Welcome to our workshop, *Income for Life*. We're excited to see you. You should have been given some materials as you entered. I also have pencils *(or pens)* available if you need them.

Before we start the main part of our presentation, let me take a minute or two to tell you what we hope to accomplish over the course of the next hour or so.

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We have three main workshop objectives.

First, we'd like to introduce ourselves and our company.

(Give a brief personal background, tell about your organization, and give its location.)

We use workshops like this one to introduce ourselves and to develop strong working relationships with people like you.

Second, we'd like to educate you about the benefits of financial management. We'll also discuss some techniques that can help you reach your financial goals.

And, third, we'd like to clearly illustrate the advantages of working with a company like ours.

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Our Commitment

- Provide sound financial information
- Help you identify goals
- Offer complimentary consultation

The information provided in this presentation is not written or intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek advice from an independent professional advisor.

Our commitment to the community extends beyond simply offering financial services. We are committed to helping people evaluate their financial situations and giving them the tools to help them make informed decisions.

As part of that commitment, we use workshops like this one to provide individuals with sound financial information. This will help you identify your goals and make wise decisions to improve your financial situation.

We follow up this session with a meeting in our offices. This is a complimentary consultation that we offer to everyone who attends our workshops. During that consultation, we can discuss any questions you have as a result of today’s workshop. If you prefer, we can use that time to examine your specific situation and begin the process of helping you formulate a financial strategy that will suit your needs.

We know that we’ll establish a working relationship with you only when *you’re* confident we can be of service to you. We want you to understand your options and to know how you may benefit from our services.

The information provided in this presentation is not written or intended as tax, legal, investment, or retirement advice or re commendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. Individuals are encouraged to seek advice from an independent professional advisor.

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Evaluation Form

Inside the front cover of your workbook, you'll find an evaluation form just like this one.

(Hold up an evaluation form for your workshop participants to see.)

At the end of the workshop, you'll use this form to tell us whether you're interested in taking advantage of the complimentary consultation.

We'd like to make you two promises concerning this form. First, if you check "Yes, I am interested in scheduling a complimentary consultation," we'll call you tomorrow and set up an appointment. Second, if you check "No, I am not interested in scheduling an appointment at this time," we won't call you directly after the workshop.

In exchange for our two promises to you, please promise that you will fill out this form. Many of our workshop attendees do come in for a consultation, so we've set aside time just to meet with you.

When you do come to our office, feel free to leave your checkbook at home. We are very interested in developing working relationships with many of you, but that decision is yours.

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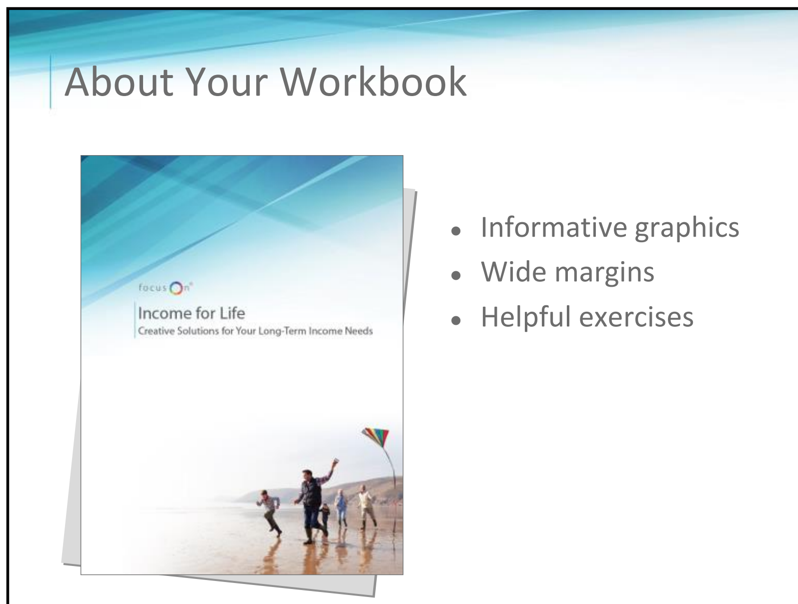

Let's talk about your workbook.

