
A GUIDE FOR YOUR FUTURE

WILL YOUR RETIREMENT INCOME LAST?

Six ways to pay less tax, protect your savings and create income you can never outlive



- Income for life
A paycheck you cannot outlive
- Pay less tax
Six tax-smart strategies inside
- Protection
Principal shielded from market losses

Compliments of

Rick Liuag

Rick Liuag Insurance and Financial Services
Corona, CA · 951-515-0292

Will Your Retirement Income Last?

Retirement changes the question from "How much have I saved?" to "How long will it last?" This guide explains the risks every retiree faces, how one tool, the annuity, is designed to answer that second question with a guarantee, and six ways it can help you pay less tax and keep more of what you've saved.

The retirement income challenge

Most retirees today must turn a lump sum of savings into a paycheck that lasts the rest of their lives. That job comes with four risks.

- **Living longer than your money.** Retirement can last 25 to 30 years or more, and no one knows in advance how long theirs will be.
- **Bad timing in the markets.** A market drop early in retirement, while you are withdrawing, can shrink savings in ways that are hard to recover from.
- **Rising costs.** Inflation steadily reduces what a fixed amount of money buys.
- **Fewer pensions.** Many workers retire without a traditional pension, leaving Social Security as their only guaranteed lifetime income.

What an annuity does

An annuity is a contract with an insurance company. You set aside a portion of your savings, and in return the insurer can guarantee income, protect your principal, or both.

In short, an annuity lets you create your own pension. It turns part of your savings into a paycheck you cannot outlive.

Ask Rick: Which of these four risks worries you most? A quick call can show how people in your situation have handled it. 951-515-0292

5 Retirement Income Mistakes to Avoid

These are some of the most common, and most costly, mistakes retirees make. Each one is easier to avoid before you retire than to fix afterward.

1

Planning for an "average" lifespan

Life expectancy is only an average, so about half of people live longer than it. For a married couple at 65, there is a good chance at least one spouse lives into their 90s. A plan built on the average can run short right when you need it most.

2

Selling investments in a down market to pay the bills

When markets drop, withdrawals lock in losses that can't recover. Losses in the first few years of retirement do the most damage because they shrink the base your savings depend on for decades.

3

Forgetting that withdrawals are taxed

Every dollar from a traditional IRA or 401(k) is taxed as ordinary income. If you need \$40,000 to spend, you may have to withdraw considerably more to cover the taxes.

4

Keeping too much in low-interest accounts

Money earning less than inflation loses buying power every year. At 3% inflation, prices double in about 24 years, which is roughly the length of a long retirement.

5

Claiming Social Security without a plan

Claiming at 62 can permanently reduce your benefit by up to 30%. Waiting past full retirement age increases it by 8% a year until age 70. The right age depends on your health, your spouse and your other income.

Ask Rick: Do any of these sound familiar? Most can be fixed with a simple plan. Call 951-515-0292 to talk it through.

Will Your Retirement Income Last?

Key features and benefits

Each feature below answers one of the four retirement risks on page 2.

Feature	What it means for you	Risk it addresses
Guaranteed lifetime income	A reliable paycheck for as long as you live, or as long as you and your spouse live	Outliving your money
Lifetime income without giving up control	A lifetime income rider turns on pension-like income while your remaining balance stays yours and keeps earning index credits. No annuitization required	Outliving your money, while keeping flexibility
Principal protection	Fixed and fixed indexed annuities do not lose value when markets fall	Bad market timing
Growth potential	Indexed annuities credit interest linked to a market index, up to a cap, with a 0% floor	Rising costs and inflation
Tax-deferred growth	No taxes on earnings until you withdraw, so more of your money keeps working	Rising costs and inflation
Legacy for loved ones	Remaining value or a death benefit passes to beneficiaries, usually outside probate	Leaving something behind
Peace of mind	Predictable income makes budgeting easier and market swings less stressful	All of the above

Will Your Retirement Income Last?

