



# Basic Benefits of Owning an Annuity

Annuities are for people who want to preserve principal, increase their savings with tax-deferral and receive income payments.

An annuity is an interest earning policy based on a contract between you and a life insurance company that offers important benefits to help you achieve your retirement goals.

## 1. Safety

- Principal and interest guarantees
- Money will be there when you need it
- No earnings lost due to stock market fluctuations

## 2. Tax-Deferral<sup>1</sup>

- Interest earned is tax-deferred
- Triple advantage of tax-deferred interest compounding: 1) earn interest on your money; 2) earn interest on your interest; 3) earn interest on the money you would have normally paid in taxes
- No 1099s if no withdrawals are taken
- Control your taxes due by choosing when and how much money you withdraw from your annuity

## 3. Interest

- Attractive interest rates that are often higher than other "safe" financial products
- Minimum interest rate guarantee for the life of the policy
- No annual administrative or management fees

## 4. Liquidity

- 10% penalty-free withdrawal feature
- Wide choices of income payment options

## 5. Estate Planning

- Avoids the cost, delay and expense of probate
- Proceeds are paid directly to your named beneficiary

<sup>1</sup> Interest earnings are taxable as income when withdrawn. Withdrawals may be subject to surrender charges, an MVA and, if made prior to age 59½, may also be subject to a 10% Federal penalty tax.