Research has shown that people are more likely to remember something they act on rather than something they only hear about. That's why we designed this workbook so you can apply what you learn to your situation. It's yours to keep. It reinforces the workshop's major points and will be a valuable resource for you.

Throughout the workbook, you'll see informative graphics. They come directly from the workshop slides, making it easy for you to follow the presentation. Later, these graphics will be reminders of the workshop's important points.

The workbook has wide margins so you can take notes. As we cover this material, feel free to underline or circle items you may have questions about. That way, they'll be fresh in your mind during the complimentary consultation.

You'll also find helpful exercises, worksheets, and self-analysis quizzes. These materials will make your workshop experience interesting, informative, and most important, valuable.

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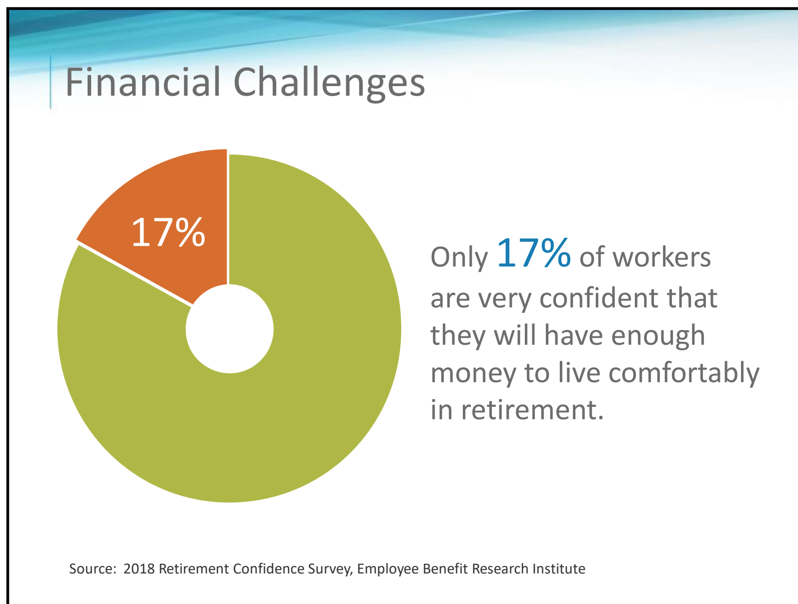

When it comes to your long-term finances, you face a number of financial challenges.

One of the greatest concerns people have before they retire is whether they will accumulate enough money. According to one survey, only 17 percent of workers are very confident that they will have enough money to live comfortably in retirement.

To get started, you need information to develop good strategies and make sound financial decisions.

Source: 2018 Retirement Confidence Survey, Employee Benefit Research Institute

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Income for Life

1. **Annuities for an Income You Can't Outlive**
2. Tax Considerations
3. Trends and Strategies
4. Case Studies
5. Important Questions

Today's discussion is designed to help you create an income for life so that you will not outlive your retirement savings.

We will review five critical topics, which will be covered in greater detail throughout the presentation.

First, we will discuss how a unique financial vehicle — the annuity — can generate an income for a specific number of years or for life. Then we will address some important tax considerations as well.

We'll also look at trends, strategies, and case studies that illustrate some of the opportunities that can benefit you.

Finally, we'll address important questions you need to ask yourself in order to make intelligent, informed decisions about the challenges you face.

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Managing your income, deciding how to invest, and keeping taxes low are important challenges to your long-term financial security. Fortunately, there is a unique financial vehicle that can help you meet these challenges: the annuity.

Annuities are flexible, insurance-based contracts that can be used to satisfy many different needs and achieve a variety of objectives. Whether you want to generate lifetime income, accumulate retirement funds, reduce taxes on the growth of assets, or diversify your current investment portfolio, annuities can be a valuable addition to your financial strategy.

