ANNUA

PLAN FOR A SECURE RETIREMENT
Guaranteed income. For life.

THE DIETRICH (K) ANNUITY

A Historical Perspective

In nearly every retirement survey published today, of greatest concern to retirees is the fear of outliving their assets and running out of money on which to live. The probability of this occurring has increased significantly as employees, now more than ever, must rely exclusively on their 401(k) balances lasting through their retirement years. To increase this burden, without a traditional pension, all the investment risk in a 401(k) account falls squarely on their shoulders in times during which markets are more volatile and investment choices more complicated and difficult to comprehend.

There is a Need

In the past, most 401(k) plans were designed and implemented as a supplemental savings plan. Today's 401(k) plan, as the new primary retirement income vehicle for most employees, needs to be transformed into a retirement plan that includes guaranteed lifetime income benefits much like a traditional pension or social security retirement benefits. When asked in a recent survey, if they would invest in an income for life annuity option, 75% of employees indicated they would do so if offered that choice through their 401(k) plan. Clearly, a need for this option exists today and will continue to grow in the future.

The Solution: The Dietrich (k) Annuity

The Dietrich (k) Annuity is ANNUA's answer to adapting the typical 401(k) plan design to restore guaranteed lifetime income for plan participants. Annuity contracts are offered by ANNUA, a defined contribution advisory unit of DIETRICH, and are institutionally priced, underwritten and guaranteed by top rated insurance companies that qualify as 'safest available' annuity providers under the Department of Labor's Interpretive Bulletin 95-1. ANNUA designs each group annuity contract to conform to the plan sponsors objectives and will assist with providing all materials to participants communicating the new option being added to the plan. Online participant education relating to annuities, income planning and call center support are available.

Advantages to the Plan Sponsor

Plan sponsors that recognize the value of guaranteed lifetime income, such as traditional pensions or social security benefits, have the ability to direct their retirement contributions toward an insured lifetime income stream for their employees. By investing in annuity contracts, employers can be certain that those contributions will provide a base level of lifetime retirement income for participants regardless of stock market and interest rate volatility. The Dietrich (k) Annuity accomplishes this without the cash flow and financial statement volatility of a traditional pension. The result is less risk for the plan sponsor.

Advantages to the Plan Participant

Participants of 401(k) plans have seen their balances plummet twice over the past decade due to major setbacks in stock and bond markets. Many have never recovered due to ill-timed attempts to manage their investment account options, such as selling low and buying back at higher prices. We are seeing the first generations to experience the devasting impact of retiring in volatile markets on a traditional 401(k) account without the benefits of a market-immune pension. Many are realizing they don't have adequate funds for retirement. An annuity option within the 401(k) or profit sharing plan guarantees a lifetime 'floor level' of income for the participant irrespective of other retirement account balances that may be at risk in the market.

The Dietrich (k) Annuity – Employer Funded Accumulation Feature
The employer allocates contributions that are directed to the purchase of fixed lifetime income benefits on an annual basis over the working lifetime of an active employee. This is known as the deferred or accumulation feature. These annual purchases accumulate to create a significant enhancement to social security by elevating lifetime income at retirement.

The Dietrich (k) Annuity – Employee Feature (Accumulation and Distribution Features)
An employee can direct their own contributions during their working years towards the purchase of fixed lifetime benefits to supplement the employer directed purchases (deferred annuities) or, conversely, through a single annuity purchase at retirement utilizing their 401(k) account balances (according to annuity rates in effect at that time).

The Dietrich (k) Annuity Product Summary

Guaranteed Income for Life	Yes	Annuitization Required	Yes
Source of Contributions[1]	ER, EE	Investment Structure	Fixed
Participant Education[2]	Yes	Additional Fees[5]	No
Safest Available Annuity	Yes	Multiple Issuers	Yes
Income Guarantee Period[3]	A, D	Portability[6]	CV, PDA
Form of Payout[4]	IA, CV	Liquidity Feature[3]	A
Optional Forms of Annuity	Yes	Cost of Living Adjustment[7]	Yes

1. Employer (ER) and employee (EE) contributions allowed
2. All carriers on the Dietrich (k) Annuity platform are subject to the standards of DOL Interpretive Bulletin 95-1
3. Accumulation (A) and Distribution (D)
4. Income Annuity (IA) and Cash Value (CV)
5. Pricing includes all expenses associated with the procurement and ongoing administration of the Dietrich (k) Annuity
6. Cash value (CV) and Plan Distributed Annuity (PDA)
7. Optional plan feature

Product Category
Institutional fixed group annuity. Employer retirement plan contributions purchase a future guaranteed income stream from multiple annuity issuers that qualify as 'safest available' under DOL Interpretive Bulletin 95-1. The guaranteed amount is based upon contribution amounts, annuity purchase rates, ages at contribution and ages at income start date.

Fees and Expenses
There are no explicit fees – they are implicit in the annuity purchase price. Recordkeeping and annuity management fees are incorporated into the annuity purchase price. Current annuity purchase rates are determined at the time of purchase. All annuity purchases are competitively solicited from DOL 95-1 qualified issuers periodically to obtain the most favorable pricing.

Determination of Retirement Income
Lifetime income payments may begin at any time subject to plan rules and any applicable early withdrawal taxes and/or penalties. Income payments must generally begin by age 70-1/2 to satisfy required minimum distribution rules, unless the participant is actively working.