

# Mutual of Omaha Lifetime Guaranteed Income Account Product Fact Sheet



**Product Category:** Fixed Deferred Income Annuity

**Product Category Defined:** Participants' contributions buy a future guaranteed income stream. This guaranteed amount is based upon contribution amount, annuity purchase rate, age at contribution, and age at income start date.

**Product Summary:**

Equity participation	No	Annuitization required	Yes
Nature of guarantee structure (fixed income, % of benefit base, other)	Fixed income	Availability of account value (i.e., liquidity) (Accumulation (A), Distribution (D))	A
Form of guarantee (High Watermark (HW) <sup>1</sup> , Minimum Rate (MR)) <sup>2</sup>	MR	Fees for guarantees (implicit or explicit)	Implicit
Income guarantee applies during (Accumulation (A), Distribution (D))	A,D	Total fees	Not defined <sup>3</sup>
Payments guaranteed for life	Yes	Portability (IRA, QPDA <sup>4</sup> )	IRA
COLA Option Available	Yes	Participant education with no additional fee	Yes

- <sup>1</sup> The highest account value as of prior anniversary date
- <sup>2</sup> Grows at a stipulated minimum interest rate or embedded rate within the annuity purchase rates
- <sup>3</sup> Total fees are implicit in purchase price, thus not defined
- <sup>4</sup> In-kind distribution via a Qualified Plan Distributed Annuity at qualified distributable event

**Product Description**

The Lifetime Guaranteed Income Account (LGIA) is designed to provide a pension-like benefit to defined contribution plan participants. It is an investment option within a qualified retirement plan. Participants can choose to direct all or some of their contributions into the LGIA. Employers may also direct their matching contributions into the account. Those contributions will purchase retirement income amounts and build an account balance which is payable at age 65 unless the start date has been customized or the participant is still employed. The LGIA gives participants the flexibility to move their money to other investment options within their plan. It also provides multiple payout options for participants and their spouses. Income amounts are updated daily on the website and are shown on quarterly participant statements.

**Distribution Channel**

**Types of Plans Available**  
401(k), 401(a), and 457 plans.

**Currently Offered To:**  
Plan sponsors using Mutual of Omaha's retirement plan products.

**Participant Investment Choices**

This is a fixed deferred income annuity and as such there are no investment choices to make or investment related charges and expenses.

**Fees and Expenses**

There are no explicit fees. The credited interest rate will typically be 0.50% less than the rate credited to a comparable Guaranteed Account that does not include the guaranteed income feature. Mutual of Omaha has established purchase rates based on interest and mortality assumptions. These purchase rates have not changed since the inception of the product but Mutual of Omaha does reserve the right to

change purchase rates for future contributions. Purchase rates on accrued benefits will not change.

**Determination of Retirement Income**

**Age Lifetime Income Can Begin**

Benefit payments can commence as early as age 55 but not prior to termination of employment. Income payments must begin by age 70 unless the participant is still employed.

**Guaranteed Income Benefit Calculation**

Each contribution purchases a guaranteed future income benefit; all purchases are illustrated as a 20 Year Certain and Life annuity payable at age 65. The participant may elect a different start date and may also customize their benefit form (e.g., lifetime income for two, COLA, life income with period certain; for an additional cost that will be calculated on an actuarially equivalent basis).

**Characteristics of Account Balance During Accumulation**

Each contribution is credited to the LGIA account. During the accumulation phase, the account balance is credited with a fixed rate of interest and grows independent of the guaranteed income benefit. The account balance is fully liquid prior to benefit commencement. Any withdrawals result in a pro-rata reduction in the amount of guaranteed income at retirement.

New deposits to the account are credited with interest at a rate set each month and are applicable for a 5-year period. At the end of that period, a new rate is set. The account balance is calculated independently of the lifetime income benefit.

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The account balance is also used to determine if the participant is eligible for an increase in their guaranteed income at retirement — a ratchet feature. The current account balance is used, along with current purchase rates, to calculate a retirement income benefit. If the calculated income benefit is higher than the current guaranteed income benefit, the guaranteed income benefit is increased to the calculated amount.

**Death Benefit** - Prior to annuitization/distribution, the death benefit is the account balance.

## Characteristics of Account Balance During Distribution

At retirement, the participant can elect to take the account balance or the guaranteed income. If they elect the guaranteed income, the account balance is annuitized to provide the income benefit. Multiple forms of annuity options are available to the participant and are calculated as the actuarial equivalent of the accumulated benefit.

The income benefits are purchased during accumulation and do not increase during the payout period (unless a COLA feature has been selected). Once income benefits start, withdrawals are not allowed. Commutation of the annuity is not permitted.

The death benefit is dependent upon the form of annuity option selected.

## Surviving Spouse

### Timing of Spousal Income Benefit Election

The desired benefit form (including providing for a spousal benefit if applicable) is chosen at the time the participant elects to begin receiving income payments.

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### Effect of Spousal Income Benefit Election

In general, providing for a spousal benefit could reduce the comparable single life annuity payment by 8%-14% at age 65 depending upon the survivor percentage elected.

## Portability

### Participant Leaves the Plan

LGIA includes a rollover option for participants who terminate employment or leave their plan.

### Plan Sponsor Changes Recordkeepers

Because it is structured as an investment option, the LGIA can be treated as a frozen, outside asset - thus preserving any benefits accrued to date.

### Insurer Termination

LGIA investment option can be discontinued by Mutual of Omaha or its subsidiaries. Benefits previously accrued will remain in effect.

### Insurance Companies Offering Product

United of Omaha Life Insurance Company

## Participant Experience Education and Training for

### participants

Mutual of Omaha provides resources to enhance participants' experience including web-based tools, on-site support, and income modeling.

## Contact Information (Insurer)

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