

“Annuities can be tricky business but they’re gaining in popularity as Americans entering retirement look to make their money last.”

- CNN Money

TOP

ANNUITY

10

SECRETS

Don't Buy An Annuity Until You've Read This!

AnnuitySecrets.com

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Why Annuities?

INTRO



If you're of retirement age, you're likely trying to figure out how you can afford to stop working, continue to pay your bills and support your lifestyle for the rest of your lifespan. Well, there is one option that many people nearing retirement are considering: annuities. To put it simply, this is a tax-deferred account in which you are able to consistently obtain provided funds without penalty once you reach the age of 59.5.

Here's how it works: Once you've selected an insurer, you'll have the opportunity to choose whether you'd like to put a lump sum payment into your account or work off of a series of payments. These are the funds that will make up your annuity over time. You also have the option to choose between an immediate or deferred annuity. For the former, you start receiving payments shortly after your first payment, while the latter accumulates money over time - you can decide to begin

collecting payments whenever suits you best.

This type of retirement option is still relatively new in the financial industry, as it first gained attention in 2008. Annuities are also becoming quite popular as a type of personal pension plan and are great for those who have other investments they need to supplement such as 401ks or IRAs. Annuities are also available for those who don't have current retirement plans in place, but would like to begin one. This even includes individuals who are nearing retirement age. You'll learn about all of these in the 10 secrets on the following pages.

As a bonus, everyone who receives this report will receive a FREE no-obligation, retirement income review with an experienced financial advisor.

Get Guaranteed Income For Life

SECRET 01

■ Fixed Annuities

Fixed annuities are a lot like CDs but many times pay out higher interest than bank CDs. This type of annuity is great for those who want to minimize risk and receive a steady, consistent payment amount over the course of their lifetime.

Once you've invested in a fixed annuity with your financial institution, you're guaranteed a set payment amount and schedule, which is determined by you and your financial advisor. This money will earn a fixed rate during the payout time-line, which may end on a specified date or once an event has occurred. In the event that your annuity outlives you, any remaining income will be paid out per your requests.

Advantages

1. Guaranteed interest rates are great for those looking for secure, predictable income
2. Fixed annuities are not affected by the ups and downs of the stock market
3. Low investment minimums (usually \$1,000-\$10,000)
4. Tax-free interest until withdrawal

Disadvantages

1. Your interest could be fixed for a limited time and then reduced
2. Fixed annuities may come with heavy surrender charges for early withdrawals
3. Fixed lifetime payments will not rise with the rate of inflation, causing your investment to devalue over time

What to ask a financial advisor:

Is a fixed annuity right for me? Would my interest rate drop after a certain time-span and if so, when? What will my fees be if I want to withdraw my money early?

Earn More From Your Annuity

SECRET 02

■ Indexed Annuities

Based on the performance of the Standard & Poor 500 stock market index, an indexed annuity gives you the opportunity to obtain a greater reward on your investment than with a fixed annuity. You can earn up to 8 percent interest on your funds rather than having a fixed rate that may drop after even the first year of your investment - which can cut into your earnings.

This type of annuity is great for those who want to reap the benefits of increases in the stock market without being exposed to the losses.

Advantages

1. Benefits from rises in index funds without being exposed to losses
2. Payments from indexed annuities rise with inflation
3. Great for those looking for secure income while allowing their investment to grow
4. Tax-free interest until withdrawal

Disadvantages

1. Your money may be tied up for a specific number of years before you can receive gains from increases in interest rates
2. There may be caps, fees and penalties linked to market earnings.

What to ask your advisor:

Is an indexed annuity right for me? What kind of interest rates can I expect to see? How long will my money be tied up before I can see benefits from higher interest rates? What fees will I be charged for these increased earnings?

How To Get Faster Payments

SECRET 03

■ Immediate Annuities

If you are looking to collect on your annuity sooner rather than later, an immediate annuity is the option for you. This type of annuity works the same way that a life insurance policy works, but instead of paying regular payments to receive a lump sum upon your death, you pay a lump sum payment to receive regular payments for the rest of your life. Investors can start receiving a stream of income as soon as 30 days after the initial investment. However, you'll need to have a chunk of accumulated assets to give to your financial institution.

Immediate annuities may also provide the best guarantee on income for life, depending on the status of your issuing company. Your immediate annuity can be either fixed or variable depending on your needs.

Advantages

1. Immediate annuities start paying out right away
2. Guaranteed income stream for life or a specific number of years with a fixed immediate annuity
3. Payments may be higher than if you invested on your own
4. Flexible growth with a variable immediate annuity
5. Tax-free interest until withdrawal

Disadvantages

1. Loss of purchasing power over time with a fixed immediate annuity.
2. High fees can be associated with a variable immediate annuity

What to ask your advisor:

Is an immediate annuity right for me? If so, would a fixed-immediate or variable-immediate annuity be best for my retirement strategy? What type of fees can I expect with each?

