BLUEPRINT INCOME

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2021 feefo

The Personal Pension

Fund flexibly over time to get guaranteed income for as long as you live

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Introduction

Let's start with what's not working.

Today, the traditional retirement landscape isn't working. With fewer than 5% of employers offering pensions to new employees, people are more anxious than ever about their prospects for a secure retirement. And rightfully so. Employer pensions have been replaced by the 401(k). The former provided certainty and stability. The latter does not.

So what are we doing about it?

We started Blueprint Income because we knew there had to be a better way to prepare for retirement. A way where Americans don't have to rely solely on the success of the stock market to create the lifestyle they want in retirement.

Don't get us wrong – there's nothing wrong with investing! We all do it. But, we don't expect the money we're risking in the market to provide us with stability in retirement. For that, we want pensions! Employers aren't offering them anymore, so we've raised our hands. With help from our world-class insurance companies, we've created the Personal Pension.

Does this guide apply to you?

If you're the kind of person that wants a retirement with more time living and less time thinking about money, then, yes. Read on to learn more about retirement, why pensions were great, how they're still available today, and how Blueprint Income can help.

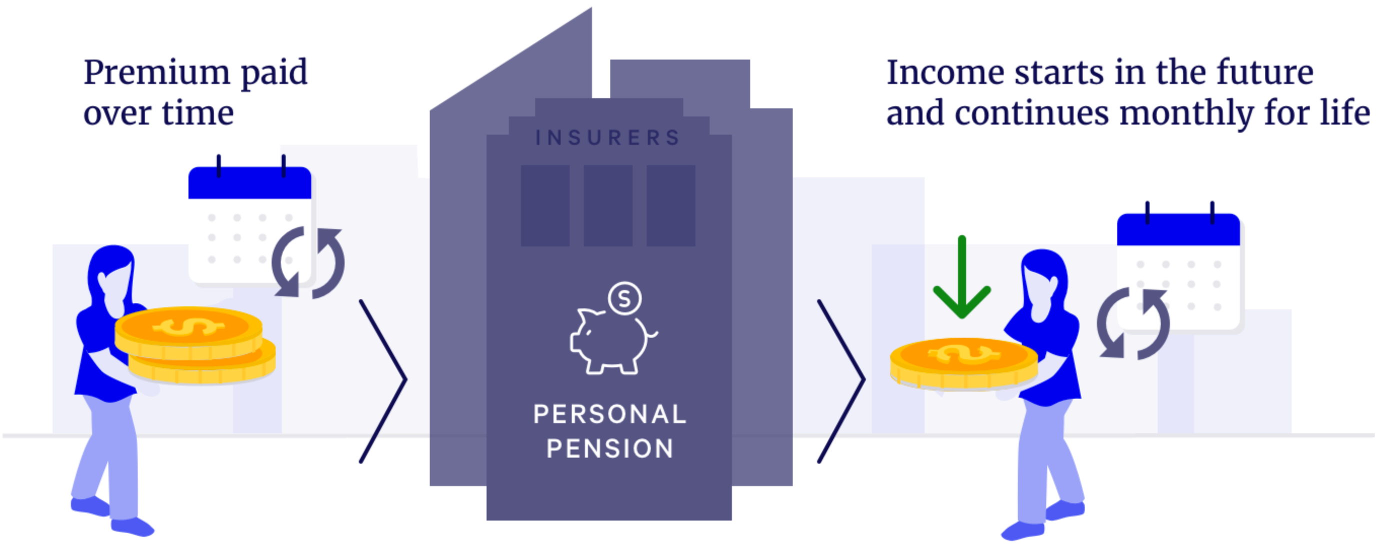
CONTENTS

What Is the Personal Pension?

The Personal Pension is a way for anyone, regardless of employer or employment status, to get pension-like income. It's the first multi-insurer annuity account that you can fund flexibly over time. By providing insurer-guaranteed retirement income, the Personal Pension is a retirement plan you can't outlive.

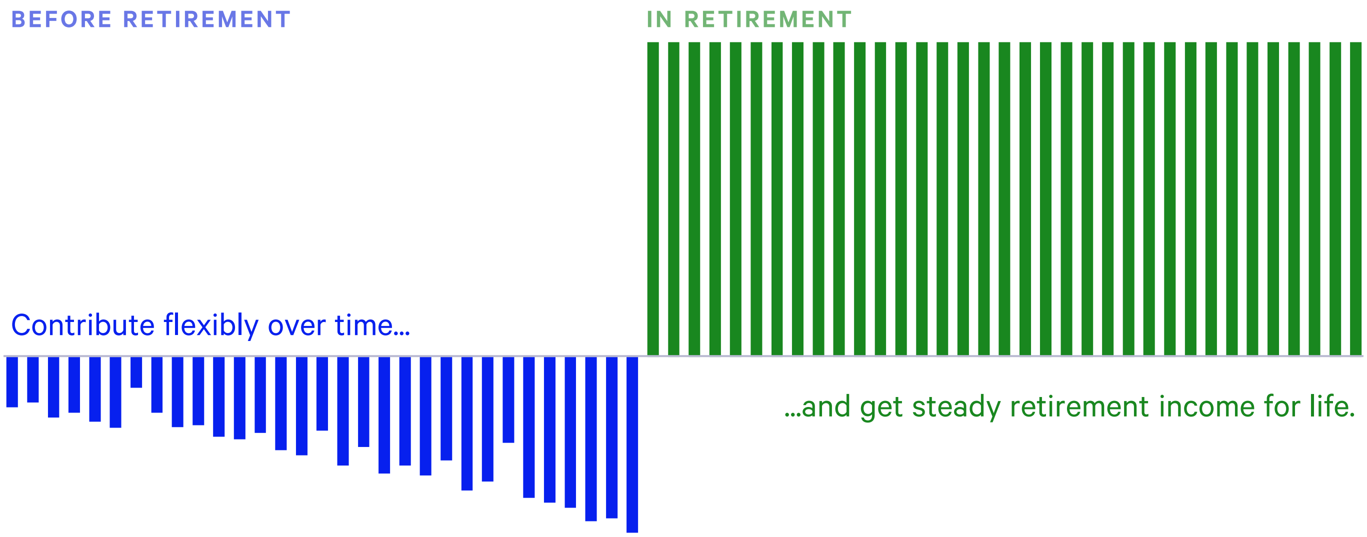
The Personal Pension is valuable because it's guaranteed by insurers, something that 401(k)s and IRAs are not. The guarantee means that your Personal Pension savings are not subject to two of the biggest retirement risks: market risk and longevity risk, both of which the insurers take on for you. The guarantee is made possible by insurance companies, all selected because of their long histories of financial strength.

