Fixed Indexed Annuity

What is a Fixed Index Annuity?

An indexed annuity credits interest based partly on a stock-market index. So, you have greater upside potential as well as the protection of a guaranteed interest rate. Fixed Indexed Annuities also offer the benefits of many traditional fixed annuities.

Safety | Potentially tax-deferred | Provides supplemental retirement income

What can it do for you?

With an indexed annuity, you get the safety of a traditional fixed annuity and the potential for better long-term growth.

Higher growth potential

Compared to a traditional fixed annuity, an indexed annuity has the potential for higher interest earnings with a guaranteed minimum, so you may never lose your principal.

Helps you sleep better

An indexed annuity can help you save money on a tax-deferred basis and can guarantee that you'll receive income for life. So no matter how long you live, you won't outlive your retirement savings.

Fills in the gaps

Oftentimes pensions, IRAs and Social Security don't add up to provide enough income to help you live the way you want to during retirement. An indexed annuity can help supplement your retirement income.

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When you might need it:

If you're in one or more of these situations, an indexed annuity might be exactly what you need.

You're saving for retirement

If you're already contributing the maximum to other retirement plans, like an IRA or 401(k), an indexed annuity is an attractive retirement savings option that grows tax-deferred.

You won't need the money soon

If you don't anticipate needing any amount of money from the indexed annuity prior to the time that you turn 59 1/2, then the indexed annuity may be a good option for you.

You're worried you might outlive your savings

Annuities can provide guaranteed income for the rest of your life, whether you live to be 100 or even 110. It could happen.

You want to leave a legacy

With an annuity, you can provide your loved ones with a payment in the event of your death.

How an indexed annuity works for you:

During the accumulation period of your indexed annuity—after you make either a lump sum payment or a series of payments—the insurance company credits you with a return based on the movement of an index in the stock market. Some indexed annuities use other indexes such as bonds or commodities to measure movement. After the accumulation period, you can choose to annuitize, which means you'll receive periodic payments under the terms of your contract, unless you choose to receive your contract value in a lump sum.

With an indexed annuity, you choose the initial premium amount, interest crediting strategies, income options, and withdrawal options.

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How the interest is credited:

You choose from several indexed interest-crediting strategies designed specifically to help you meet your long-term retirement needs. Interest in your indexed annuity grows tax-deferred. This means that any interest earnings in the annuity are not taxed until withdrawn. Unlike taxable savings vehicles, money you would otherwise pay in taxes remains in your indexed annuity, earning interest, causing your retirement savings to accumulate even faster.

How you receive income:

When you decide to receive income from your indexed annuity, you have several choices like systematic electronic withdrawals, personalized checkbook access, guaranteed annuity payout options, and even lifetime income withdrawals. The optional lifetime income benefit provides you the ability to receive a lifetime guaranteed income while maintaining control of your principal.

How you're protected:

With an indexed annuity, your annuity is guaranteed to never lose principal provided that no withdrawals are taken in excess of the contract's free withdrawal amount. Insurance companies must also offer the benefit of a Minimum Guaranteed Contract Value for the life of the annuity. That is the absolute minimum value you would receive if you surrendered the Contract. The insurance also guarantees that your annuity will not lose value due to declines in the stock market.

4

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 59½ 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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