

TAX TIPS

NEW ANNUITY OPTIONS

Who gets a company pension these days? Hardly anyone. That's why many folks choose to buy annuities—sort of “buy yourself a pension for life.”

Newest option for 401(k)s and IRAs: longevity annuities that don't pay out until the buyer reaches 80 or 85. Benefits continue for the life of the buyer—or sometimes the buyer and spouse in a joint-life longevity annuity.

The Treasury Department has proposed rules to make it more attractive: they would exempt assets invested in these longevity annuities from required minimum distribution rules (RMD), as long as the annuity costs no more than 25 percent of the account balance, and costs no more than \$100,000, and starts benefits no later than age 85. This may be appropriate for those from long-lived families; shop carefully, noting interest rates and the reputation of the insurance company.

Is this option right for you? Talk it over with the helpful tax experts at
