Special Report – December 2014
<u>Primer on Annuities</u>

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Hello! My name is Steve Geist, I'm a Financial Strategist and I specialize in Safe Retirement Plan Solutions that are tailored with care. More specifically, I help my clients tackle complicated retirement issues and guide them towards easy-to-understand solutions designed to safely preserve and grow their retirement wealth. Now, more than ever, people over the age of 50 are clamoring for education and advice regarding their retirement.

One way I like to teach my clients and my seminar students about Retirement is to present it as a Puzzle. And, I like to present the puzzle as containing five primary pieces. And they are:

- ✓ Puzzle Piece #1: Safeguarding Your Accumulated Assets
- ✓ Puzzle Piece #2: Setting up a Lifetime of Guaranteed Income
- ✓ Puzzle Piece #3: Addressing Taxes in Retirement and Beyond
- ✓ Puzzle Piece #4: Having Proper Coverage for Health Care and Long Term Care
- ✓ Puzzle Piece #5: Leaving a Legacy for your Loved Ones

In this Special Report let's talk why <u>Annuities are our Friends</u> and why they play such an important role in all five pieces of Retirement Puzzle.

So to begin, I will ask: What should people strive for in order to achieve financial well-being in retirement? Well, I find that they need safety and opportunity. They need guaranteed lifetime income. They need simplicity and they need peace of mind. They especially need financial strategies in retirement that can maintain the standard of living to which they have become accustomed.

Towards this end, what if you were offered an investment alternative that ran on autopilot and never put your principal at risk of stock market volatility? What if it offered good growth opportunities; locked in the gains on a regular basis without triggering a tax event; never lost a locked-in gain; provided income that lasted as long as you lived, and was always 100% liquid with no management fees or sales loads?

Well millions of current owners of these guaranteed alternatives, myself included, can attest to this wonderful product and the many features just described.

But what if I then told you that this investment alternative is a certain type of Annuity. Well, upon hearing this, you might tend to shy away from it and run for the exits. And that's because very few people really understand what annuities can do. Instead of finding out how they work, people often rely instead on a poorly informed adviser or outright misinformation from the Wall Propaganda Machine.

Annuities are often all lumped into one category. The public's perception is that they all have high fees, they all tie your money up, they are not liquid and they don't offer much opportunity.

Well, nothing could be further from the truth.

Today, over 80% of financial advisers have never sold an annuity. So if your broker, banker or financial advisor does not offer annuities as solutions in retirement then it's obviously convenient to them if the general public does not know about or think positively about these excellent alternatives to Wall Street's risk-based products.

SPECIAL REPORT TIMEOUT

In case you belong to a group, club, church, association or any type of organization that invites outside speakers to give interesting talks – please know that as a community service, I would be delighted to speak at your next group meeting. And I would speak on a topic that would be both informative and relevant to Retirement. Just call my office and let me know how I might be of service.

Now let me ask you another question: Of all the people you know who are in retirement, which of them feel the most secure? Are they the people with sizable holdings of stocks and bonds that fluctuate in value on a daily basis? Or are they the people receiving adequate monthly income to cover living expenses; guaranteed to continue for the rest of their lives?

With these questions in mind, imagine for a moment that you choose to ignore the persuasions of Wall Street. And instead you're bold enough to ponder what other strategies would provide for your financial well-being in retirement. Well, if you came to understand the potential of annuities, you might realize the huge beneficial role they could play in your retirement.

With certain types of annuities, you can have access to, and control of, your cash value which is guaranteed and protected from investment risk. Those same annuities can provide you with a steadily increasing income that is guaranteed to continue for the rest of your life. And, those same annuities can provide for the income to increase if and when you should need long term care assistance.

So in an effort to enlighten you and because Annuities can be such an important part of the retirement puzzle, I want to give you a broad based understanding of how they work.

To set the stage for the important role that annuities play in retirement, let me first address where we find ourselves in today's volatile economy.

