



# Optimize Your Retirement Income

*with a Tax-Deferred Fixed Indexed Annuity*

Would you like to:



Reduce the amount you pay in taxes?



Increase your earning potential for greater retirement income?



Optimize the performance of idle or sidelined assets?

**A fixed indexed annuity (FIA) may help you achieve all the above.** FIAs allow your premium and interest to accumulate tax-deferred, which means you won't pay taxes on any earnings until they're withdrawn.

**100% of your interest stays in your FIA to work harder for you:**

- Earn interest on your principal.
- Earn interest on your interest.
- Earn interest on your tax-deferred savings.

This chart illustrates the power of a tax-deferred FIA. Fewer taxes may mean more growth potential.

|                        | Taxable Investment | FIA       |
|------------------------|--------------------|-----------|
| Current Balance        | \$100,000          | \$100,000 |
| Interest Rate          | 3%                 | 3%        |
| Interest Earned        | \$3,000            | \$3,000   |
| Tax Bracket            | 24%                | 24%       |
| Tax Payable            | \$720              | \$0*      |
| After-Tax Interest     | \$2,280            | \$3,000   |
| <b>After-Tax Yield</b> | <b>2.16%</b>       | <b>3%</b> |

\*Assuming no withdrawals. | Source: <https://taxfoundation.org/2021-tax-brackets/>

## What will you do with your extra retirement income?

Annuity owner's federal tax bracket:

**32%**

Owner's fixed indexed annuity earns:

**3.00%**

Interest rate needed on a taxable investment to equal annuity earnings:

**4.41%**

Another way to look at a FIA's growth potential is to compare the rate of return that a taxable investment would need to generate the same earnings.

|                   | FEDERAL TAX BRACKET                           |       |              |       |
|-------------------|---|-------|--------------|-------|
|                   | 22%   | 24%   | 32%          | 35%   |
| <b>FIA earns:</b> | <b>Taxable investment would need to earn:</b> |       |              |       |
| 1.50%             | 1.92%   | 1.97% | 2.21%        | 2.31% |
| 2.00%             | 2.56%   | 2.63% | 2.94%        | 3.08% |
| 2.50%             | 3.21%   | 3.29% | 3.68%        | 3.85% |
| 3.00%             | 3.85%   | 3.95% | <b>4.41%</b> | 4.62% |
| 3.50%             | 4.49%   | 4.61% | 5.15%        | 5.38% |
| 4.00%             | 5.13%   | 5.26% | 5.88%        | 6.15% |

## How can you make your money work harder for you?

Contact your financial advisor today to see if a fixed indexed annuity is right for your goals and budget.

**Rates are for demonstration purposes only and are not meant to imply current available rates.**

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