

What are the Different Annuity Options Available

There are several annuity options available at retirement. The actual pension amount will vary depending on which option you choose.

- o **Life Only**

If you purchase a life only annuity, the pension is payable to you for as long as you live. There will be no further payments after your death. A life only annuity will result in a higher monthly income.

- o **Life Annuity with a Five Year Guarantee**

This pension is slightly less than a pension under the life only option. The pension is payable for as long as you live, but if you die before receiving payments for five years, the pension is payable to your beneficiary for the remainder of the five years. Your beneficiary may elect to continue receiving the payments in monthly installments or a lump sum payment based on the commuted value.

- o **Life Annuity with a Ten Year Guarantee**

This pension is payable for as long as you live, but if you die before receiving payments for ten years, the pension is payable to your beneficiary for the remainder of the ten years. Your beneficiary may elect to continue receiving the payments in monthly installments or a lump sum payment based on the commuted value.

- o **Life Annuity with a Cash Refund**

This pension is payable for as long as you live. However, on your death the beneficiary receives the difference, if any, between the amount you paid to purchase your annuity and the sum of all pension payments you received prior to your death.

- o **A Joint Life Annuity**

The pension payable under this option is usually the least amount but for many it is the most useful. A pension is payable to you for as long as you live but should you die before your dependent spouse (known as a contingent annuitant), payments continue to the contingent annuitant until his or her death.

- o **Annuity Certain**

In the event that your account value at retirement is less than \$20,000 and you are over the age of 65, you may elect to receive a fixed pension for a specified period, usually 5 years, at the end of which payments will cease. In the event of your death before payments cease, any remaining payments otherwise due to you will be paid to your beneficiary.

Annuity payments can be made monthly in advance or quarterly in arrears.