

Annuities vs. Lump Sums

Workplace Retirement Plan Findings from MetLife's Paycheck or Pot of Gold StudySM

The findings below are for workplace retirement plan participants who were given a choice between a lump sum or an annuity as a retirement distribution option from either a defined benefit (DB) pension or defined contribution (DC) plan.

Annuities

Annuity Recipients Happy and "Better Off" Financially



Percentage of DB and DC plan participants who are happy that they chose an annuity over a lump sum



Percentage of DB and DC plan participants who believe they are "better off" financially since they chose an annuity over a lump sum

Lump Sums

Lump Sums Are Being Depleted Too Quickly



One in five DB and DC plan participants (21%) who took a lump sum from their plan have already depleted it



Length of time, on average, that their lump sum was depleted¹

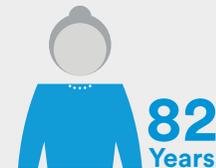
Lump Sums Expected to Run Out and Fall Short of Average Life Expectancy



One in three lump sum recipients who still have money remaining (35%) worry about the money running out



Average length of time those who have not yet depleted their lump sum expect the remaining money to last



Average age² at which the money is expected to run out; however, 25% of people aged 65 will actually live to age 95³

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¹ Those who took a lump sum from a DC plan and did not have separate DB pension income depleted their money in just four years; very small base (n<40).

² The average age of those who took a lump sum was 65.

³ Society of Actuaries Annuity 2000 Mortality Table with 100% AA projection to 2016 and 150% projection thereafter, with mortality blended 50% Male and 50% Female.

Methodology: MetLife commissioned Harris Poll to conduct the online survey, which was fielded between June 16–July 11, 2016, among 1,069 adults in the U.S., including 712 adults ages 50–75, who received a lump sum of at least \$25,000 if they had a defined benefit (DB) plan or had a balance of at least \$25,000 upon retirement in their defined contribution plan (DC), or monthly annuity payments of at least \$500 from a DB or DC plan. Data are weighted where necessary by age, gender, race/ethnicity, region, education, income, and propensity to be online to bring them in line with their actual proportions in the population. To read the full Paycheck or Pot of Gold StudySM visit www.metlife.com/paycheckstudy.