

RETIREMENT BASICS: FIXED INDEX ANNUITIES

How a **Fixed Index Annuity** could strengthen and protect your overall retirement plan.



When it comes to your retirement, a steady stream of income could make a difference in your later years. With a fixed index annuity, a portion of your retirement savings is protected from risk until it's needed.

What is a fixed index annuity?

A fixed index annuity allows you to protect a portion of your retirement savings, earn interest on that money, receive income payments after a certain period of time or walk away with the lump sum at the end of the contract period. You don't have to do anything after you've signed the contract until you're ready to take withdrawals.

But first, let's break down the term to understand it better.

Fixed = Your principal is protected from market downturns.

Index = Potential interest is tied to an underlying index/indices.

Annuity = A contract that provides fixed payments each year.

What does a fixed index annuity mean for you?

Numerous benefits are available with a fixed annuity:

1. Save money without it being subject to the ups and downs of the stock market.
2. No tax implications during the contract period.
3. Can provide an income stream you cannot outlive.

Will You Be Prepared?

The average American household will need between

70% & 80%

of their annual income at retirement, according to the Government Accountability Office.*

How much should you protect in a fixed index annuity?

First you should know that all fixed index annuities start with a minimum deposit determined by the terms of the agreement. When it comes to deciding how much to protect, ask a financial professional to take you through the different options available to you. You'll also want the agent to explain how this contract fits into your overall retirement strategy.

How much will you need in retirement?

People often focus on the income side of the retirement equation, however your anticipated expenses should also be considered. Expenses may change as you get older, especially medical expenses. Inflation is another factor to consider, as prices may increase over time. So it's important to put together a plan to account for both. To determine your specific needs, work with a professional to develop a personalized plan.

Through the years: A fixed index annuity at work

As you move through life's stages, your retirement strategy should also grow and develop. Here's a look at how a fixed index annuity could make an impact.

Pre-Retirement: While you're still working, consider moving a portion of your income to an annuity. In an annuity your income can be protected from market losses while you continue to work.

Retirement: When you're ready to start, you can begin receiving lifetime income.

Post-Retirement: At this point, you're able to use Medicare for health care expenses and Social Security for income. Your annuity could supplement your income and assist with paying lifestyle expenses over the course of your retirement.

Is a fixed index annuity right for me?

A fixed index annuity could be part of an overall retirement plan. It's best to meet with a financial professional to put together a plan that can help you achieve your retirement goals.

To find out if a fixed index annuity may be the right option for you, please contact us:

By calling the above number, you may be solicited for an insurance and annuity sale.

*Better Information on Income Replacement Rates Needed to Help Workers Plan for Retirement
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