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Using Variable Annuities

Overcome Concerns About Retirement Health Care Costs

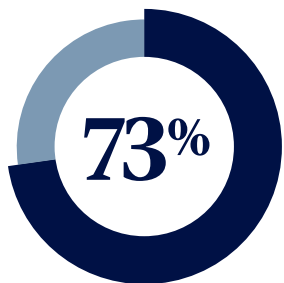
Affording health care costs is a concern for people of all ages. According to our research, two of the top three spending concerns for retirees are out-of-pocket health care expenses (63%) and health insurance premiums (55%).¹

Health care costs fall into two categories:

- 1) Fixed** — Regular costs of Medicare insurance premiums, that can be budgeted for and paid from monthly income sources.
- 2) Variable** — Out-of-pocket expenses and/or costs for emergencies and unplanned expenses, that can be paid from savings or other investment sources.

Separating fixed and variable expenses can help people better plan for health care expenses in retirement.

How Health Care Costs are Split²



of expenses are fixed
and go to premium costs

Total Annual Health Care Costs (per person)²

50th Percentile (Median)

\$3,500

90th Percentile

\$8,300

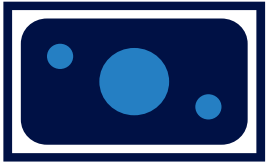
Source: ¹T. Rowe Price Retirement Savings and Spending Study (2022). ²T. Rowe Price estimates based on projected 2024 Medicare premiums and data from the Health and Retirement Study (HRS). Health and Retirement Study (HRS) public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI. Costs are for retirees covered by Traditional Medicare (Parts A and B) and a Prescription Drug Plan (Part D) and are rounded to the nearest hundred.



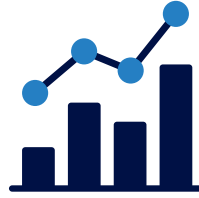
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Consider an annuity to help pay for health care costs

Variable annuity:



Initial investment in
a variable annuity



Investment grows tax-deferred
until withdrawal



A variable annuity can provide regular,
dependable income in retirement
(Annuities are available with certain riders
that can provide lifetime income)

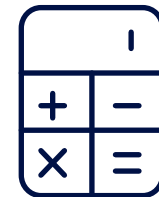
Roth annuity:



Lifetime income



Tax-free



Roth income is not included in
Income-Related Monthly Adjustment
Amount (IRMAA) calculation

Variable annuities are long-term investment vehicles designed for retirement purposes. They contain underlying investment portfolios that are subject to investment risk, including possible loss of principal. Like most investments, variable annuities include certain fees and expenses, such as administrative fees, sales charges, and mortality risk expense charges. Withdrawn taxable amounts are subject to ordinary income tax and, if made before age 59½, may be subject to a 10% IRS penalty. Withdrawals may reduce the benefits and contract value and may be subject to withdrawal charges. Annuity benefits and features vary, so you should carefully consider if the product is right for you. Some benefits may incur additional costs. Optional riders are subject to additional fees and withdrawal charges may also apply. Any guarantee associated with an annuity is subject to the claims-paying ability of the issuing life insurance company.

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