
New FIA from ING U.S. offers living benefit and deferral bonuses

By Editor Test Thu, Mar 7, 2013

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ING U.S. has launched the ING Lifetime Income single premium deferred fixed annuity, issued by ING USA Annuity and Life Insurance Company (ING USA).

ING U.S. currently offers an in-plan guaranteed income investment option for 401(k) participants as well as a series of retirement income planning and education resources for ING Financial Partners' financial advisors.

"ING USA's new deferred fixed product rewards those who have the ability to postpone their income withdrawals, by stepping up their future available income withdrawal amount. If their needs shift, the individual can access a portion of the funds along the way although this will result in reduced future income withdrawal amounts," said Chad Tope, president of ING U.S. Annuity and Asset Sales.

The ING Lifetime Income annuity offers two deferral bonus opportunities. If income payments are deferred for five years, the available income withdrawal amount is boosted by 150%. With a ten-year deferral, the available income withdrawal amount gets a guaranteed boost of 225%.

Another potential growth feature is linked to changes in the S&P 500® Index. If the S&P 500 Index is higher at the end of a contract year than at the beginning, the available income amount increases by this percentage subject to an annual cap on the amount of this increase. The index cap is currently 6% and is fixed for the life of the contract. ING may declare a different index cap in the future for new contracts.

While there is upside potential, the income amount will not be decreased as a result of a decline in the S&P 500 over the course of the year. The step up benefit and index-linked growth increase the benefit value, which is used to determine the income withdrawal amount only and do not increase the contract's account value.

The income amount has the potential to grow until lifetime income withdrawals start, at which point the amount is locked in and the income withdrawals will continue for an individual's lifetime, or the lives of two spouses if there are joint owners. An optional death benefit grows in a similar way, providing protection for beneficiaries and helping with legacy planning.