A steady monthly income check in retirement.



How does it work?

The Personal Pension is a flexible, low-minimum annuity account. The money you deposit into a Personal Pension buys income annuities from one or more insurance companies, creating steady retirement income that's guaranteed every month for as long as you live. Each time you contribute, you increase your guaranteed retirement check. Once you reach retirement, you'll start receiving steady monthly income, and it will continue as long as you're alive.



What is an annuity?

An annuity is a form of insurance that protects your longevity. When you purchase an annuity you pay an insurance company and, in turn, they promise to pay you a fixed and guaranteed amount of income every month starting on a future predetermined date and continuing for the rest of your life.

The Personal Pension is made up of only income annuities, which are the simplest, lowest-cost annuities out there. They provide pure guarantees, as insurance should, and thus are the backbone of your retirement.

How do contributions work?

You can open a Personal Pension account with as little as $100. That money can come from existing retirement savings – like a 401(k) rollover or an IRA – or regular savings – like a checking, saving, or brokerage account.

Once you open an account, you can contribute as much or as little as you want to increase your retirement check. While monthly contribution schedules are the most common, no future contributions are required.

How does the retirement check work?

Like an employer pension, the Personal Pension provides steady income starting at some point in the future (chosen by you) and continuing for life. The only difference is that the check will come from the insurer(s) backing your Personal Pension. The amount of the check will depend on your age, your gender, when your retirement income begins, and prevailing annuity rates. The checks continue for life, so, the longer you live, the more value you get from your Personal Pension.

Who is the Personal Pension good for?

The Personal Pension makes sense for someone who…

1. Isn't willing risk all of their money in the stock market
2. Is lacking clarity around what they can spend each month in retirement
3. Is worried about making their money last when they don't know how long they'll live
4. Is in good health and is preparing for a long retirement
5. Is more than 5 years from retirement (otherwise a standard income annuity makes more sense)

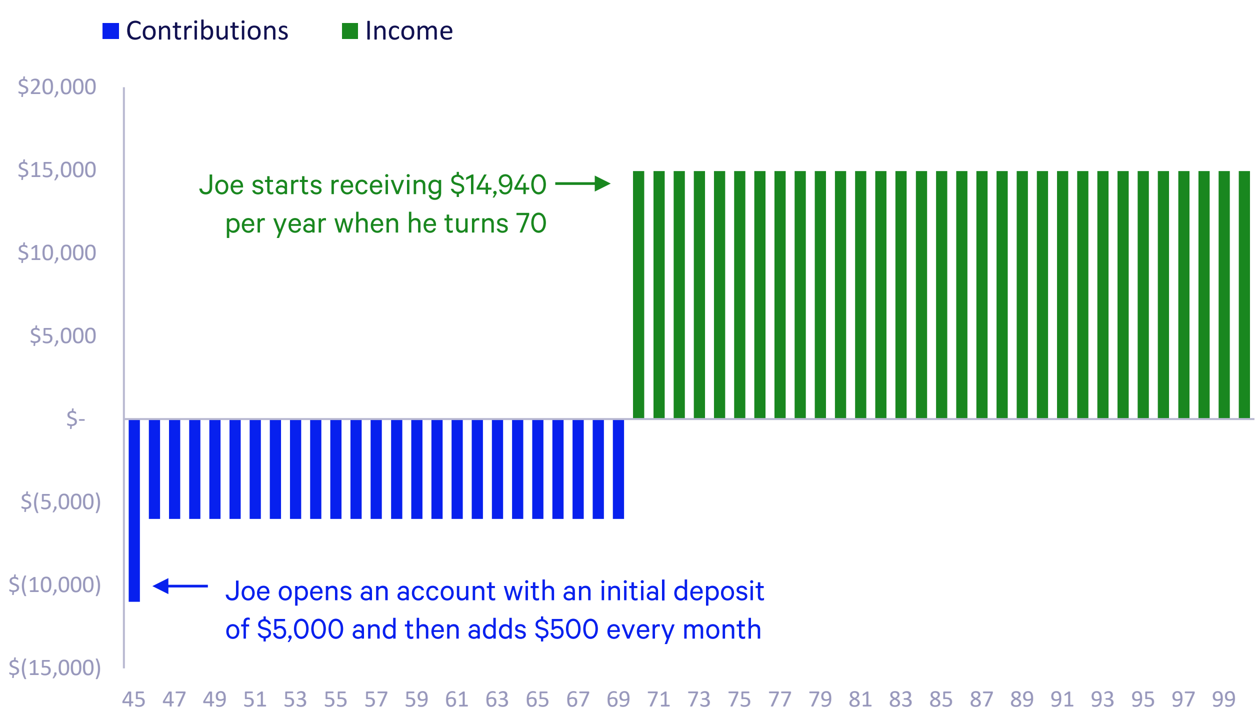
CASE STUDY

Let's take a look at an example. Joe is 45 years old and ready to get serious about his retirement planning. He decides to open a Personal Pension account with Blueprint Income so that he'll have dependable income in retirement. Joe's not exactly sure what age he'll retire, but he hopes to be able to work for a long time. So, he chooses to have his Personal Pension start when he turns 70.

Joe uses $5,000 of his savings to open a Personal Pension account. With that first deposit, Joe gets his base income benefit of $694 per year starting at age 70 and continuing for life. By age 77 he'll have made back his initial investment, and the rest will be profit.

Joe intends to keep funding his Personal Pension so that he can accumulate a meaningful income guarantee. If he opts to make the smallest possible monthly contributions ($100 per month), his benefit, using current rates, is projected to be $3,540 per year. Since Joe wants a larger benefit and can afford to save more, he decides to plan for $500 monthly contributions. That would get him a pension benefit of $14,940 per year, or $1,245 per month, for life.

Joe's plan for future contributions, which is not locked in and can be changed at any time, looks like this:



Personal Pension initial contribution rate and projected future contribution rates for a male aged 45 with income starting at age 70. Includes the Refund at Death. Rates as of 6/10/2020.

The History of Pensions & Retirement Planning

Retirement's changed a lot over the last hundred years – and far more in recent times than most people realize. We think about retirement in 4 phases, with the Personal Pension as a critical part of that fourth phase.

