The Average Boomer has Held

More than 10 Jobs*

Are your clients puzzled about what to do with multiple 401(k)s?

The Client: Alice, Single, Age 60

The Situation: Alice was impacted by her company's recent downsizing. She has a 401(k) account from her employer, as well as a number of other smaller 401(k)s from previous employers. She has watched their value steadily decline in this period of economic turmoil and wonders if she should move the money to something more secure.

The Strategy: Alice calls her agent, Sam, who understands her situation. He explains that she can transfer some of her 401(k) monies to an Individual Retirement Account (IRA) funded with fixed deferred annuities — products that offer dependable and stable growth regardless of how the market performs. He explains that many annuities also provide options in case she needs to access a portion of her money. Sam and Alice discuss her asset allocation strategy and risk tolerance. She decides to keep her current 401(K) invested in the market and move two other 401(k)s to a safer option using an IRA funded with fixed annuities. Alice understands that she would be "locking in" some of the losses she's recently incurred by moving some money out of the market, but she feels more secure knowing that some of her retirement money will be allocated to conservative investments that can provide both stable growth now and guaranteed income in the future.

** A survey from the Bureau of Labor Statistics found that the youngest Boomers (born between 1957 and 1964) held an average of 10.8 jobs from ages 18 to 42.*

The Solution: Sam suggests two fixed deferred annuities from the Genworth Financial companies' SecureLiving® line — Liberty and SmartRate — which provide a variety of competitive, guaranteed initial interest rates to steadily grow her wealth. Alice will avoid paying additional income taxes by rolling her 401(k) into an IRA funded with a fixed annuity.

- Liberty has a Bailout Feature, so if her interest rate goes below a set rate, Alice has more control of her account balance.
- SmartRate has a guaranteed return of principal feature, minus any previous withdrawals, so even if she were to surrender the contract early she would receive no less than her initial single premium.

Contact Your General Agent For More Information

FSD Financial

Call Jeff or Darren
800.373.9697
www.fsdfinancial.com

 For broker/dealer/agent use only. Not to be reproduced or shown to the public. ***Continued on Reverse***

Fixed immediate & deferred annuities...

your clients will thank you.

Genworth® Financial

With two different annuities, Alice can take advantage of different interest rate guarantee periods to maximize her accumulation value while maintaining the flexibility to begin receiving guaranteed income in the future at different times.

A recent Employee Benefits Resource Institute Study found that the percentage of people who cash out their 401(k)s when exiting a job is highly correlated with the age of the worker:

Retirement Asset Rollover Rate by Age

Age	16-20	21-20	31-40	41-50	51-50	61-64
Rollover Rate	14.6%	34.8%	44.3%	47.3%	54.6%	66.4%

Employees are leaving — or losing — their jobs with great frequency. When they go, they often take with them their 401(k)s. A large percentage of these people will be tempted to cash out their 401(k). And in a down market, liquidating the account means that any losses they have experienced will be permanent and, if the market improves, they will not be able to recoup any of these losses. Additionally, if they take these balances in cash, rather than roll them into an IRA or another 401(k) account, they will be subject to the income taxes and possible penalties for early withdrawal that come with accessing those funds.

If you have clients who are intent on moving their 401(k) money from their former employer, they need to be fully aware of the consequences. Nevertheless, many people are looking for less volatile strategies to prevent further losses. If this is the case, they may be wise to consider an IRA funded with a fixed deferred annuity. By rolling the 401(k) money over to an IRA utilizing this strategy they will:

- Continue to postpone taxes
- Avoid any penalties for early withdrawal that may apply.
- Enjoy the safety of a guaranteed interest rate

Speak with your clients about using some of their old 401(k) accounts to fund an IRA with fixed deferred annuities. The money grows at a guaranteed rate and will continue to grow on a tax-deferred basis until they're ready to begin receiving income.

There is no additional tax deferral benefit for annuities purchased in an IRA, or any other tax-qualified plan, since these plans are already afforded tax-deferred status. The other benefits and costs should be carefully considered before purchasing an annuity in a tax-qualified plan.

Withdrawals/surrenders have the effect of reducing the contract value and death benefit. Withdrawals/surrenders of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal penalty tax.

All guarantees are based on the claims-paying ability of the issuing insurance company. The discussion of tax treatments in this material is Genworth Financial companies' interpretation of current tax law and is not intended as tax advice. Your clients should consult the contract and a tax professional.

SecureLiving® SmartRate, SmartRate NY, Liberty and Liberty NY are Genworth Life Insurance Company, Lynchburg, VA, and Genworth Life Insurance Company of New York, New York, NY's single premium fixed deferred annuities, policy form numbers GEC6008 2-03 et al., GENY6014 10/05 et al. and GENY6018 10/05 et. Al, GENY6020 10/05 et al., Product IDs: SP2 and SP16. Not available in all states and markets. Features and benefits vary by state.

Genworth Life and Annuity Insurance Company and Genworth Life Insurance Company are licensed in all states except New York. Only Genworth Life Insurance Company of New York is licensed in New York. Genworth Life Insurance Company of New York, 3100 Albert Lankford Drive, Lynchburg, VA 24501.

Fixed Deferred Annuities Issued by

Genworth Life Insurance Company &
Genworth Life Insurance Company of New York