



## LifeIncome Flex



Created with Australian retirees' spending needs in mind

[genlife.com.au](http://genlife.com.au)



A feature of LifeIncome  
Investment-linked lifetime annuity

Outthinking today.

# Introducing LifelIncome Flex



## Your choice, your income, sooner...

LifelIncome is a first-of-its-kind investment-linked lifetime annuity that offers you and your loved one<sup>1</sup> the confidence to enjoy your retirement with a regular income that is guaranteed for life.

LifelIncome Flex is a feature of LifelIncome that offers you the flexibility to receive more income when you and your loved one are both younger, healthier and alive. In return, your income will reduce when either you or your loved one passes away, as your income requirement changes.

Research in both Australia and across the globe shows that spending in retirement is highest in the earlier years, when a retiree is healthier and more active. It has been proven that spending then tends to slow at around age 70 and decreases quickly after age 80.<sup>2</sup>

Studies also show that where retirees include a lifetime annuity, like LifelIncome, in their retirement portfolio, they spend more and have the freedom to enjoy their retirement. Conversely, where people haven't implemented a solution to prevent them from running out of money, those people live more frugally and save their retirement savings, rather than not spend them.

## Avoiding 'regret risk'

What if you and your loved one could choose to increase your retirement income in the earlier years when you're both able to enjoy it together?

It's an opportunity to help you avoid experiencing 'regret risk' at the end of retirement when you look back and wish you hadn't lived so frugally in those early years, not knowing how long your money was going to last.

### **Retirement is an emotional journey not just a financial decision**

At Generation Life we understand retirement is an emotional journey, not just a financial decision and we want all Australians to have the opportunity to enjoy their retirement.

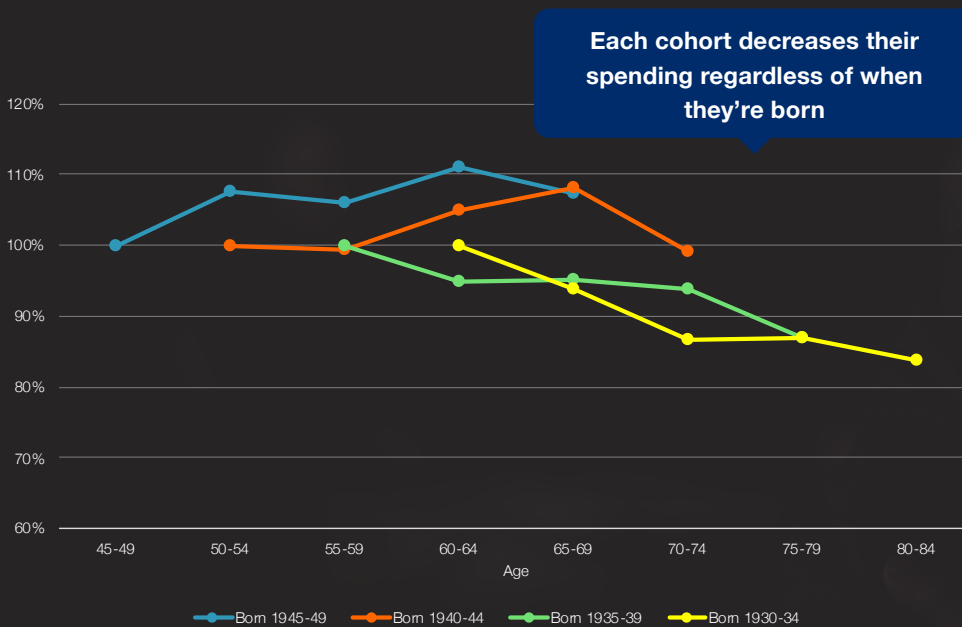
That's why we've introduced LifelIncome Flex, allowing you to increase your income and help you make the most of your retirement. Your retirement is a well deserved reward after years of hard work, not a time to worry about your savings and whether you'll run out of money.

## Spending patterns of Australian retirees

### The need for more income in the early years

The graph below shows that Australians tend to spend less after they retire and spending tends to slow at around the age of 70 and decreases rapidly after 80. By enabling a couple to receive more income in the earlier years of retirement, they can more closely align their income with their spending over the course of their retirement journey.

