

## Fixed Annuities and Fixed Indexed Annuities

There are only 3 safe places for your money: Bank, government bonds and an Insurance Company  
(Banks: CD's, savings accounts and checking accounts)

100% Safe Annuities: Must be "Fixed"  
May be immediate or deferred  
(Variables are tools, but money can go up or down)

- No one has ever lost money in a fixed annuity (assuming held to end of contract).
- Even during the depression, no one lost money in any annuity.

**\*\*\* I ONLY sell safe, fixed annuities. My license does not allow me to lose your money. \*\*\***

### **BENEFITS OF A FIXED ANNUITY:**

1. **100% safe** – you ALWAYS have more money at end of contract.
2. **Stated percentage rate** for period of time. (usually much higher than bank offerings)
  - a. Most contracts range from 5 – 10 years.
3. **Tax deferred.**
  - a. May move any tax deferred vehicle into a fixed annuity (401 K's, IRA's, etc...)
  - b. Tax deferral means if CD has same rate – the APY for an annuity is higher
  - c. Can LOWER your annual taxes
4. Treated like life insurance
  - a. **Avoids probate** as money is sent directly to beneficiaries
  - b. **Avoids estate taxes**
5. \* **Lifetime income** that never goes down if wanted. (annuitization)
6. **10% penalty free withdrawals** anytime during year. (access to money if needed- most contracts)

### **BENEFITS OF A FIXED "INDEXED" ANNUITY:**

1. All the above applies because it is a **Fixed Annuity**.
2. You take a lower GUARANTEED percentage rate for **POTENTIAL** of a much **HIGHER** rate.
  - a. The interest is credited EACH year, and once it is credited – can't lose it!!!
3. \* **Partial annuitization** available
  - a. This allows you to have a guaranteed income for life – BUT you still keep control of money.

#### **A "personal pension":**

1. Client is given a GUARANTEED income based on how old he will be when he chooses to turn it on. The longer he waits, the bigger the payout.
2. The amount can go up under certain circumstances... but not down.
3. Still have access to 10% withdrawals with no penalty... but income would also go down.
4. **IF the client USES all his money in the annuity - THE PAYMENT stays guaranteed until the client passes away. NO other financial vehicle does this!!!**
5. If the client passes away and there is money still in the annuity... whatever is left goes to the beneficiaries without probate. Treated like life insurance.
6. There are no fees for the base annuity, but having a rider for income payout may have a fee (usually ranging from less than 1% to 1%. (I help shop for the best situation for you)

Nuts and bolts of a FIXED INDEXED ANNUITY:

1. Your money STAYS at the company – it is NOT in the markets or indexes.
2. Each product will have multiple options (buckets or seats within the annuity).
  - a. You choose each year (and can split %), and you can move each year.
  - b. There is always a “fixed” rate
  - c. Each company has different “strategies” and uses different indexes
3. Your interest is CREDITED each year based on how your buckets (strategies) do.
4. In general, if stocks do well – you do well. If stocks drop – you lose nothing! (but don’t gain either)

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No product or annuity can do everything you want...

Some will have-

- Higher potential growth
- Better Minimums
- Better income payouts in the first few years
- Better payouts down the road
- Longer or shorter periods of time if not taking payouts

I SHOP the companies and products for you!

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*\* Having a steady income stream is considered by many financial planners the #1 focus for a successful retirement.  
\* Every Client should consider having a "personal pension" in their portfolio!*