

# Annuitization Payment Options Guide



# You've Saved. Now It's Time to Receive.

Annuitization turns your deferred annuity into a steady stream of income — like a predictable paycheck designed to support your lifestyle beyond your working years. Expenses don't stop in retirement. Bills still arrive, groceries still need to be bought, and you deserve the peace of mind that comes from knowing your income is consistent.

It's your money, working for you, so you can focus on what matters most.

## *You're not alone*

This is a big decision, but you don't have to make it alone. We'll help you understand your options, explore if you can wait to start taking income, and feel confident in your next step.

## Customize to personalize

- 1** Choose your payment option carefully. Once selected, it's locked in.
- 2** Decide how often you're paid: monthly, quarterly, semiannually, or annually.
- 3** Opt for direct deposit for dependable, timely payments straight to your bank account.

# A few things to keep in mind

- You'll need at least \$5,000 in your contract to annuitize.
  - Age and life expectancy affect your payment amount.
  - Some features (e.g., enhanced death benefits) may end once payments start.
  - Annuitization may involve a cost — check your contract or call us.
  - Payments may be taxable. Consult your financial professional, tax advisor, or the IRS.
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## Key terms

### Annuitant

The person whose age is used to determine income payments.

### Beneficiary

The person who may receive remaining benefits if the annuitant dies before all guaranteed payments are made.

**Note:** Not all payment options include a beneficiary.

### Commuted value

The commuted value applies after annuitization. It is a calculated dollar amount that represents the present value of any remaining guaranteed payments taken as a one-time lump sum.

### Joint or contingent annuitant

If income is chosen for two people, the joint or contingent annuitant is the second person whose age is used to determine income payments after the annuitant's death, allowing the income to continue.

# How income can be taken

You can choose how income is paid — whether for life, a set number of years, or a combination of both.

## 1 Life-Only:

*Guaranteed income for the annuitant's lifetime*

Provides steady payments while the annuitant lives. When the annuitant passes away, payments end and no beneficiary benefits are paid.

## 2 Period Certain-Only:<sup>1</sup>

*Guaranteed payments for a fixed number of years*

Choose a payment period between 5 and 30 years (not exceeding the annuitant's life expectancy).<sup>2</sup> If the annuitant passes away during that period, your beneficiary can either continue receiving the remaining payments or take a one-time commuted value lump sum.<sup>3</sup>

## 3 Life with Period Certain:

*Guaranteed payments for a fixed number of years, then lifetime income*

Choose a payment period between 5 and 30 years (not exceeding the annuitant's life expectancy).<sup>2</sup> If the annuitant is still living when that period ends, payments continue for the remainder of their lifetime. If the annuitant passes away during the guaranteed period, your beneficiary can either continue receiving the remaining payments or take a one-time commuted value lump sum.<sup>3</sup>

#### **4 Life with Installment Refund:**

*Lifetime income with any remaining annuitized amount paid to your beneficiary through continued payments*

Provides payments for a guaranteed period based on the annuitized amount. If the annuitant passes away before the full amount has been paid, your beneficiary can either continue receiving the remaining guaranteed payments or take a one-time commuted value lump sum.<sup>3</sup> If the annuitant outlives the guaranteed period, payments continue for their lifetime.

#### **5 Joint and Survivor Life:**

*Lifetime income based on two people with a reduction in the payout amount upon either person's death*

Provides payments for as long as the annuitant and joint annuitant are alive. When one of them passes away, a portion of the income (50-100%) continues to be paid for the lifetime of the surviving annuitant. Payments end after both annuitants have passed away — no beneficiary benefits are paid.

## **6 Joint and Survivor Life with Period Certain:**

*Guaranteed payments for a fixed number of years, then lifetime income based on two people*

Provides payments based on two people for a guaranteed period of 5–30 years (not exceeding the older person's life expectancy). If both annuitants pass away during that period, your beneficiary can either continue receiving the remaining guaranteed payments or take a one-time commuted value lump sum.<sup>3</sup> If either annuitant is still living after the guaranteed period ends, payments continue for their lifetime. When one of the annuitants passes away, a portion of the income (50-100%) continues to be paid for the lifetime of the surviving annuitant. Payments end after the guaranteed period is over and both annuitants have passed away.

## **7 Joint and Contingent Life:**

*Lifetime income based on two people with a reduction in the payout amount only upon the primary annuitant's death*

Provides payments based on two people for as long as they live. If the primary annuitant dies first, a portion of the income (50-99%) continues for the lifetime of the secondary annuitant. If the secondary annuitant dies first, full payments continue for the lifetime of the primary annuitant. Payments end when both annuitants have passed away, and no beneficiary benefits are provided.

## **8 Joint and Contingent Life with Period Certain:**

*Guaranteed payments for a fixed number of years, then lifetime income based on two people*

Provides payments based on two people for a guaranteed period of 5–30 years (not exceeding the older person's life expectancy). If both annuitants pass away during that time, your beneficiary can either continue receiving the remaining payments or take a one-time commuted value lump sum.<sup>3</sup> If either annuitant is still living after the guaranteed period ends, payments continue for the remainder of the annuitant's lifetime. If the primary annuitant dies first, a portion of the income (50-99%) continues for the lifetime of the secondary annuitant. If the secondary annuitant dies first, full payments continue for the lifetime of the primary annuitant. Payments end after the guaranteed period is over and both annuitants have passed away.

## **9 Variable Payment:**

*Only available with specific deferred variable annuity products*

Non-guaranteed payment amounts vary based on investment performance and are not fixed. The payment timeframe matches the Life-Only, Certain-Only, or Life with Period Certain options. Direct deposit is not available with this payment option.

**Your financial professional can work with you to choose the best annuitization payment option to help meet your retirement income goals.**



**For questions on annuitization, call  
our customer service representatives  
Monday through Friday, between  
8:30 a.m. and 6:00 p.m. ET at  
1-800-523-0650.**

<sup>1</sup>Availability of certain periods may be limited.

<sup>2</sup>The Uniform Lifetime Table is available in IRS Publication 590-B, Table III, which can be found at [www.irs.gov/publications](http://www.irs.gov/publications). This is Penn Mutual's interpretation of the IRS guidelines. Please consult your tax advisor regarding your personal situation.

<sup>3</sup>Commuted value is the present value of any scheduled future annuity payments. The commuted value will be less than the sum of the remaining annuity payments.

**All guarantees are based upon the claim-paying ability of the issuer.**

Please consult your financial professional or tax advisor if you have any questions prior to making a decision to annuitize.

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