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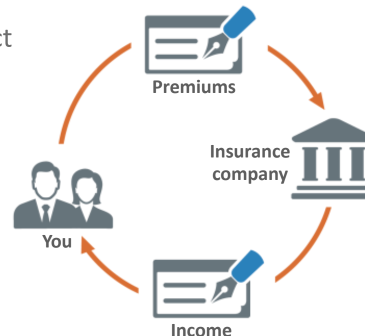
What Is an Annuity?

An alternative to traditional investment vehicles

- Insurance-based contract
- Option for lifetime income
- Tax-deferred accumulation
- Competitive rate of return



What is an annuity?

An annuity is an alternative to traditional investment vehicles. When you purchase this insurance-based contract, you basically trade current premiums for a future income stream. An annuity can help protect against the risk of living too long, because it provides an option for lifetime income.

An annuity can grow tax deferred. And with fixed annuities, not only do you earn competitive rates, but you may also pay less in current taxes.

As you will see, an annuity can be an attractive vehicle to help generate income, reduce current taxes, accumulate retirement funds, and diversify your investment portfolio.

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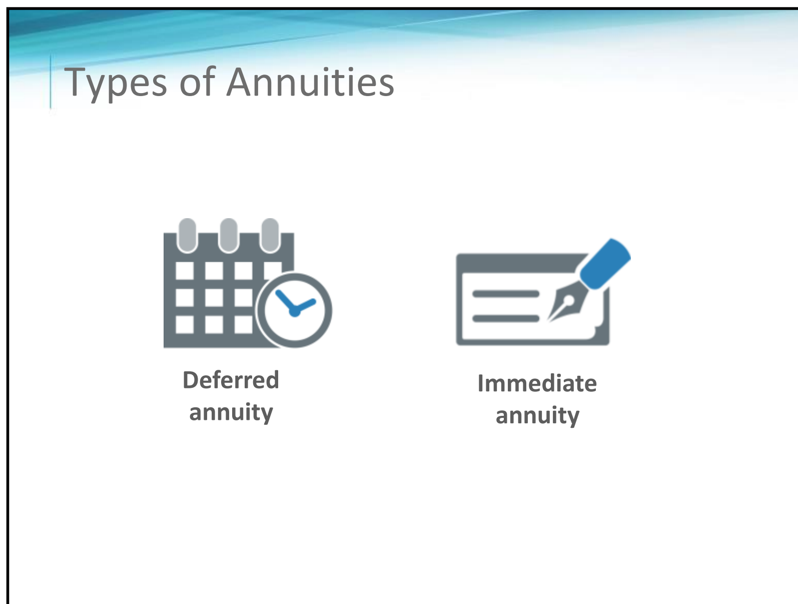

There are two basic types of annuities — deferred and immediate. Each type is used for distinctly different purposes.

Deferred annuities are designed for long-term accumulation. People buy them because they want their money to grow and provide an income stream when they retire.

Immediate annuities, on the other hand, are designed to provide income right away.

Each type of annuity can be used to meet a variety of needs and objectives.

You should be aware that annuities have fees and expenses, and they carry a certain level of risk. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing company. Annuities typically have surrender charges that are assessed during the early years of the contract if the annuity is surrendered. In addition, withdrawals prior to age 59½ may be subject to a 10 percent federal income tax penalty. Only the earnings portion of annuity withdrawals is subject to ordinary income taxes.

