

From the desk of Ken Mazon

What is a Single Premium Immediate Annuity (SPIA)?

An immediate fixed annuity is an annuity for which the annuitant pays a one time deposit to an insurance company who converts the assets into a stream of guaranteed payments which is paid either monthly, quarterly, semi-annually or annually for the life or joint life, or for a specified fixed period of time. As the name implies, an immediate annuity provides income immediately after the premium is received, which is usually 30 days from the date of deposit, though the maximum deferral is 12 months after the purchase date.

Benefits of a SPIA:

- Safety of Principal
- Guaranteed Income
- Tax Advantage Income
- Convenience and Simplicity
- Asset Preservation
- Portfolio Diversification

A Single Premium Immediate Annuity offers a variety of options so you may tailor your income schedule to suit your needs. You can chose to receive payments, monthly, quarterly, semiannually or annually. The payment options include:

Period Certain Only

Guaranteed annuity payments will be paid for a certain period of time which typically ranges from 5 - 20 years. If the annuitant dies before the guaranteed annuity payments have been paid, annuity payments will continue to be paid to the beneficiary as scheduled until the guaranteed annuity payments have all been paid, at which time annuity payments stop and no further benefits are payable.