SECURING YOUR RETIREMENT

A Woman's Guide to Retirement Income Planning

Protective®

Protect Tomorrow. Embrace Today.™

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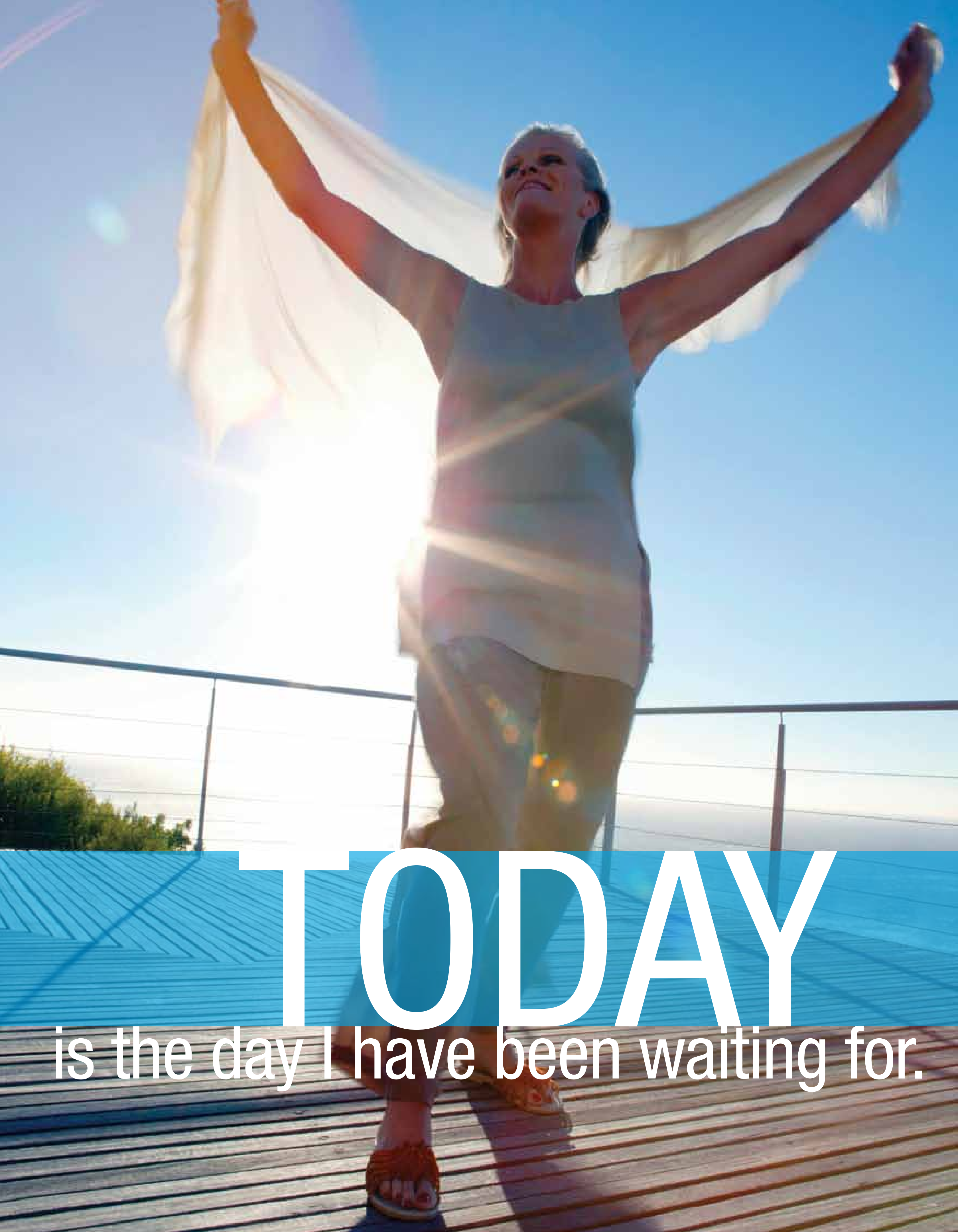

TODAY
is the day I have been waiting for.

