

---

## Transamerica's new living benefit offers 1% more payout for 5-year deferral

---

By Editorial Staff     Wed, Nov 16, 2016

---

*The payout bands for single-life contracts are 4% until age 65 and 5% until age 80, with payouts for joint-life contracts a half percentage point lower. For investors who delay income for five complete living benefit years, the rates are all a full percentage point higher.*

---

A new living benefit, [Income Edge](#), is now available for most Transamerica variable annuities, the firm, whose principal offices are in Baltimore and Cedar Rapids, Ia., announced this week.

The optional rider allows income to begin after age 59, and “the opportunity for up to a 6% annual income payment rate for life if they start income between ages 65 and 79 and 7% at age 80 or older.

These annual income payment rates are based on a single life withdrawal after a deferral period of at least five complete rider years. For a joint life contract with less than a five-year delay, the payout rate is 3.5% until age 65 and 4.5% until age 80.

The rider fee is 1.40% per year of the withdrawal base (with an allowable maximum of 2.15%). For instance, if the withdrawal base remains \$100,000 or more but the account value eventually drops to much less, the fee will remain at least 1.40% of the withdrawal base, or \$1,400.

Depending on the share class of the contract, the mortality and expense risk fee will range from 0.45% to 1.90% of the account value, and the first-year surrender charge will range from 0% to 9%.

The fee will not be deducted from the Stable Account unless the other options are exhausted. For New York only, once the Select and Flexible investment options are exhausted, no rider fee will be deducted.

Owners of the product can invest up to 60% of the separate account assets in stock funds as long as at least 20% of the portfolio is invested in a stable value account and 20% is invested in bond funds or other designated options.

The payout bands for single-life contracts are 4% until age 65 and 5% until age 80, with payouts for joint-life contracts a half percentage point lower. For investors who delay

income for five complete living benefit years, the rates are all a full percentage point higher.

The rider must be elected at issue, but customers can cancel the living benefit during a 30-day window after issue and once every five years thereafter. The living benefit can be elected by customers of any age up to 85. The living benefit withdrawals are available only after the first rider anniversary following the investor's 59th birthday.

© 2016 RIJ Publishing LLC. All rights reserved.