



# Income Enhancement Option

## Guarantee Your Lifetime Income *and* Benefit from Rising Interest Rates



Tailoring your New York Life Insurance and Annuity Corporation<sup>1</sup> Lifetime Income Annuity policy to meet your unique financial needs is even easier with the Income Enhancement Option. This optional feature provides a way to potentially take advantage of rising interest rates to increase your Lifetime Income Annuity income payments.

### What is the Income Enhancement Option?

The Income Enhancement Option offers you a one-time opportunity to potentially increase your annuity

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**The Income Enhancement Option offers you a one-time opportunity to potentially increase your annuity income after your fifth policy anniversary.**

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income after the fifth policy anniversary. If a benchmark index is at least 2% higher on the policy's fifth anniversary,<sup>2</sup> your annuity income will increase to reflect the higher interest rate. The increase amount is fixed when you purchase the policy, so you will know exactly when and by how much your income may potentially increase.<sup>3</sup>

### Understanding the Income Increase

Qualifying for the increase is determined by the performance of the Federal Reserve Board's Ten-Year Constant Maturity Treasury Index (10 Yr CMT). When you purchase the policy and elect the Income Enhancement Option, a Beginning 10 Yr CMT Index Rate will be recorded. On your policy's fifth anniversary,<sup>2</sup> an Ending 10 Yr CMT Index Rate will be recorded. If the difference between the Beginning and Ending 10 Yr

CMT Index Rates is 2% or more, we will increase (reset) your income as stated when the policy was purchased.<sup>4</sup> If the difference between the Beginning and Ending 10 Yr CMT Index Rates is less than 2%, no payment increase will be made—but you'll continue to receive the original guaranteed income payment amount for the rest of your life.

### See How Payments Add Up

In the example<sup>5</sup> on the next page, a 65-year-old male is planning to purchase a single premium Lifetime Income Annuity that will provide \$500 per month in guaranteed lifetime income. Hoping to benefit from rising interest rates, he elects the Income Enhancement Option, which could increase his monthly income benefits from \$500 to \$590 five years after the policy purchase date if the index is at least 2% higher on the policy's fifth anniversary.<sup>2</sup>

<sup>1</sup> New York Life Insurance and Annuity Corporation is a wholly owned subsidiary of New York Life Insurance Company.

<sup>2</sup> The benchmark index will be referenced in the third full week of the calendar month immediately preceding the policy date and the third full week of the calendar month immediately preceding the fifth policy anniversary.

<sup>3</sup> The Income Enhancement Option must be elected at the time you purchase your policy. It is only available on non-qualified policies in approved jurisdictions. The owner of the policy must be at least age 59½ at the time of the first payment, and the annuitant must be age 75 or younger at the time the policy is issued. If electing a joint policy, there may be no reduction of benefits for the survivor. Neither the Changing Needs Option nor the Annual Increase Option is available if you elect the Income Enhancement Option.

<sup>4</sup> The higher income benefit would begin on the first scheduled payment after the fifth policy anniversary.

<sup>5</sup> The example is hypothetical, and your situation may differ. It is not intended to predict or project investment results. Please consult your New York Life agent to discuss your individual situation.

The chart below shows how the Income Enhancement Option might increase a 65-year-old male client's future income benefits:<sup>5</sup>

Index Rate On 5 <sup>th</sup> Policy Anniversary	Monthly Income	Annualized Income	Total Income Over 20 Yrs.
Any Rate Decrease; or Any Rate Increase < 2%:	\$500	\$6,000	\$120,000
A Rate Increase of 2% or More :	\$590	\$7,080	\$136,200

This example shows the result of “locking in” an additional \$90 per month, increasing the monthly benefit from \$500 to \$590, if the Income Enhancement Option is triggered. His annual income will increase from \$6,000 to \$7,080, while his total income over 20 years will increase from \$120,000 to \$136,200. The additional income will total \$16,200 over 15 years, and \$32,400 if the policy owner lives to age 100. If the index rate is not at least 2% higher on the policy's fifth anniversary,<sup>2</sup> the client will continue to receive the same income amount (\$500 monthly) for the rest of his life.

### Significant Upside Potential

The Income Enhancement Option offers significant upside financial potential at relatively little additional cost. In the example above, the client paid only 3.5% more for the Lifetime Income Annuity with the Income Enhancement Option, but his monthly benefits increased 18%, from \$500 to \$590.<sup>6</sup>

### New York Life The Company You Keep<sup>®</sup>

When you purchase a Lifetime Income Annuity to pay income benefits for the rest of your life, you want that annuity to be backed by a strong financial services leader. Since 1845, New York Life Insurance Company, the parent company of New York Life Insurance and Annuity Corporation, has been providing

quality insurance products to individuals, families, and businesses. For over 160 years, we have conducted our business around the central values of financial strength, integrity, and humanity—and have remained committed to being a mutual company, owned solely by our policyowners rather than stockholders. This means that, regardless of the economy, our focus is fixed on just one objective: meeting the needs of our customers, now and far into the future.

Talk to your New York Life agent today and find out how *The Company You Keep<sup>®</sup>* can help guarantee your retirement income, 100%, so that you can live the retirement you've worked for and deserve.



### New York Life Insurance Company

New York Life Insurance and Annuity Corporation (a Delaware Corporation)

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*The Company You Keep<sup>®</sup>*

<sup>6</sup> The single premium for the Lifetime Income Annuity without the Income Enhancement Option would be \$75,669 based on the benefits calculated on 3/27/2006.