



# Common Questions

## A Qualifying Longevity Annuity Contract (QLAC)

The Brighthouse Guaranteed Income Builder<sup>SM</sup> deferred income annuity is available as a QLAC for a portion of IRA assets – as you seek to build customized, pension-like income for retirement. Here are some answers to common questions you may have regarding QLACs as part of building a retirement income planning strategy.

### 1 What is a QLAC?

A QLAC is a deferred income annuity contract that allows a portion of tax-qualified assets to be used to purchase future lifetime retirement income. Until income payments begin, required minimum distributions (RMDs) for QLAC assets – that otherwise must begin at age 70½ – are deferred.

### 2 How does a QLAC work?

Income from the QLAC is deferred until the income start date you select, which can be as late as age 85 (however, earlier income start dates are available). Until income payments begin, there are no RMDs to satisfy for the assets in a QLAC. A QLAC is a deferred income annuity contract that meets certain requirements and that states its intentions to be a QLAC.

In order for a QLAC to remain a QLAC, purchase limits apply (see question 4).

### 3 Why consider a QLAC?

A deferred income annuity may be a good option if longevity risk is a concern – living longer than your assets will last. A QLAC lets you schedule income to begin at a later age for tax-qualified savings than would otherwise be available, thereby maximizing future lifetime retirement income while reducing annual RMDs and corresponding tax liabilities.

### 4 Is there a purchase limit with a QLAC IRA?

Yes. QLAC purchases are limited to the lesser of a dollar limit of all QLAC purchases, and a percentage limit of all IRA QLAC purchases that is based on total IRA values.

The purchase limit for QLAC is the lesser of:<sup>1</sup>

- \$130,000 – the total of all QLAC purchases made cannot exceed this amount, unless increased by the Secretary of the Treasury; or
- Up to 25% of total IRA values (including QLAC IRAs, but excluding Roth IRAs) as of December 31 of the prior calendar year.

### 5 How does Brighthouse Guaranteed Income Builder help prepare for income needs in retirement?

A deferred income annuity, such as Brighthouse Guaranteed Income Builder, can add a degree of certainty and predictability to retirement income planning by:

- Offering consistent income for as long as you live
- Providing lifetime income without market risk
- Letting you know – up front – how much future income payments will be and when you'll begin receiving them

Talk to your financial professional about the Brighthouse Guaranteed Income Builder as a Qualifying Longevity Annuity Contract for your retirement income needs. Or visit [brighthousefinancial.com](https://brighthousefinancial.com) today.

# Introducing Brighthouse Guaranteed Income Builder

Help prepare for a long and comfortable retirement

As you move into and through your retirement years, you'll want to make sure that all of your income needs are covered. Guaranteed Income Builder may help by providing:

## Income for Life

From the day you purchase your deferred income annuity and choose your income start date, you'll know exactly how much you'll receive each year. Income payments will never stop as long as you live.

## Income for Living

Add certainty to your retirement. Supplement other retirement income sources with guaranteed income that can help cover everyday expenses throughout retirement.

## Income for Changing Needs

Build customized, pension-like retirement income. Tailor income payments by selecting the options and innovative features that can meet changing needs.

<sup>1</sup> A QLAC does not make available any commutation benefit, cash surrender right, or other similar feature. Adhering to the purchase limit is your responsibility. You should consult with your own independent legal and tax advisors prior to establishing a QLAC. Brighthouse Financial cannot provide tax advice.

This product is a long-term investment designed for retirement purposes. Product availability and features may vary by state or firm.

**The Brighthouse Guaranteed Income Builder deferred income annuity, like all annuities, is an insurance product and not insured by the FDIC, the NCUSIF, or any other government agency, nor is it guaranteed by, or the obligation of, the financial institution that sells it. All contract guarantees and annuity payout rates are subject to the claims-paying ability and financial strength of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased, or any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability and financial strength of the issuing insurance company. Similarly, the issuing insurance company does not back the financial strength of the broker/dealer or any of its affiliates.**

Like most annuities, the Brighthouse Guaranteed Income Builder deferred income annuity has charges, termination provisions, and terms for keeping it in force. Please contact your financial professional for complete details.

Withdrawals of taxable amounts are subject to ordinary income tax. Withdrawals made before age 59½ may also be subject to a 10% federal income tax penalty. Distributions of taxable amounts from a non-qualified annuity may also be subject to the 3.8% Unearned Income Medicare Contribution tax that is generally imposed on interest, dividends, and annuity income if your modified adjusted gross income exceeds the applicable threshold amount. Withdrawals will reduce the death benefit and account value. Withdrawals may be subject to withdrawal charges.

Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax, or accounting advice. Clients should confer with their qualified legal, tax, and accounting advisors as appropriate.

All guarantees, including any optional benefits, are subject to the claims-paying ability and financial strength of the issuing insurance company. Each issuing insurance company is solely responsible for its own financial condition and contractual obligations.

The Brighthouse Guaranteed Income Builder<sup>SM</sup> deferred income annuity is issued by, and product guarantees are solely the responsibility of, Brighthouse Life Insurance Company on Policy Form 6-1000-1 (05/14) ("Brighthouse Financial").

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