How To Customize Your Options

SECRET 04

■ Equity-Indexed Annuities

An equity-indexed annuity lets you earn the guaranteed income for life you will find in an fixed annuity while reaping the benefits from stock market gains you get with a variable annuity. This newer type of annuity allows investors a shot at higher gains when the stock market is up and guaranteed minimum returns when the stock market is down. Additional riders are purchased to enhance your annuity allowing things like guaranteed increases for life, expanded length of payouts, the ability to turn your annuity on and off as needed, and even double or triple your income.

Advantages

1. No risks to principal when the stock market declines
2. Better control over your money
3. Guaranteed income for life, and potentially longer
4. Potential for your income to double or triple based on riders purchased

Disadvantages

1. They're complicated. It's important that you consult with an experienced financial advisor before purchasing an equity-indexed annuity. This is to make sure that the indexing features used by the insurance company are in your best interest.
2. Just like regular indexed annuities, these can come with ranging fees and surrender charges.
3. Many of the benefits from equity-indexed annuities come from

What to ask your advisor:

Is an equity-indexed annuity right for me? How are my gains calculated? If I surrender, what fees can I expect and for how long? Will I need to purchase riders to reap the benefits of the guarantees made on my returns?

Avoiding Fees & Penalties

SECRET 05

■ Annuities don't always have to come with high fees and penalties.

When shopping around for the right investment company, you will find that some have a surrender charge or sales commission that you have to pay. If you'd rather not get charged with these extra fees, you'll need to go with a direct-sold annuity, which is not handled by an insurance agent. Another unexpected cost you may run into is annual fees for account management, which can be as high as 2 percent or more annually. An experienced financial advisor can go over the fees associated with each type of annuity and your expected lifetime income needs to help you select the right options.

Where To Find Tools For Research

SECRET 06

■ There are tools that can make researching annuities easier.

When you're trying to figure out whether or not an annuity is right for you, you'll likely have a lot of questions. On the top of that list should be your monthly annuity income. However, it can be tricky to figure out just how much you're eligible for based on your investment. Resources like CNN Money and Forbes provide annuity calculators where you can input information - state, age, gender, lump sum amount - and get your estimated monthly income instantly.

Should You Upgrade Your Annuity?

SECRET 07

■ You don't need to upgrade your annuity.

Some investors may advise you to upgrade to a new annuity or move your funds into an IRA; however, that may not be in your best interest. Since an annuity is a tax-deferred account, you will have to pay on the amount you transfer from it - regardless of whether you're moving to an IRA account or another annuity. Additionally, when upgrading to a new annuity, you also have to pay a new surrender charge. So, why would your investor advise you to make this move in the first place? Chances are, it comes with a hefty sales commission on their end.

Extend The Life Of Your Annuity

SECRET 08

■ Your annuity may be paid out, even if you die.

In the event of your death, you have the option of naming a beneficiary on your annuity. This individual would receive any remaining payments on your account. However, some annuities only pay out during your lifetime, meaning the money stops in the event of your death. So, depending on your age and health, you may want to take a look at the death benefits provided by different annuity options.

With the hybrid annuity and other indexed annuities, you may be able to purchase a rider that allows for your annuity to be paid out over two life spans. Ask your advisor how or if they recommend this type of annuity for you.

Maintaining Your Annuity

SECRET 09

■ Most annuities are simple to maintain.

Once you've decided which type of annuity is right for you and whether you'll be investing with a lump sum or series of payments, annuities are actually pretty easy to handle. They require very little record keeping and are an easy way to shelter your savings from being taxed. Because there are no limits on how much you can invest, you can continue building your retirement fund as long as you'd like.

Preparing For Retirement

SECRET 10

■ Once you have a 401(k) and IRA, it's time for an annuity.

Annuities are tax-free accounts that ensure monthly payouts once you reach retirement age. While this is a great option if you have the money to invest, you'll first want to opt for 401(k) plans and IRAs. You will eventually "max out" on these other options, but if you have the funds you might as well put them somewhere that's gaining interest without being taxed. If you do not have these investment accounts and are nearing retirement but have a lump sum that you can invest, an immediate annuity may be the best option for you.

In Conclusion

AS WITH ANYTHING, ANNUITIES PROVIDE NO PROMISES

When putting your money into an annuity, you are investing in the success of that particular investment company. This means that if the insurer goes under, so does your money. Before selecting where you'd like to invest in your annuity, make sure that you check out the insurance company's credit rating. There are state guaranty funds to protect annuities, but funding is limited and coverage varies from state to state.

Your financial advisor can help you with this research and make recommendations on certain insurers based on your individual needs.



NEXT STEPS

Before you invest in an annuity, do your homework and take advantage of our FREE, no-obligation advisor consultation. Learning more about the different types of annuities, potential insurance companies and other options available will help you make well-educated decisions.

FREE RETIREMENT INCOME REVIEW

All recipients of this report will receive a FREE, no-obligation consultation with an experienced financial advisor. You will receive a call to set up your appointment shortly after requesting this report.