



Annuities



LifeStages[®]
Income
Annuities

The Company You Keep[®]

LifeStages® Income Annuities: Freedom to Enjoy the Retirement You Deserve



Living Longer and Healthier

Most of us are living longer and healthier, thanks to advances in medicine and technologies as well as lifestyles that incorporate improved fitness routines and better nutrition.

Chances are, if you're in your sixties or better, you're not slowing down — you're gearing up for the next exciting phase of your life. Maybe you'll change careers, start your own business, pick up a new hobby, or simply relax. No matter how you decide to spend the next several years, you'll need income to fund the retirement you want and deserve.

Free to Make Choices

Retirement is about freedom, and New York Life offers two income annuity products that can provide you with ongoing benefits — so you can focus on enjoying the future.

- Our Fixed Period Annuity enables you to decide exactly how long you'd like to receive payments — from 5 to 40 years — to satisfy your temporary or long-term income needs.
- Our Lifetime Income Annuity enables you to receive guaranteed income payments *for as long as you live*.

Either way, you make one payment to New York Life and we guarantee you a regular, periodic income, so you can live your life as you see fit. Isn't that what freedom of choice is all about?

Income Annuities Can Help Ensure:

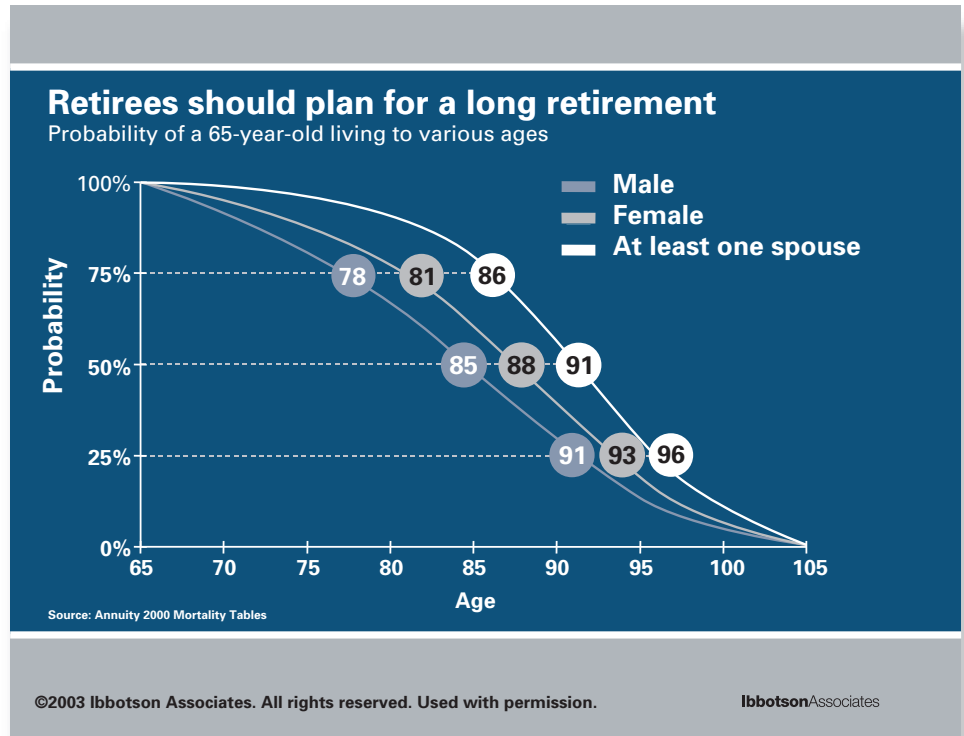
- The freedom of having an income stream for as long as you choose, even for as long as you live
- Predictable, steady income payments that won't fluctuate with changes in the financial markets

- A guaranteed income to protect both yourself and one other person for life, if you choose that option
- A cash benefit for your beneficiaries if you die prematurely, if you choose that option
- The security of knowing that your payments are guaranteed by New York Life, one of the highest rated insurance companies for stability and financial strength

Spending More Time in Retirement Means Spending More Money, Too

In all likelihood, you've got many years — and a lot of living — ahead of you. The chart above illustrates the odds of a healthy 65-year-old living to certain ages.¹

Of course, living longer means spending more money, so you may need more retirement income than you originally planned. That's where income annuities can help.



Consider Both the Essentials and the “Extras”

Most likely, your retirement income will come from your pension or other employer-sponsored plan, Social Security benefits, and your personal savings.

