

CONTROLLING A LEGACY

The Restricted Beneficiary Feature

For individuals concerned about transferring their wealth to a spendthrift beneficiary or a beneficiary with limited financial experience, Transamerica offers a restricted beneficiary feature that provides a basic level of enduring control, without the cost and complexity of drafting a formal will or trust. *The Designation Form with Restricted Payout* is a simple and effective tool for individuals who want to set up a restricted beneficiary designation.

Restricted Payout Options¹

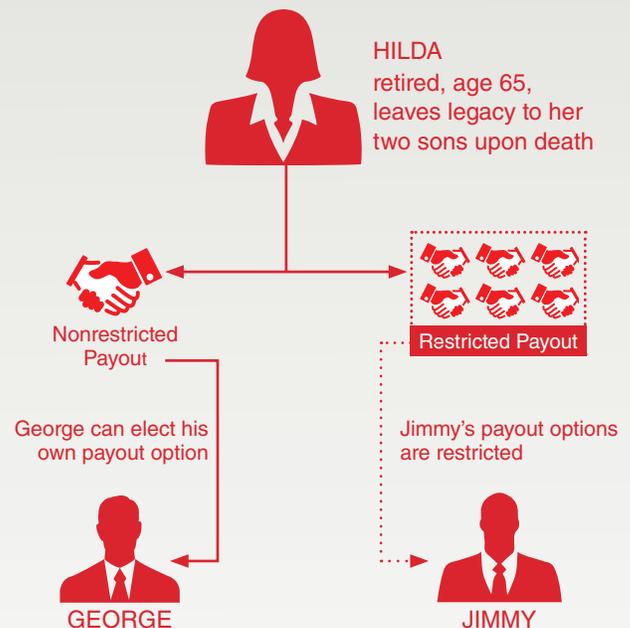
Restrictions can be set up to limit distributions to the beneficiary in a variety of ways, including:

- Systematic payments based on the beneficiary's life expectancy ("stretch")
- Systematic payments for a period of years not to exceed the beneficiary's life expectancy
- Annuitization:
 - Lifetime only
 - Life with a period certain (5 – 30 years) not to exceed the beneficiary's life expectancy
 - Period certain (5 – 30 years) not to exceed the beneficiary's life expectancy

Individuals can elect a full restriction or restrict only a portion of the assets for a specific beneficiary.

RESTRICTED PAYOUT OPTION EXAMPLE

Hilda, age 65, is a retired widow with two adult children, George and Jimmy. While George is a successful businessman who is financially savvy, Jimmy is not very good at handling money. Hilda is concerned about leaving a lump sum of money to Jimmy when she passes away, but she's reluctant to incur the expense of setting up a trust.



By using Transamerica's restricted payout option, Hilda is able to accomplish two goals:

1. Leave a legacy to George, without restrictions, allowing him to elect his own death benefit payout option.
2. Leave a legacy to Jimmy that is restricted, limiting his access to his inheritance instead of having him receive a lump sum payout.

Wealth Transfer Objectives

The restricted beneficiary feature may interest individuals who:

- Want to maintain control over their bequest to one or more beneficiaries.
- Want to leave a structured legacy without the expense of setting up a trust.
- Would like to limit access to the inheritance for a period of time for one or more beneficiaries.

Unique Circumstances

Those who could benefit from the restricted beneficiary feature include:

- Beneficiary with limited financial experience
- Spendthrift beneficiary
- Beneficiary with special needs
- Minor beneficiary

Opportunity

A restricted beneficiary election not only helps as a safeguard for individuals with beneficiaries with unique circumstances, it can also be a simple and effective estate planning tool. Regardless of the situation, the restricted beneficiary designation can help preserve the wealth you have worked so hard to accumulate, and help you create a controlled legacy for your loved ones.

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