

# Transamerica *SecurePath for Life* Product Fact Sheet



**Product Category:** In-Plan Guaranteed Minimum Withdrawal Benefit (GMWB), also referred to as Guaranteed Lifetime Withdrawal Benefit (GLWB).

**Product Category Defined:** This is a benefit that guarantees a stream of income payments for life to a participant, regardless of the contract account value. This option allows participants to protect their income prior and during retirement while at the same time allowing participation in positive investment experience. Similar to other defined contribution plan investments, the participant always has complete access to the market value.

## Product Summary:

Equity participation	Yes	Annuitization required	No
Nature of guarantee structure (fixed income, % of benefit base, other)	% of benefit base	Availability of account value (i.e., liquidity) (Accumulation (A), Distribution (D))	A,D
Form of guarantee (High Watermark (HW) <sup>1</sup> , Minimum Rate (MR)) <sup>2</sup>	HW	Fees for guarantees (implicit or explicit)	Explicit
Income guarantee applies during (Accumulation (A), Distribution (D))	A,D	Total fees	161-163 bps
Payments guaranteed for life	Yes	Portability (IRA, QPDA <sup>3</sup> )	IRA
COLA Option Available	No	Participant education with no additional fee	Yes

<sup>1</sup> The highest account value annually at a fixed date

<sup>2</sup> Grows at a stipulated minimum interest rate

<sup>3</sup> Qualified Plan Distributed Annuity

## Product Description

Designed for defined contribution plan participants age 50 or older, *SecurePath for Life* is built around a series of cost-effective, index-based target date funds from the Vanguard Group. *SecurePath for Life* participants invest with the added confidence of knowing their future retirement income can be protected from market losses, enhanced by market gains and guaranteed for life.

Key features of *SecurePath for Life* include guaranteed lifetime income beginning at or after age 55 which will equal a percentage of the participant's income base. An annual "step-up" feature is offered that can enhance the participant's guaranteed income as a result of market gains. Underlying target date funds are managed by the Vanguard Group, a market leader in cost-effective index-based target date funds. Participants have flexibility to transfer money in or out of the option to other options in the plan as desired (transferring money out of *SecurePath for Life* will reduce the guaranteed income amount). Death benefits allow participants to pass value on to their heirs.

## Distribution Channel

### Types of Plans Available

401(k), 403(b), or 457(b) government plans.

### Currently offered to:

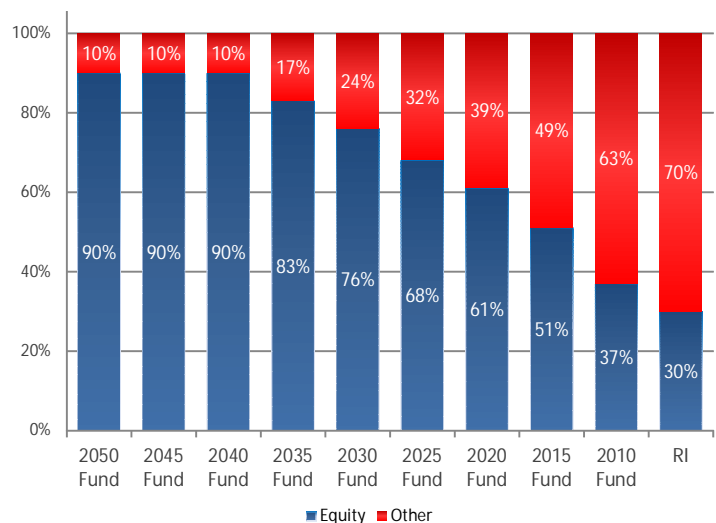
Currently offered to plan sponsors through the Transamerica platform.

## Investment Structure

Group variable annuity contract offering subaccounts that invest in underlying Vanguard Target Retirement funds.

## Participant Investment Choices

Participant is assigned to a Target Retirement fund based on birth year. Within 5-7 years after the target retirement date, each fund's asset allocation becomes similar to the Retirement Income (RI) fund.