Where we find ourselves

As a result of the Great Recession back in 2007-2009, we're now living in a whole NEW Normal. That means preparing for a different kind of investment environment. Two recessions in just the last 14 years have resulted in two dramatic stock market downturns. For many people, broad diversification of risk-based investments was not enough to prevent huge losses in their retirement portfolios. And, is history about to repeat itself?

Compounding the financial loss incurred by millions of Americans during the great recession of 2007-2009, and as a by-product of the great recession, today's interest rates are so low that retirees have found it difficult to secure a decent monthly income stream in retirement.

This experience goes a long ways toward explaining the new priorities of retirees. By a margin of 7 to 1, adults past the age of 45 say their focus today is on peace of mind — not wealth accumulation. This finding is according to a retirement study from Merrill Lynch and Age Wave. Long gone is the pre-recession attitude of taking risks and building the biggest portfolio possible. Today's retirees and pre-retirees crave peace of mind that comes from having enough money tucked away to provide an adequate and dependable income stream.

In the survey just mentioned; guaranteed lifetime income and protecting assets were four times more important than achieving high-risk returns. Today's retirees don't need a stockpile to count so much as predictable income so that they can spend time with family and on experiences and pursue new, if modest, passions. This kind of thinking seems to be a post-recession mind-set. People realize that living long and beyond their means is not wise and that stock market and home prices don't always go up. None of this is terribly surprising. But five years after the recession ended, evidence of our new values in the New Normal is still trickling in.

Despite this New Normal mindset, another recent study, this one by Northwestern Mutual, unfortunately found that Americans are completely unprepared to live into their 70s, 80s or 90s. This study revealed that only slightly more than half of those surveyed feel financially prepared to live to age 75. Less than half feel prepared to live to age 85 and only 36% feel prepared to live to age 95. So, if science medicine and technology will keep you alive much longer, the question becomes: Can you afford it? Many pre-retirees believe they will need less than two-thirds of their current annual income in retirement.

Many financial planners suggest that you plan to spend 70-80% of your pre-retirement income. But even that could be understated. Yes, some expenses will drop off after you retire. But many other costs will increase in later life such health care. All of which means you could be spending just as much, if not more, in retirement as when you were working.

In my business, I have a keen interest in understanding the current state of longevity in America. And we should all be very nervous about its implications. In the past 100 years, we have made great strides in improving human health and increasing life expectancy. Back in the year 1900, the average American lived just past at 40. Today, according to the Centers for Disease Control, average life expectancy in the U.S. has increased to 78.2 years. Since 1940, we have gained one year of life expectancy every five years. If we keep this pace, by the end of this century, the average American will live to be close to 100 years of age. For couples in their 60's today, there is a 50% chance that one partner will live to the age of 94. And one out of 10 couples will have a partner that lives to be age 100 or older.

As longevity increases and the costs associated with living longer skyrocket, we are heading for a retirement crisis in America. The hard reality is that the cost of longevity is quickly outpacing most people's ability to pay for it. Retirees must realize that with longevity comes an increased need to proactively manage their finances.

Wall Street's Conventional Wisdom

Even after the recession of 2007-2009, the conventional wisdom on Wall Street still maintains that smart retirement investing is all about building a portfolio of stock- and bond-based investments that will <u>hopefully</u> provide an adequate total return over time. Wall Street's conventional wisdom says that stocks are safe in the long term, and that owning significant portions of stocks is necessary in order to produce a secure retirement.

Many advisors on Wall Street continue to operate by the bull-market playbook: Take on risk; stay fully invested; buy the dips; because stocks and bonds, Wall Street says, will always outperform. But the reality is that giving this kind of Wall Street advice to a person in or near retirement can be disastrous.

Consider for a moment, the risks to an individual in or near retirement when an advisor puts together a financial strategy heavily weighted towards stocks, bonds, mutual funds and commodities. The advisor's financial model will typically either ask for, or rely upon, assumptions for many events that are wildly unpredictable such as how long you will live or how your health will be. Or those assumptions will be grossly overstated in terms of expected rates of return on your risk-based investments.

