

Talking about lifetime annuities

What is a lifetime annuity?

A lifetime annuity is a financial product that pays you a regular income in exchange for a lump sum investment. Using a part of your money from savings or super, you can invest in a lifetime annuity and receive regular income payments for life.

Complement your existing retirement income

A lifetime annuity complements other retirement investments and sources of income, such as a pension from your super and the Age Pension. They provide a lifetime income which can be used as the foundation of your retirement portfolio.

Regular income you can rely on

A lifetime annuity provides regular income payments for the rest of your life. Even if you live longer than you expect to, you'll have no concerns about your payments stopping.

Challenger lifetime annuity features at a glance



Make your retirement income last a lifetime

Challenger lifetime annuities give you an additional layer of protection in retirement and can act as a safety net giving you income for life, regardless of how long you live.



Different payment solutions to suit your needs

They provide different monthly payment solutions to suit your financial circumstances and needs. For income certainty, you can choose CPI indexed or fixed payments. Alternatively, you can choose to have payments linked to changes in the RBA cash rate or investment markets.



An Age Pension boost if you're eligible

Investing in a lifetime annuity may help boost your Age Pension entitlements under the Age Pension asset test rules.



Flexibility to withdraw if your circumstances change

There is a long period where you can access a lump sum if your circumstances change (unless you ask for this feature to be removed). Bear in mind that a Challenger lifetime annuity is designed to be held for life, so you may get less back if you decide to withdraw.



"With a Challenger lifetime annuity and the Age Pension, I can live very comfortably. It gives me that regular monthly income and I'm very happy with that."

Graham, Challenger lifetime annuity customer

Frequently asked questions

I need flexibility with my finances. Why would I lock my money into a lifetime annuity?

Lifetime annuities are just one source of income in retirement. By knowing you have a source of regular income, it can help you plan and budget for the future.

What if things change and I need access to my investment?

While Challenger lifetime annuities are designed to be held for life, you have the flexibility to access a lump sum within a defined period if your circumstances changeⁱ.

Will I lose all my money if I die earlier than expected?

Challenger lifetime annuities pay a guaranteed death benefit within a long death benefit periodⁱ. The death benefit is up to 100% of the amount you invest and is payable to the beneficiaries you nominate or to your estate. This gives you certainty and control over your estate planning outcomes.

How much do I need to invest?

You don't need to invest all your retirement savings into an annuity. You can invest as little as \$10,000.

How safe is my investment?

The Challenger Life company and our annuities are regulated by the Australian Prudential Regulation Authority (APRA).

They actively monitor our investments with the aim of ensuring we can secure income payments for your lifetime. The money we receive from your investment is held separately in a statutory fund. This statutory fund is required to hold enough capital to withstand a one in 200-year investment market shock event.

Seeking financial advice can help you make informed decisions about your money and retirement

By discovering the options available for investing and managing your income in retirement, you can start to understand which choices will suit you best, and why. A financial adviser with expertise in retirement planning is the ideal partner to guide you towards the right mix of income options for your plans and lifestyle in retirement.

Who is Challenger?

Challenger Life is Australia's largest provider of annuities and provides regular income to thousands of customers. We're a multi-award-winning Life Company and have \$21 billion in assets under management (as at 30 June 2021).

Our purpose is to provide customers with financial security for retirement. We do this by offering investment strategies that exhibit consistently superior performance, and by helping customers in retirement with safe and reliable income streams.

For more about Challenger lifetime annuities, speak to your financial adviser, visit challenger.com.au or call 13 35 66 (from 8am to 6pm AEST, Monday to Friday).

ⁱ Unless you ask for this feature to be removed in exchange for higher starting payments.

The information in this document is current as at 5 October 2021, is general only and has been prepared without taking into account any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs. Each person should obtain and consider the Challenger Guaranteed Annuity (Liquid Lifetime) Target Market Determination (TMD) and Product Disclosure Statement (PDS) before making a decision about whether to acquire or continue to hold the Challenger Guaranteed Annuity (Liquid Lifetime) also known as Challenger Lifetime Annuity (Liquid Lifetime). A copy of the Challenger Guaranteed Annuity (Liquid Lifetime) TMD and PDS can be obtained from your financial adviser, our Investor Services team on 13 35 66, or at challenger.com.au. Age Pension benefits described above will not apply to all individuals. Age Pension outcomes depend on an individual (or couple's) personal circumstances and may change over time. While lifetime income streams may immediately benefit some Age Pension eligible retirees who are assessed under the assets test, in later years, if assessed under the income test, any ongoing Age Pension benefits may be reduced. Challenger Life is not an authorised deposit-taking institution for the purpose of the *Banking Act 1959* (Cth), and its obligations do not represent deposits or liabilities of an authorised deposit-taking institution in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Challenger Life. **Accordingly, unless specified otherwise, the performance, the repayment of capital and any particular rate of return on your investments are not guaranteed by any Challenger ADI.**