

QLAC Pros and Cons	
Pros	Cons
Longevity Protection: Provides guaranteed income for life, no matter how long one lives.	Illiquidity: Once the QLAC is purchased, the money is locked up; it is not accessible for emergencies.
Tax Deferral: Reduces RMDs and delays taxable income until payments begin.	Limited Contribution Amounts: The IRS cap might not be sufficient for everyone's needs.
Customization: One can choose when payments start and whether to include spousal benefits.	Inflation Risk: Unless one opts for inflation protection (if available), the payments could lose purchasing power over time.
Market Independence: Payments are unaffected by stock market volatility.	Complexity: As with any annuity, QLACs can be confusing for the uninitiated.