It's EASY to talk to clients about putting money in a guaranteed, secure annuity vs. a CD…

Ask them to consider the following:

• **Annuities feature Tax Deferred accumulation**.
  - "Mrs. Client…do you have a tax problem? Would you like to have control over when you pay taxes on your accumulated funds?"
  - "Do you want to double your money in 12 years or 22 years?" The interest on a CD is reportable and taxable, regardless of whether it is received or left to accumulate.
  - The interest on a CD is used in determining the taxation on Social Security Benefits.
  - If your client is getting 5.5% on a CD, they're really netting 3.66% if they're in a 33% tax bracket, only 4.13% if they're in a 25% tax bracket.

• **Annuities can feature strong liquidity features**, with up to 10% penalty-free withdrawals annually and waiver for nursing home. Funds in a CD cannot be accessed at all during the term without incurring withdrawal penalties.

• **Annuities avoid the expense and frustration of probate.** CDs do not.
Exception: Joint owners or POD.

• **Annuities can be structured to provide an income for life.** CDs can not.

• **Annuities offer protection from creditors.** CDs do not.

• **Annuity rates are typically higher than CDs**

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