Think of the uncertainties in your retirement. You don't know how long you'll live. You don't know what investment returns you'll earn. You don't know how your health will be. You have only a limited sum of money to work with. And there are no second chances.

So, ask yourself: What would you need to retire with confidence?

1. You would need a steady income that increases over time to keep pace with inflation and would cover those living expenses that <u>exceed</u> your Social Security and pension income.
2. You would need that income to continue for the rest of your life, <u>guaranteed</u>!
3. You would need your income to <u>increase substantially</u> if you suddenly needed to cover the catastrophic costs of long term care

How does Wall Street's conventional investment strategy measure up on these three criteria? Not very well.

First of all, Wall Street's stock and bond portfolio can fluctuate dramatically in value subject to the volatility of the market. This in turn would make someone in retirement fearful of taking withdrawals that he/she has planned. And, since no person can know how long they'll live, that person would be very reluctant to spend down any of their principal. And, with the Wall Street portfolio, there is no trigger that increases the income or value of the portfolio when a long term care need arises. Therefore, Wall Street's conventional investment portfolio can be very poorly matched to the needs of someone living long in retirement.

Gaining New Knowledge in today's New Normal

A new study by the LIMRA Secure Retirement Institute found that the more knowledge someone has about annuities, the more likely they are to have a positive attitude about annuities and eventually own one.

According to the study: Knowledge and attitude are the key factors. Households with positive attitudes are six times more likely to own an annuity than those who are unfamiliar with or have negative attitudes about annuities. That's one reason why it's important that accurate information about the benefits of annuities be properly communicated to the general public as well as debunk the myths surrounding annuities.

According to this study; Peace of mind, stable income and lessening the risk of running out of money in retirement were cited as the top three reasons to create a guaranteed lifetime income among households that owned annuities, as well as those that did not. Among annuity owners, 4 out of 5 said they are a "good fit" for their financial needs and 70% are willing to recommend annuities to friends and family members.

Brief History of Annuities

You should not think of annuities as some new untested concept in the world of investments. In fact, the origin of annuities can be traced back to the Roman Empire. So to help better understand how these wonderful products came into existence and have endured over the centuries, I've another Special Report that presents a Brief History of Annuities. You can order a free copy of this report by calling my office at 303-586-4198 or by sending me an email to Stephen@RetirementWize.com.

What is an Annuity?

An Annuity is an insurance contract that comes into existence when an individual gives the insurance company a single payment or a series of payments which will grow tax deferred and then, one day, the annuity value will be distributed back as payouts to the owner of the annuity or the beneficiaries in one of several ways.

The defining characteristic of an annuity is its ability to provide a guaranteed distribution of income for a specific period of time including for your lifetime if you so choose. And it's this guarantee of lifetime payout that makes annuities one of the best choices among numerous investment alternatives in the market today.

Only an annuity can pay you an income that can be guaranteed to last for your lifetime. And, insurance companies are the only financial institutions with the financial strength and the reserves to provide the guarantees that are available in annuities.

The only other investments today that guarantee return of principal are bank products such as CDs, money markets and savings accounts. And these types of investments don't provide the yields or the tax-deferred accumulation of an annuity. In addition, bank products that are insured by government agencies such as FDIC are not always backed by capital reserves. Instead, they are supported by the government's ability to impose taxes or print money.

And, regarding this important issue of capital reserves; Federal law requires insurance companies to set aside funds known as reserves in order to meet their contractual obligations to their policyholders. These reserves are protected from creditors and may be used only after all policyholder claims have been paid. This means that for you as the annuity owner, your claims are placed ahead of all shareholders, bondholders, and creditors. This reserve requirement provides more security than found in any other financial organization.

Types of Annuities in Today's Market
There are two broad categories of Annuities

Broad Category #1: The Immediate Annuity
When you purchase an Immediate Annuity, you make a single lump-sum payment and set the starting date for the payout (or annuitization) to begin. With an Immediate Annuity, you choose the term of payout. And your choices for the length of payout would include the following:

1. Life Only: pays income for your lifetime but it does not make any payments to anyone after you die.
2. Life Annuity with Period Certain: pays income for as long as you live and guarantees to make payments for a set number of years even if you die.
3. Joint and Survivor: pays income as long as either you or your beneficiary lives.