Phase 1 (Before 1933)

Let's keep things in perspective – retirement is a relatively new phenomenon. Before the 1930s, Social Security didn't exist and people rarely lived to age 65. In 1933, according to the CDC, average life expectancy was less than 62 for men and about 65 for women. Even in developed countries, people often forget how new the concept of retiring is.

Phase 2 (1933 - 1980)

Then, soon after the Great Depression, retirement security for older Americans sprouted up in the form of employer pensions and Social Security. It happened because people were living longer than they were effective in the workforce, producing a pernicious old-age poverty problem. Pensions existed prior to 1933 but really gained prominence and market share in the mid-20th century.

Phase 3 (1980 – Recently)

Retirement security has weakened as Social Security's future is at risk and employer pensions have been replaced by the 401(k). This system forces smart people to do impossible things like guess how long they'll live, constantly make complex decisions about how much to save, how to invest, and how to spend, to name a few. The way things have changed around us has forced us to go from a retirement guarantee to retirement gambling (whether we wanted to or not) with little awareness or protection for our longevity.

Phase 4 (Now)

We need a Phase 4 to bring back retirement security. And we believe the Personal Pension will be an integral part of it. In a world where Americans live longer, there's more need than ever for sources of monthly income that continue no matter how long you live. Social Security is an example, but it's not nearly enough for most retirees to maintain their lifestyles.

The Personal Pension as a Piece of the Puzzle

There are some things that the Personal Pension does well, but there are also some things that the Personal Pension does not do well. As a result, it's important to think of the Personal Pension as a part of your retirement strategy rather than the only strategy or a replacement for what you are doing now.

Planning for retirement should be focused on three primary objectives:

Income: The #1 goal in retirement is to have a sustainable source of income to live off of, just as you do now while you're working. This is what will allow you to maintain the lifestyle you want.

Liquidity: Having liquid assets in retirement allows you to meet any unforeseen expenses that come up. Liquid assets are those that are cash or can easily be turned into cash.

Growth: Growth assets give you the potential for an even greater nest egg to improve your standard of living in retirement and leave a legacy. But, with growth potential comes risk, which is why only a portion of you retirement savings should be growth-oriented.

Next, let's see how different investments can meet these three objectives.

Investment Options & Objectives

	INCOME GOAL	LIQUIDITY GOAL	GROWTH GOAL
Personal Pension (income annuities)	★★★★★	★☆☆☆☆	★★☆☆☆
Cash (savings & checking accounts)	★☆☆☆☆	★★★★★	★☆☆☆☆
Equity (stocks, mutual funds, ETFs)	★★★☆☆	★★★☆☆	★★★★★
Bonds (bond funds, ETFs)	★★★★☆	★★★★☆	★★☆☆☆

The Personal Pension is best suited to create a lifelong income stream in retirement. It is not market-linked, which makes it ill-suited to meet the growth objective. The Personal Pension does not have a cash value, which also makes it ill-suited to meet the liquidity objective. The guaranteed income stream makes it the best product available to meet the income objective.

Selecting one type of investment for each of your retirement objectives will ensure that you are not only meeting them but also doing so in the most efficient way. Income annuities and the Personal Pension were designed specifically to address your income goal in retirement.

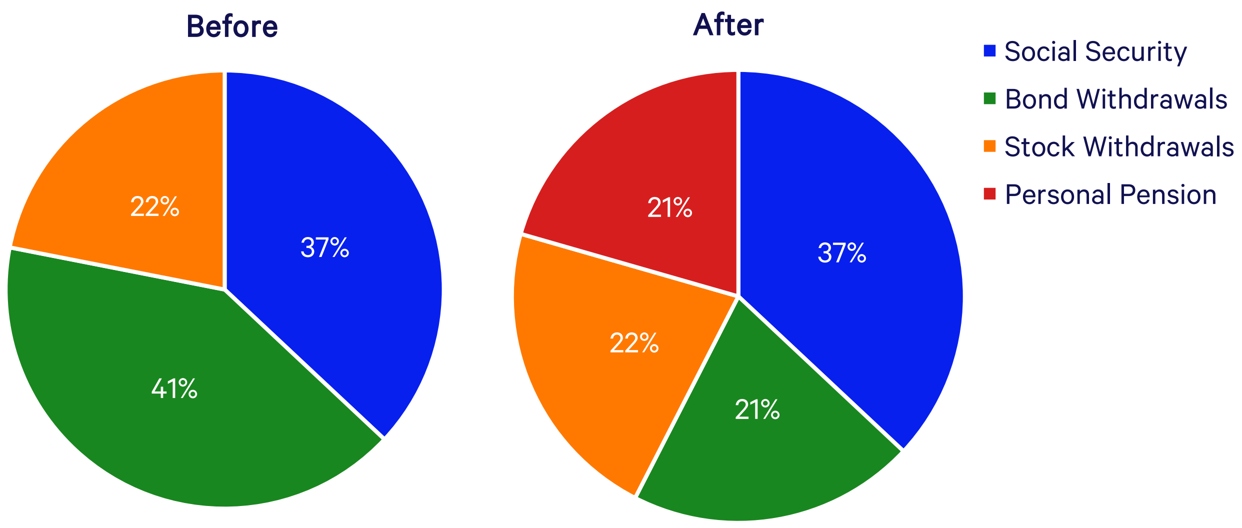
CASE STUDY

To see how a Personal Pension fits into a broader retirement strategy, let's go back to Joe's example. Joe has been investing in the stock and bond markets for years through his 401(k) and IRA and plans to continue to do so going forward.

However, since the Personal Pension will provide him with stable income in retirement, he will be less reliant on his market investments for his retirement income. Because the Personal Pension looks a lot like a bond (low risk with moderate returns, except that it provides income for life), he will put less money towards his bond funds to make room for the Personal Pension.

As a result, Joe will have much more dependable income in retirement. In total, he wants to spend $73,000 per year. For simplicity, we will ignore inflation in this example. Without the Personal Pension, he'd only have the guarantee of Social Security for life. At $27,000 per year, that makes up only 37% of his income. The rest was going to be market-based.