You've been working for this your entire life. The day that you can kick up your heels and RETIRE. Your plans for your golden years may include travel, leisure, family, a new career or philanthropy. But whatever you want to do, it's important that you feel secure while doing it. As a woman, you need a plan that fits your unique needs. With your retirement so close, do you still feel uneasy about what tomorrow may bring?

What comes next?

With retirement comes uncertainty. Because, after all, once you enter retirement, you face the challenge of transitioning from a lifestyle where you and/or your spouse have been collecting a regular paycheck from an employer to one in which you have to create your own income from personal savings.

You, or you and your spouse, have likely been putting money away for retirement since your 20s or 30s. You probably have Social Security, savings, pensions and other investments that have been growing and waiting for this new chapter of your life. But do you know what to do with those savings now that the day has come?

If you haven't taken the time to map out your retirement strategy, you may feel some anxiety about the topic. Insecurities about how long your retirement income will last, if you'll have enough to cover unexpected bills, and what happens if you run out of funds are all valid concerns. But with the right approach, you can quiet those worries and enjoy the retirement you have imagined. By carefully considering all of the elements—your budget, your retirement risks, the types of expenses you'll have, and your desired retirement lifestyle—you can begin building a retirement income strategy to protect tomorrow, so you can embrace today.

What every woman should know as she approaches retirement:

- **50% of marriages end in divorce[1]**

  In the first year after a divorce, the average woman's standard of living drops 73%[2]

- **The average age of widowhood is 56.6, and nearly 50% of women 65 or older are widows[1]**

  80% of widows living in poverty were not poor before their husbands died[3]

- **College-educated women can expect to earn $500,000 less than their male counterparts over the course of a full-time career[4]**

  Women retirees receive half the pension benefits men receive[1]

[1] Jeannette Bajalia, Wi$e Up, Women! A Guide to Total Fiscal and Physical Well-Being, Advantage Media Group, 2012.

[2] Kim Kiyosaki, Rich Woman

[3] Marcia Brixey, "Will Social Security be There for You?" Forbes, February 27, 2013

[4] Christianne Corbett, M.A., Catherine Hill, Ph.D., "Graduating to a Pay Gap," October, 2012.

Your retirement worries

- Will I have **enough money to cover expenses**, even if something unexpected happens?
- Will my income be able to **keep up with inflation** and the rising costs of goods and services?
- What if the market doesn't cooperative and **I can't grow my savings?**
- **Will my savings last** through my entire retirement?
- **Will there be anything left** to leave to my friends and family when I'm gone?

Retirement Concerns for Women

For women, retirement brings a set of concerns that will make your planning process a little different. It's important to consider these risks alongside your goals and wishes, and adjust accordingly.

Longevity: Although longevity is a risk for both men and women in retirement, it's important to point out that women live an average of 5 to 10 years longer than men.[5] A longer life expectancy means that your retirement savings will have to last longer, and should be positioned to survive the impact of inflation over that time period.

Widowhood: The average age of widowhood for women in the United States is just 56 years old.[6] For female seniors, there is a high likelihood that they will spend at least part of their retirement years without their spouse, and some will even begin their retirement as widows. While it's something that you never want to think about, the death of your spouse is an event that will impact your financial future and your retirement, and it's wise to be prepared. It's realistic to plan for a time when you could have to manage your finances without your spouse. Making sure you have an advisor that you both trust is a good first step.

Lower earnings: On average, college-educated women make $500,000 less than men over the course of their careers,[7] and for several reasons. There is the wage gap that, although becoming smaller, has been widely reported over the years. In addition to lower wages, women have traditionally been more likely to experience gaps in employment to take care of children and tend to their households. That time off work is time that they are not contributing to Social Security, pensions, savings and individual retirement accounts, and thus are likely to have lower retirement income resources.

