

Annuity Sales & Service Center

Tax Deferred Annuities vs. Bank CD's

Depending upon your client's financial situation and investment objectives, tax deferred annuities might be a great alternative to CD's.

Consider the following features and benefits:

<u>Product Feature/Benefit</u>	<u>Fixed Tax Deferred Annuities</u>	<u>Bank CD</u>
Safety of Principal	Yes	Yes
Tax Deferral	Yes	No
Interest Rate	Fixed	Fixed
Penalty Free Withdrawal	Possibly*	No
Automatically Avoids Probate	Yes**	No
Taxable Impact on Social Security Benefits	No	Yes
Possible Protection from Creditors	Yes***	No
Penalty Free Access to Money if Confined to Nursing Home	Yes****	NO
Guaranteed Lifetime Income with Tax Advantages	Yes	No
Transaction Costs or Fees	No	No

Who Do You Know With Money Tied Up In CD's?

*Most Annuity contracts offer free withdrawals of up to 10% each year.

**With appropriate beneficiary designations.

***In many states annuities and life insurance are protected from the claims of creditors.
(Consult with a legal professional in your state for details).

****Many contracts waive surrender charges for nursing home confinement. (State & Age Restrictions)

Additional Notes:

- Annuities are not FDIC Insured and not guaranteed by a bank.
- Annuities are fully guaranteed by the issuing company.