To determine how much money you'll need in retirement, consider the following:

- Day-to-day living expenses
- Medical expenses, which may increase over time
- Taxes
- Inflation, which can make a significant difference in what you'll be able to buy in the future
- Personal hobbies and interests

¹Source: Ibbotson Presentation Materials, ©2003 Ibbotson Associates. All rights reserved. Used with permission.



- Charitable contributions to support worthy causes
- Family gifting (e.g., to a grandchild)

Experts say that the amount of income you'll need during retirement may be as much as 80% of the income you had while you were working.²

Self Managing Your Money Isn't the Only Way to Go

Some people prefer to manage their own savings, deciding in effect to “pay themselves” through their retirement by withdrawing their money as they need it. But even with a diversified portfolio of stocks, bonds, and CDs, there are risks — including market volatility and the chance that you may outlive your money. Income annuities, backed by the financial strength of New York Life, can help provide a steady and safe vehicle for managing your retirement funds in a way that can help eliminate some of these risks.

How Income Annuities Work

An income annuity is designed to provide an instant stream of guaranteed income payments to help you avoid running out of money. Here's how it works: You purchase an income annuity contract from an insurance company (since only a life insurance company can guarantee an income for life). The money in that contract provides guaranteed payments at regular intervals. If you select a Fixed Period Annuity, you'll earn interest and receive payments for whatever period you've chosen — perhaps 5, 10, 20, or even 40 years. If you select a Lifetime Income Annuity, you will receive payments for as long as you live, *no matter how long that may be*.

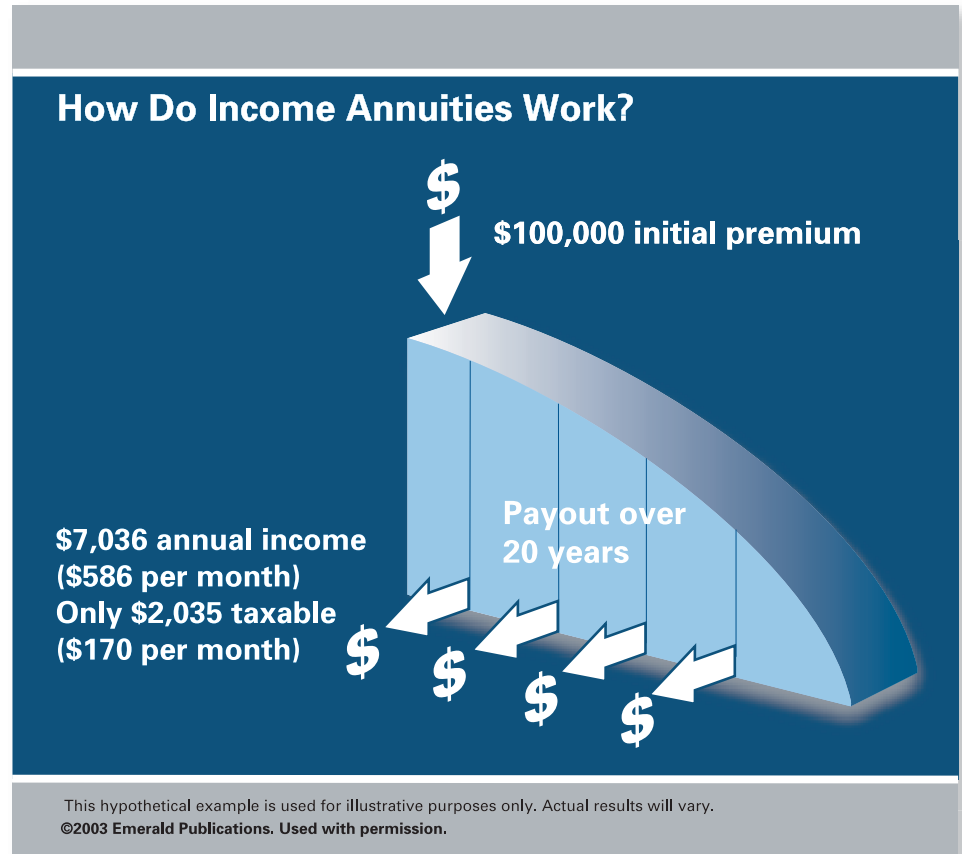
The chart on the following page illustrates how an income annuity works. Let's assume that you're age 65 and about to retire.

If you purchase a lifetime income annuity with a premium of \$100,000, you might receive payments of \$586 per month, or \$7,036 per year, for the rest of your life. Only \$2,036 of that annual income would be taxable. The remaining \$5,000 would be treated as a return of your principal, which you receive tax-free for the next 20 years. (After that, future income payments would be fully taxable.)³

This hypothetical example is used for illustrative purposes only. It assumes an initial premium of \$100,000 and a 3.5% annual interest rate. Actual results will vary.

