

Equity Index Annuity is one of the most important applications of Equity Index Strategy. It is an innovative, safe and secure saving vehicle; at the same time it is an effective retirement planning tool.

Equity Index Annuity, some people call it fixed index annuity, is designed to improve both the qualified and non-qualified money for the long term; most commonly used for 401k, IRA/ Roth IRA and CD rollovers. The goal is to improve those accounts from being exposed to too much market risk to being safe, from having poor performance/ low interest to having more potential earnings, and also reaching tax-efficiency. There are five major benefits for owning Equity Index Annuity. On this Financial Vehicle Comparison Chart, please look at the right column-FIA (Fixed Index Annuity).

Benefit 1, Tax-deferral: Tax-deferred growth allows you to earn more potential interest on what you would normally pay in income taxes. Unlike CD and regular MF, regardless if you use money from the CD or not, if your MF shows a loss or you sell any shares or not, you have to pay tax on an annual basis. In Equity Index Annuity case, you don't pay taxes within the contract period until you start withdrawal or taking income. One exception is if you own a Roth IRA in an Equity Index Annuity, then you don't pay any taxes when all conditions are met.

Benefit 2, Premium Guaranteed: It's the safety and protection of your premium. The only time you will have surrender charge is if you surrender before your contract ends or you will get penalty if you take more than the allowable free withdrawal amount, just like the penalties from taking money too soon from your CD.

Benefit 3, Upside market potential without direct market participation: You earn interest based on the upper movement of indexes. Besides the fixed interest option, there are several index crediting methods to choose from.

Remember in the 1st Safety w/ Growth concept video, you've seen the hypothetical example on how you can lock in the annual gain by the chosen indexes and eliminate the market downside. In doing so, you are able to not only earn interest on premium, also earn interest on your interest as well. Equity Index Annuity provides an opportunity to potentially earn more interest than traditional fixed annuity and other safe money alternatives.

What goes up does not need to come down, that's why we call it 'A Safer Money Solution', so you can get potential of equity index-linked growth without any risk. You don't have to lose money and play catch up games.

Benefit 4, Liquidity: You have up to 10% penalty free withdrawals each year after the first contract anniversary.

Benefit 5, Potential to avoid the expenses and delay of probate.

In choosing a good Equity Index Annuity, there are three more additional benefits:

- 1. You will get flexibility of premium and income options or income rider including lifetime income plan, if you choose to have one.**
- 2. You may qualify for an incentive / bonus-matching program. It can help you recoup some of your losses with your previous account or boost your new EIA account from day one.**
- 3. You have NO sales charge to pay.**

I hope the information I shared with you, helped you with better understanding on how Equity Index Annuity works. But it won't work for you unless you apply this Safety with Growth concept in your financial life. If you are satisfied with your financial results you have, then keep doing what you've always been doing. But if you have been searching for a better solution, we want to help you build a case design for your particular needs No cost to you.