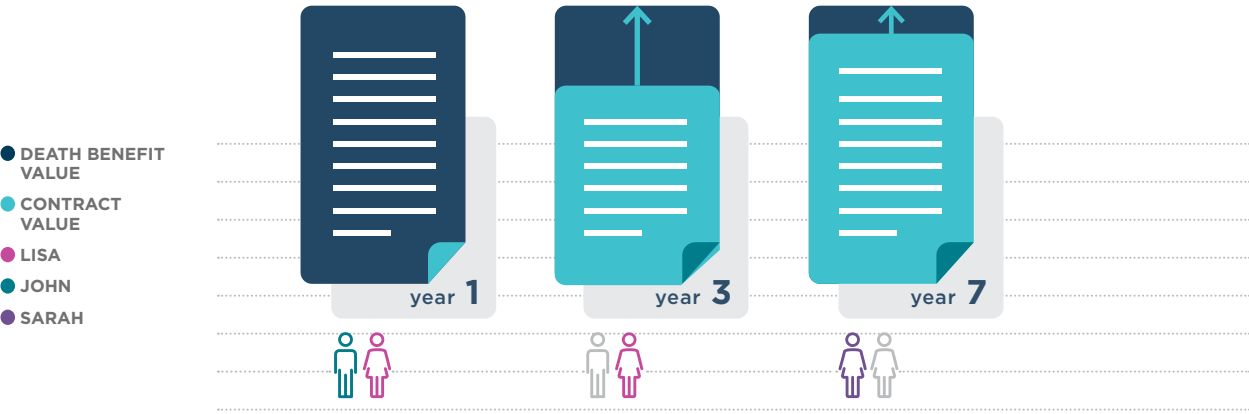
**Death benefit:** Return of Premium Death Benefit with the Spousal Protection Death Benefit Feature

**Life-changing event:** John passes away in year 3

**Lisa's options:** Surrender charges are waived and her contract value is made whole. She has the flexibility to either continue her contract or take a penalty-free lump-sum distribution.

John passes away and the contract value is made whole; a new beneficiary is named.

Upon Lisa's passing, the contract value is made whole for her beneficiary, Sarah



This example is hypothetical. It does not reflect the performance of any investment. If the owner takes a withdrawal, the death benefit and contract value will be reduced. This hypothetical example also assumes no withdrawals were taken from the contract. Guarantees are subject to the claims-paying ability of Nationwide Life Insurance Company.

## LAYER 2

### Guaranteed lifetime income for both of you

When you add a Nationwide living benefit rider to any Nationwide Destination 2.0 variable annuity, you may receive guaranteed lifetime income. When the Joint Option is also elected, the guaranteed lifetime withdrawals will continue to be paid for the life of the surviving spouse, uninterrupted and at the same amount.

All guarantees are subject to the claims-paying ability of the issuer and are subject to contract rules and limitations.

**With a living benefit rider, there are no limits to the number of years you and your spouse can receive income. Even if the contract value falls to zero, lifetime income payments will continue at the same level.**

#### Let's look at another example

##### John and Lisa

**Contract:** John purchases a Nationwide variable annuity with a living benefit rider and elects the Joint Option

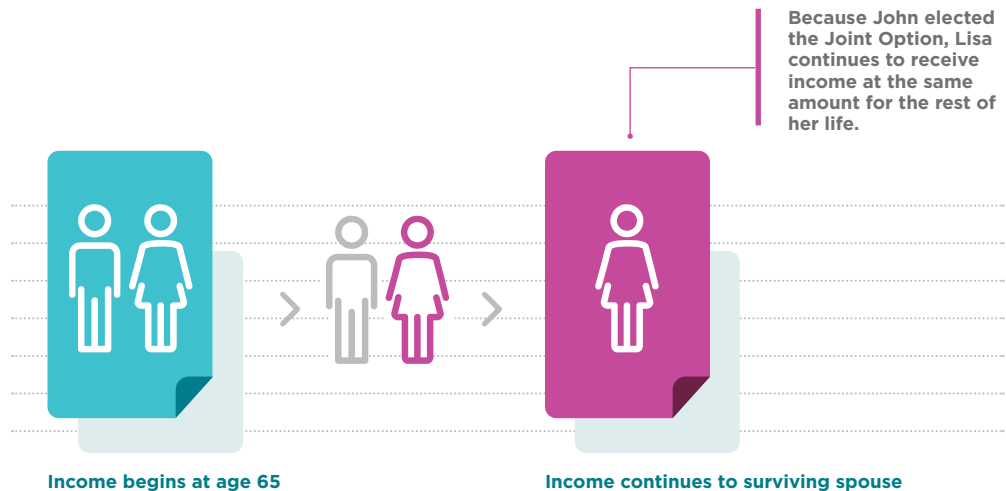
**Owner/annuitant:** John

**Co-annuitant:** Lisa

**Income percentage at age 65:** 5.10%

##### Life-changing event:

John passes away; lifetime income continues, uninterrupted, for the remainder of Lisa's life



Optional living benefit riders are available for an additional cost.

This example is hypothetical. Assumptions are: legally married clients, both age 60 at purchase; age 65 when lifetime income begins; assumes a 7% annual simple interest roll-up with a joint lifetime payout percentage of 5.10%.

Please note that distributions lower the contract value and the death benefit. Excess and non-lifetime withdrawals negatively impact lifetime withdrawals.



Work with your financial advisor to see how you and your spouse can benefit from two layers of guarantees.



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