Where annuities fit: building an income floor

Many planners suggest covering your essential expenses with guaranteed income, and funding everything else from investments. An annuity is often the tool that closes the gap.

1. **List your essential expenses:** housing, food, utilities, insurance and healthcare.
2. **Add up your guaranteed income:** Social Security plus any pension.
3. **Find the gap:** if essentials cost more than your guaranteed income, that shortfall is what an annuity can cover for life.
4. **Invest the rest for growth:** with essentials secured, your remaining portfolio can pay for travel, gifts and extras, and ride out market swings.

Example. Essential expenses are \$6,000 a month and Social Security pays \$4,200. An annuity providing \$1,800 a month closes the gap, so the bills are covered no matter what markets do or how long you live.

The result: you are not relying on the market to pay for the necessities. Use the worksheet on page 8 to find your own number.

Things to weigh

Annuities are long-term commitments, and the right one depends on your situation.

- Early withdrawals above the free amount can carry surrender charges and taxes.
- Optional riders, such as lifetime income riders, carry annual fees.
- Indexed growth is capped, so you won't capture every market gain.
- Guarantees depend on the strength of the issuing insurance company.

Financial professionals often recommend placing a portion of a retirement plan in an annuity, not all of it. The right amount depends on your income needs and the rest of your savings.

6 Ways to Pay Less Tax and Protect Your Assets

Taxes are one of the biggest expenses in retirement, and one of the few you can plan around. Here are six ways annuities can help you keep more of what you've saved.

1 Let your savings grow tax-deferred

You pay no tax on an annuity's earnings until you take them out, so interest compounds on money that would otherwise go to the IRS each year. Bank CDs work the opposite way: a \$200,000 CD earning 4% creates \$8,000 of taxable interest every year, even if you never spend a dollar of it.

2 Turn savings into partly tax-free income

If you buy an annuity with after-tax savings, part of each lifetime payment is treated as a return of your own money and isn't taxed until your full purchase amount has been returned.

Hypothetical example. A 65-year-old puts \$100,000 of savings into an annuity paying \$600 a month for life. Under IRS rules, about \$417 of each payment is a tax-free return of principal, and only about \$183 is taxable.

3 Lower the tax on your Social Security

Up to 85% of your Social Security can be taxed, depending on your "provisional income." For a married couple, tax can start once that income passes \$32,000 (\$25,000 if single). Interest from CDs counts toward that number, and so does tax-free municipal bond interest. Interest left to grow inside a deferred annuity doesn't count until you withdraw it, so for some retirees, repositioning savings can reduce how much of their Social Security is taxed. (California doesn't tax Social Security at all.)

6 Ways to Pay Less Tax and Protect Your Assets

4 **Decide when, and how much, you pay**

With a deferred annuity, you choose when to take money out, so you can spread withdrawals over several years to stay in a lower tax bracket, or time them for years when your other income is low. With taxable accounts, you often pay each year whether you want to or not.

5 **Shrink your required minimum distributions**

Required minimum distributions (RMDs) from IRAs generally begin at age 73 (75 if you were born in 1960 or later) and can push you into a higher bracket. A qualifying longevity annuity contract (QLAC) lets you set aside up to \$210,000 of IRA money (the 2026 limit) that is left out of your RMD calculation until its payments begin, which can be as late as age 85. You get lower required withdrawals now and guaranteed income later in life.

6 **Pass your savings on without probate**

An annuity with named beneficiaries goes directly to them, without the delay, cost and public record of probate court, which in California can take a year or more and carries statutory fees. A surviving spouse can often continue the contract as their own. Beneficiaries still owe income tax on any gains, but they get the money faster and with less hassle.

Ask Rick: Have last year's tax return handy for our meeting, and we'll see which of these six strategies could help you, starting with whether any of your Social Security is being taxed.