### Household spending by age cohort<sup>2</sup>

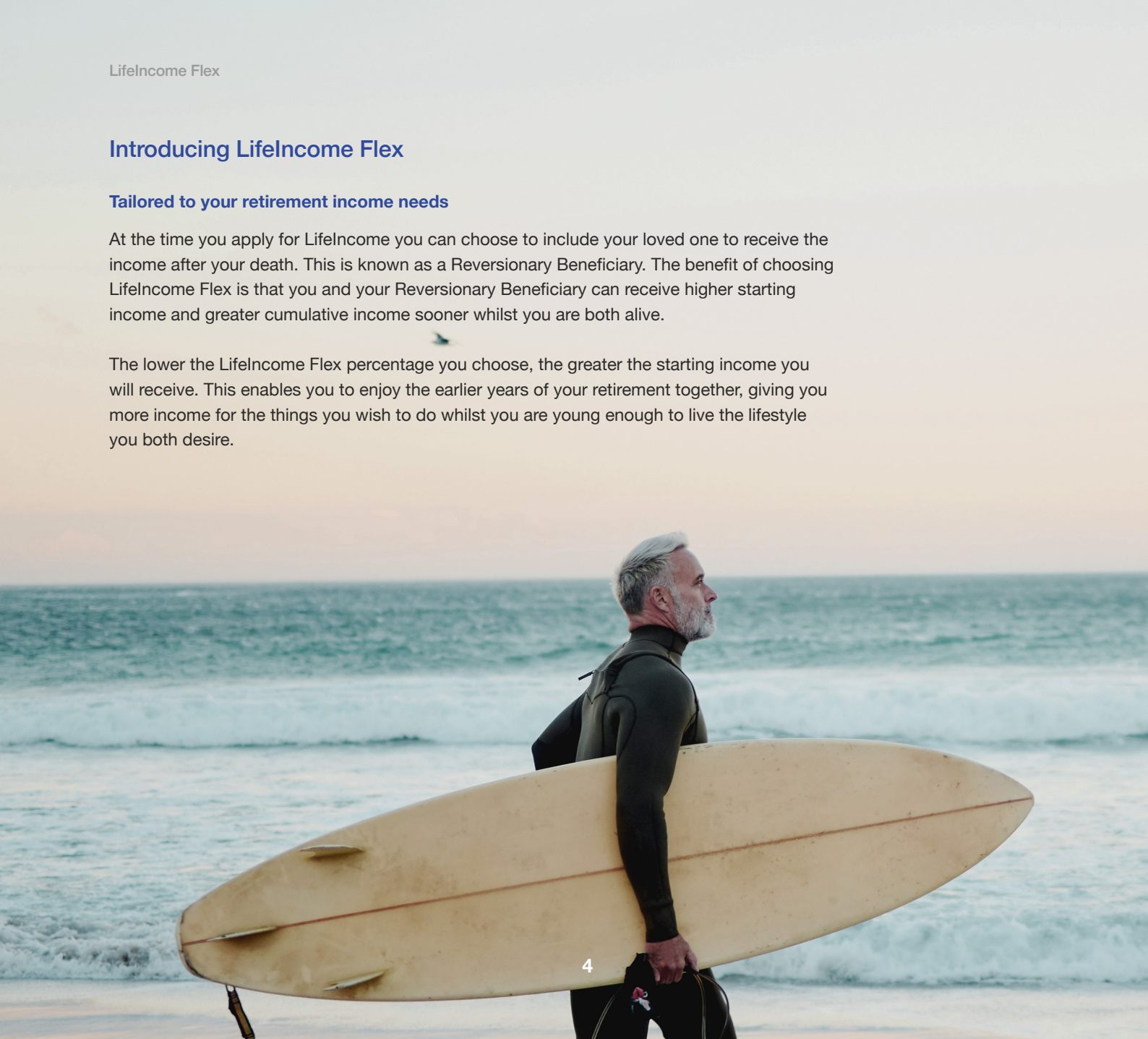


## Introducing Lifeline Flex

### Tailored to your retirement income needs

At the time you apply for Lifeline Flex you can choose to include your loved one to receive the income after your death. This is known as a Reversionary Beneficiary. The benefit of choosing Lifeline Flex is that you and your Reversionary Beneficiary can receive higher starting income and greater cumulative income sooner whilst you are both alive.

The lower the Lifeline Flex percentage you choose, the greater the starting income you will receive. This enables you to enjoy the earlier years of your retirement together, giving you more income for the things you wish to do whilst you are young enough to live the lifestyle you both desire.