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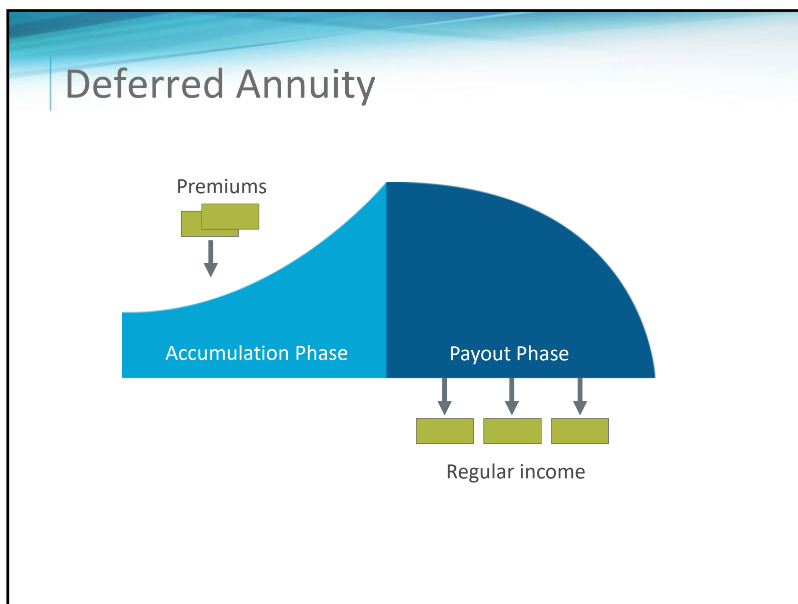

As its name implies, a deferred annuity postpones income to some future date. The premiums you pay for a fixed annuity accumulate and earn interest during the accumulation phase. You determine the amount and frequency of your premiums and the time when the payouts will begin, usually in retirement.

The annuity accumulates tax deferred. The earnings credited to your annuity are not taxed until they are withdrawn. When you *do* begin receiving payments from your annuity, during the payout phase, the payments will reflect the added value from this tax-deferred growth.

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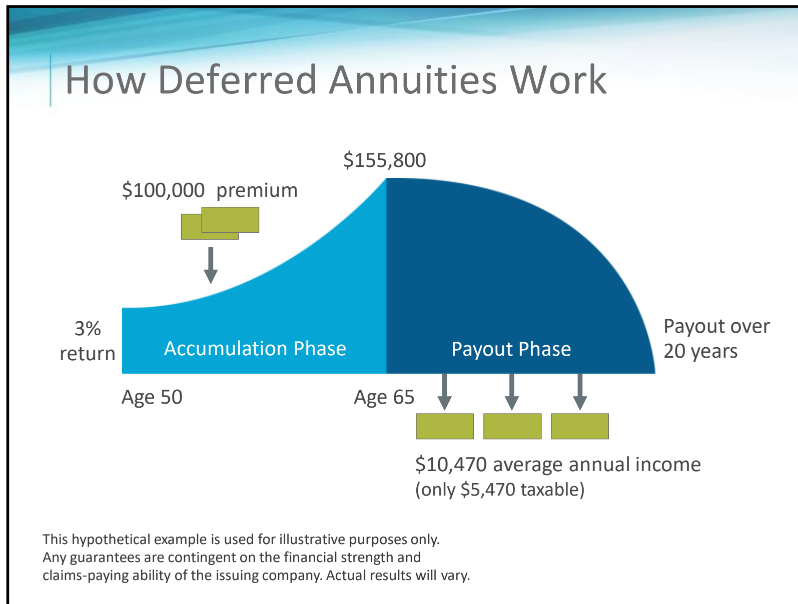

Here's an example of how deferred annuities can work.

Let's assume a 50-year-old man decides to purchase a 3 percent deferred annuity with a $100,000 premium. (For simplicity, we're showing a single premium, but many deferred annuities are funded with periodic purchase payments during an individual's working years.) By the time he retires at age 65, the annuity would have grown to about $155,800.

Assuming that his life expectancy at retirement (age 65) is 20 years, the contract owner could receive average annual payments of about $10,470 for 20 years. Only $5,470 of that annual income, however, would be taxable. The rest, $5,000, would be treated as a return of principal, which is free of income taxes.

