

SYMETRA ADVANCE ACCESS FEATURE

Frequently Asked Questions

The Symetra Advance Access feature can provide flexibility to your clients and give them access to a portion of their future scheduled payments.

Access Amount and Frequency

How much money can be accessed?

Advance Access allows clients to take up to 30 percent of the value of future payments. The minimum amount allowed is \$5,000.

How is the value of future payments determined?

The value of future payments is determined using a present value calculation. This takes into account the number of future expected payments. The number of future expected payments will either be the “certain” payments in a period certain payout, or based on original life expectancy in life contingent payouts. Once the annuitant reaches or exceeds life expectancy, Advance Access is no longer available for life contingent payments, but annuity payments will continue as long as the annuitant is alive.

What is the impact to future annuity payments?

Remaining payments are reduced by the same percentage the client elects to take as a lump sum. For example, if the original annuity payment is \$1,000 per month and the annuity owner requests a lump sum payment of 25 percent, annuity payments will continue at 75 percent of \$1,000 or, \$750 per month.

How often can clients request funds?

Clients can request funds as often as every 36 months, as long as the \$5,000 minimum amount is met and the contract has been in force at least three years. Requests do not need to be made in a specific payout year.

Availability

Is this feature restricted to specific types of annuity payouts or situations?

The Advance Access feature is available for all payout types — Period Certain and Life Contingent payouts. Contract fund types may be qualified (pre-tax) or nonqualified (after-tax). There are no underwriting requirements or age restrictions, but clients should be aware of a potential 10 percent federal tax penalty when requesting funds before the age of 59½.¹

How do clients select the Advance Access feature for their income annuity contract? Is there a cost associated with this feature?

Advance Access is a partial commutation endorsement that is automatically issued with the annuity contract. This feature is included at no additional cost to the client and does not impact Symetra’s competitive annuity pricing.

Does the Advance Access feature apply to old annuity contracts?

The Advance Access feature is not retroactive; it applies only to contracts issued on or after January 15, 2007 and is subject to state availability.

Is Advance Access available in all states?

Advance Access is available in all states, except NY, OR, and WA.

Is the Advance Access feature available with all Symetra Income Annuity products?

No. The Advance Access feature is available with the Symetra Advantage Income Immediate Annuity and the Symetra Income Builder Annuity.

Taxation

What is the tax treatment on lump sum payouts?

- Qualified contracts: Annuity payments and lump sum payouts are generally 100 percent taxable.
- Nonqualified contracts in a deferral period:² Lump sum payouts are fully taxable up to and including the taxable “growth” amount of the annuity. (The “growth” amount is the difference between the cost basis and the calculated present value of the annuity at the time of the lump sum request.)
- Nonqualified contracts in payout: Lump sum payouts are subject to income tax, but the taxable portion will depend on the amount of remaining cost basis (unrecovered purchase payment) in the contract and the requested lump sum amount.

Other

How do clients request funds?

Clients can contact Symetra Income Annuities department at 1-800-796-3872, option 3, to request a lump sum amount.

SYMETRA[®]
FINANCIAL

Symetra Life Insurance Company
777 108th Avenue NE, Suite 1200
Bellevue, WA 98004
www.symetra.com

Symetra[®] and the Symetra Financial logo are registered service marks of Symetra Life Insurance Company.

Annuities are issued by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200 Bellevue, WA 98004 and are not available in any U.S. territory.

Symetra Advantage Income contract form numbers are LIA-26 7/00 and LIA-27 7/00. Contract form numbers in Oregon are, LIA-26/OR 7/00 and LIA-27/OR. Symetra Income Builder contract form number is LIA-47 12/04, or a state variation. The contract form number in Oregon is LIA-61/OR 7/05.

Guarantees and benefits are subject to the claims-paying ability of Symetra Life Insurance Company.

¹ Clients should consult a tax advisor for more information.

² Applies to the Symetra Income Builder Annuity.

NOT FOR USE IN NEW YORK.