Now with the Personal Pension, Joe will have an additional $14,940 per year guaranteed. His guaranteed, lifelong sources of income now cover 58% of his income, as follows:



How the Personal Pension Compares to a 401(k)

The 401(k) can be a great way to accumulate assets for retirement, but it provides no certainty as to what kind of standard of living you'll be able to afford once you retire. The Personal Pension, similar to a traditional employer pension, provides a **defined benefit**. The 401(k), on the other hand, is a **defined contribution** plan.

The Personal Pension, similar to defined benefit plans, guarantees a given amount of monthly income in retirement and places the investment risk on the insurer. Defined contribution plans, such as 401(k)s, allow individual employees to choose their own retirement investments but offer no guaranteed minimum or maximum benefits. Employees assume investment risk in defined contribution plans.

Defined Benefit	VS	Defined Contribution
You know what you **get out**.		You know what you **put in**.

401(k) Plan

A 401(k) is a kind of workplace retirement plan. Contributions are pre-tax, and funds can be placed in a number of investments that, depending on your plan, likely include mutual funds and ETFs.

Any investment growth in a 401(k) occurs tax-deferred, and there is no cap on the growth of an individual 401(k) account. The major drawback of 401(k)s is that there is no floor, i.e. 401(k)s can lose value if the underlying portfolio performs poorly. There's no guarantee. In addition, there is no longevity protection as there is with employer pensions. That means that longer lives cost more and require saving more.

If your employer matches your contributions, it's a no-brainer to contribute at least up to the amount that maximizes their contributions. You won't find a return on investment like matching contributions anywhere else.

Personal Pension

The Personal Pension addresses the two main weaknesses of the 401(k): the guarantee and longevity protection. To get this, though, you have to give up investment control and liquidity, leaving your money in the hands of the insurance company. The insurance company, in turn, promises to provide a certain monthly income to you for as long as you live. With the Personal Pension, you're giving up flexibility and control, but you face much less market and longevity risk than you would with a 401(k).

A healthy retirement portfolio has both a 401(k) – or IRA – and a Personal Pension.

Benefits of a Personal Pension

Planning for your spending in retirement can be incredibly difficult because of the numerous unknown factors that have to be taken into account. Two of the most difficult include your longevity (i.e. how long your retirement will be) and the market (i.e. how the stock market or your investments will perform). The guaranteed lifetime income provided by the Personal Pension makes both of these easy through a steady monthly check you can not outlive. Below you'll find a list of the some of the primary benefits of the Personal Pension.

✓ Longevity Protection

Insurance is typically thought of as something you buy to protect you and your family from unfortunate events. By turning your assets into income you can't outlive, the Personal Pension offers a more pleasant kind of protection: longevity insurance. The longer you live, the more financial value the Personal Pension provides.

CASE STUDY

To see how a Personal Pension provides longevity protection, let's continue with Joe's example. When Joe retires, he wants to spend $73,000 per year. If he does his retirement planning without a Personal Pension, he'll split his investment between stocks & bonds according to his age rule of thumb (age/100 is your allocation to bonds). Then, when he gets to retirement, he'll start withdrawing from both his stock and bond portfolios to meet his spending needs.

We already saw that Joe will have $27,000 from Social Security, which leaves an income gap of $46,000 to be met by his market portfolio withdrawals. For simplicity in this example, we'll exclude taxes and inflation.

Joe's ability to spend in retirement is linked to the market's performance. If the stock and bond markets do well, his current savings of $100,000 plus annual savings of $20,000 will result in enough assets to meet his needs. But, if the market doesn't perform well, he won't be able to spend as expected.

In the chart below you can see what Joe's retirement would look like with low stock and bond market returns of 4% and 2%, respectively. He'll deplete his savings at age 96.

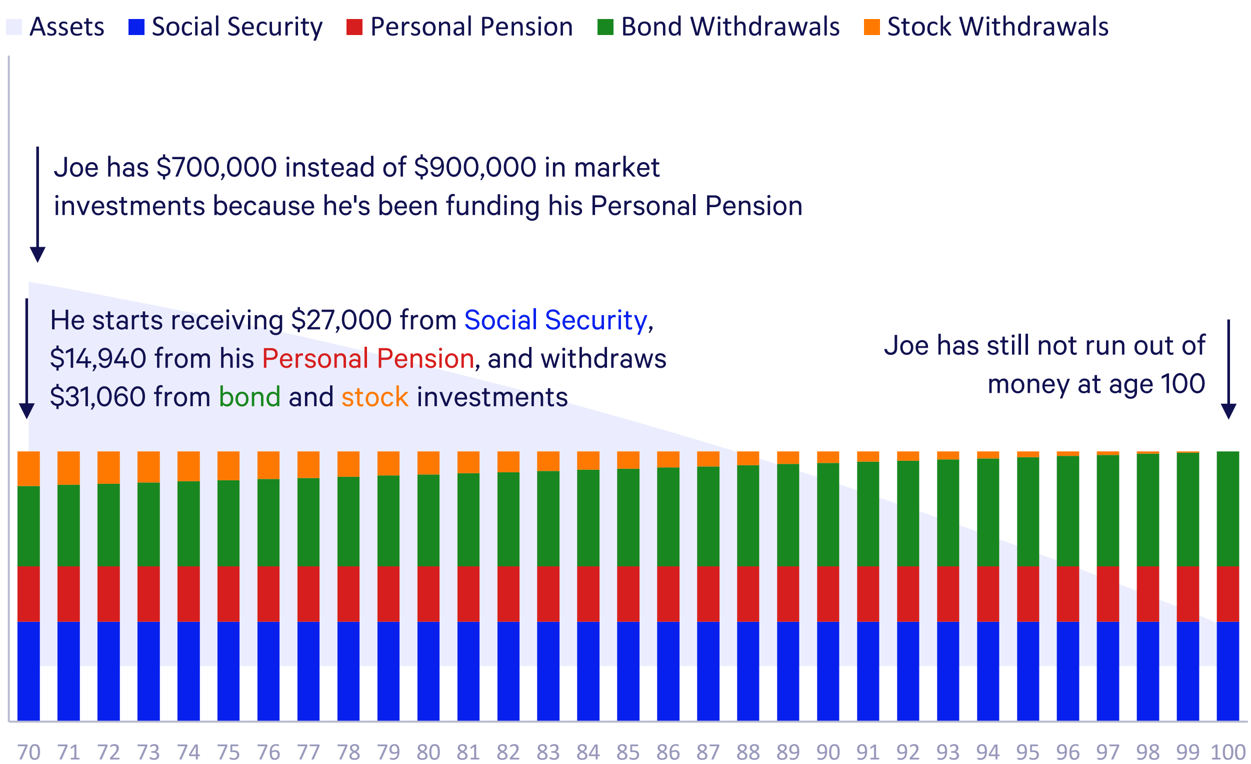
Projection assumes $100,000 of starting assets at age 45, with $20,000 added every year until age 70. Investment split between stocks and bonds using an age/100 rule for bond allocation. Stocks earn 4% and bonds earn 2%. Social Security benefit is $27,000 per year. $46,000 is withdrawn every year until the assets is depleted.