This hypothetical example is used for illustrative purposes only. It assumes a $100,000 initial premium, a 3 percent annual rate of return, a 15-year accumulation period, and a 20-year payout period. It does not consider the effects of sales charges or other expenses. The guarantees of annuities are contingent on the financial strength and claims-paying ability of the issuing company. Figures are rounded to the nearest $10. Actual results will vary.

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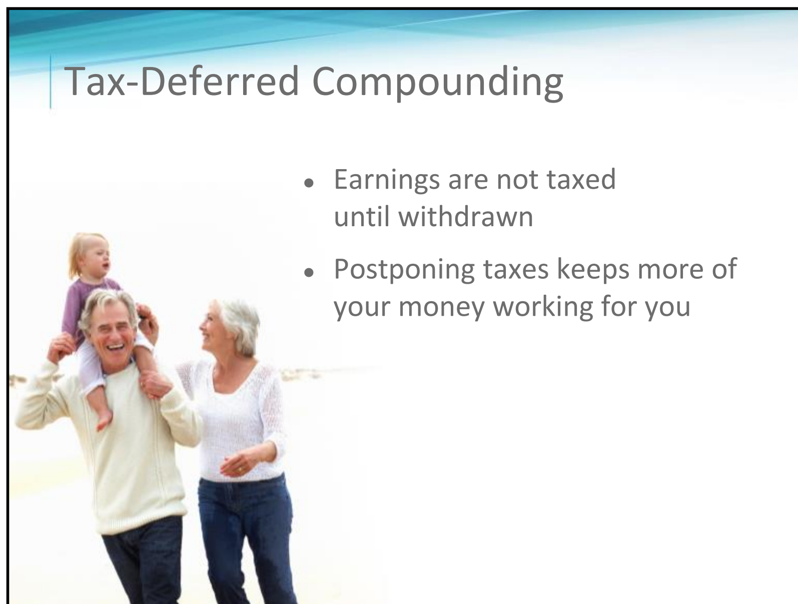

Tax-deferred compounding is an important advantage of annuities. Any earnings are not taxed until they are withdrawn, at which time they are considered ordinary income.

By postponing taxes while your funds accumulate, you keep more of your money working and growing for *you* — instead of paying it out in current taxes. This can result in potentially greater returns on your annuity, especially over a long period of time.

Keep in mind that only fixed annuities and the “fixed interest” account of a variable annuity pay interest. And any gains from your annuity will be subject to ordinary income taxes in the year in which they are withdrawn.

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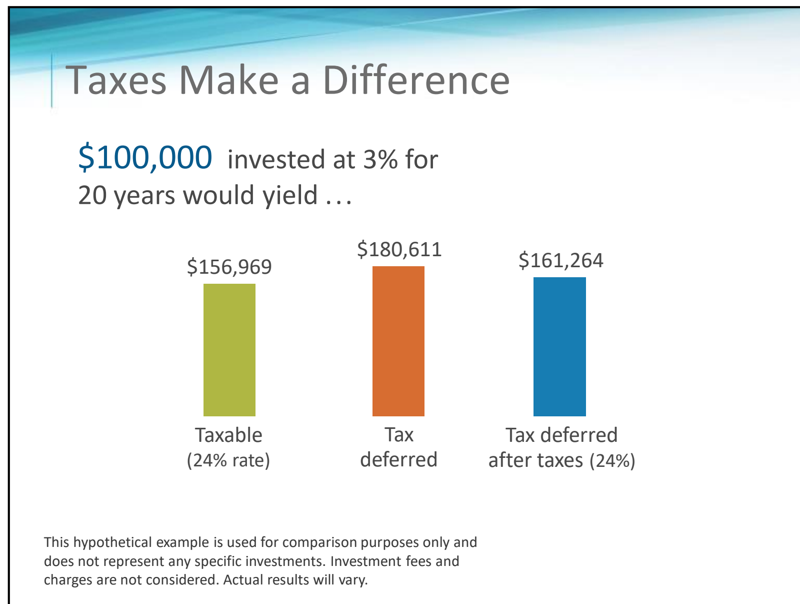

Let me explain how taxes make a difference, especially over time.

