ARGUS
Our Interest is You.

Pensions

Annuity Option versus Drawdown Option

	Annuity	Drawdown
Description	An annuity is a vehicle for converting a lump sum, usually a pension fund built up during your working life, into an income for the rest of your life.	Rather than convert a pension to a fixed income through an annuity, you choose to leave your pensions invested in a prescribed retirement product and take an income directly from the pension fund. The maximum drawdown rate is determined by the Pension Commission.
Investment Risk	Insurance company bears the investment risk.	The member bears the investment risk.
Interest Rate Risks	Annuity benefits are based on interest rates. Lower interest rates generate lower annuity payments.	Pension payments depend on investment returns and your age.
Guarantee of Payments	Insurance company guarantees payments for life even if the annuitant outlives the premium.	Payments will cease once the account balance has been depleted.
Financial Risk	The annuitant's benefit is fixed for their lifetime.	The member's benefit will vary year to year depending on investment returns and age.
Suitability	This option is suitable for individuals who do not have significant other sources of retirement income and/or who prefer a fixed and guaranteed payment. Annuities are also suitable for individuals who are blessed to have longevity in their family.	This option is suitable for individuals who have an account balance over $100,000.00, have other sources of income to rely on and do not require a fixed or guaranteed payment.
Flexibility	Annuity amounts cannot be changed as payments will be based on rates and actuarial factors at the time of purchase.	Drawdown provides more flexibility as you may choose to purchase an annuity at a later date.
Payments on Death	The death benefit (if any) will be based on the guarantee period chosen by the annuitant.	The account balance at death (if any) is payable to the beneficiary.

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