

Common Questions

Learn more about Qualifying Longevity Annuity Contracts (QLACs)

The Brighthouse Guaranteed Income Builder® deferred income annuity is available as a QLAC for a portion of IRA assets, providing an opportunity 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.

01

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 from the contract begin, required minimum distributions (RMDs) – that would otherwise begin at age 72 – are deferred.

02

How does a QLAC work?

You can defer RMDs with a QLAC until an income start date you select, which can be as late as age 85. Until you begin income payments, there are no RMDs to satisfy for the assets allocated to the QLAC. In order for a QLAC to remain a QLAC, purchase limits apply (see question 04).

03

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 than would otherwise be available. This can help you maximize future lifetime retirement income while reducing annual RMDs and corresponding tax liabilities.

04

Is there a purchase limit with a QLAC IRA?

Yes. For 2021, the purchase limit for QLAC is the lesser of:¹

- \$135,000 – 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.

05

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

A deferred income annuity can add a degree of certainty and predictability to retirement income planning. With Guaranteed Income Builder, you can create consistent lifetime income without market risk, and you know up front how much your future income payments will be and when you'll receive them.

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.

Talk to your financial professional about **Brighthouse Guaranteed Income Builder** as a QLAC to help with your retirement income needs, or visit brighthousefinancial.com.

¹ 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 professionals prior to establishing a QLAC. Brighthouse Financial cannot provide tax advice.

The Brighthouse Guaranteed Income Builder deferred income annuity 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.

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% Net Investment Income Tax that is generally imposed on interest, dividends, and annuity income if the 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.

If the client is buying an annuity to fund a qualified retirement plan or IRA, they should do so for the annuity's features and benefits other than tax deferral. Tax deferral is generally a feature of a qualified retirement plan or IRA, so an annuity would not provide an additional tax deferral benefit. References throughout this material to tax advantages, such as tax deferral and tax-free transfers, are subject to this consideration. The product described in this material is not made available to employer-sponsored qualified retirement plans. For non-qualified annuities, tax deferral is not available to corporations and certain other entities.

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 professionals 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® deferred income annuity is issued by, and product guarantees are solely the responsibility of, Brighthouse Life Insurance Company, Charlotte, NC 28277, on Policy Form 6-1000-1 (05/14) ("Brighthouse Financial"). Product availability and features may vary by state or firm. This product is not available in New York.

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Brighthouse Life Insurance Company
11225 North Community House Road
Charlotte, NC 28277
brighthousefinancial.com

2101 CLFA542825-2
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