



7 REASONS TO CONSIDER ANNUITIES IN 2021

Given recent uncertainty, consumers are more interested in taking control of their finances and their future than ever before. Fixed annuities can be a valuable tool in the retirement planning toolbox. Here are seven reasons to consider annuities when preparing for your future.

1. Preparing for Peak 65

In 2024, the U.S. will have more 65-year-olds than ever before — dubbed “Peak 65” in the retirement industry. For those nearing retirement, your needs will change as you transition from accumulating assets to protecting what you have. **Fixed annuities offer protection from various risks and predictable lifetime income.**

2. Protecting Existing Gains

Older individuals who have done well in the equity markets are looking for ways to lock in the gains they have generated. **Moving money from pure equity products into fixed annuities protects their principal, including the gains.** With fixed indexed annuities, you also have the opportunity to earn interest based on the market’s upside.

3. Leveraging Tax Deferral

An intrinsic value of annuity products is the tax-deferred build-up of accumulated interest and product gains. Under the new administration, income tax rates are expected to increase at the federal, state and local level. A desire to utilize tax deferral to help minimize your tax burden can be a valuable part of a holistic plan.

4. Managing Risk

Fixed annuities are insurance products, not investments. **As such, they can protect you from a variety of risks: market risk, inflation risk, deflation risk, sequence of returns risk and long-term care risk.** Most importantly,

they can mitigate longevity risk — the potential to outlive one’s savings — by creating a reliable income stream for life.

5. Creating a Personal Pension

In 1980, 60 percent of private sector workers relied on income from an employer pension; by contrast, only 4 percent could count on a private employer pension in 2020. **With the uncertainty of traditional forms of retirement income, you’ll need a way to close any income gap in your retirement plan — and annuities can do just that.**

6. Avoiding Hidden Fees

Because fixed annuities are insurance products, consumers benefit from a retirement vehicle that has been built to address the associated costs of ownership upfront. **Unless you make early withdrawals, terminate your contract, or choose to pay for an optional rider delivering specific benefits, you will not be charged fees.**

7. Capitalizing on Innovation

Today’s products are not your grandfather’s annuities. **Innovations can help provide more reliable accumulation, bigger income payouts and other features like long-term care benefits.** When combined with benefits like tax deferral, defined liquidity and payout guarantees, fixed annuities can address a variety of retirement needs.

Want to see how annuities fit into your future? Contact a trusted financial professional for solutions customized to your life and goals.

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