



**Secure Guaranteed
Retirement Accounts
powered by:**

**FIXED INDEXED
ANNUITIES**

Protection. Growth. Options.

What is it?

Fixed indexed annuities are a good solution to many problems people face in retirement.

Here are the important aspects to know when considering if a fixed indexed annuity is right for you.



What does FIXED mean?

The **FIXED** part of these annuities gives you some contractual guarantees. The most desired part is the fact that your principal can never decrease due to market performance.

Your annuity can never earn less than 0% each year. Meaning you can't lose a penny due to performance.

A negative 30% return equals a 0% return for your annuity. Not losing money makes a big difference in the long run.

The only way you would see your account value go down is because fees will be taken out annually. More on fees in a moment.

There are FIA options that contractually guarantee that if there is no interest is credited to your account that at the end of the contract period, they will guarantee you can walk away with your initial contribution. See this...

Year	Age	Premium	Account Value
1	64-65	\$100,000	\$100,000
2	65-66	\$0	\$98,000
3	66-67	\$0	\$98,000
4	67-68	\$0	\$96,040
5	68-69	\$0	\$100,000

If you asked an Edward Jones advisor if they could guarantee you get your money back if there has been no growth they're going to look at you funny and not be eager to tell you that, some or all, your money is gone.

WORST CASE SENARIO: If there is no growth for five years, you can get your money back with this example. Other annuities it may be ten years.

indexed

The indexed side of these annuities means the performance, or growth, is tied to a specific index. There are many index options to choose from but one of the most well-known ones is the S&P 500.

IMPORTANT: Your money is not invested in the market!

Here's how growth gets credited to your annuity.

Contact Date
January 1, 2022
Index Value: 100

The annuity company looks at the index value on your contract date.

Contact Anniversary
January 1, 2023
Index Value: 115

Then on the contract anniversary date the annuity company looks at the index value again.

If it is up 15%, they credit that to your account. Same thing if it is up 20% or 40%. They credit the growth to your policy. If you started with \$100,000 you now have \$115,000 or \$120K or \$140K depending on the growth.

If the index value has gone down 20%, then they just don't credit anything to your account. That's the fixed part coming into play.

Here's an example of one annuity with its best, worst and most recent 10 year returns...

HIGH PERIOD

Annualized credited rate: 21.53%

Anniversary Date	End of Year Credited Interest Rate	End of Year Accumulation Value
12/31/2010	0.00%	\$100,000
12/31/2011	71.95%	\$168,950
12/31/2012	0.00%	\$168,950
12/31/2013	46.16%	\$241,869
12/31/2014	0.00%	\$241,869
12/31/2015	40.96%	\$333,682
12/31/2016	0.00%	\$333,682
12/31/2017	40.76%	\$459,681
12/31/2018	0.00%	\$459,681
12/31/2019	40.94%	\$634,083

LOW PERIOD

Annualized credited rate: 11.23%

Anniversary Date	End of Year Credited Interest Rate	End of Year Accumulation Value
12/31/2002	0.00%	\$100,000
12/31/2003	0.00%	\$97,000
12/31/2004	0.00%	\$97,000
12/31/2005	13.36%	\$107,049
12/31/2006	0.00%	\$107,049
12/31/2007	24.65%	\$130,225
12/31/2008	0.00%	\$130,225
12/31/2009	19.30%	\$151,452
12/31/2010	0.00%	\$151,452
12/31/2011	71.95%	\$255,878

MOST RECENT PERIOD

Annualized credited rate: 18.59%

Anniversary Date	End of Year Credited Interest Rate	End of Year Accumulation Value
12/31/2012	0.00%	\$100,000
12/31/2013	46.16%	\$143,160
12/31/2014	0.00%	\$143,160
12/31/2015	40.96%	\$197,504
12/31/2016	0.00%	\$197,504
12/31/2017	40.76%	\$272,081
12/31/2018	0.00%	\$272,081
12/31/2019	40.94%	\$375,308
12/31/2020	0.00%	\$375,308
12/31/2021	34.57%	\$493,793



FALSE:

In order to protect your money you can't grow it.

WHAT HAPPENS WHEN YOU GOOGLE "ANNUITIES"

You will find articles that say annuities are bad because their fees are too high. Compared to what?

The annuities we recommend range in fees from .90% to 2.1%.

Many investment accounts managed by investment advisors will range from 1.7% to 2.2% and 401Ks have fees starting around 2.5% when you factor in all the fees that are generally hidden.

Poor performance. This is another common theme you find when Googling. Poor performance and high fees are common characteristics of variable annuities, which risk your money, and we're not talking about those.

Articles will also suggest you steer clear of annuities because of surrender charges. Surrender charges are the insurance industry's version of closing costs when buying or selling a home. There are fees for that. Or when you sell stock, or when you access your 401K before 59 ^{1/2}. These kinds of fees are common in the financial world.

With most annuities you get 10% free withdrawals. Meaning that if your account value is \$100,000 you can take out \$10,000 with no fees.

Anything above the free withdrawal amount would be subject to a small surrender charge. The surrender charge period may last anywhere from five to 10 years depending on the annuity.

If you have the \$100K in your account and you need \$15,000, then only \$5,000 of it would be subject to the surrender charge. If you are in the first year or two of your contract, then the surrender charge may be 8% or 9%. If you are closer to the end of the surrender charge period, it may only be 2%.

$\$5,000 \times 9\% = \450 | $\$5,000 \times 8\% = \400 | $\$5,000 \times 2\% = \100

The surrender charges are something you need to take into consideration when looking at an annuity and is the reason an annuity needs to work in conjunction with your entire retirement income plan.

Once the surrender charge period is over, you can take all your money out with no charge.

GUARANTEED INCOME RIDER

If you want to turn a portion of your retirement savings into an income-stream that you can't outlive, no matter what, a guaranteed income rider may be a good thing to add to your annuity.

This rider does have a cost but if you need a guaranteed income, it is worth it to consider.

Think of it like your own private pension.

Here are the options we showed to one client...

INCOME RIDER	FEE	GUARANTEED ANNUAL INCOME
A- F&G (Founded in 1959) Safe Income Advantage: EGMWB Level Annuity: Safe Income Advantage	1.15% annually (1.50% max)	\$39,866 \$79,733 enhanced
A Athene (Founded in 1909) Ascent Pro 7 Income Rider - Option 1 with Level Income Annuity: Athene Ascent Pro 7	1.00% annually	\$38,150 \$76,300 enhanced
A Athene (Founded in 1909) Ascent Pro 10 Income Rider - Option 1 with Level Income Annuity: Athene Ascent Pro 10	1.00% annually	\$38,150 \$76,300 enhanced
A- American Equity (Founded in 1995) IncomeShield LIBR Option 2 - 8.25% Rollup Annuity: IncomeShield 10 with LIBR	1.10% annually	\$37,724
A AIG (Founded in 1919) Lifetime Income Plus Flex Annuity: Power Select Plus Income - Lifetime Income Plus Flex	1.10% annually	\$36,600

The income amounts you see are 100% contractually guaranteed. Regardless of what kind of returns, these payouts are guaranteed.

This couple will never outlive their income and any money left over when they pass away goes to their beneficiaries.

NEXT STEPS

Annuities are good financial tools for a portion of your retirement savings.

They give you protection, growth, and options. All important things when it comes to your retirement.

To see if an annuity is right for a portion of your retirement savings, contact the advisor that shared this with you to schedule your free consultation.

We do insurance & investments.

To us, it's about what's important to our clients and what their goals are.

Insurance & investments work together to provide a solid retirement income plan that gives people options and prepares them for the things they don't see coming.

