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## Hybrid Annuities

Primary Benefit:  Guarantee Future Income

Secondary Benefit:  Grow Your Money

The term hybrid annuity is used by some annuity marketers to describe a fixed indexed annuity with an attached optional guaranteed lifetime income rider.

Technically, there is no such thing as a Hybrid Annuity. It is not a category of products, or standardly defined by any insurance company, but rather, a marketing term used to describe an annuity that supposedly merges the benefits of several types of annuities, and/or their riders, to offer a combination of features resulting in multiple benefits that can be used together to accomplish a long term series of financial objectives.

Some marketing copywriters would have you believe that a hybrid annuity takes the best features of a fixed annuity, a variable annuity and an immediate annuity, blending them together into one magical new product type called a hybrid annuity. The reality is that what the hybrid annuity promoters are most often talking about is a fixed indexed annuity with an attached optional guaranteed lifetime income rider. Please visit our [Fixed Indexed Annuities](#) page for a complete description of this annuity type.

At AnnuityAdvantage, we prefer to avoid marketing hype and refer to what some call hybrid annuities by their real name, indexed annuities with attached income riders. But, if you'd prefer to continue calling them hybrid annuities, we'll certainly know what you are talking about, and help you find the best fit of features and benefits for your personal needs.

### What is an Income Rider and How Does it Work?

An Income Rider is an optional benefit that can be added to some annuity contracts, usually for a fee, that is designed to help generate a higher level of guaranteed

lifetime income at a future date, while still maintaining control over your underlying contract value.

Watch this short video to learn more about income riders and how they can help secure your retirement by providing income guarantees that cannot be outlived:



The guaranteed payment amount that you will receive for the remainder of your life is determined by your income account value, gender and age at the time of payout activation. Prior to activating your lifetime income, the income account value typically grows at a guaranteed annual compounded rate of between 4 to 7 percent. It is important to note that the income account value is used only as a calculating factor in determining the amount of your guaranteed income payments. It is not the same thing as your underlying contract value; it has no cash value and cannot be withdrawn.

Please visit our [Income Rider Calculator](#) page to get an instant estimate of the future income you could expect from a lump sum premium deposit. Or, it can calculate the premium deposit required today, in order to produce your desired annual income at some point in the future.

Rates are based on current interest rates and are subject to change at any time. Some first year yields/rates reflect the fixed rate plus a premium bonus or interest rate enhancement. Not all annuities are available in all states. Surrender charges may apply to withdrawals during the surrender period. A 10% IRS penalty may apply to withdrawals prior to age 59 ½. Annuity product guarantees rely on the financial strength and claims-paying ability of the issuing insurer. Annuities are not guaranteed by any bank or credit union and are not insured by the FDIC or any other federal government agency. Information presented on this website is not intended as tax or legal advice. You are encouraged to seek tax or legal advice from a qualified professional.