Mapping Your

Retirement Runway

Kuvare | GUARANTY INCOME | UNITED LIFE

Mapping Your
Retirement Runway

Just like a pilot doesn't stop navigating once the airplane is airborne, your retirement journey doesn't end when you leave the workforce. Preparing for retirement goes beyond the "takeoff" of your last day on the job. Like any well-planned flight, it requires a solid design to help you navigate the turbulence life can bring.

During the critical Retirement Runway—**the five years before and after retirement**—financial decisions carry heightened importance. This transitional decade may make you more sensitive to volatility, and its impact on your nest egg can be significant. Traditional strategies like investing in stocks, bonds, and real estate may not always align with your financial goals during this critical period. **That's why thoughtful, adaptable strategies are essential to grow and protect your funds, helping ensure a more secure and enjoyable retirement ahead.**

Your Financial Flight Plan: How Strategies Change

It's not only the Baby Boomer generation on the Retirement Runway—Gen Xers, with the oldest born in 1965, are also in prime seats for takeoff. Whether a Boomer or a Gen-Xer, your retirement financial strategy is likely quite different from earlier life stages due to changing goals, risks, and time horizons.

See how strategies and philosophies may change from your early earning years into the **Retirement Runway.**

Early Years	Transition	Retirement Runway Years
Goal: Maximize growth **Strategy:** Aggressive asset allocation (e.g., higher stock exposure) **Horizon:** Long — decades to recover from downturns	Shift from growth to preservation and income	**Goal:** Preserve capital and generate reliable income **Strategy:** Conservative allocation (e.g., annuities, bonds, and cash) **Horizon:** Short — limited time to recover from losses
Emphasis on contributions and tax-deferred growth	Movement from accumulation to withdrawal strategy	Conservative withdrawal strategies (e.g., 4% rule) Management of IRS required minimum distributions (RMDs) Tax-efficient withdrawals (e.g., Roth conversions, asset allocation)
Focus on tax-deferred growth	Adopt a more nuanced tax strategy	Taking strategic withdrawals to minimize lifetime taxes Using Roth conversions during low-income years Timing Social Security benefits Avoiding Medicare premium surcharges
Higher risk tolerance	Adjust behavior with risk tolerance	Potential increased concern about losses may lead to overly cautious decisions that impact long-term income

Why the Retirement Runway Years Matter Most

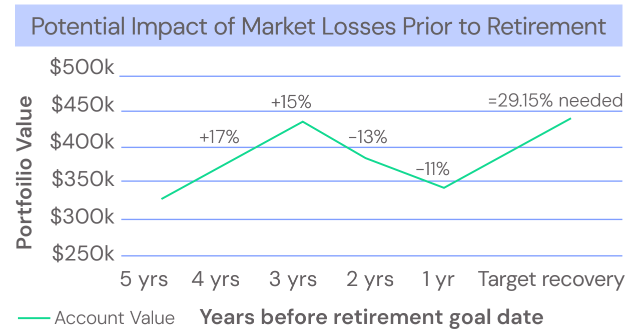
Identifying and understanding the unique challenges of the Retirement Runway is key to building your resilient strategy. Here's a closer look at why these years need special attention and how certain risks may shape your financial future.

Market losses have greater impact: Market downturns can be especially detrimental during the years leading up to or just after retirement. A loss may force a delayed retirement or cause you to work, at least part time, longer than planned. Even if the market eventually recovers, early losses can significantly reduce the longevity of your retirement income.

Below is an example that illustrates the impact of losses incurred during the Retirement Runway.

► Sample scenario:

A **60-year-old pre-retiree** has accumulated a retirement portfolio worth **$325,000.** In the next two years the portfolio posted impressive gains of 17% and 15%; however, in the following two years, just prior to retirement at age 65, the account recorded double-digit losses of -13% and -11%. In this case it would require an unlikely gain of 29.15% to recover the principal and gains in the next year before the goal retirement date.



Emotions may drive financial decisions: Concern about depleting your funds too quickly may lead to underspending, depriving you of the retirement lifestyle you have worked hard to achieve. Or the desire to recover from losses may encourage excessive risks, potentially further jeopardizing your financial security.

1946–1964 + 1965–1980

54% are worried about out-living their savings in retirement – from 48% in the same survey conducted a year earlier.[2]

Understanding Retirement Runway Risks

A variety of risks may impact your financial security in retirement, including inflation, as reported in the Society of Actuaries Research Institute's 2024 Retirement Risk Survey.[1] Results showed that 78% of pre-retirees and 58% of retirees point to the failure of retirement savings and investments to keep pace with the rate of inflation as one of their top concerns. As a result, more pre-retirees—especially those with annual incomes falling below $100,000—are adjusting their funding strategies.

Other key Retirement Runway risks include underestimating expenses — particularly for healthcare as well as claiming Social Security benefits sooner than needed, sequence of returns, and market volatility.