Dependents: Women are caregivers, nurturers by nature. There's a good chance some of you may still be caring for your own parents, and possibly pitching in when it comes to their medical expenses. And it's maybe even more likely that you're still footing the bill for your children's endeavors. They are out of the house, but somehow you still keep getting the bills: college expenses, paying for your daughter's wedding, or helping them make ends meet when things get tight. These people are an important part of your life, and the expenses associated with caring for or supporting others is something you will need to work into your retirement income strategy.

[5] Social Security Administration, Calculators: Life Expectancy; http://www.ssa.gov/planners/lifeexpectancy.htm

[6] Jeannette Bajalia, *Wi$e Up, Women! A Guide to Total Fiscal and Physical Well-Being*, Advantage Media Group, 2012

[7] Christianne Corbett, M.A., Catherine Hill, Ph.D., "Graduating to a Pay Gap," October, 2012

Universal retirement risks

While women have a unique set of concerns when it comes to retirement planning, there are still more risks that are universal to all retirees. Planning for the unexpected is not an easy task, but considering how risks may affect your retirement income is critical to creating a strategy that can weather the storm.

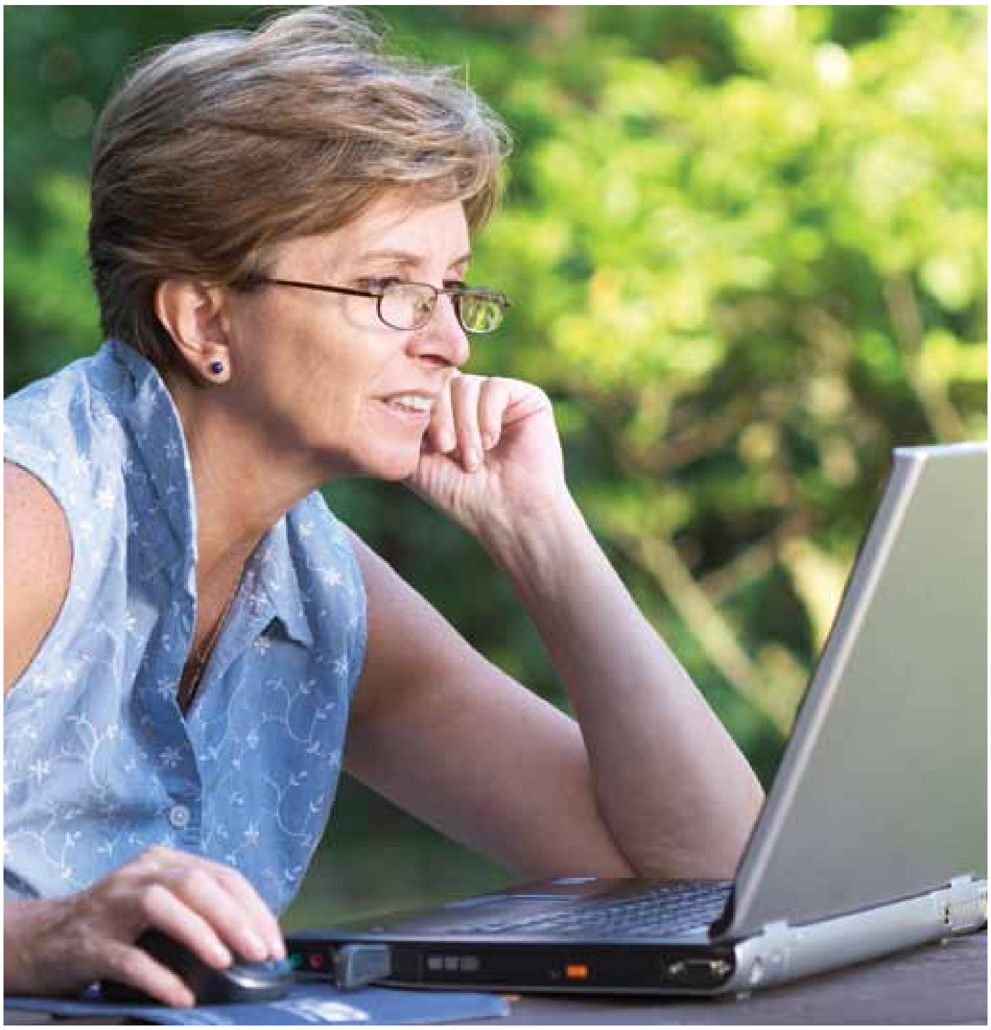
Here are the top areas of concern for today's retirees:

Uncertainty:

Uncertainty about public policy has many retirees worried about their future. Currently, public debates about Medicare, Social Security and our healthcare system leave many Americans uneasy, especially those who are planning on depending on those resources in the near future. Additionally, with the prospect of rising taxes, retirees and pre-retirees are wise to consider all of these outside and uncontrollable factors when creating a retirement income strategy.

Inflation:

Even with today's low inflation rates of around 3%, the impact of inflation can be significant, cutting purchasing power by over 25% in just ten years. That's a pace that could easily take your retirement plans off track if you haven't planned for it.



Investments: Turbulent markets can have a significant effect on the investments you depend on for retirement income. In fact, government data show that the average household wealth fell by about 20% from 2007 to 2009, a drop that may have left some retirees' budgets off balance if volatility risk had not been considered in their retirement income plan.

Healthcare: The possibility of declining health and the reality of rapidly rising healthcare costs is a top concern for retirees and pre-retirees. With a longer life expectancy, women face the prospect of even greater healthcare expenses. Healthcare costs are rising at rates far outpacing inflation.

Your retirement income strategy

The process to create a retirement income strategy begins with a deeper look at what you will need during retirement. You need to consider your retirement income budget together with your desired retirement lifestyle and retirement expenses, keeping your unique risks as a woman in mind. By looking at all sides, you and your advisor can develop a plan that provides the specific types of retirement income you will need.

To build a framework for your plan, consider these four major categories of retirement expenses:

1 Must Haves

2 Just In Case

3 Nice to Haves

4 When I'm Gone

Each of these four categories should be matched with an income source that can meet the need. Take a closer look at the expenses for each category and how they should match up with income sources:

MUST HAVES

These are the expenses related to the necessities of life like housing, healthcare, groceries, utilities and clothing. These are income needs that must be met.

The income used to cover your MUST HAVES should generally follow these criteria:

- **Consistent:** *the payments don't fluctuate much*
- **Regular:** *the payments come as expected*
- **Inflation-adjusted:** *the payments increase over time*
- **Reliable:** *you can count on the income to be paid*
- **Tax efficient:** *it helps minimize the effect of taxation*
- **Lifelong:** *it can be depended on for a lifetime*

JUST IN CASE

This is the amount of money you want to have set aside in case of an emergency.

The assets used to provide for JUST IN CASE expenses should generally be:

- **Accessible:** *liquid enough that they can be obtained quickly if needed*
- **Secure:** *not subject to a significant amount of risk*
- **Growing:** *earning a fair rate of return*

NICE TO HAVES

These are the expenses that are generally associated with the "fun" part of retirement like hobbies, travel or entertainment.

The income used to provide for NICE TO HAVE expenses generally needs to be:

- **Flexible:** *able to fluctuate in amount*
- **Accessible:** *flexible enough to be taken as needed*
- **Growing:** *invested for growth*

WHEN I'M GONE

These are assets that you don't plan to use in retirement, but plan to leave behind to cover final expenses or to give to family or charity.

Due to their intended use, these assets should include features that make the transfer of assets as hassle-free as possible, like:

- **Tax Efficient:** *helps to minimize the effect of taxes*
- **Hassle-Free:** *avoids delay in the transfer of assets and reduces costs associated with asset transfer*
- **Private:** *keeps the details of the transfer private*
- **Reliable:** *provides control over how the assets are distributed*

Defining your retirement income budget

Once you understand the differences in these four categories, it becomes clear that the most effective way to create your personal retirement income plan isn't simply asking "how much will I need?" You will more likely need to find the answers to a series of questions, like:

How do I plan to spend my money?