CASE STUDY

Instead of being fully reliant on the market to meet his needs, Joe diverts some of the money he was allocating to bonds to a Personal Pension. Using the funding plan he selected earlier, he is projected to have an annual income benefit of $14,940 starting at age 70 and continuing for life.

With this extra guaranteed income on top of his Social Security, Joe depends less on the market. Using the same low returns of 4% in the stock market and 2% in the bond market, Joe does not run out of money. In fact, he has more money than he would have had otherwise to pass onto his heirs.

Joe's Personal Pension has provided him with longevity protection.



Same investment assumptions as prior example, with $5,000 initially and $6,000 annually going to the Personal Pension. Personal Pension initial contribution rate and projected future contribution rates for a male aged 45 with income starting at age 70. Includes the Refund at Death. Rates as of 6/10/2020.

✓ Finite Planning Horizon

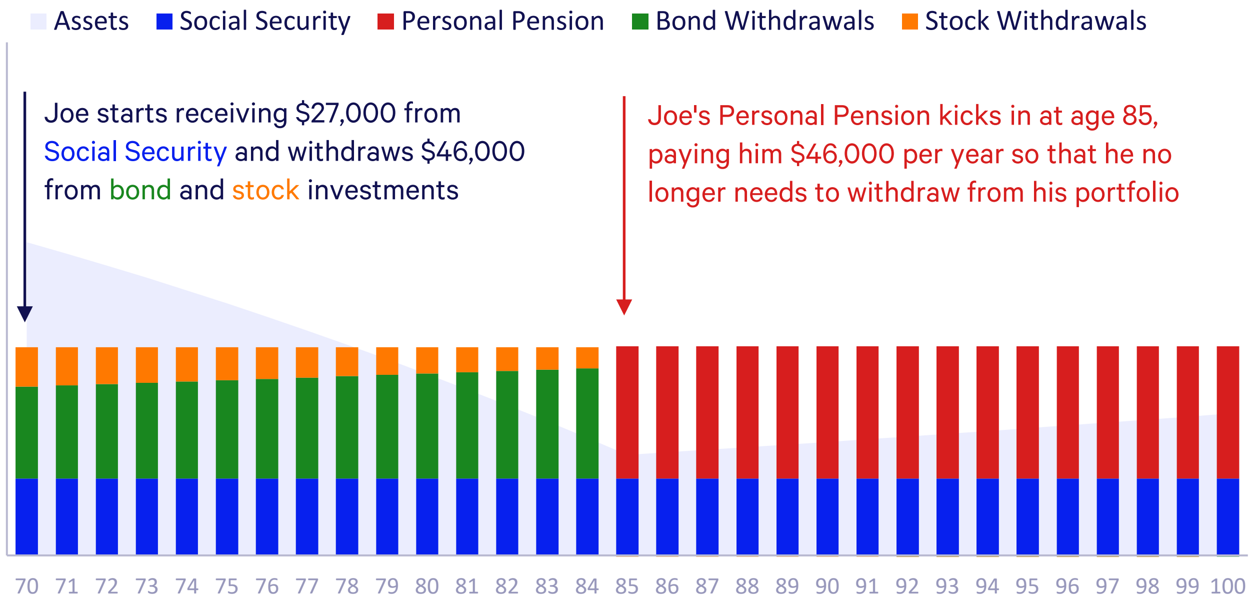
Using the Personal Pension to create a future income stream in retirement can also simplify your retirement planning. Knowing that at a future date you will have a stable check that sustains your lifestyle allows you to manage the remainder of your savings and assets to a fixed time instead of an unknown retirement period. This certainty of guaranteed future income can completely change your approach to investing, withdrawing and spending in retirement.

CASE STUDY

Let's revisit Joe. With the goal in mind of setting a finite planning horizon for his Personal Pension, Joe decides to have his income start much later – at 85. With the same funding plan, Joe is able to generate $46,410 of annual income. (The extra 15 years of deferral allow the insurers to offer substantially more income.)

Joe's income from his Personal Pension and Social Security will be sufficient to cover all his expenses starting at age 85 and continuing for the rest of his life.

Now Joe can manage his market portfolio with a finite 15 years of retirement in mind, which is a much easier task.



Same investment assumptions as prior example, with $5,000 initially and $4,800 annually going to the Personal Pension. Personal Pension initial contribution rate and projected future contribution rates for a male aged 45 with income starting at age 85. Includes the Refund at Death. Rates as of 6/10/2020.

✓ Spousal Benefits

The Personal Pension allows you to create an income stream that continues for both your life and a spouse's life. Structuring your Personal Pension this way is a great way to preserve financial stability and quality of life for a surviving spouse.

✓ Preferential Tax Treatment

No taxes are paid until distributions are made. This means that all the money you hand over to the insurance company can grow, albeit invisible to you, on a tax-deferred basis until retirement. The benefits are slightly different depending on whether you fund your Personal Pension with pre-tax or post-tax funds:

- A Personal Pension can be funded pre-tax from your Traditional IRA or old 401(k) via a penalty-free transfer.
- A Personal Pension can also be funded with post-tax savings that otherwise could be incurring income taxes annually. For your savings that are already earmarked for retirement but not sitting in a tax-deferred account, a Personal Pension is a great way to postpone your taxes and allow your interest to compound.

✓ Principal Protection

The savings you allocate to the Personal Pension are protected from swings in the stock or bond markets. In addition, with the Refund at Death option, you're guaranteed that all of the savings you allocate to the Personal Pension will be passed onto your beneficiaries if you pass away prematurely.

✓ Flexible Contributions

The Personal Pension is the first flexibly purchased annuity account. Rather than using a large portions of your assets, you can set up your Personal Pension with as little as $100 upfront. After the initial contribution, all future contributions to the Personal Pension are completely flexible. You can contribute to your Personal Pension as frequently as every month or never again.