Additional research shows that pre-retirees have **longevity concerns about their savings.** According to the Alliance for Lifetime Income by LIMRA's 2025 Protected Retirement and Planning Study, more than half (54%) of Baby Boomers and Gen-Xers are worried about outliving their savings in retirement — up from 48% in the same survey conducted a year earlier.[2]

How Fixed Indexed Annuities May Help Mitigate Risks

A fixed indexed annuity (FIA) may offer advantages that can help alleviate some Retirement Runway risks. But what exactly is a FIA? It is a tax-deferred contract with an insurance company, which can also provide payments to the owner at a future point when additional income is needed for a comfortable retirement. FIAs offer returns based on a market index (like the S&P 500®), but without direct market exposure. Your principal is protected from market downturns, and you may receive partial gains when the index performs well.

FIAs may be well-suited for the Retirement Runway as they offer a powerful combination of:

- **Guaranteed* lifetime income:** Income riders (often available for an additional premium) provide a steady, locked-in "retirement paycheck."
- **Principal protection:** FIAs shield you from losses because you are not directly invested in the market.
- **Market downturn immunity**: Income payouts remain stable even if index performance is poor.
- **Longevity protection:** FIA payouts ensure income for life and may offer joint income options for spouses.
- **Flexibility:** Income can start when needed and can be delayed for even higher payouts.

► Sample payout factors:

For a fixed indexed annuity with a lifetime income rider. Assumes a $200,000 policy with the choice of either level payouts or increasing payouts.

Age when exercising the income rider	**Level payment factor** and subsequent yearly payout	**Increasing payment factor** and subsequent yearly payout
66	6.90% / $13,800	4.80% / $9,600
68	7.15% / $14,300	5.15% / $10,300
70	7.45% / $14,900	5.45% / $10,900
72	7.75% / $15,500	5.65% / $11,300
74	8.00% / $16,000	5.75% / $11,500

Addressing Specific Risks with FIAs

Sequence of Returns and Market Volatility: One of the most significant risks to retirement savings is the sequence of return risk, particularly during the early years of retirement. If poor market performance occurs at this stage, it can accelerate the depletion of your funds and jeopardize long-term financial security.

When withdrawals are made during a down market, it can be much harder to recover from losses and maintain a sustainable income stream. Incorporating a FIA for income in a retirement strategy may help offset sequence-of-return risk by:

- Creating a reliable and consistent **income stream**, while helping preserve your portfolio's long-term sustainability.
- Acting as a **financial buffer** during bear markets, reducing the likelihood of needing to sell assets at depressed values to fund basic expenses.
- Providing greater **financial peace of mind** by reducing stress associated with market volatility.

Inflation: Over time the cost of goods and services continues to rise, from basic products to major purchases like cars and homes. Ongoing price increases can have a significant impact on retirement dreams. The longer you are retired, the more pronounced the effect of inflation. To counter the impact, FIAs can offer:

- Increasing **payout options** help offset rising costs.
- Guaranteed* **income** to provide stability.

Longevity: One of the biggest retirement risks is outliving your retirement nest egg. Retirees living into their 90s and beyond are increasingly common. As life expectancies rise, people may underestimate how long they will live. FIAs address longevity concerns by:

- Ensuring income even if you live longer than expected — sometimes thought of as **longevity "insurance."**
- Providing **safeguards** that may help empower you to keep a portion of your funds invested in the market for potential long-term growth without being overly concerned about short-term fluctuations.

1 of the biggest retirement risks is outliving your retirement

nest egg

Retirees living into their 90s and beyond are increasingly common.

Building a Resilient Retirement Strategy

When FIAs are thoughtfully integrated into a well-rounded retirement financial plan, they may help mitigate or eliminate Retirement Runway risks by:

Striking a balance between growth potential and risk mitigation: Combining annuities with other retirement assets, such as stocks and bonds, can diversify your assets and create a more resilient retirement strategy that may better withstand the challenges posed by sequence-of-return, market volatility, and other runway risks.

Turning uncertainty into certainty: FIAs can transform market-volatile funds into a predictable income stream. You will know exactly how much money you'll receive each month for the rest of your life, which eliminates the guesswork.

Empowering confident spending: When you can cover essential expenses with a guaranteed income stream, you may feel greater confidence in spending on the experiences and activities you've worked a lifetime to enjoy. Additionally, FIAs allow you to pass any remaining funds to your beneficiaries.

By incorporating FIAs, you gain predictable growth, principal protection, and guaranteed* lifetime income—so you can enjoy a more financially secure, confident retirement.

Call your financial professional and visit gilico.com or unitedlife.com to learn more about how FIAs can help you chart a smooth course on your Retirement Runway.

*Guarantees rely on the financial strength and claims-paying ability of the issuing insurer.

Sources:

[1] https://www.soa.org/resources/research-reports/2025/retirement-risk-survey-series
[2] https://www.protectedincome.org/news/peak65-retirement-pause

Kuvare

5600 North River Road,
Suite 300
Rosemont, Illinois 60018

847-527-6700

kuvare.com

Kuvare GUARANTY INCOME LIFE INSURANCE

Kuvare UNITEDLIFE INSURANCE COMPANY

KUV-1010_5-26 C