



Gold Series SPIA



Sage Gold Series SPIA

The Sagacor Gold Series Single Premium Immediate Annuity (SPIA) turns a single lump-sum deposit into a reliable and consistent income stream. Payments are guaranteed. Neither the amount nor frequency of payments will change no matter what changes occur in economic conditions or investment returns.

A single premium immediate annuity offers security to retirees who want to supplement their retirement income. In particular, it may be useful for clients who retire early and are waiting for Social Security benefits to begin. Single premium funds can come from a variety of sources, including a qualified plan; a 401(k), 403(b), or IRA rollover; or from other retirement savings.

Let's look at how the SPIA works.

Sage Gold Series SPIA

Getting Started

Issuing Age

A SPIA may be issued to any owner from age 15 days through age 85. (Note that clients older than 85 who wish to purchase a SPIA may also do so if they purchase a period certain payout option, which has no upper limit on issuing age.)

Premium

The Sage Gold Series SPIA does have a minimum and maximum premium. Anything above the maximum will require Home Office approval. Please refer to the product guide for the current minimum and maximum.

Charges and Fees

There are no policy expense charges or fees.

Free Look Provision

The owner has 30 days from the date of contract delivery to change his or her mind and receive a full premium refund.

Availability

This product is not available in all states. It is available for use with both qualified and non-qualified funds.

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A Permanent Contract: Contract Surrender

Other than as provided in the free look provision, the agreement is completely and permanently irrevocable as of the contract date (the date on which the contract is effective). While there is a limited one-time withdrawal privilege, the contract has no cash value and it cannot be surrendered. This is the primary reason why it is so important to make certain this product is suitable for your client before any purchase.

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A Permanent Contract: Withdrawal Rider

This rider, also known as a Liquidity Rider, is included at no extra cost for all contracts with a period certain payout. It provides a one-time minimum withdrawal amount of \$2,500, with a maximum of 30% of the present value of the remaining period certain payments.

This rider can only be exercised:

- during the period certain, and
- by the original contract owner.

This rider adds important flexibility to these annuities. It is, however, important for clients to understand that exercising this one-time withdrawal rider will result in a reduced annuity income payment over the remaining life of the contract.

The withdrawal rider is not available in all states and is not available if you sell the SPIA in combination with any other Sagacor product.

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Ownership

The **owner** may exercise all rights and privileges granted by the contract. The owner is the same as the annuitant, unless stated otherwise in the application/contract. Contract ownership may change at any time during the annuitant's life. The owner may also collaterally assign his or her rights under the contract to someone else at any time during the annuitant's life.

The **annuitant** refers to the person on whose life the annuity benefit is based (the benefit is almost always determined by the annuitant's age and sex). Once the contract is issued, the annuitant cannot be changed. For period certain payouts, there is not an annuitant unless the owner is a non-natural owner (e.g., a trust, a corporation, etc.), in which case the annuitant is considered the owner for purposes of determining when the payout ceases because of the death of the owner.

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Payment Frequency

The owner can select how payments are received:

- monthly,
- quarterly,
- semi-annually, or
- annually.

If the owner does not select a payment frequency, payments will be made monthly.

The first payment is made on the payment start date, which is determined by adding the payment frequency period to the contract date.

If each payment comes to less than \$100, Sagicor reserves the right to make payments less frequently so that each payment is over \$100.

There are also different payout options available to an annuity owner, ranging from a fixed number of payments to options that guarantee income payments for life. Let's look at these options.

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Payout Options

Period Certain

The period certain option guarantees income over a certain period of time (a minimum period of five years). Should an owner pass away before the specified time period is over, the remaining income payments go to the named beneficiary(ies).

Life Income

The life income option guarantees a steady and predictable income for the owner over the annuitant's lifetime. Payments cease at the annuitant's death. Again, in most cases, the annuitant and the owner are one and the same.

Life Income with Period Certain

This option guarantees income for the longer of the annuitant's life or the period certain (a minimum period of five years). If the annuitant passes away before the certain period ends, the remaining income payments go to the named beneficiary.

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More Payout Options

Joint Life Income

Joint life income guarantees income for life for two annuitants—the owner plus another person (usually a spouse). When one annuitant dies, payments continue to the survivor. These survivor payments may be partial payments (such as two-thirds) or full payments. The survivor benefit percentage is clearly displayed on the contract data page. Payments cease when both annuitants die.

Joint Life with Period Certain

This option guarantees income for life for two annuitants, or to a beneficiary during the period certain (a minimum period of at least five years).

- If both annuitants are living when the period certain ends, payments continue until both annuitants die.
- If one annuitant dies, payments continue to the survivor, either in full or as partial payments, until the survivor dies.
- If both annuitants die before the end of the period certain, payments continue to a named beneficiary until the period certain ends.

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Taxation

Unless qualified through education or specialized training, producers should not provide clients with tax advice. A producer who is not qualified to give tax advice should remind clients to consult their advisors—attorney, accountant or other qualified financial advisor—to discover how taxation might affect their individual returns.

In any event, you can and should inform your clients that they must pay taxes on any deferred earnings when accessed. They may also be responsible for income tax on amounts distributed under the contract, including a 10% penalty for withdrawals prior to age 59½.

Final Exam

NOTE TO STUDENT
Take the Final Exam Now

REMEMBER:

1. To fulfill Sagicor's company-mandated training requirement, please complete the exam and your results will be sent to our Agent Training Department. If you have any questions regarding this or any other Sagicor training requirements, please call us at 888-SAGICOR (724-4267).
2. The exam should work in current versions of Internet Explorer 11, Microsoft Edge, Chrome, and Firefox. Older versions or old browsers (IE 10 and earlier) may not allow you to complete the exam.

[Click HERE to begin the Final Exam.](#)