CASE STUDY

Back to Joe. A few years into his Personal Pension, Joe experiences some financial hardship. As a result, he cannot contribute for 2 years. When he's able to resume contributing, he does so at a new monthly contribution level of $575 (up from $500) that will get him back on track.

Personal Pension initial contribution rate and projected future contribution rates for a male aged 45 with income starting at age 70. Includes the Refund at Death. Rates as of 6/10/2020.

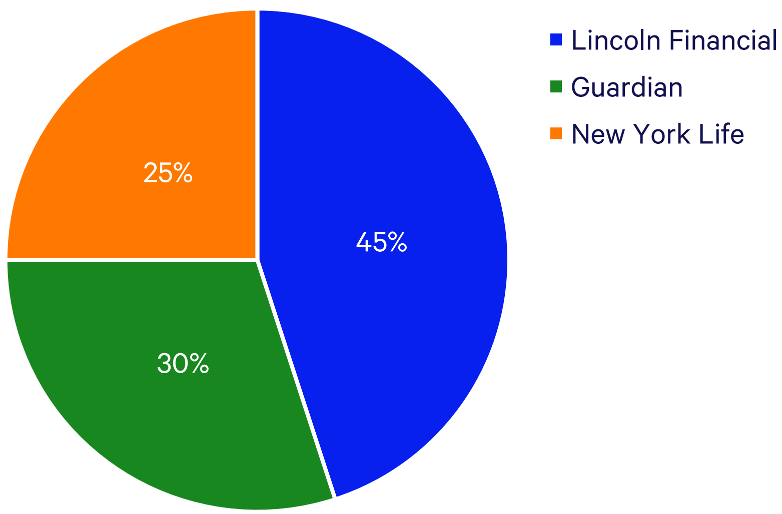
✓ Insurer Diversification

As the first flexibly purchased annuity account, the Personal Pension is the only annuity that allows you to diversify across insurers. This creates further protection to your guaranteed income stream over life since your retirement check will not be relying solely on one insurance company.

CASE STUDY

As Joe contributes to his Personal Pension over time, he decides to diversify those contributions across insurers. In part this happens naturally as different insurance companies have the best rates at different times. But, in addition, Joe wants to limit his dependency on any one insurer by spreading his contributions across multiple insurers. With our help, he chooses Lincoln Financial, Guardian, and New York Life.

In the end, Joe winds up with the following split – 45% of his income will come from Lincoln Financial, 30% from Guardian, and 25% from New York Life.



Drawbacks of a Personal Pension

The Personal Pension has two major drawbacks and may not be right for everyone.

✗ No Liquidity or Cash Value

The Personal Pension does not have a cash value or liquidity, meaning the contributions that you are making can not be borrowed against or withdrawn. In this way, it's like a traditional pension, where the value it provides is the future check that you will receive, and the fact that it continues for life. It's through restriction of access to the funds that the insurers are able to provide the guarantee. As a result, it's important to have liquid savings outside of the Personal Pension that are available in case of emergency.

✗ No Market Exposure

The income from the Personal Pension is determined upfront. It's fixed and isolated from any market upside or downside potential. The value of your contributions to the Personal Pension will be growing while you wait for income to start, but its growth is only reflected, somewhat invisibly, in the pre-determined income amount. While this is a positive attribute for those looking for a steady, guaranteed income stream for life, it is not the solution for those looking for an investment style product that offers market upside. That's why we recommend the Personal Pension to be just a piece of someone's retirement portfolio.

The Personal Pension Guarantee

These days, too many people are heading into retirement with their financial future dependent on a market bet, when what they really need is a guarantee. That's why anything you'll ever sign up for or purchase through Blueprint Income is guaranteed.

What's the Guarantee?

The Personal Pension offers insurer-guaranteed income for life. It's a guaranteed monthly check to sustain your retirement no matter how long you live or what's happening with the financial markets. This is the guarantee offered by an income annuity.

How's It Guaranteed?

Guaranteed retirement income is a serious promise, and one that we can't make alone. Your retirement is too important to leave in the hands of any company that doesn't have billions of dollars of capital to keep you safe. Our role is to make everything safe and easy for you, which is why we work with the largest, oldest, and highest-rated insurance companies to provide the guarantee.

The Personal Pension annuity options are only from insurance companies rated A or better by A.M. Best with proven track records of financial strength across generations. The income guarantee is subject to the claims-paying ability of the insurer, so you want to pay close attention to rating when selecting an insurer.

Why Work with Insurers?

Seeing as insurance companies are experts at managing risk, this arrangement works best for everyone.

With the Personal Pension and income annuities, you pay the insurance company to provide you with a predetermined income level that starts at a certain age and continues for the rest of your life. This protects you from two key risks that come with today's investment-centric approach to retirement: longevity risk and market risk.

- **Longevity risk** is the risk that you outlive your savings. For example, you may have planned for retirement with enough money to last you until age 90. But imagine that you reach 90 and you're still alive.

- **Market risk** is the risk that your investments don't perform as well as anticipated. For example, you may have planned for retirement assuming your investments would return 6%. But markets being unpredictable they only end up returning 4%.

With the Personal Pension, you get to offload these risks to insurance companies.

How Is the Value of an Insurer's Guarantee Evaluated?

The guarantee of the Personal Pension is based upon and subject to the insurance company's claims-paying ability. Said differently, as long as the insurer is in business, they are obligated to pay you exactly the amount each month that's in your contract, and not a penny less.

A good way to determine an insurer's claims-paying ability is through its financial strength ratings. The pension guarantee of the Personal Pension, like all annuities, is not FDIC-guaranteed. That's why the financial strength rating is so important.

Financial strength ratings are basically the same thing as credit ratings. The four largest rating agencies that rate insurers are: A.M. Best, Standard and Poor's, Moody's, and Fitch.

The system each rating agency uses to assess insurers is complex and differs from one to the other, but there are some commonalities. All else equal, insurers will be rated higher the longer they've been in business, the more capital they hold to cover unexpected losses, and the more conservative they are investing the assets they do hold.

Lastly, State Guaranty Funds also may provide a backstop if any of the insurance companies operating in the state (and contributing to the fund) become impaired.

What's the Catch?

Whenever there's a guarantee, there's fine print or "a catch." The fine print is that the insurer needs to remain in business as explained above. The catch is that opting for a Personal Pension costs you the potential of a higher stock market return. Instead, you're promised a moderate return similar to safe corporate bonds – but that's locked in for life.

