
Nationwide launches suite of variable annuity income benefits

By Editorial Staff Thu, Jun 18, 2020

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Nationwide Life Insurance Company has launched three new income riders—the Nationwide Lifetime Income Rider+ (L.inc+) Suite—that will be available for an additional cost with certain Nationwide Destination 2.0 variable annuities.

Options within the Nationwide L.inc+ Suite can provide either “a consistent income stream that will never decrease, a fluctuating income stream with more market exposure for greater growth potential, or a front-loaded stream to fill an income gap.”

All guarantees and protections are subject to the claims paying ability of Nationwide Life Insurance Company. The three riders are:

Nationwide Lifetime Income Rider+ Core (L.inc+ Core): Consistent retirement income for life. For clients seeking a level of certainty for predictable retirement income by converting part of their savings into a steady retirement paycheck. L.inc+ Core offers guaranteed income with maximum equity exposure of 60%.

Nationwide Lifetime Income Rider+ Accelerated (L.inc+ Accelerated): Retirement income for life with greater growth potential. For clients who are comfortable with fluctuating retirement income in exchange for greater growth potential. L.inc+ Accelerated offers guaranteed income for life with the ability to allocate up to 100% in equities.

Nationwide Lifetime Income Rider+ Max (L.inc+ Max): Front-loaded retirement income for life. For clients who expect to need more of their income in the early years of retirement, for example to bridge an income gap until another source of income, such as Social Security, becomes available. L.inc+ Max offers guaranteed income for life with 100% equity exposure for greater growth potential.

Nationwide has also introduced an “Income Carryforward” feature. It allows contract owners to roll forward one year of unused income during the income phase. According to the [prospectus](#), the Carryforward privilege:

“permits a Contract Owner to withdraw any part of the Lifetime Withdrawal Amount not taken in a given calendar year (the Income Carryforward amount) in the next

calendar year, and the next calendar year only.”

For example, “Assume a Contract Owner purchases a contract on April 1, 2020 for \$100,000, with a Roll-up Interest Rate of 6.00%. On April 1, 2021, assume the Current Income Benefit Base is \$106,000 ($\$100,000 \times 0.06$). In May of 2021, assume the Contract Owner elects to begin lifetime income, taking the first Lifetime Withdrawal on May 1, 2021. At the time of the first Lifetime Withdrawal, assume the applicable Lifetime Withdrawal Percentage is 4.00%. Assuming no change to the Current Income Benefit Base from April 1, 2020, the Lifetime Withdrawal Amount would be \$4,240 ($\$106,000 \times 0.04$).”

The L.inc+ Suite also offers a one-time “Non-Lifetime Withdrawal” that won’t impact the roll-up rate to the income benefit base, a 5% roll up to the income benefit base during the accumulation phase, and provides monthly income for life—even if the contract value falls to zero. An annual step-up feature allows clients to lock in the income benefit base at the highest anniversary contract value. L.inc+ also offers inflation protection through a simple interest roll-up rate.

In addition, the L.inc+ Suite offers enhanced dollar cost averaging and asset rebalancing, offers the ability to take IRS required minimum distributions (RMDs) without impacting guaranteed lifetime income, and income is calculated on a calendar year basis, to simplify clients’ planning by knowing exactly when their annual income will re-set.

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