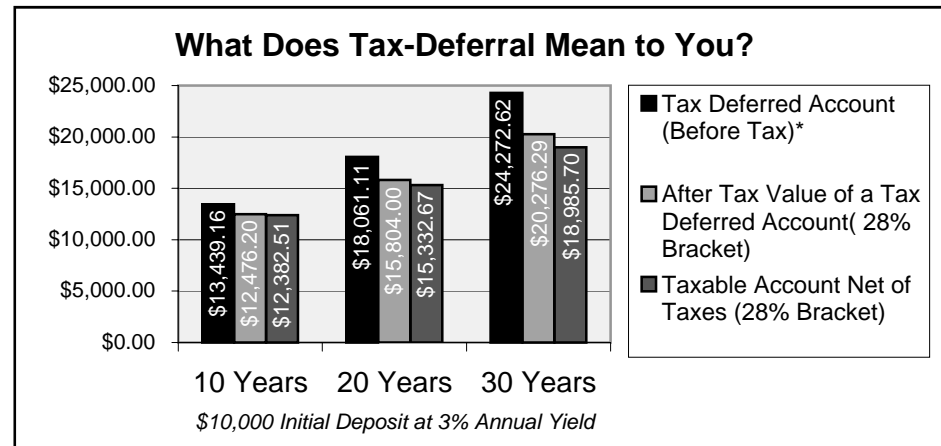


## How Do Taxes Affect the Yields on your Retirement Savings?

The NET return on CDs, Money Market Funds, Savings Accounts, or any other taxable savings vehicle is drastically reduced by income taxes, even when the interest remains in the account. The following chart shows the yield you would need on a taxable account just to keep pace with a tax-deferred account such as a non-qualified deferred annuity.

Tax Bracket	Tax-Deferred Yield*														
	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%	4.25%	4.50%	4.75%	5.00%	5.50%	6.00%
	Comparable Taxable Yields														
15%	2.35%	2.65%	2.94%	3.24%	3.53%	3.82%	4.12%	4.41%	4.71%	5.00%	5.29%	5.59%	5.88%	6.47%	7.06%
25%	2.67%	3.00%	3.33%	3.67%	4.00%	4.33%	4.67%	5.00%	5.33%	5.67%	6.00%	6.33%	6.67%	7.33%	8.00%
28%	2.78%	3.13%	3.47%	3.82%	4.17%	4.51%	4.86%	5.21%	5.56%	5.90%	6.25%	6.60%	6.94%	7.64%	8.33%
33%	2.99%	3.36%	3.73%	4.10%	4.48%	4.85%	5.22%	5.60%	5.97%	6.34%	6.72%	7.09%	7.46%	8.21%	8.96%
35%	3.23%	3.63%	4.03%	4.44%	4.84%	5.24%	5.65%	6.05%	6.45%	6.85%	7.26%	7.66%	8.06%	8.87%	9.68%

	2003 Tax Brackets	
	Single	Joint
15%	\$7,001 -- \$28,400	\$14,001 -- \$56,800
25%	\$28,401 -- \$68,800	\$56,801 -- \$114,650
28%	\$68,801 -- \$143,500	\$114,651 -- \$174,700
33%	\$143,501 -- \$311,950	\$174,701 -- \$311,950
35%	\$311,951 +	\$311,951 +



The yields used in this chart are hypothetical and do not reflect the performance of any Fort Dearborn products. Actual yields may vary. Surrender charges may apply to early withdrawals or surrenders.

\*Tax on interest may be due on withdrawal. A 10% tax penalty may be imposed on interest withdrawals from an annuity made prior to age 59 1/2. Please consult a tax adviser for more complete information.