Personal Pensions Rates

The income offered on the Personal Pension will vary over time as market conditions change, being driven most notably by longer-term Treasury and investment grade corporate bond yields. In addition, your personal attributes (age, gender) and the policy options you select will impact the quote.

Personal Pensions are currently providing the following annual pension income benefits per dollar contributed.

CURRENT AGE	START AGE	MALE	FEMALE	JOINT
30	70	18%	17%	15%
40	70	14%	13%	11%
50	70	11%	10%	9%
60	70	8%	7%	7%
50	85	39%	33%	26%
60	85	28%	24%	20%
70	85	19%	17%	15%

Personal Pension rates including the Refund at Death as of 12/23/2020.

For example, a 50-year-old male contributing $1,000 into his Personal Pension that starts at age 70 would get him $110 per year ($1,000 * 11%). A female of the same age would get a little less, $100 per year, because she's expected to live longer. If instead the 50-year-old had his income start at age 85, he'd get much more, $390 per year.

Drivers of Personal Pension Rates

Understanding how your personal attributes and the options you select drive quotes enables you to structure the policy to best suit your needs. Expect to have to think about the following when evaluating your Personal Pension:

- **Age:** Rates decline as you age. Holding all else equal, the younger you make contributions, the more income you'll get.
- **Gender:** Rates are higher for males than females. Because women are expected to live longer, their annual income rates are lower.
- **Income Start Date:** Rates are higher the later the start date. Later start dates provide more time for your money to be invested and also mean fewer years of expected income payments.
- **Single vs. Joint:** Rates are higher for policies on a single life than joint on two lives. A joint policy will provide income as long as either person is alive, which is at least as long and almost certainly longer than if contingent on just one person.
- **Beneficiaries:** Including beneficiaries lowers rates. The Refund at Death, included by default, allows you to have beneficiaries who receive any leftover value in the policy. Without this extra guarantee, income rates would be higher.
- **Inflation:** Adding inflation protection lowers rates. Without inflation protection, the income benefit will not increase annually to account for inflation. Adding this option lowers the amount of income you'll receive initially but allows it to grow annually.

Finally, you'll usually notice an inverse relationship between the credit rating of an insurer and the income they offer. Insurers with higher credit ratings have earned them by maintaining higher capital reserves and more conservative investment portfolios, both which limit their profitability and thus the income they can offer you.

Financial Value of a Personal Pension

A common question asked when considering using a portion of retirement assets to purchase a Personal Pension is: what value will I get from this purchase? Typically, people look for a quantitative answer, such as an internal rate of return (IRR) or return on investment (ROI) to be able to compare the Personal Pension, or income annuities more generally, to their other investment options.

Unfortunately, the value of the Personal Pension cannot be understood quite so simply or compared to the return of a traditional financial product on an apples-to-apples basis. That's because calculating an IRR or ROI requires knowing the upfront investment and all future income amounts and dates. As a longevity insurance product, the Personal Pension will provide you with income for as long as you're alive, i.e. end date to be determined.

Instead, we can calculate a range of IRRs based on your potential lifespan. The longer you live, the higher the IRR over the life of the product will be. While thinking about your quantitative return should be a part of your analysis, don't forget about the more qualitative risk reduction and peace of mind the product is providing as well. Let's next take a look at an example.

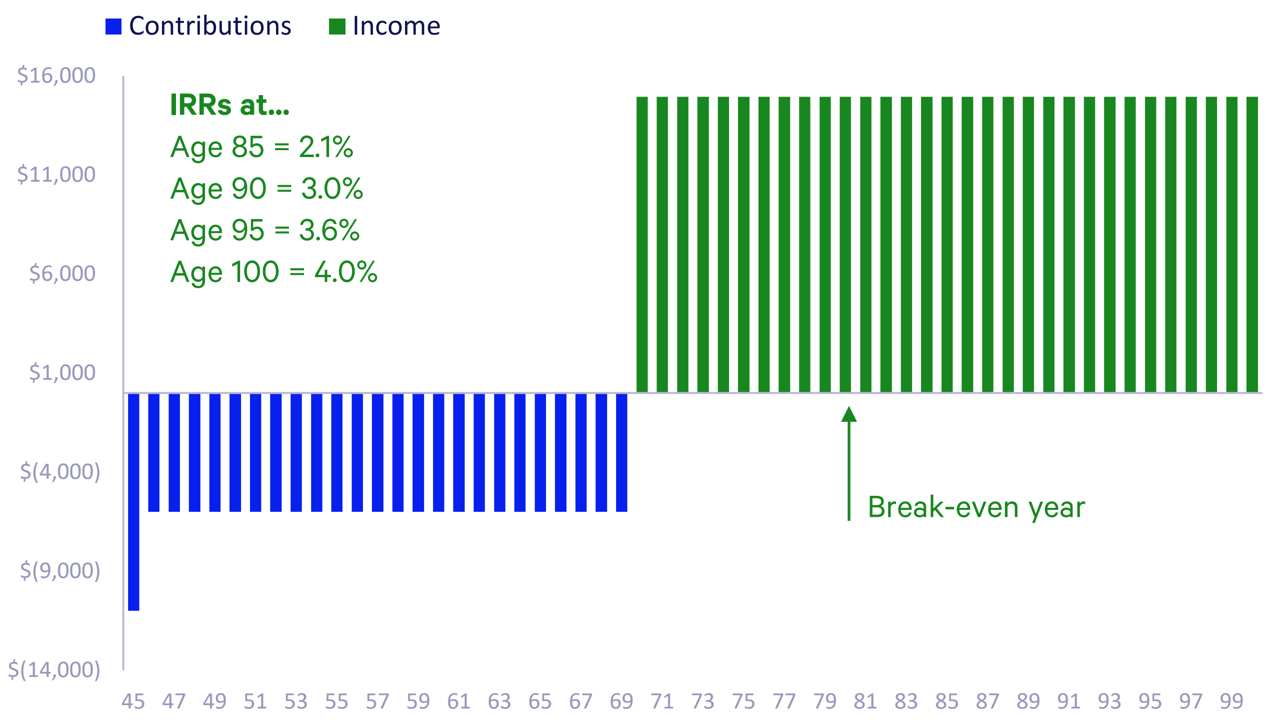
Remember, a Personal Pension provides insurance. Its purpose is to protect your longevity via guaranteed lifetime income!