Broad Category #2: The Deferred Annuity
A Deferred Annuity gives you the opportunity to build your retirement savings over a period of years during what's called the accumulation period. What you're deferring is the moment you begin to receive annuity income payments during what's called the payout period.

One of the most important benefits of deferred annuities is your ability to use the value built up during the accumulation period in order to give you either a lump sum payout or to receive regular income payments during the payout period.

The size of income payments (the annuitization of the annuity) is based on the accumulated value in your annuity and the annuity's benefit rate in effect when income payments start. The benefit rate usually depends on your age and sex, and the annuity payment option you choose. Your payment options during the payout period will be similar to the choices for immediate annuities that I just explained: Life Only Option, Life with Period Certain Option or the Joint and Survivor Option.

Be aware that Deferred Annuities are intended as long-term investments. They are not designed as places where you can put money in one day and take it all out the next day without possibly incurring some sort of penalty. For immediate free withdrawals you need to think low-yielding savings and money market accounts at a bank.

To preserve the growth features, Deferred Annuities come with Surrender and Withdrawal Charges. This means that if you need access to your money, you can take part or all of the value out of your annuity at any time during the accumulation period. If you take out part of the value, you may have to pay a withdrawal charge. If you take out all of the value and surrender, or terminate, the annuity, you may have to pay a surrender charge. In either case, the annuity company will figure the charge as a percentage of the value of the contract at time of withdrawal or surrender. The company will reduce and eventually eliminate the surrender charge after you've had the contract for a stated number of years -- what is called the surrender-charge period.

The good news here is that in order to create some withdrawal flexibility during the surrender-charge period, Deferred Annuities usually have a free withdrawal feature that lets you take annual withdrawals without a charge. The size of the free withdrawal is set as a percentage of your contract value (usually 10% per year). It's also important to note that most annuities will waive withdrawal and surrender charges in the event of your death as the annuity owner. And, many annuities will also waive these charges for other conditions such as nursing home need or terminal illness.

SPECIAL REPORT TIMEOUT

I'd like to point out that in addition to hosting the Retirement Guy radio show, which I have done now for almost five years, I also conduct public educational events. I hold these workshops throughout the Denver area throughout the year. I have made these presentations to thousands of people both in and near retirement over the past several years. If you would like to meet me in person and learn about retirement, in a public setting, then please call or email me with a request for the date, time and location of my next event.

What about the tax treatment of annuities?

Under current federal law, annuities receive special tax treatment. Income tax on annuities is deferred, which means you are not taxed on the interest your money earns while it stays in the annuity. An advantage of tax deferral is that the tax bracket you're in when you receive annuity income payments may be lower than the one you're in during the accumulation period.

Another advantage with annuities is the important effect of triple compounding interest. That's what's taking place during the accumulation period. That is, you are earning interest on principal, you earn interest on the interest and you earn interest on the amount you would have paid in taxes. That's known as triple compounding.

Also regarding taxes, provided the annuity is positioned as a non-qualified investment (funded with after tax dollars), then part of the payments you receive from an annuity will be considered as a return of the premium you've paid. You won't have to pay taxes on that part. Another part of the payments is considered interest earned. So you will pay taxes only on that part and only when you withdraw the money.

There are Four Types of Deferred Annuities

#1: The Fixed Annuity:

The insurance company guarantees preservation of your principal. During the accumulation period of the annuity, your money earns interest at rates set by the insurance company. The company guarantees that it will pay no less than a minimum rate of interest. In the payout period, the company offers various options for when and how you receive income

#2: The Variable Annuity:

The insurance company does not guarantee preservation of your principal. During the accumulation period of the annuity, the insurance company allocates your principle among a number of variable risk-based sub accounts (similar to mutual funds) or into a fixed account with a minimum guaranteed interest. The variable annuity may provide a guaranteed death benefit at additional cost. In the payout period, the insurance company offers various options for when and how you receive income