Sources: IRS Publication 915 (Social Security benefits); IRS Publication 939 (General Rule for Pensions and Annuities, Table V); IRS Publication 590-B (required minimum distributions); IRS Notice 2025-67 (2026 QLAC limit). Examples are hypothetical and rounded; actual amounts depend on age, payout, contract and your tax situation. Tax rules change; consult your tax advisor.

Your Income Gap Worksheet

Five minutes with a pencil can show whether your essentials are covered for life. Use monthly amounts.

A. Essential monthly expenses

Housing (mortgage or rent, property tax, HOA)	\$
Food and groceries	\$
Utilities and phone	\$
Insurance and healthcare (Medicare, supplements, prescriptions)	\$
Transportation	\$
Other must-pay bills	\$
Total essential expenses (A)	\$

B. Guaranteed monthly income

Social Security (you)	\$
Social Security (spouse)	\$
Pension(s)	\$
Other guaranteed lifetime income	\$
Total guaranteed income (B)	\$

Your income gap (A minus B)

The amount your savings must cover every month, for life

\$

Not sure about some numbers? That's normal. Have whatever you can available for our meeting, and we'll fill in the rest together.

Will Your Retirement Income Last?

Your next step

Let's look at your numbers together. In a no-obligation review, we will go over your worksheet, estimate your essential expenses and guaranteed income, and show whether an annuity could close the gap.

What to have available for our meeting (whatever you have is fine):

- Your completed income gap worksheet
- Your latest Social Security statement (available at ssa.gov/myaccount)
- Recent statements for savings, IRAs, 401(k)s and any annuities you own
- Last year's tax return

Call Rick: 951-515-0292

Schedule online: calendly.com/rickliuag

Email: rick@rickliuagagency.com

Important disclosures

This material is for educational purposes only and is not a recommendation to buy any product. Examples are hypothetical. Guarantees are based on the claims-paying ability of the issuing insurance company. Annuities are not FDIC-insured, are not bank deposits, and are not guaranteed by any bank or government agency. Withdrawals may be subject to surrender charges and ordinary income tax, and a 10% federal penalty may apply before age 59½. Riders carry additional fees and limitations. Tax information is general, based on federal law as of 2026, and subject to change. Rick Liuag Insurance and Financial Services does not provide tax or legal advice; consult your tax advisor. Insurance products offered through Rick Liuag Insurance and Financial Services, CA License #0E72518.

My Questions for Rick

Jot down anything you'd like to ask as you read. Have this page handy for our meeting, or call 951-515-0292.

About Rick Liuag

For 37 years, Rick Liuag has helped people protect two things that matter most: the income they'll live on and the savings they've worked hard to build.

Rick works primarily with pre-retirees, retirees and small business owners, people who have spent decades building something and want to make sure it lasts. His clients often come to him with the same questions.



Will my savings last as long as I do? What happens if the market drops right before I retire? How do I protect my family and my business from a big, unexpected expense?

Rick specializes in retirement planning and risk management, helping clients answer those questions with a plan, not a guess. That can mean creating guaranteed lifetime income that works like a personal pension, or protecting principal from market losses.

Nearly four decades in the business have convinced Rick that good decisions start with good information. He writes his guides in plain language, explains the trade-offs along with the benefits, and never recommends something that doesn't fit. His clients always know how a plan works, what it costs and how he's paid before they decide anything.

Rick Liuag

Certified Pension/Retirement Advisor

Rick Liuag Insurance and Financial Services

Corona, CA · CA License #0E72518 · Also licensed in TX, NV, SC, GA and FL

951-515-0292 · rick@rickliuagagency.com

Schedule a conversation: calendly.com/rickliuag

Questions about your retirement?

Let's talk. There's never any cost or obligation.



Rick Liuag

Rick Liuag Insurance and Financial Services

951-515-0292

rick@rickliuagagency.com · calendly.com/rickliuag

CA License #OE72518