CASE STUDY

Let's return to the example of Joe's Personal Pension. At current rates, an initial contribution of $5,000 followed by $500 monthly will produce an annual income benefit of $14,940 starting at age 70 and continuing for life.

Joe doesn't know ahead of time what his "return" will be, but we can provide him with some scenarios:

- Joe breaks even on his investment at age 80. At that point his cumulative income payments will exceed the amount he put into the Personal Pension.
- From there on out, Joe's return will increase the longer he lives. For example, if Joe lives until age 85, his Personal Pension will have returned 2.1%. That return increases to 3.0% at 90, 3.6% at 95, and 4.0% at 100.



Personal Pension initial contribution rate and projected future contribution rates for a male aged 45 with income starting at age 70. Includes the Refund at Death. Rates as of 6/10/2020.

Funding Your Personal Pension

The Personal Pension can be funded with pre-tax or post-tax contributions. The source of funds will impact how the IRS treats your Personal Pension and the associated income.

Contribution Requirements

In many cases (based on state and funding method), you can start a Personal Pension with as little as $100. The initial contribution can come from pre-tax or post-tax savings. Once the Personal Pension is set up, you can continue to contribute as desired – annually, monthly, ad-hoc, or never. Those additional contributions can be as little as $100. Each contribution you make guarantees you more income in the future.

Pre-Tax Contributions

If you are using pre-tax funds for your Personal Pension, such as from a Traditional IRA or an old 401(k), your Personal Pension will be set up with Traditional IRA status. That means that in the eyes of the IRS, your Personal Pension sits within an IRA. Any transfers from an IRA or old 401(k) to your Personal Pension will be made tax- and penalty-free.

Your Personal Pension grows tax free (like a Traditional IRA) until you start receiving your income in retirement. At that point, income payments will be fully taxable at ordinary income tax rates just like withdrawals from an IRA.

Post-Tax Contributions

A Personal Pension can also be funded with post-tax contributions, i.e. money that has already been taxed and is in your savings, checking, or brokerage accounts. A Personal Pension funded this way still receives special tax status from the IRS. It is labeled as “non-qualified.”

For a “non-qualified” Personal Pension, no taxes are due while your Personal Pension grows. Once your income starts in retirement, the IRS looks at every income benefit as part a return of your initial investment – which will not be taxed – and part gain. That means that only a portion of your Personal Pension check will be taxable until you have received all of the investment back. Once that happens, your Personal Pension check will be fully taxable at ordinary income tax rates.

Frequently Asked Questions

What is Blueprint Income?
We're a team of actuaries, engineers, and financial experts working to improve a retirement system which now places all of the risks of retirement on you instead of your employer.

Why work with Blueprint Income?
We make it easy for you to head into retirement knowing exactly what your financial situation is – and knowing that you'll have financial security for life. We take on the burden of finding you the best deals across the best insurers so you don't have to.

What happens to my Personal Pension contributions?
Contributions into your Personal Pension are used to purchase mini income annuities at one of the insurance companies. At that point, you've transferred the market and longevity risks of your retirement onto the insurers, and you can sit back and relax.

Should I do this instead of my 401(k)?
If your employer is matching your contributions to your 401(k), you should definitely take advantage of them. And, if you believe the market will do well and are willing to take that risk, you should continue to contribute to a 401(k) above the employer match or IRA alongside your Personal Pension.

How do I know if the Personal Pension is a good fit for me?
The Personal Pension may be right for you if

1. You are more than 5 years from retirement,
2. You want a guarantee for a portion of your retirement savings,
3. You don't currently have a traditional employer pension – or if you do have one, it's not large enough, and
4. You are healthy and plan on living a long life.

What are the fees for a Personal Pension?
All of the expenses incurred by the insurance company, including the distribution fee paid to us, are reflected in the size of the retirement check they can offer. There are no additional fees charged.

Can I withdraw money from my Personal Pension?

You won't be able to make withdrawals from your Personal Pension like you would with a savings account. In that way, it's more like a pension. Once you begin receiving income payments, some insurance companies will offer the option to accelerate a small number of upcoming income payments.

Can I include my spouse in my Personal Pension?

Yes! When you customize your Personal Pension, you can choose to for it to cover both you and your spouse. That means that you'll receive income payments as long as either of you are alive. You also have the option to reduce the income generated upon the passing of the first spouse, which will allow for more income while both spouse are alive.

Should I purchase my Personal Pension with pre-tax or post-tax money?

If you have an existing IRA or 401(k) Rollover that you would like to transfer to something guaranteed, then it makes sense to fund it with that pre-tax money. If you haven't maxed out your IRA for the year, then you can apply those limits to your Personal Pension and fund it pre-tax. Otherwise, if you want to save even more than what's allowed pre-tax, then the Personal Pension is a great post-tax retirement plan.

What insurance companies does Blueprint Income work with?

Blueprint Income works with Guardian, New York Life, Pacific Life, Lincoln Financial, and Western & Southern to provide the guarantee for the Personal Pension. You'll have the ability to contribute to annuity policies with one or more of the insurers.

What is the sign up process?

Our online application takes approximately 10 minutes to fill out. The information collected is only provided to the insurance companies backing your Personal Pension and is 100% confidential. At the end of the application you can link your bank account or IRA to fund your Personal Pension. After submitting your application, a member of our team will contact you with next steps and to go over any questions you have.

Get answers to more of your questions at blueprintincome.com/resources/support.

About Us

"Modernize retirement security through trust, transparency, and by putting the customer first."

A few years ago, we were a small team with a simple and straightforward belief — that the decision to buy an annuity should be easy, unbiased, and all about you.

That belief is reinforced every day as we continue to grow and connect with people all over the United States that we're able to help in ways large and small. Sometimes, helping out means saying it doesn't make sense to buy an annuity. And of course that means less business for us. But we're OK with that because the most valuable thing we can build is trust.

If you're considering purchasing an annuity for your retirement, you won't find better product selection and a more informed team than the one at Blueprint Income. We hope to have the opportunity to demonstrate that to you.

Here's what we promise to everyone who works with us:

- No sales pitch
- Information on retirement income products in plain English
- Only simple annuities from insurers with strong financial ratings
- Sophisticated and tailored advice from our team and our technology solutions

Platinum Trusted Service Award
For consistently delivering excellence
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Have questions? **Get in touch.**

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