

# WHAT ARE THE TAX ADVANTAGES OF AN ANNUITY?

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## INTRODUCTION

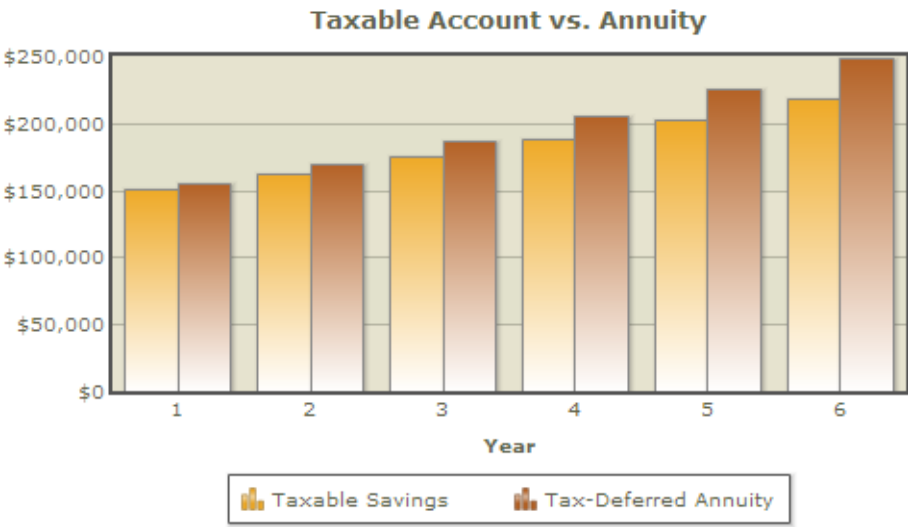
Deposits into an annuity are not tax-deductible, however you don't have to pay taxes on the interest earned until you begin making withdrawals. This tax-deferral period can have a dramatic effect on the growth of an investment. Use this calculator to compare the tax advantages of saving in an annuity versus an account where the interest is taxed each year such as a CD.

## SUMMARY OF INPUT

Initial balance or deposit	\$140,000
Annual contribution amount	\$0
Annual increase in contributions	0.00%
Number of years for the analysis	6
Before-tax return	10.00%
During deposit(s)	24.00%
At withdrawal	24.00%

## ANALYSIS

By purchasing a tax-deferred annuity, after 6 years, you could accumulate \$248,019 (resulting in \$222,094 after taxes) vs. \$217,271 in a taxable account. Withdrawal charges may also apply if you surrender or take withdrawals from your annuity in the early years.



		Taxable Account				Non-Qualified Annuity		
Year	Annual Contribution @ 0.00%	Beginning Balance	Interest @ 10.00%	Taxes @ 24%	Taxable Ending Balance	Beginning Balance	Interest @ 10.00%	Annuity Ending Balance
1	\$0	\$140,000	\$14,000	\$3,360	\$150,640	\$140,000	\$14,000	\$154,000
2	0	150,640	15,064	3,615	162,089	154,000	15,400	169,400
3	0	162,089	16,209	3,890	174,407	169,400	16,940	186,340
4	0	174,407	17,441	4,186	187,662	186,340	18,634	204,974

This information may help you analyze your financial needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. The calculations do not infer that the company assumes any fiduciary duties. The calculations provided should not be construed as financial, legal or tax advice. In addition, such information should not be relied upon as the only source of information. This information is supplied from sources we believe to be reliable but we cannot guarantee its accuracy. Hypothetical illustrations may provide historical or current performance information. Past performance does not guarantee nor indicate future results.

5	0	187,662	18,766	4,504	201,925	204,974	20,497	225,471
6	0	201,925	20,192	4,846	217,271	225,471	22,547	248,019

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