

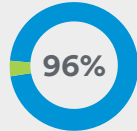
# Annuities vs. Lump Sums

## Workplace Retirement Plan Findings from MetLife's Paycheck or Pot of Gold Study<sup>SM</sup>

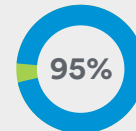
The findings below are for workplace retirement plan participants who were given a choice between a lump sum or an annuity as a retirement distribution option from either a defined benefit (DB) pension or defined contribution (DC) plan.

### 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 depleted<sup>1</sup>

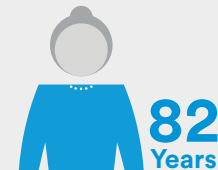
Lump Sums Expected to Run Out and Fall Short of Average Life Expectancy



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 age<sup>2</sup> at which the money is expected to run out; however, 25% of people aged 65 will actually live to age 95<sup>3</sup>

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<sup>1</sup> 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).

<sup>2</sup> The average age of those who took a lump sum was 65.

<sup>3</sup> 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 Study<sup>SM</sup> visit [www.metlife.com/paycheckstudy](http://www.metlife.com/paycheckstudy).