



Multi-Year Guarantee Annuities

PFG Marketing Group provides resources which can help explain how a client can earn guaranteed* interest accumulation.

Are your clients who are at or near retirement concerned about market risk? Do they worry about how changing interest rates may affect their retirement income? Are they concerned about making sure that they have a predictable retirement income?

Multi-Year Guarantee Annuities (MYGAs) are fixed deferred annuities which can offer guaranteed* interest that is competitive with other conservative financial vehicles. They might be a good fit for clients who prefer fixed interest accumulation, premium protection and are comfortable with the insurance company setting the minimum rate.

It is a financial product which offers some flexibility of time frame, in that clients can choose contract that specifically outlines guaranteed interest rates, such as 3, 5 or 7 years. After that period of time, there may be changes in the interest rate, subject to the contracts' minimum guaranteed interest rates. Consumers may still wish to keep the contract in-force to continue interest accumulation to save for the payout phase of the contract. Annuities, including MYGAs, are designed to provide income during retirement, these contracts can continue beyond the guaranteed interest rate period. MYGA benefits may also include:

- Conservative interest rates. Interest accumulations are outlined by a contract and fixed for the selected term, regardless of whether market rates rise or fall.
- No exposure to market risk. Premium is not affected by movement in the stock or bond market.
- Interest can compound tax-deferred.
- Contract owners pay no taxes until they withdraw their money from the annuity. Distributions are taxed as ordinary income.
- Many MYGA contracts allow access up to 10% of account value annually with no penalty/surrender charge. Clients who withdraw funds before they reach age 59½ may incur an IRS penalty.
- May avoid probate. An annuity can help provide a death benefit for your clients' beneficiaries, if properly set-up the annuity can pass directly to their designated beneficiaries after the owner dies, without going through the often lengthy and cumbersome probate process.

Annuities are designed to help meet long-term needs for retirement income. They may be subject to restrictions, such as holding periods and withdrawal charges, which vary by contract.

*Guarantees are backed by the claims paying ability of the issuing carrier.



MARKETING GROUP, INC.