

Turn Taxable Interest Into Tax-Deferred Growth

Many people are surprised to learn how much of their annual interest income is being lost to taxes.

If you're earning interest from CDs, savings accounts, money market accounts, or bonds, that income is generally taxable in the year it is earned. This is true even if you're reinvesting that income rather than spending it. Over time, those annual tax payments can reduce the growth potential of your savings.

A DIFFERENT APPROACH: TAX-DEFERRED GROWTH

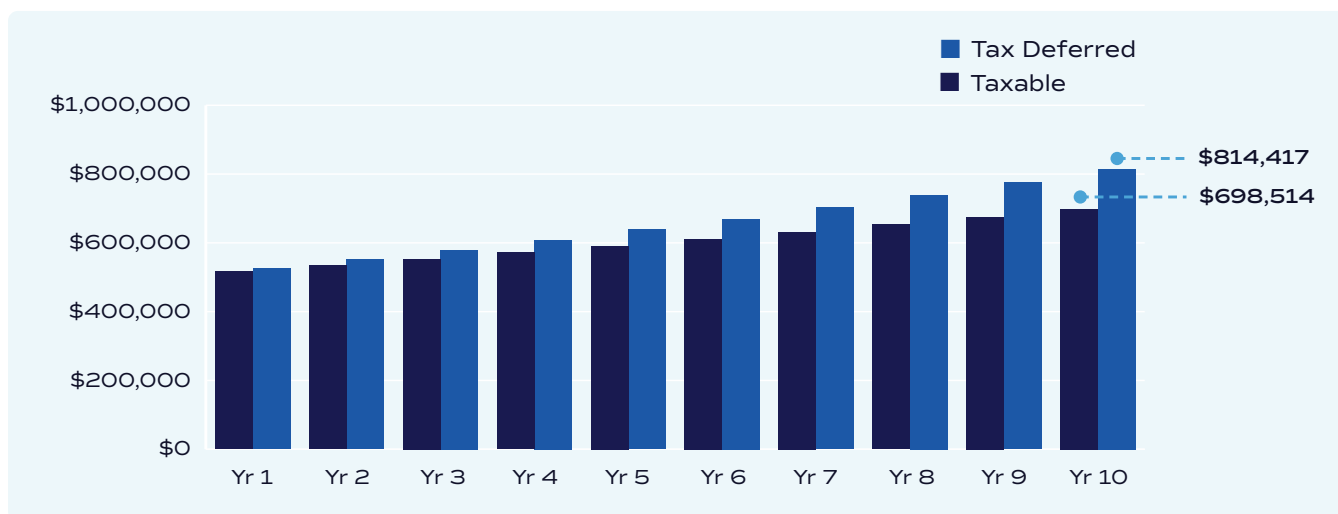
There's an alternative that allows more of your earning to remain in the account and continue growing: a tax-deferred annuity. In the hypothetical example below, \$500,000 in a taxable account generates 5% taxable interest, or \$25,000 per year. At a 32% federal tax rate, you'd owe approximately \$8,000 in federal taxes each year.*

Over a 10-year period, that's \$80,000 in paid taxes. That's money that otherwise could have remained in the account and continued compounding.

While every situation is different, tax-deferred vehicles such as annuities may help reduce the impact of annual taxation and improve your long-term growth potential.

TAXABLE VS. TAX-DEFERRED INCOME

A Hypothetical Example



Unlike traditional interest-bearing accounts, annuities allow your earnings to grow without being taxed annually. As you see in the example above, by Year 10, tax-deferred growth reaches \$814,447, compared to \$698,514 in a taxable account, for a difference of \$115,993. That's because every dollar remains in the annuity and keeps compounding, instead of being reduced by annual taxes.

Taxes are generally due on annuity earnings when withdrawn or annuitized. The tax-deferred value shown above does not reflect taxes that may be due upon withdrawal.

The result is a larger balance working for you, giving your money the opportunity to compound uninterrupted.

Potential benefits of tax-deferral include:

- No annual 1099-INT reporting on earnings
- Tax-deferred growth
- Greater control over the timing of taxable income
- Tax-efficiency in retirement income planning

LET'S DISCUSS YOUR OPTIONS

If you're earning significant interest income and would like to explore strategies designed to improve tax efficiency, we're happy to help.

A conversation today could help identify opportunities to keep more of your money working toward your long-term financial goals.

Could a tax-deferred annuity be right for you?

This strategy may be worth exploring if you:

- ✓ Want to generate substantial annual interest income
- ✓ Are currently in a higher tax bracket
- ✓ Do not need immediate access to the income being earned
- ✓ Are looking for long-term retirement or legacy planning solutions

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*State taxes may also apply.

This is not a recommendation, prediction, projection, or guarantee of future results. The guaranteed minimum ending value reflects only the contractually guaranteed elements described in the methodology. Average and highest ending values are non-guaranteed historical hypothetical values derived by applying the stated annuity crediting methodology to historical index data. They do not represent actual contract performance. Past index performance is not indicative of future results. Actual indexed interest may be higher or lower than the values shown and may be zero for one or more crediting periods. Values may vary due to rounding.

Index performance shown herein may not be the same as policy interest credited under a fixed indexed annuity. Actual performance may vary, perhaps materially, from the performance set forth herein. Any blended or combined results shown are mathematical combinations of hypothetical index outcomes based on the selected allocations. These blended results do not represent a single index, a policy value, or a guaranteed outcome.

You should consider the features of Staysail Select carefully before purchasing. Taxes are due upon withdrawal and excess withdrawals may be subject to a surrender charge and market value adjustments. The IRS may impose a 10% penalty for withdrawals prior to age 59½.

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