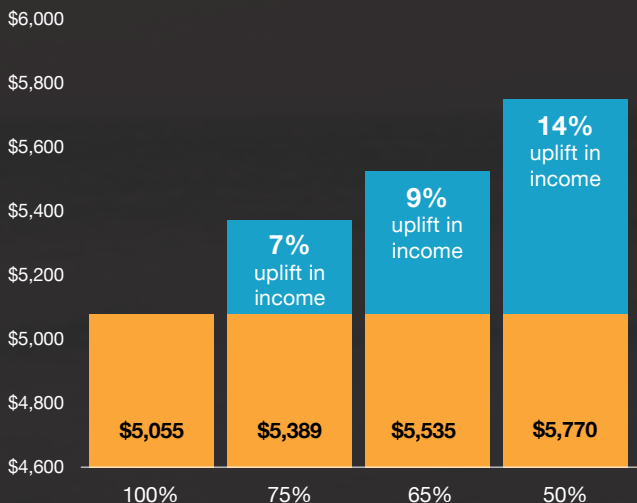


## How does Lifeline Flex work?

Lifeline Flex can increase your starting income depending on your chosen Lifeline Flex percentage. You can choose from 75%, 65% or 50%.

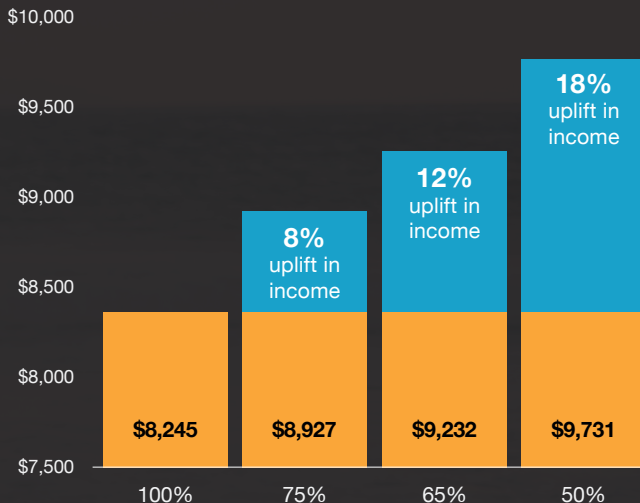
Similar to LifeBooster which enables you to receive more income in the earlier years of your retirement, Lifeline Flex offers you even more income whilst you and your Reversionary Beneficiary are both alive. At Generation Life we understand that as spending needs may change after the death of you or your Reversionary Beneficiary, so too may your income requirements. This is because as an individual, you will not require the same level of income as a couple, to maintain the same lifestyle. This is why the Age Pension for a single is 66% of that for a couple.

### Lifeline Flex starting income with a LifeBooster rate of 2.5%



Assumptions: Policy Owner: Male 67 years old, Reversionary: Female 67 years old, initial investment \$100,000, LifeBooster 2.5%.

### Lifeline Flex starting income with a LifeBooster rate of 5%



Assumptions: Policy Owner: Male 80 years old, Reversionary: Female 75 years old, initial investment \$100,000, LifeBooster 5%.

If you have commenced a policy with a Reversionary Beneficiary with a 100% income percentage, your Guaranteed Income Units will not reduce, on either your death or the death of your Reversionary Beneficiary. In return for a higher starting income, LifelIncome Flex lets you elect that you or your Reversionary receive 75%, 65% or 50% of the Guaranteed Income Units on either your death or the death of your Reversionary Beneficiary.

The reduction of your Guaranteed Income Units does not happen immediately. Generation Life understands that this a difficult time and you will need time to adjust to your new financial circumstances.

Therefore, the reduction will not take place before the sixth annual income reset, regardless of when you or your Reversionary Beneficiary passes away. After six years, the reduction will not occur for a minimum of six months after the death of you or your Reversionary Beneficiary, and will be adjusted at the next annual income reset after this six month period.

**Example 1** - If you commenced your LifelIncome policy on 30 November 2024 and you or your Reversionary Beneficiary died on 1 April 2028, the Guaranteed Income Units would not reduce until 1 July 2030 annual income reset.

**Example 2** - If you commenced your LifelIncome policy on 1 February 2025 and you or your Reversionary Beneficiary died on 1 April 2032, the Guaranteed Income Units would not reduce until 1 July 2033 annual income reset.



