



Fixed Annuity

What is a fixed annuity?

An annuity is a long-term retirement savings product that can help protect you from outliving your money. It's a contract between you and an insurance company. When you put money into an annuity, you create something that will in turn pay you an income month after month, year after year, for as long as you live if you like.

What can it do for you?

Adding an annuity to your retirement planning strategy can make a big difference in two ways. First, there is the real benefit of having income you can count on for the rest of your life. Second, there is the benefit of simply knowing you'll have income for the rest of your life—that's called peace of mind. And you can enjoy that now.

Helps you sleep better.

A fixed annuity can help you save without exposing your money to the risks you would face with stocks, mutual funds or even most bonds.

Fills in the gaps.

Oftentimes pensions, IRAs and social security don't add up to enough retirement income. An annuity can supplement your retirement income and guarantee income for life—no matter how long you live.



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How an annuity works for you:

You have many choices to discuss with us if you desire. You get to choose the initial premium amount, how long you wish to let the annuity grow before you annuitize it as well as withdrawal options.

How it grows in value

When you purchase your fixed annuity, you'll know the guaranteed minimum interest it will earn. It will be the same every year. Your rate could go up or down from year to year, but never below the minimum. In some cases you'll receive a bonus added to your premium. A premium is simply the money used to purchase the annuity, usually a lump sum.

How it's taxed

Your annuity grows tax-deferred. Unlike savings vehicles that are taxed as you earn, your savings remains in your annuity, earning interest and causing your retirement savings to accumulate even faster. You aren't taxed on those earnings until you start taking the money out. But by that time it's possible you'll be on a fixed income and in a lower tax bracket therefore saving you money.*

How you receive income

When you decide to receive income from your annuity, depending on your annuity, you have several options to choose from like systematic electronic withdrawals, personalized checkbook access, guaranteed annuity payout options, and the ability to receive guaranteed income for the rest of your life.

How to make the most of your annuity

The longer you wait to take money out of your annuity, the more it grows, and the more income you'll have in the future. An annuity also has a death benefit, similar to life insurance although not tax free. It's paid to someone you designate as the beneficiary. So you know it's going to be there for the next generation as well.

How you're protected

Your annuity is guaranteed to never lose principal (your original premium) during the accumulation phase. You're also guaranteed to receive a minimum value if you surrender (or terminate) the annuity contract.



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A few key features:

- **Tax-deferred interest accumulation**
- **Guaranteed death benefit**
- **Access to cash withdrawals**
- **Potential for income you can't outlive**

Disclosure: *Taxable amounts withdrawn prior to age $59\frac{1}{2}$ may be subject to a 10% IRS penalty in addition to ordinary income tax. Withdrawals are not credited with index interest for that term. Withdrawals in excess of the free amount may be subject to withdrawal charges and a market value adjustment and may result in the loss of principal if taken during the first 5-10 years of the contract. Your principal is guaranteed not to be reduced because of a downturn in the applicable market index. However, Withdrawals in excess of the Free Withdrawal amount are subject to Withdrawal Charges during the Withdrawal Charge period, and may result in a loss of principal. Guaranteed lifetime income available through annuitization or the purchase of an optional lifetime income rider, a benefit for which an annual premium is charged. Annuities are products of the insurance industry; guarantees are backed by the claims-paying ability of the issuing company.

The Internal Revenue Code already provides tax deferral to IRAs, so there is no additional tax benefit obtained by funding an IRA with an annuity; consider the other benefits provided by an annuity, such as lifetime income and a death benefit.

We do not authorize our agents, employees or representatives to give legal, tax or accounting advice. The information contained herein is our understanding of the current laws as they relate to annuities. These laws are subject to change in the future. Please consult your personal advisor for any tax, legal or accounting advice to determine if a single premium immediate annuity or a deferred annuity is right for you.



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