#3: The Deferred Income Annuity: Also known as the Longevity Annuity

This type of annuity is purchased before retirement, but the benefits (in the form of annuitized income payouts) don't begin until the annuity owner reaches old age; typically between 80 and 85. You would purchase this type of annuity at or near retirement age using a lump sum premium. And, you must choose the date when annuitized payouts will begin. Longevity annuities typically involve a smaller premium now for payout later in life. I'm talking a smaller premium than used to set up, let's say, a traditional immediate annuity. Understand that once the funds are invested in this type of annuity, you lose access to most or all of the money until payouts begin later in life. And, there is, after all, no guarantee that you will live long enough to need that income.

#4: The Index Annuity:

Unlike a fixed or variable annuity, An Index Annuity is an annuity whose returns are linked to the performance of a market index (i.e. S&P 500, DJIA, or Nasdaq). Let me spend some time explaining this type annuity.

The Index Annuity

Index Annuities were first introduced in 1995 and have become increasingly popular over the last 19 years. An index annuity is an insurance contract linked to a common market index, such as the S&P 500, DJIA or Nasdaq. If the index grows you're entitled to share in part of the earnings credited as interest to the annuity. If the index declines, you're account is protected against market losses with a modest baseline guaranteed rate.

Index annuities provide an opportunity to potentially earn more interest than other guaranteed-money alternatives such as savings accounts, money markets accounts, CDs or fixed annuities.

Growth potential for index annuities can be very strong during positive market years and with no risk of loss during negative market years. Index annuities allow you to participate in the market without ever risking your principle. Interest, if any, is locked in at regular intervals (term dates) and then a new crediting period begins.

Index Annuities come with many design elements and incorporate what's called crediting methods. Crediting Methods are used in calculating the amount of interest that may be credited to the annuity while it is in the accumulation period. Here are a few of those design elements and crediting methods:

Design Element: The Term. This is the recurring period of time during which the index-linked interest is calculated. The interest, if any, is credited to the annuity at the end of each term. The typical index annuity will have a series of one-year terms during the accumulation period.

Design Element: The Lock-In and Reset Feature. With this feature, at the end of each term any interest earned is "locked in" and the index value is "reset" to start the next term. Future decreases in the index due to market downturns will not affect the interest already earned and added (locked in) to the annuity's accumulation value.

Design Element: The Bonus: This is a feature that is offered in many index annuity products today. The bonus, expressed as a percentage of the premium you place in the annuity, is typically added to annuity's accumulation value at the start of the annuity and will vest either immediately or over a period of years. Generally: the longer the surrender charge period of the annuity, the larger the bonus that is offered. The bonus is viewed as a kick-start to the interest that the annuity will earn during the accumulation period.

Crediting Method: The Point to Point. This is a method where the index-linked interest is based on the difference between the index value at the start of the term and the index value at the end of the term. Any interest earned under this method is added to your annuity at the end of each term.

Crediting Method: The Participation Rate. This method determines how much of the index growth during the term will be credited to the annuity. For example, if the calculated growth in the index in 9% and the participation rate is 70%, the interest rate for crediting your annuity will be 6.3% (9% x 70% = 6.3%).

Crediting Method: The Cap Rate. An upper limit, or cap, is placed on the index-linked interest rate. This is the maximum rate of interest the annuity will earn during the term. In the example just given, if the index growth is 9% at the end of the term and the cap is 6%, then the annuity will be credited 6% growth.

Crediting Method: The Margin or Spread. The index-linked interest rate is computed by subtracting a specific percentage from any growth in the index for the term. This percentage is referred to as the "margin" or "spread". For example, if the calculated growth in the index is 10%, your annuity might specify that a spread of 2.5% will be subtracted from the growth rate to determine the interest rate credited. In this example the annuity will be credited 7.5% growth (10% growth less the 2.5% spread).

Crediting Method: Averaging. The average of the index's value is used rather than the actual value of the index during the term. Averaging may take the form of monthly averaging or daily averaging.