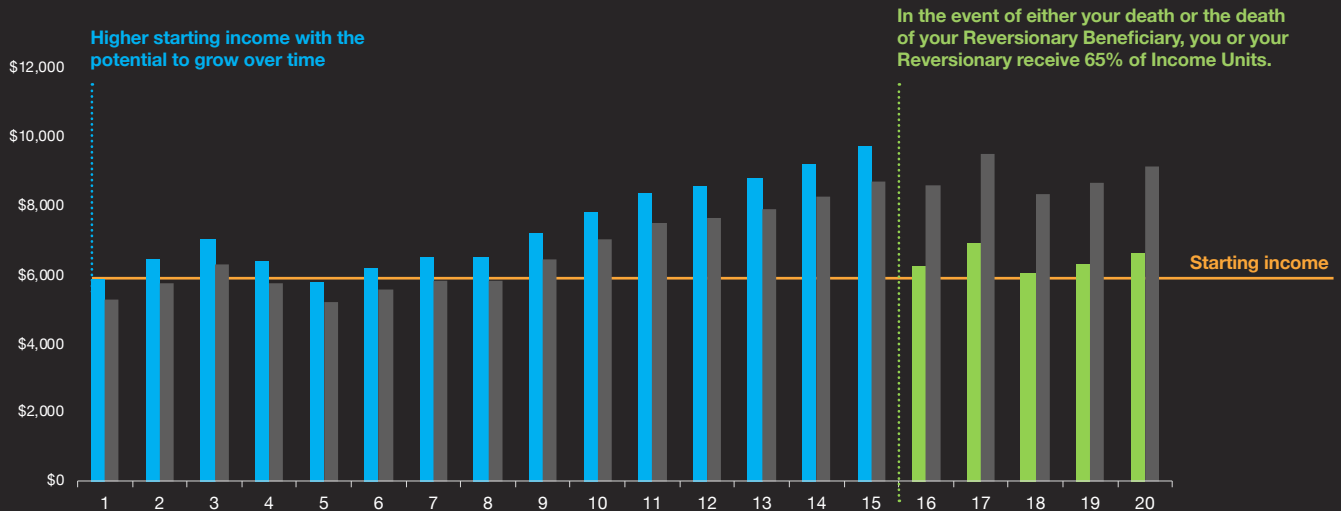
## LifelIncome Flex coupled with the power of having investment choice

Not only does LifelIncome Flex give you the opportunity to increase your starting income, you also have the opportunity to grow your income as your investment grows over time.

LifelIncome’s innovative design offers you complete choice and flexibility. You are able access a wide range of investment options across all major asset classes, from market leading Australian and international investment managers, and we give you the freedom to switch between these options.

### Example: Comparing 65% LifelIncome Flex vs. no LifelIncome Flex

The graph below illustrates that LifelIncome Flex, coupled with the choice of investment options, offers you a higher starting income with the potential to grow.



Assumptions: Starting income is based on a 72-year-old male, with a 67-year-old female reversionary commencing LifelIncome on 1 July 2006 with \$100,000 and a LifeBooster 2.5% rate. The graph is illustrative of two scenarios, one with a LifelIncome Flex percentage of 65% and the other without LifelIncome Flex. The first death occurs in the second half of year 14, prompting a decrease in income units at the commencement of the 16th year. Estimated fees, expenses and costs of 1.19% p.a. Past performance is no indication of future performance. This illustrates a 20-year period only, however LifelIncome will pay you, and your reversionary if you choose, an income for life. Vanguard Balanced Portfolio returns are from 2006.

## Discover LifelIncome

### A first-of-its-kind Investment-linked lifetime annuity

Generation Life is proud to be shaping the retirement income landscape with LifelIncome, our investment linked lifetime annuity which helps to avoid regret risk in the later years of retirement. LifelIncome, our investment-linked lifetime annuity, delivers more income, more certainty, more flexibility and more choice to meet your retirement goals. It is designed to optimise the level of income in retirement and complement other retirement solutions such as an account-based pension.

LifelIncome pays a regular income guaranteed for life that's linked to the performance of your chosen investment options, which can be switched at almost any time. LifelIncome also provides more income in the earlier years when you are more active and healthier. Furthermore, LifelIncome can assist with maximising Age Pension entitlements, including ancillary benefits, through social security asset and income test concessions.

## About Generation Life



### A trusted partner

As the pioneer of Australia's first truly flexible investment bond, Generation Life has been at the forefront of providing innovative investment, estate planning and retirement solutions since 2004 with over \$3.6 billion in funds under management.<sup>3</sup>

We work with some of the leading Australian and international managers, as well as our own investment experts to provide investment choice and flexibility to meet the varied needs of investors.

**Outthinking today.**

1. If you are commencing LifelIncome with non-superannuation money, you could choose to include someone other than your spouse, such as your child or sibling.
2. Grattan Institute 2018, Money in retirement, <https://grattan.edu.au/wp-content/uploads/2018/11/912-Money-in-retirement.pdf>, published November 2018
3. As at 30 September 2024.

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