



# Floating Over The 4% Rule Guaranteed

Use Less Premium To  
Collect More Income



*How long will a nest egg last while withdrawing  
4.00% income annually for a 65 year old male?*

By: Jeff Affronti

A male age 65 has a \$100,000 nest egg to help supplement his retirement income. How long is his nest egg **GUARANTEED** to last while withdrawing 4.00% income annually?

Answer: His **ENTIRE Lifetime using ONLY 58%** of the nest egg to do it!  
How: Using the Single Premium Immediate Annuity (**SPIA**)

A premium of \$58,000 can currently guarantee our client a monthly income of \$333.34 for Life With a Cash Refund! This leaves \$42,000 of his nest egg with the ability to grow! Even at a rate of 3.00% in 10 years the \$42,000 will have grown to \$56,444.49 and can be used to hedge against inflation concerns if necessary. Additionally, the client would have received his first 120 SPIA payments totaling \$40,000. That is 68.96% of the \$58,000 lifetime income premium, and a lifetime of payment left to go!

Having worked a whole lifetime to save, these clients should be offered the most competitive guaranteed income products available. Unfortunately, many retirement income shoppers are not offered the SPIA as an option. The main reasons I hear for SPIA's not being offered are:

- *I didn't know a SPIA could do that!* - A lack of knowledge regarding the features and benefits of immediate annuities is a main reason clients do not get offered SPIAs. Almost anti-SPIA, most agent training and marketing from mainstream carriers is focused on FIA rider products as the holy grail of retirement income.
- *The commission is too low!* - The problem here is obvious. It is the clients money and should be maximized regardless of compensation.
- *I am an RIA and we have no structure to receive payment on SPIAs* - RIA's live on fees, (AOM) trail commissions! Some SPIAs can be set with a trail commission or have a cash value schedule that will not change. What I have seen is these fees over time, are more than the commissions paid to agents. Making the fee based advisor channel SPIA's currently less competitive. Therefore, SPIAs can look less competitive or just not appear like a reasonable alternative.
- *We use FIA's with income riders that can start immediately!* - If the client is looking for maximum income ***now*** the SPIA will pay more income for less premium. Additionally, the SPIA can offer long term survivor benefits of 20 years or longer from day one! Guaranteed gains, no fees and top income! See my previous post [SPIA vs FIA income rider!](#)

SPIAs offer complete peace of mind for clients, knowing the income can never run out! In the end, for me, it is the same as it has been for the last 20 years. SPIAs are King for immediate and guaranteed income! SPIA SPIA SPIA!

**The idea is to not outlive your money.  
Maximizing it at the same time does not hurt.**

Jeff Affronti

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