Guaranteed Lifetime Income Benefit Rider
There is today a relatively new feature with Index Annuities known as the Guaranteed Lifetime Income Benefit Rider which is a living benefit that guarantees lifetime income without requiring you to annuitize. As a result, this income rider allows you, the owner of the annuity, to remain in control of your money. And, how important is that in retirement.

Here's how it works: The Income Rider has a value that is established at the same time that the annuity is issued. The rider's initial account value is the same as the initial premium and bonus used to set up the annuity. Income riders normally have two distinct phases: growth phase and payout phase.

Growth Phase: the value of the Income Rider Account grows each year based on what's called the roll-up rate. Today's roll-up rate for the income rider account value will be in the 7% range and compounded annually.

Payout Phase: For income purposes, you can access the Income Rider Account Value anytime after the first anniversary of the annuity. When you are ready for income, you'll have "age based" access to the Income Rider Account Value. The older you are the larger the percentage access to the account.

Once you access the Income Rider Account Value, your payout amount is guaranteed to never decrease and will last for your lifetime. Then at your death, the Annuity's Accumulated Value, less income rider withdrawals, will pass to your beneficiaries.

Example of owning an Index Annuity with a Guaranteed Lifetime Income Rider

- Your age at start of Annuity: 60
- Initial Premium that you put into Annuity: $100,000
- The starting value of Annuity (with 10% Bonus): $110,000
- Assume guaranteed annual Roll-up rate of Income Account: 7%
- Guaranteed Income Account Value after 10 years: $216,000
- At age 70, Guaranteed Annual Withdrawal Percentage: 5.8%
- Your Guaranteed Lifetime Withdrawal: $12,500 per year

This means that living to age 100, for example, you will receive $375,000 of total income over the 30-year remainder of your life. And, when you pass away at some point, whether early or late, the Accumulated Value of Annuity, less any withdrawals, will pass to your beneficiaries. This is a Guaranteed Lifetime Income Solution with many features and benefits not offered by any other investment alternative.

Use a Qualified Advisor when selecting an Index Annuity
It's important to note that there are many different factors when considering this type of investment. Index Annuities vary from contract to contract and insurance company to insurance company. Each contract has its own unique design. That's why I highly recommended that you speak with a knowledgeable financial professional who both owns and has experience working with indexed annuities. Look for someone who has the ability to accurately assess your financial suitability before committing your money.

Unfortunately it sometimes happens that decisions to purchase annuities, especially index annuities, are negatively influenced by your broker, your neighbor or from the irresponsible stories you read in the Wall Street Media. It's important not to be misled by inaccurate or misleading information when purchasing any investment product such as an index annuity which is able to offer guaranteed solutions for retirement.

So to help enlighten the misinformed, I have a free Special Report: Index Annuities – Ten Objections that Don't Hold Water. You can order this report by calling my office at or by sending me an email.

Annuity Ladders

Next let me talk about one of many Retirement Strategies that utilizes Annuities: Annuity Ladders.

Consider this: You have $300,000 today. You take some of it now and start enjoying it in small amounts for a few years. Over time, you are spending down your principal and investment risk has further depleted your retirement account. Before you know it, your original $300,000 is gone. And you aren't!

As an alternative, what if the money you weren't spending was just sitting and gaining interest without market risk? With proper planning and the help of an annuity expert, you can set up what's known as an annuity ladder.

The Annuity Ladder concept uses two or more annuities working together at the same time or in tandem. For example, an immediate annuity and a deferred fixed annuity can be set up simultaneously to work together for your benefit.

The Immediate annuity allows you to turn a lump sum into an immediate monthly income stream for a guaranteed time period. The amount of cash you receive each month is determined by how much you are placing in the annuity and how long you plan to receive payments. At the signing of the contract, you know exactly how long you will receive payments and how much each payment will be.

The next step in the Annuity Ladder (the Deferred Annuity) keeps your money invested for a set amount of time and gains interest for the length of the accumulation period. Once you reach the end of the payout period of the first annuity, the next annuity on the annuity ladder will begin payouts at or above the level of income you were receiving on the first annuity.

