

You may think it's hard to talk to your clients about putting that money in a guaranteed, secure annuity vs. a CD... but ask them to consider the following:

- **Annuities feature Tax Deferred accumulation.**
 - “Mrs. Client...do you have a tax problem? Would you like to have control over when you pay taxes on your accumulated funds?”
 - “Do you want to double your money in 12 years or 22 years?”
 - The interest on a CD is reportable and taxable regardless of whether it is received or left to accumulate.
 - And, the interest on a CD is used in determining the taxation on Social Security Benefits.
 - If your client is getting 5.5% on a CD, they're really only getting 3.66% if they are in a 33% tax bracket, only 4.13% if they are in a 25% tax bracket.

- **Annuities feature strong liquidity features**, including 10% penalty free withdrawals per year and waiver for nursing home. Funds in a CD cannot be accessed in whole or in part during its term without incurring withdrawal penalties.

- **Annuities avoid the expense and frustration of probate.** CDs do not.
Exception: Joint owners or POD.

- **Annuities can be structured to provide an income for life.** CDs can not.

- **Annuities offer protection from creditors.** CDs do not.

- **Annuity rates are typically higher than CD's!**

— SOURCE —
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