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Are Annuities the Answer for your Future? by [Robert Jhonson](#)

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With retirement drawing close, are you satisfied with the build-up of 401 (K)? Well, if yes then, the obvious question that tends to pop is “how can you be sure that the income that is due to be generated will be sufficient to sustain you through the retirement years. Retirement income, for years has been like the redeeming feature for experts in the field worrying about longevity. The solution that tends to come up is the income annuity.

This particular annuity scheme suggests a simple idea “invest a specific amount of cash in an insurance company to receive a monthly check throughout the period you live. This income generating plans scheme has come into focus recently with U.S. Treasury Department proposing policies that would make the use of income annuities within Individual Retirement Accounts (IRAs) or 401(k) retirement schemes easier.

According to LIMRA (an insurance industry research and consulting group), the sale of income annuity witnessed a rise of 6.6 per cent in 2011 claiming a record \$8.1 billion. Investors or retirees are usually drawn to the higher return rates that an income annuity provides, when compared to other traditional investments like, bank CDTMs or bonds. For instance, a man of 65 years who had purchased an immediate annuity of \$100,000 is likely to receive an approximate amount of \$560 every month throughout his life. The state insurance boards control income annuities like any other insurance product.

Alternatively, you being close to retirement can also rely upon the scheme of life annuity in deciding a settlement with your pension. The proposition of this particular annuity scheme is simple “you are due to receive a periodic payment until your death that is predetermined on the amount that you have purchased. Well, investing on the best plan can influence your retirement income greatly, proposing either an increase by 20 per cent in the income or a decrease of the same amount.

Most people on the verge of retirement choose to turn their pension into a guaranteed income to sustain their living during the period. However, prior to making your choice with the life annuity plan, you need to make sure that you research well on the subject, as getting the best returns is dependent on multiple factors like, age, lifestyle, health, and actual needs of retirement. For example, obtaining an impaired “life annuity guarantees a better return rate, provided you have an underlying medical condition.

Additionally, you also need to decide upon the choice of taking a joint life annuity that guarantees a continued payment of 67 per cent (approx) of the actual payment to the survivor, in the event of the death of one annuitant.

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Robert Jhonson is a Financial consultant who has good information on a [life annuity](#) and a [income annuity](#). For more information, he recommends you to visit a www.immediateannuities.com/.

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