What are the things I consider the "must haves" in retirement?

How much do I want to have set aside, just in case?

What are the things that I hope to be able to do, but would be willing to cut back on if I need to?

How do I want to address my final expenses?

What would I like to be able to leave behind to family, friends or charity?

With the answers to these questions in hand, your financial advisor can help you begin a plan to meet your personal needs. To delve deeper, check out the Retirement Budget Workbook located in the back pocket of this guide.


TODAY
I am building a plan
to secure tomorrow.

Tools for securing your retirement

As you consider the sources for your retirement income, you may find you need additional methods to supplement Social Security and distributions from your IRA or pension. Talk to your advisor about the options below and how they may work with your situation.

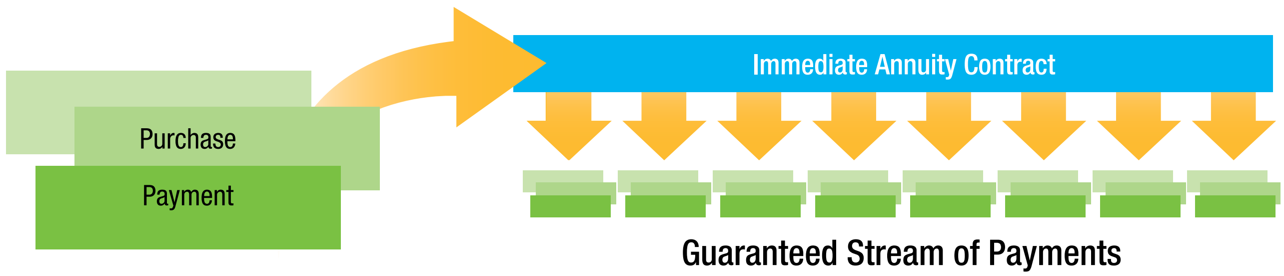
IMMEDIATE ANNUITIES

An immediate annuity is a contract issued by an insurance company that provides the buyer with a stream of payments that can last a certain number of years, or a lifetime. In return for a "purchase payment" or "premium," the issuing company will guarantee a stream of annuity payments that can help provide lifetime income – helping to address longevity risk.

Some immediate annuities can provide inflation protection through immediate annuity payment options that provide automatic annual increases in payment amounts. These increases may be a fixed percentage (for example 3% each year), or may be tied to an outside index.

Immediate annuities can also provide certain tax advantages. When an immediate annuity is purchased with non-qualified (after-tax) dollars, a portion of each annuity payment is considered a return of principal and is excluded from income tax. However, if the immediate annuity is purchased with qualified or non-taxed dollars, the entire payment is considered taxable.

GUARANTEED RETIREMENT INCOME WITH AN IMMEDIATE ANNUITY



All guarantees are subject to the claims-paying ability of the issuing insurance company.

Including an immediate annuity in your retirement income plan may help:

- *Create a source of guaranteed retirement income*
- *Protect a portion of your retirement income from volatility risk*
- *Offer increasing annuity payments to offset the effects of inflation*
- *Provide certain tax advantages*

These features make immediate annuities an especially helpful option when addressing the "must have" needs in your retirement income plan.

FIXED ANNUITIES

Low risk. Guaranteed growth. Lifetime income. These are just a few things people generally associate with fixed annuities. A fixed annuity has a contract value that reliably grows with set interest rates. Principal and earnings are guaranteed, so there are little to no market risks. Precisely because fixed annuities provide a consistent rate of return, they may help mitigate the effects of inflation and are particularly well-suited for growing retirement savings.

Deferred fixed annuities offer a combination of investment and insurance benefits, such as:

- *Tax-deferred growth at a fixed rate*
- *Variety of interest rate guaranteed periods*
- *Access to your money*
- *Asset protection*
- *Choice of annuity income payment options, including income for life*

Including a fixed annuity in your retirement income plan may help:

- *Create a source of guaranteed retirement income*
- *Protect a portion of your retirement income from volatility risk*
- *Allow access to your money in case of an emergency*
- *Provide certain tax advantages*

These features make fixed annuities a helpful option when addressing “must have” and “just in case” needs in your retirement income plan.

