



# financial

## CHAPTER

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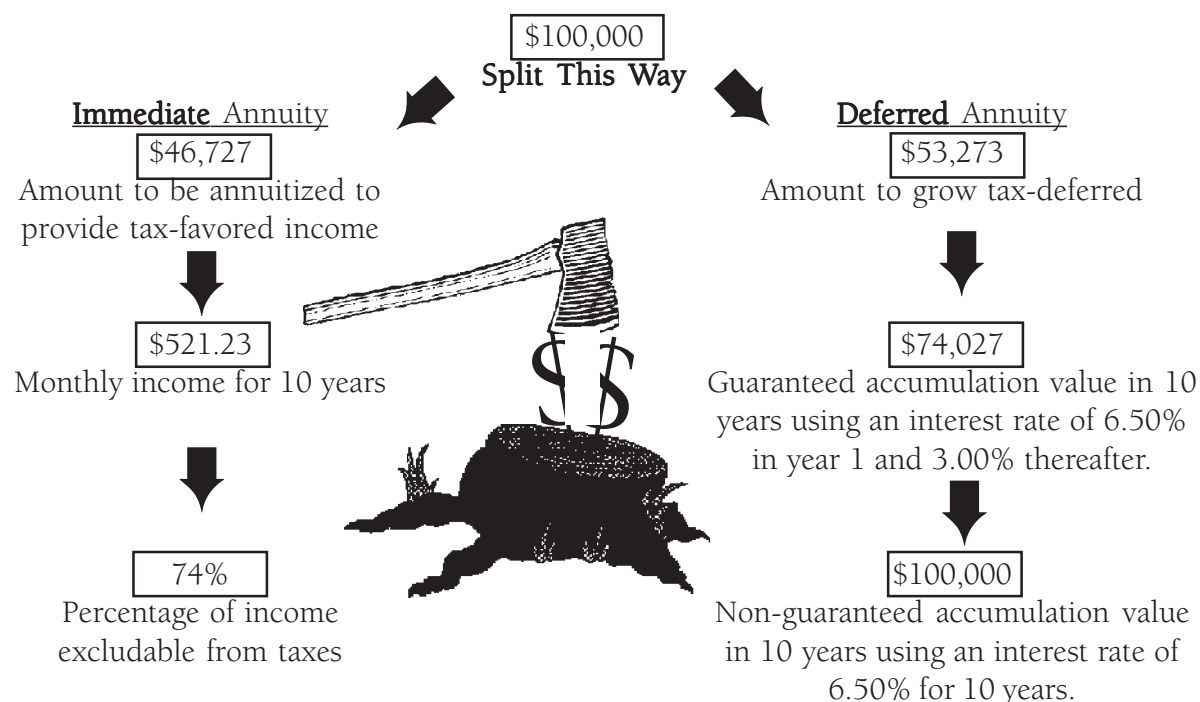
Annuity Page 14

## Enhance Cash Flow AND Preserve Principal...? It can be done with a **Split Annuity!**

A **Split Annuity** is the combination of an **Immediate Annuity** and a **Tax-Deferred Annuity** and offers you benefits in **2** ways:

1. An **Immediate** Annuity gives you tax-advantaged income and guaranteed monthly income.
2. A **Tax-Deferred** Annuity provides tax-deferred growth and preservation of principal.

The example below illustrates a hypothetical\* **Split Annuity**. Note that the original premium amount is \$100,000 and after 10 years the accumulation value is still \$100,000! In addition, the Immediate Annuity has been paying \$521 per month for the whole 10-year period!



\*See assumptions on the reverse side for example details.



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annuities

## Enhance Cash Flow AND Preserve Principal...? It can be done with a Split Annuity!

This hypothetical example assumes the following:

1. Hypothetical single premium immediate annuity
  - \$46,727 single premium
  - First annuity payment one month after issue
  - Non-qualified
  - No premium taxes
  
2. Hypothetical deferred annuity (Guaranteed accumulation value)
  - \$53,273 single premium
  - 6.50% first year interest rate guaranteed for one year
  - 3.00% guaranteed minimum interest rate in years 2 through 10
  - No withdrawals
  - No premium taxes
  
3. Hypothetical deferred annuity (Non-guaranteed accumulation value)
  - \$53,273 single premium
  - 6.50% first year interest rate guaranteed for one year
  - 6.50% non-guaranteed interest rate in years 2 through 10
  - No withdrawals
  - No premium taxes

**The annuity values illustrated as non-guaranteed are hypothetical and are for illustrative purposes only. Please refer to the company software for product specific illustrations.** Actual interest rates, monthly income, and other product features may be more or less favorable. Income taxes are paid when interest is withdrawn from the annuity. Withdrawals made from the tax-deferred annuity prior to age 59 1/2 may also be subject to a 10% Federal penalty tax. Withdrawals made from an annuity during the surrender charge period may be subject to a surrender charge. The annuity values in the tax-deferred annuity illustrated do not reflect any withdrawals being made. There are some legal interpretations under which an exclusion ratio would not apply to an immediate annuity if the immediate annuity and tax-deferred annuity were purchased in the same year and with the same insurance company. Jefferson Pilot Financial and its affiliates do not give tax advice and urge you to seek the counsel of a qualified tax advisor regarding annuity taxation and how it applies to you specifically.