A $100,000 investment yielding a hypothetical 3 percent rate of return for 20 years would grow to $156,969 in a taxable account (assuming a 24 percent tax rate) and $180,611 in a tax-deferred annuity. After paying taxes on the gains (24 percent tax rate), the tax-deferred account would be worth $161,264.

Over 20 years, the difference between the taxable and the tax-deferred vehicle would amount to about $4,300.

This hypothetical example is used for comparison purposes only and does not represent any specific financial vehicles. Rates of return will vary over time, especially for long-term investments. Actual results will vary.

Of course, lower maximum tax rates for capital gains and dividends, as well as the tax treatment of investment losses, could make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the two accounts shown. An individual's time frame and income tax brackets, both current and anticipated, should be considered when making financial decisions.

Generally, annuities have contract limitations, fees, and expenses. Most annuities have surrender charges that are assessed during the early years of the annuity contract in the event that the annuity is surrendered. Withdrawals of annuity earnings are taxed as ordinary income. Withdrawals prior to age 59½ may be subject to a 10 percent federal income tax penalty. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing insurance company.

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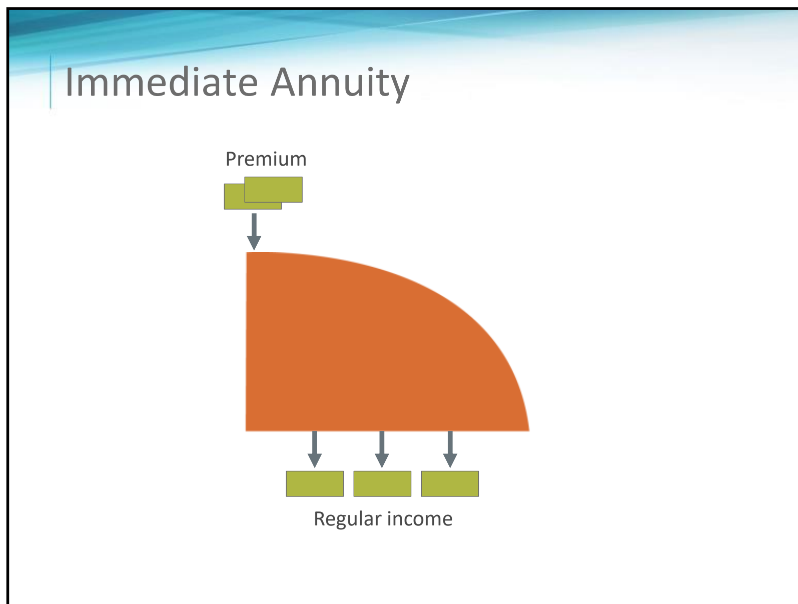

As its name implies, an immediate annuity provides current income. Once you pay the premium, you are entitled to receive regular income, which is guaranteed by the issuing insurance company.

The first payment from an immediate annuity can begin within 30 days or can be deferred up to 12 months. Payments are paid monthly, quarterly, annually, or semi-annually for your entire life or for a guaranteed period of time that you specify.

Immediate annuities provide a way to use your wealth to secure regular income. This strategy may be appropriate for people who are getting ready to retire and who need to reallocate their savings and investments for greater income.

They may also be appropriate for people who are receiving a retirement plan distribution, a gift or inheritance, or any other large payment from which they want to receive a regular income stream immediately.