Your Income Annuity Product Choices

New York Life offers two different guaranteed income annuity products. Depending on your specific goals, either or both could be ideal for you.



The Fixed Period Annuity: Income for as Long as You Want

Whether you want to guarantee an income for a fixed period of time in order to avoid reductions in your Social Security or other pension benefits,

bridge the gap until another income source is available, or maximize the income payment you can receive for a specific time frame, a LifeStages® Fixed Period Annuity can address the need.

³ Source: 2003 Emerald Publications. Used with permission.



The Fixed Period Annuity offers flexibility through:

- **Choice of Benefit**

Periods: You can select any length of time, from 5 to 40 years, for your payments to last.

- **Choice of Payment**

Frequencies: You can elect to receive payments monthly, quarterly, semi-annually, or annually.

- **Inflation Protection:**

You can elect to have your income increase each year by a fixed percentage, as a hedge against inflation.

The LifeStages® Lifetime Income Annuity: Income for Life with Innovative and Unique Features

Our innovative Lifetime Income Annuity offers a combination of state-of-the-art features,⁴ including:

- **Liquidity:** Once you are at least 59½, you can choose at any time to receive five annuity pay-

ments in advance, along with your next scheduled payment, for a total of six months' worth of payments in one lump sum. You can use this feature twice during the life of your policy.⁵

You can also make a one-time withdrawal equivalent to 30% of the value of your annuity's expected future payments, once the owner of the policy is at least 59½.⁶

- **Legacy Options:** You can choose a guaranteed payment duration that provides income to your beneficiaries if you die prematurely, or an option that guarantees a legacy to your heirs.

- **Inflation Protection:** If you are at least 59½, you can elect (at policy issue) for your payments to increase by 3% or 5% every year, as a hedge against inflation.

⁴ Some features are not available on tax-qualified policies, and some are not available in all states.

⁵ Accelerated payments may be fully taxable. Please consult with your professional tax advisor. This feature is not available on tax-qualified policies.

Perfect for Rollovers

Whatever you decide to do in retirement, you may need to decide what to do with your 401(k), 403(b), 457, or other employer-sponsored retirement plan. You have several options, of course, including purchasing CDs, bonds, or stocks. Cashing out can be costly — especially if you're younger than 59½. Rolling some, or all, of your retirement plan assets into an income annuity can turn that money into a steady stream of income you can enjoy throughout your retirement.

Is an Income Annuity Right for You?

Income annuities can be useful financial tools to incorporate into any portfolio. The income from the annuity can be used to help support daily living expenses, subsidize your favorite hobby, or even

fund the purchase of other financial products — such as long-term care insurance or life insurance.

Your New York Life agent can help you decide what's right for you.

Our Family of Products Can Help Protect Your Family

At New York Life, we understand the importance of having enough money to meet your financial obligations and pursue your personal goals. That's why we offer a variety of competitively priced insurance and financial products to help you meet your needs — whether they include income protection for your family, long-term care preparation, or retirement planning. Your financial future is important to us because it is important to you. Please feel free to speak to your agent about all of your financial and insurance needs and how New York Life can help.



⁶This amount is equivalent to the discounted value of your future expected payments, based on your life expectancy. It is also subject to an interest rate change adjustment. Amount withdrawn may be fully taxable. Please consult with your professional tax advisor. This feature is not available on tax-qualified policies.

New York Life Industry Ratings



New York Life Insurance Company holds a stable and diversified portfolio and consistently receives among the highest ratings for financial strength from the insurance industry's independent rating agencies.

Source: Third-Party Ratings Reports (as of 2/15/2003)

New York Life: The Company You Keep®

When you purchase an income annuity to pay benefits for years to come, you want that annuity to be backed by a strong financial services leader, one that will still be thriving 20, 30, 40 years from now — and beyond.

That's why it's essential to choose an insurer with superior financial strength.

Since 1845, New York Life has been there to serve the financial needs of individuals, families and businesses. A *Fortune 100* company, New York Life has earned ratings for financial

strength over the years that are among the highest offered by each of the four major independent ratings agencies.

Moreover, as a mutual company owned by our policyholders, we're able to make prudent decisions that serve the long-term needs and expectations of the individuals, families, and businesses relying on us to be here, strong and solvent, for decades to come — just as we have for seven generations. Talk to your New York Life agent and find out why we're *The Company You Keep*®.



New York Life Insurance Company

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

51 Madison Avenue
New York, NY 10010

www.newyorklife.com

The Company You Keep®