

What is a payout annuity?

Simply put, a payout annuity is an easy way to convert some of your savings into regular income payments. A life annuity, a type of payout annuity, can help provide a steady source of income throughout your retirement.

How does a life annuity work?

You buy a life annuity from an insurance company, which calculates your payments based on:

- the amount of savings you're converting,
- long-term interest rates, and
- the life expectancy of a person your age and gender.

Then, you can enjoy the financial security that comes from knowing you'll get guaranteed income payments for life.

What other types of payout annuities can you buy?

- Joint life annuities provide payment for as long as either you, or your spouse or common-law partner live.
- Term certain annuities provide a set number of payments.

Is a life annuity right for you?

A life annuity is helpful if you:

- want guaranteed income to pay ongoing fixed expenses in retirement,
- don't want to make any more investment decisions, or
- want to avoid the risk of outliving your money.

Find more tips and tools at [sunlife.ca](https://www.sunlife.ca).