VARIABLE ANNUITIES

In simple terms, a variable annuity is a long-term contract between you and a life insurance company. Variable annuities are designed for retirement planning and are one of the few investments that can provide a stream of payments for life with options that can help protect against volatility risk. They offer a combination of investment and insurance benefits, such as:

- *Tax-deferred growth*
- *Variety of asset classes and professionally managed investments*
- *Access to your money*
- *Choice of annuity income payment options, including income for life*
- *Protected growth and income benefits*
- *Opportunities for withdrawals to cover nursing home care*
- *Estate planning benefits*

VARIABLE ANNUITIES CONTINUED

Protected lifetime income options are optional benefits that may be added to your variable annuity for an additional fee to provide additional protection features for your investment. The features offered vary by insurance company, but generally offer the guarantee ability to withdrawal a fixed percentage of the amount invested (or a predetermined amount called the benefit base) each year for as long as you live, even if your account value drops to zero.

In addition to providing lifetime withdrawals, many protected lifetime income options provide additional features that can offset volatility and inflation risk with opportunities to capture market gains, guaranteed increases of the benefit base or increases in the annual withdrawal percentage.

Adding a variable annuity with a protected lifetime income option to your retirement income portfolio may help:

- *Create a source of guaranteed retirement income*
- *Protect a portion of your retirement income from volatility risk*
- *Offer increases in benefits to offset inflation*
- *Provide an opportunity to capture market gains*

These features enable variable annuities with protected lifetime income options to play a helpful role in providing for both the “must have” and “nice to have” needs in your retirement income plan.

LIFE INSURANCE

While there are a variety of types of life insurance policies, all are generally designed to pay a death benefit to a beneficiary when the insured person dies. At first glance, this may not seem like an instrumental part of your retirement income strategy, however, life insurance can be one of the best solutions for providing for the "when I'm gone" needs in your retirement income plan.

Life insurance offers a variety of benefits that can specifically aid in the transfer of wealth to others (family, friends, charities) at your death as well as to provide the income needed to cover your final expenses. These features include:

- *Death benefits that provide an immediate increase in the value of your premium investment*
- *Guaranteed death benefit features*
- *Payment of the death benefit, free from income tax*
- *Efficient asset transfer*
- *Privacy of the asset transfer by avoiding probate*
- *Providing for your "When I'm Gone" needs in your retirement income plan*

In addition to providing a death benefit for your heirs, some life insurance policies include features that allow accelerated access to your death benefit to cover expenses related to chronic illness. Another feature of life insurance is that it can build cash value that can provide tax-advantaged "income" through loans and withdrawals. This can also supplement your retirement income. Talk to your advisor about how life insurance can work as a retirement income tool, for chronic illness protection, or as a legacy planning tool.

While the products we've highlighted here can offer a variety of benefits to help address specific retirement income needs, not all of them are right for everyone. You should work with your financial advisor to determine what combination of investment strategies and insurance products is best suited for your individual needs.

Next Steps

Beginning a retirement income strategy can be intimidating, but you don't have to do it alone. By working with an advisor who understands your risks, your goals, your plans and your worries, you will have the support to build a retirement income strategy that meets your personal needs.

In preparation for your meeting with your advisor:

- Answer the Defining your Retirement Budget questions on page 10.
- Review and complete the Retirement Budget Workbook in the back pocket of this brochure.
- Jot down some ideas of what you are most looking forward to in retirement, and bring your notes with you.

Together, you and your advisor can begin a plan that will match your vision. You have been waiting for this day. Go ahead, embrace it.

Investors should carefully consider the investment objectives, risks, charges and expenses of a variable annuity before investing. This information is contained in the prospectus for a variable annuity and its underlying investment options. Prospectuses may be obtained by calling Protective Life at 800.456.6330.

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No Bank or Credit Union Guarantee	Not FDIC/NCUA Insured	May Lose Value

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