

# JT SURVIVOR LIMITED

SINGLE PREMIUM IMMEDIATE ANNUITY

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## *Income & Legacy Annuity*

*Consumer Guide*

SINGLE PREMIUM IMMEDIATE  
ANNUITY (SPIA) CONTRACT

Joint Survivor Limited Payment  
Income Contract

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## **Presidential Life Insurance Company**

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**PRESIDENTIAL'S  
Income & Legacy Annuity  
Joint Survivor  
Limited Payment Income  
Contract**

**A Whole New  
Single Premium  
Immediate Annuity  
(SPIA) Concept**

**Introduction**

Presidential Life, the innovator in SPIA design, introduces another novel annuity income contract. Smart SPIA designs are needed to help retirees produce retirement incomes while simultaneously helping them maintain legacy bequests to individuals they want to benefit from their estates.

We feel this contract provides a better combination of income and legacy bequests than other immediate annuity contracts that use an Annuitant (single Life) and a Beneficiary arrangement often referred to as single life and period certain annuity contracts.

**Our Design**

- Two Annuitants (Primary & Secondary) rather than one Annuitant and a Beneficiary.

This arrangement better assures the Primary Annuitant needed income while simultaneously managing for a better legacy expectation for the Secondary Annuitant. The payments to the Secondary Annuity start after the Primary Annuitant dies, whenever that might be.

Normally two annuitants reduce SPIA payment pricing. But instead ...

- Unreduced payments to the Primary Annuitants' surviving Secondary Annuitant are limited to a pre-selected number of years (5-20), at the time of application.
- Increased overall annuity payment to both Annuitants versus traditional Joint Survivor contracts and fixes an expected benefit to the Primary Annuitants' surviving Secondary Annuitant.
- By changing the former Beneficiary into a Secondary Annuitant, we effectively underwrite the Beneficiary for SPIA pricing purposes.



**When the Primary Annuitant Dies**

- The Secondary Annuitant (the former Beneficiary of a period certain and single life annuity) begins to receive an equal payment amount for a pre-determined number of years (5 – 20) elected on the application. ***The Secondary Annuitant continues to col-***

*lect the income over these years until the completion of the elected duration years or until his/her death, whichever occurs first.*

### **Secondary Annuitant Dies Before Primary Annuitant**

- The Primary Annuitant continues to receive a life-time income for his/her entire life.

### **Advantages**

- **Removes The Guess Work Regarding How Much Will Be Paid When The Primary Annuitant Dies.**



- The Secondary Annuitant starts to receive a payment when the Primary Annuitant dies, ***no matter when the Primary Annuitant dies.***

### **Example:**

*For \$100,000 premium, the monthly payment is \$600\*, the Secondary Annuitant receives the same payment for the period elected on the application. If that period was 10 years, the total payment amount is \$600 x 120 months = \$72,000, or 72% of the premium cost.*

*Secondary Annuitant needs to survive during this 10 year period to collect the entire \$72,000.*

\*Hypothetical annuity pricing for discussion purposes only. Actual pricing based on Annuitants' age, gender, and duration of Secondary Annuitant payments, along with annuity rates at the time of contract purchase.

- **Return of Premium at Primary Annuitant Death.**

- The Primary Annuitant may wish instead to provide a return of premium cost for the benefit of his/her Secondary Annuitant. In this case, the number of years is selected (up to a maximum of 20 years) in order to accommodate this request.
- Using the same \$100,000 example, the monthly payment may be reduced to \$416.67\* but the number of years is extended to 20. The total payment amount is \$100,000 (\$416.67 x 240 months) and equals 100% of the premium cost.
- Secondary Annuitant needs to survive during this 20 year period to collect the entire \$100,000.

The Primary Annuitant can determine more clearly, at the time the contract is purchased, just what amount of his or her premium cost will be paid, at their death, to the Secondary Annuitant (the former Beneficiary of a single life and period certain annuity).

- **Life contingent payments offer superior safety over period certain annuity payments and other financial products.**
- Both the Annuitants benefit from the superior safety of life contingent, annuity payments versus period certain annuity payments.

- o Life contingent payments, unlike period certain payments, help assure Annuitants receive the payments that were bargained for because life contingent payments have little or no value to third parties.
- o This contract is irrevocable, payments are non-commutable, and it has no cash surrender value, further protecting Annuitants' income, unlike other financial products.

**Combinations of Insured Individuals Who Benefit**

- Spouses (Ages 80+)
- Father/Mother – Adult Children
- Grandfather/Grandmother – Adult Grandchildren (minimum Age 21)
- Siblings
- Significant others (must have insurable interest)

**Annuitants Age Limitations**

(age nearest birthday)

- Maximum Issue Age 90
- Minimum Issue Age 21

**Annuitants May Not Be Changed After Issue Date**

**Indicate Annuitant Relationship to One Another**

- Spousal
- Parent/Child
- Siblings
- Other  
(must have an insurable interest)

**Secondary Annuitant Payment Period Durations**

5 – 20 years  
(May not be changed after issue date)

**Payment Modes**

Monthly, Quarterly, Semi-annual, Annual  
(Modes may not be changed after issue date)  
(Payment must start within 1 mode of annuity issue date)

**Maximum Premium**

\$1 million (without Home Office prior approval)

**Non-Qualified Premium**

**Qualified Premium**

- Must pass the IRS Required Minimum Distribution (RMD) test for annuity contracts.
- May require a reduction of the number of years in the duration of the Secondary Annuitant Payment.
- Phone Home Office for details.

**This contract is irrevocable, payments are non-commutable, and it has no cash surrender value.**

Contract form SPIA(90)

*Not FDIC insured. Any tax suggestions are merely our understanding of the IRS code. Presidential Life Insurance Company is not a tax and/or legal advisor. Information in this brochure is not intended as tax and/or legal advice. Please consult your tax and/or legal counsel for professional guidance regarding all Federal and State laws before making any financial decisions.*