

8 Questions You Must Ask About Annuities

1. *Can I lose money?*

No

Immediate, fixed and fixed index annuities are guaranteed by the insurance company that issues the contract. Your principal is protected by the claims-paying ability of that company. Of course, excess withdrawals may result in surrender charges and if you are under 59 ½ and make withdrawals, you are subject to additional tax penalties.

2. *Will I pay a lot in fees?*

No

Unlike Variable Annuities, which have an investment feature (and have fees that can get as high as 8% in our experience), the annuities we promote either do not have any fees for the base contract, or have low fees for additional riders you may choose such as inflation protection, lifetime income, spousal continuation, death benefit, etc. and those fees are typically less than 1% each.

3. *Will my cashflow fluctuate?*

No

Fluctuating means your income can swing up and swing down from month to month, or year to year, however you have it set up. With the annuity strategies we recommend, your income can only go up, up to provide a hedge against inflation, potentially up due to index-linked interest rates, up for every year you wait or don't turn on income, many ways. Your cashflow will not decrease, that you can be assured of.

4. *Will we be able to keep our money if one of us becomes ill or passes away?*

Yes

There are many annuities or additional riders that have waivers for terminally ill or premature death situations. There are annuities that may provide double or even triple your income for qualifying healthcare expenses. Many annuities or additional riders offer death benefit provisions as well. A well-researched annuity strategy designed for your specific needs and goals is the best way to go.

5. *Can these annuities provide me with income for the rest of my life?*

Yes

With a Fixed Index Annuity, you can select the option to purchase a lifetime income contract. Some are structured that way, some add this feature through a rider for an additional cost, but yes, the annuities we work with and strategies we design with you offer an income-for-life benefit.

6. *Does my income have the potential to grow to keep up with inflation?*

Yes

This is something people often don't think about, but we do. In our annuity strategies, we leverage

annuity features and riders to help ensure our clients' income grows as the cost of living increases. We want you to retain the purchasing power of your money.

7. Will I completely lose access to all my money?

No

You do not have to annuitize. You want to make sure you select the right annuity type and features for your own unique situation, but many offer up to an 10% annual withdrawal without penalty (as long as you're over 59 ½ - otherwise you incur a tax penalty) and you do have ability to get more (or all) but you'll pay a surrender charge. (Please note that the annuity you purchase will probably have a penalty period for the first three to 15 years, with a sequentially decreasing percent charged against your withdrawal funds for excess withdrawals or full surrender of the contract. So you should not purchase an annuity with money you think you may need in the near term.)

8. Can I get even more income by "laddering" annuities?

Yes

Oftentimes, with well-planned-out annuity strategies and payout management techniques like we're known for, using more than one annuity for income - engaged at specific points in time - can net most people with higher monthly and annual payouts.

This article is meant to provide general information on issues that many people consider in making the decision as to whether or not they should buy annuities; and if they do decide to buy, which types of annuities and which annuity benefits and additional riders will best suit their goals and needs. This information is not designed to be a recommendation to buy any specific financial product or service.

Not appropriate for all retirees. Not available in all states. All interest is taxed upon withdrawal. If you have questions please contact us at (847)205-9300.