

Index Annuities May Help You Power Through Retirement Risks

KNOWLEDGE IS
POWER

There are risks that can impact your plan for supporting your lifestyle during retirement. Here are some retirement risks and how an index annuity may help you power through them.

Market and Emotions Risk

Market volatility comes with investing in the equity markets. Potential for large gains comes with the potential risk of losing your investment. This volatility may make you apply short-term emotional decisions that can hinder your long-term goals. A study conducted shortly after the 2008 crisis found that employer sponsored plan participants who sold all stocks and stayed out of the market during the peak of the crisis actually did a lot worse than participants who stayed invested and maintained exposure to equities. (Fidelity 2010)

Help for Powering Through This Risk

An index annuity protects your principal and earned interest. Even if the market declined by 30% or more, there would be no impact to the annuity's value. This level of protection may allow you to stay calm and focused on your long-term goals for retirement.

Fee Risk

Investment and service fees can take their toll on a portfolio's value. Though these fees may be necessary to provide you with important financial services or features, you may want to consider additional ways to help lower your overall expenses.

Help for Powering Through This Risk

Most index annuities have no investment and service fees, administration or distribution fee charges under the base contract. Index annuities may deduct charges on a withdrawal (depending on the amount taken) or a fee if an optional benefit rider is chosen. However, an index annuity may help you meet your retirement needs in a cost effective manner.

Longevity Risk

People's life expectancies are increasing. Without a proper plan, you may outlive your savings and be forced to make difficult financial choices. Remember, your lifestyle at the end of retirement is just as important as it is at the beginning of it.

Help for Powering Through This Risk

An index annuity's guaranteed living benefit rider can provide you with lifetime income that is protected from market downturns. The rider may have guarantees that provide the potential for more income for life, regardless of the annuity's value. These riders charge an annual fee that is deducted from the annuity and riders may not be available in all states.

Tax Drag Risk

When investing through certain accounts, you may get an annual tax bill on gains, even when those gains are reinvested. As a result, you may have to liquidate assets at an inappropriate time to help pay the taxes owed.

Help for Powering Through This Risk

With an index annuity, taxes are not due on any interest earned until that interest is withdrawn. You may be in a lower tax bracket at that time. Plus, any interest that stays within the annuity has the potential to earn more interest for you.



Creating a balanced portfolio

Consider an index annuity to help balance out the risks in your financial portfolio. Since it is not a direct investment in the stock market or any particular index, an index annuity can help reduce overall portfolio risk and provide the growth potential you may want to consider for helping you build assets.

With an index annuity, you can get:

- **PROTECTION** from any market downturn*
- **GROWTH** potential through various interest crediting accounts
- **LIFETIME INCOME** through various income options**

**Work with your financial professional to see if an index annuity may be right for you.
Get started today in preparing for tomorrow.**

*Annuity's value will be reduced by withdrawals and/or fees (if imposed by the issuing insurance company).

**Through no cost annuitization options or with a guaranteed living benefit rider for an annual fee. Guarantees are backed by the claims-paying ability of the issuing insurance company.

This material is intended only for educational purposes to help you, with the guidance of your agent, make informed decisions. We are not a fiduciary and do not provide investment advice or recommendations.

Additional Important Information about Index Annuities

An index annuity is an insurance product designed for long-term savings. Because it is not an investment, there is no market risk with an index annuity. However, there are considerations to keep in mind, such as a surrender-charge period and market value adjustment on full surrenders and on certain withdrawals. Account value will be impacted by withdrawals and, when applicable, fees/charges for riders. These vary by contract so you want to ensure you are aware of these elements before you purchase an annuity.

Index annuities offer the potential for index interest to be credited to the annuity but index interest is not guaranteed. It is possible that there will be periods where no interest is credited based on the performance of the underlying index. Index rate caps, spreads and participation rates on the index interest crediting accounts can also limit or reduce the amount of interest credited.

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be suitable or appropriate for all individuals.

Withdrawals may be subject to withdrawal charges. Withdrawals may also be subject to federal and/or state income taxes. An additional 10% federal tax may apply if individuals make withdrawals or surrender their annuity before age 59½.

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