

Maximize Retirement Income with Confidence

HOW STAYSAIL SUPPORTS RMD-ONLY STRATEGIES

Required minimum distributions (RMDs) are the minimum annual withdrawals from your annuity required by the IRS once you reach age 73. While mandatory, RMDs can also serve as steady income stream in retirement and, for many retirees, supplement their retirement income.

Knighthead Life's Staysail multi-year guaranteed annuity (MYGA) is designed for those who don't anticipate needing access to their funds beyond RMDs. With Staysail, you can take RMDs penalty-free while still positioning your retirement savings for preservation and meaningful growth.

WHY NOT MAXIMIZE GROWTH WHILE YOU WAIT?

If RMDs are your only planned withdrawals, Staysail offers a simple way to earn more interest annually compared to similar annuity offerings. Staysail credits interest on a simple basis and unlike compound-interest annuities, the accumulation value grows more slowly than its simple interest equivalent during the guarantee period.

SIMPLE VS. COMPOUND: A CLOSER LOOK

The below hypothetical compares a 6.60% simple interest, 7-year MYGA (which is a 5.58% compound equivalent rate (CER)) with a 6.00% compound interest, 7-year MYGA. Despite the simple interest's CER being 0.42% less (5.58% vs. 6.00%), simple interest results in higher credited interest and greater annual withdrawals when distributions (including RMDs) are taken each year.

SIMPLE INTEREST = 6.60%					COMPOUND INTEREST = 6.00%				
AGE	YEAR	INTEREST CREDIT	WITHDRAWAL	ACCUMULATED VALUE	AGE	YEAR	INTEREST CREDIT	WITHDRAWAL	ACCUMULATED VALUE
72	1	\$6,600	\$0	\$106,600	72	1	\$6,000	\$0	\$106,000
73	2	\$6,600	\$4,333	\$108,867	73	2	\$6,101	\$4,309	\$107,793
74	3	\$6,600	\$4,754	\$110,713	74	3	\$6,185	\$4,707	\$109,271
75	4	\$6,600	\$5,247	\$112,066	75	4	\$6,246	\$5,179	\$110,337
76	5	\$6,600	\$5,777	\$112,889	76	5	\$6,279	\$5,687	\$110,929
77	6	\$6,600	\$6,378	\$113,111	77	6	\$6,280	\$6,267	\$110,941
78	7	\$6,600	\$7,069	\$112,642	78	7	\$6,240	\$6,934	\$110,248
TOTAL WITHDRAWALS				\$33,558	TOTAL WITHDRAWALS				\$33,083
ENDING ACCUMULATED VALUE				\$112,642	ENDING ACCUMULATED VALUE				\$110,248

KEY HIGHLIGHTS:

- Despite the difference in compound rates, the simple interest MYGA provides 6.6% more in interest credited (\$46,200 simple vs. \$43,331 compound in total interest).
- Simple interest MYGAs lead to slightly higher RMD-eligible withdrawals (\$33,558 vs. \$33,083).
- Even after annual withdrawals, the simple interest MYGA delivers a \$2,394 greater accumulated value than its compound counterpart (\$112,642 simple vs. \$110,248 compound).

THE BOTTOM LINE

For retirees taking RMDs, a simple interest MYGA like Staysail delivers more annual income, greater credited interest, and greater accumulated value — making it a smarter, more efficient choice than compound alternatives.

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Staysail is a multi-year guaranteed annuity which is issued by Merit Life Insurance Co. and only available in certain states [link to map/list]. Staysail Policy Form: ICC23-FA100-0223 (subject to state variations). Policy form numbers and provisions may vary. Guarantees are backed by the claims-paying ability of the issuing company.

You should consider the features of Staysail carefully before purchasing. Taxes are due upon withdrawal and excess withdrawals may be subject to a surrender charge and market value adjustments. The IRS may impose a 10% penalty for withdrawals prior to age 59 ½.

Non-qualified annuities are generally entitled to tax deferral. IRAs and other qualified plans are already tax deferred. Therefore, a deferred annuity should be used to fund an IRA or qualified plan to reap annuity benefits other than tax deferral, such as lifetime income and death benefit options.

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