Hypothetical Example: Bob's Annuity Ladder

Let's say Bob is 64 and wants to retire at age 65. Bob will need a steady flow of income when he retires, but he is specifically concerned about rising healthcare-related costs, especially as he gets older. After careful analysis and with the help of his qualified advisor, Bob allocates a total of $300,000 from his IRA to implement an Annuity Ladder strategy.

Bob's first annuity of $100,000 is intended to provide immediate income during his early years of retirement.

The second annuity of $100,000 will start supplementing retirement income within five years, since Bob is concerned that he'll need more money to cover healthcare-related expenses as he gets older. This second annuity is meant to grow his assets, but it should also be free from market volatility, since Bob may need to tap into this annuity within a relatively short time – five years.

With the third annuity of $100,000, Bob does not expect to need this money to meet his spending needs for another 10 years or more. So, this annuity will have the potential for higher accumulation compared to the second annuity, even though the money will still be shielded from market downturns. And with this third annuity, should Bob need extra income to help cover the costs of Long-Term Custodial Care; this third annuity will double the payout for LTC purposes.

Comparing Index Annuities to Social Security Benefits

When it comes to benefits and guarantees in retirement; there are many similarities between Social Security and Index Annuities. First, regarding Social Security (which actually is a form of annuity): This is a program that provides a guaranteed monthly income for life. The longer you wait to take income, the more income you will receive. During the growth phase of Social Security between the age of 62 and 70 the increase in payout or "roll up rate' is 7-8% per year compounded. Just like with the income rider of an Index Annuity. Once started, Social Security income is guaranteed and will last for your lifetime. Just as with the income rider of an Index Annuity.

In Closing

It sometimes happens that decisions to purchase annuities are negatively influenced by your broker, your neighbor or from the completely irresponsible stories you read from Wall Street journalists. I believe in freedom of the press and freedom of speech, but I really wish there were legal remedies against the journalists and Wall Street Talking Heads who consistently deliver blatantly inaccurate and misleading information.

Today there are many financial pundits who argue that people should forgo the use of annuities in their financial plans. They argue that there are supposedly many other available options out there. These so called financial wizards have been making this ridiculous and possibly harmful claim for years.

But today there is just too much information to the contrary for you to swallow the bad medicine from these supposed financial gurus. In the end, the only ones placing themselves in the cross-hairs of future financial suffering are the ones believing in this negative "advice" towards annuities.

There are numerous third party endorsements out there today for the use of annuities in retirement. It's interesting to note that in November, 2014, even the U.S. Treasury Department got on board to encourage savers to buy annuities, a measure aimed to keep them from outliving their savings. A statement from the Treasury Department said that "By encouraging the use of income annuities, today's guidance can help retirees protect themselves from outliving their savings."

It's important not to be misled by inaccurate or misleading information when purchasing any investment product which is able to serve as an alternative to Wall Street risk-based investment products and instead offer you guaranteed solutions for your retirement. I highly recommend that you always consider the source of the information when allowing that source to influence your decisions regarding retirement planning.

The level of financial well-being in retirement will often reflect the quality of questions you ask yourself.

The following are challenging but necessary questions:

1. How much money are you willing to lose in the next stock market downturn? Or is there a better way?
2. Is it REALLY true that in order to have the financial security you desire that you must gamble a large percentage of your net worth in the stock market?
3. What portion of your assets are guaranteed to <u>not decrease</u> in value? And more importantly, are they guaranteed to provide an income that you and your spouse <u>can not outlive</u>?

As your Retirement Guy, let me give you two reasons why you might want to call me for help:

1. I have offered you some compelling reasons to explore whether annuities, especially index annuities, are suitable and appropriate for your retirement.
2. You want to order two of my other free special reports: "A Brief History of Annuities", or "Ten Objections to Index Annuities that don't hold water"

Call or email me now for these free reports.

I wish you a long, happy and financially secure retirement. And if I can be of any assistance, please do not hesitate to contact me.

Sincerely;

Stephen Geist –
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