\*As of 1/27/2015

## Composition of Underlying Investment Funds

Vanguard Target Retirement Series funds

## Fees and Expenses

The underlying Target Retirement funds available in *SecurePath for Life* have expenses that range from 0.16-0.18% and vary according to the fund.

There is a .90% charge on a current basis for the guaranteed income benefit in addition to the fees of the funds. The maximum guaranteed income benefit fee that could be imposed (per contract language, on 90 days notice) is 1.40%.

There are mortality and expense risk fees and administration fees of 0.55%.

### Total Fees

The total fees on a current basis are 1.61-1.63%.

## Determination of Retirement Income

### Age Lifetime Income Can Begin

For guaranteed income election, the participant must be at least age 55 and for joint coverage the spouse must be at least age 50. Withdrawals are subject to plan rules and the appropriate early withdrawal tax and penalty.

### Guaranteed Income Benefit Calculation

The guaranteed income benefit will be determined as:

(Income Base) x (payout rate based on initial payment age, as described below)

The Income Base will be automatically adjusted on an annual basis, on the step up date.

## Characteristics of Account Balance During Accumulation

*SecurePath for Life* offers income protection during accumulation through the GMWB income Base which is equal to total contributions less excess withdrawals, subject to annual step-up on participant's birthday. It offers the opportunity to participate in market gains through the annual step up determination (higher of current Income Base and market value). The minimum eligible age for investment is 50.

In the event of death of participant with a spousal beneficiary, the Income Base or Market Value is available to Spousal Beneficiary. If a participant dies and does not have a spouse the participant's beneficiary receives the Market Value of the *SecurePath for Life* account in a lump sum.

## Characteristics of Account Balance During Distribution

*SecurePath for Life* offers income protection during distribution through the GMWB income Base, which continues during distribution. It offers the opportunity to participate in market gains through the annual step up determination.

The guaranteed annual income amount is equal to a percentage of the Income Base. The percentage is currently set forth as:

- Single: Starts at 3.5% for distribution commencing at age 55 and increases by .1% per year of age to a maximum of 5.5% for distribution commencing at age 75.
- Joint: Rate for Single Life coverage, based on the age of the younger spouse, less .5%. Minimum age 55 for the participant and 50 for the spouse.

Withdrawals in excess of scheduled amounts are allowed but will reduce the Income Base.

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If a participant with a spousal beneficiary dies and the Joint option has been elected, the surviving spouse can continue to take the guaranteed withdrawals over the spouse's lifetime; or the spouse can elect to receive the Account Value in a lump sum.

If the Joint option has not been elected, the participant's guaranteed withdrawal benefit terminates and the spouse can elect to receive the Account Value in a lump sum.

## Portability

### Participant Leaves the Plan Sponsor

Participants may stay in the plan subject to plan rules. Otherwise, participants can receive a distribution of the market value, or rollover the market value and the Income Base to an eligible IRA. Fees for the IRA are the same as base product.

### Plan Sponsor Changes Recordkeepers

If the Plan Sponsor terminates its contract with the provider:

- If the participant is eligible to receive a distribution, the participant could rollover the Income Base and market value of the investment in the feature to an eligible IRA.
- If the participant is ineligible for rollover, the higher of market value or the Guarantee Value (equal to discounted value of earned future guaranteed income payments, based on mortality and interest assumptions specified in contract) is paid.

### Insurer Termination

The insurer reserves the right to terminate the contract under certain circumstances, notably including:

- Plan loses qualification
- Contractholder provides notice of change of recordkeeper
- Employer files notice of bankruptcy

On termination by the insurer, portability provisions apply.

**Rollover Funds—Investment Management/Administration**  
Investment options available are similar to those available under the group annuity contract. The same fee levels apply.

## Insurance Companies Offering Product

Transamerica Financial Life Insurance Company (which is licensed and offers products in all states). Transamerica Life Insurance Company (which is licensed and offers products in all states except New York).

## Participant Experience

### Education and Training for participants

Full enrollment support is available - including enrollment meetings, PowerPoint presentations, videos and handouts. Post enrollment education programs are also available.

## Contact Information (Insurer)

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