

Make **YOUR MONEY** Last a **LIFETIME** . . .



MyFRS
Florida Retirement System



Lifetime Annuity Quotes — \$100,000 Premium As of November 28, 2012

Annuity Type	Monthly Benefit	Annuity Type	Monthly Benefit
Single Life ¹	\$517.30	Joint and Survivor ²	\$438.92

Assumptions: The monthly benefits listed in the examples above assume you used \$100,000 of your FRS Investment Plan balance to purchase a lifetime fixed annuity from Hartford Life, the FRS Investment Plan's annuity provider. The single life annuity example assumes a male, age 62; the joint and survivor annuity example assumes a female spouse, age 62. Cost-of-living increases are not included in these examples. The above examples are as of November 28, 2012. Your actual annuity quotes may vary based on your individual data and circumstances (e.g., age, marital status), the movement in the fixed income investment markets, and the date you purchase the annuity. A variety of fixed and variable annuities are available for you to choose. Call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2, for additional details.

¹ By choosing a single life annuity, your monthly benefits are payable for your lifetime only. Upon your death, the annuity ends. Your survivors receive no further benefits.

² By choosing a 100% joint and survivor annuity, monthly benefits are payable for your lifetime and the lifetime of your surviving joint annuitant. Upon your death, your surviving joint annuitant will receive a lifetime monthly benefit payment in the same amount (100%) as you were receiving.

Develop a Retirement Plan

How much income will you need in retirement? That answer is different for everyone. As you create your retirement plan, one of the first steps you should take is to identify your fixed expenses, such as housing, insurance, food, clothing, and medical expenses, as well as your optional recreational activities, such as travel, hobbies, and dining out. Many financial advisors recommend you secure enough guaranteed income to cover your fixed expenses — the “must haves.” Once your basic necessities are covered, any leftover amount can be used to enjoy the “nice to haves” of retirement.

**Fixed Expenses or
“Must Haves”**

Examples: Housing, Taxes and Insurance, Food, Car/Transportation, Health Care, Clothing.

**Optional Expenses or
“Nice to Haves”**

Examples: Vacations, Dining Out, Movies, Recreational Activities/Hobbies, Entertaining at Home.

Got Questions?

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toll-free at **1-866-446-9377, Option 2, or TRS 711.**

Purchase an **INCOME ANNUITY**



Plan for a Long Life

Life expectancy is at an all-time high, and there's a good chance that you will live well into your 80s or 90s. Hopefully, you have taken good care of yourself and will be in good physical condition throughout life.

But just as unforeseen conditions may affect your physical health, market conditions may have an adverse impact on your retirement savings and investments. For example, some retirees create a strategy in which they systematically withdraw 4% per year from their retirement nest egg. They utilize this strategy to keep from depleting their principal. But the principal may end up being eroded anyway, due to down periods in the financial markets.

Guarantees Can Help

To help ensure your money lasts as long as you do, one solution worth considering is a guaranteed income annuity. An income annuity is insulated from fluctuations in the market, and provides secure, predictable retirement income for life.* If your income from pensions and Social Security isn't going to cover all your "must haves," consider an income annuity to bridge the gap. As an FRS member, you can take some money from your Investment Plan balance at retirement and purchase an income annuity that will provide guaranteed lifetime income. It's like receiving a "retirement paycheck" you can't outlive.*

* Refers only to fixed lifetime annuities. Variable annuities are subject to market conditions; term-specific annuities are not intended to be guaranteed for life.

What is an Annuity?

An annuity is an insurance product with a guaranteed payout. Similar to depositing a lump-sum amount in a bank account, when you purchase an annuity, you pay a lump-sum amount (called a premium) to the insurance company. Because you are a member of the Florida Retirement System, you can easily convert all or part of your Investment Plan account balance into an annuity at retirement through the Hartford Life Insurance Company, the FRS' approved annuity provider.

Don't Let Your Money Run Out on You!

- 63% • The odds that either you or your spouse will live to 90.*
- 36% • The odds that either you or your spouse will live to 95.*

Make sure you don't outlive your money. Use your Investment Plan account balance to purchase an annuity at retirement.

* Assumes a couple who is 65 years old today.

Source: Society of Actuaries Annuity 2000 Mortality Tables.

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Based on the amount of your deposit (premium) and the type of annuity you choose, The Hartford calculates the amount that will be paid to you. You'll then receive guaranteed payments every month, either for the rest of your life or for the period of time you specify. You can even ask to have an annual cost-of-living increase built into the calculation. Call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711) to speak with an Ernst & Young financial planner. The financial planner can work with you to determine the annuity option that makes the most sense for you.

What Annuities are Available to FRS Investment Plan Members?

Hartford Life offers both **Fixed** and **Variable** annuities. These two types of annuities differ in terms of the way they work, the risk factors involved, and the fees charged. With fixed annuities, your monthly check amount remains steady and predictable. Variable annuity payments may go up or down, depending on the performance of the investment vehicle you select.

Within a Fixed or Variable Annuity, you can select either the **Single Life** or **Joint and Survivor** option. When you choose a Single Life annuity, you receive a higher amount for the life of the annuity holder only. With the Joint and Survivor annuity, you will receive a somewhat lower monthly payment that continues to be paid for the lifetime of the joint annuitant, even after the other annuity holder dies.

Are Annuities Expensive?

FRS members receive group pricing that is not available to individual investors who purchase similar annuities on their own. Because you are an FRS member, you don't have to pay the commissions to the agent or broker that you would have to pay in the retail market.

Caution About Cashing Out!

Reminder: Do not request a distribution until you are ready to retire. The FRS considers you retired if you take any distribution from your Investment Plan account.



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How Can I Buy an Annuity?

To find out more about how an annuity might fit into your financial future, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2, or Telecommunications Relay Service (TRS) 711, and receive free, unbiased assistance from a financial planner. The financial planner can also give you price quotes on various types of annuities and send you an election form and package to review. If you decide to purchase an annuity, you will need to submit the necessary forms to the Investment Plan Administrator for processing.

Please note: Annuities are not liquid, meaning you can't cash it in like stocks or withdraw money like you can from mutual funds; that's why it's important to leave enough money in your liquid investments to cover those unforeseen expenses that inevitably arise.

Resources

Visit MyFRS.com to read about retirement planning and access other publications, such as the [Termination Kit](#) for distribution options, information, and regulations.

Annuity benefits provided through a group fixed annuity contract issued by Hartford Life Insurance Company under the contract number GA-35092.

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- ✓ No Contract Value
- ✓ No withdrawals
- ✓ Not all payment options offer death benefits
- ✓ Not all payment options offer return of your premium
- ✓ Not FDIC insured

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