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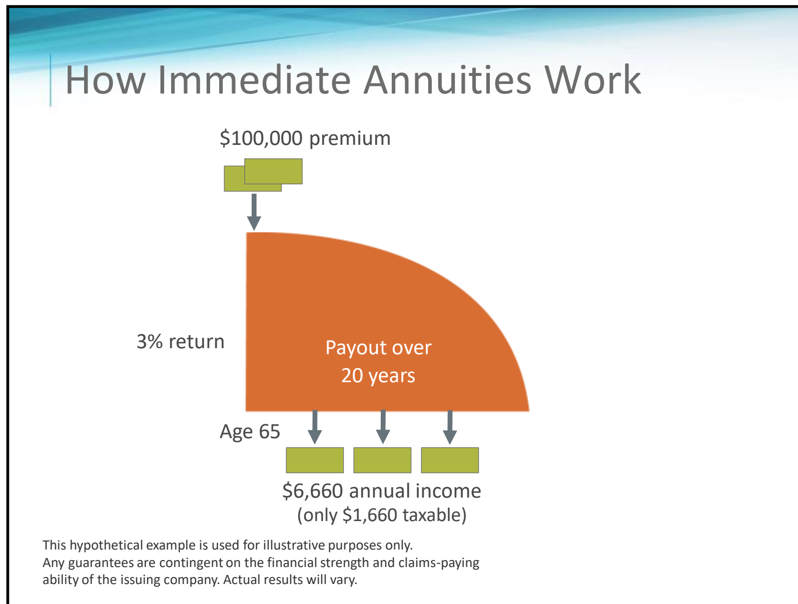

Here's how immediate annuities work.

Let's say a woman is age 65, about to retire, and has a life expectancy of 20 years. If she were to purchase a 3 percent immediate annuity with a $100,000 premium, she would receive payments of about $6,660 per year for the rest of her life. Only $1,660 of that annual income would be taxable. The rest, $5,000, would be treated as a return of her principal, which she would receive free of income taxes.

This hypothetical example is used for illustrative purposes only. The example assumes a $100,000 initial premium, a 3 percent annual rate of return, and a life expectancy of 20 years. It does not consider the effects of sales charges or other expenses. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing company. Actual results will vary.

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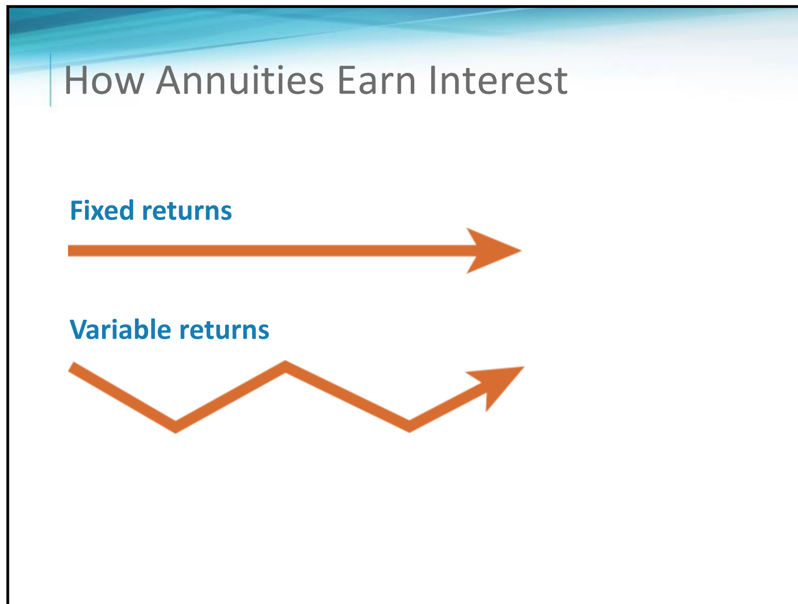

How do annuities earn interest?

Annuities can provide fixed returns or variable returns.

This is true of both deferred and immediate annuities.

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With a fixed annuity, the contract owner is guaranteed a fixed rate of return for a period of one to 10 years. Contracts are issued with guaranteed minimum interest rates.

Although the rate may be adjusted, it will never fall below a guaranteed minimum rate specified in the annuity contract. This guaranteed rate acts as a “floor” to protect contract owners from periods of low interest rates.

It is important to remember that any guarantees are contingent on the financial strength and claims-paying ability of the company that issues the annuity.

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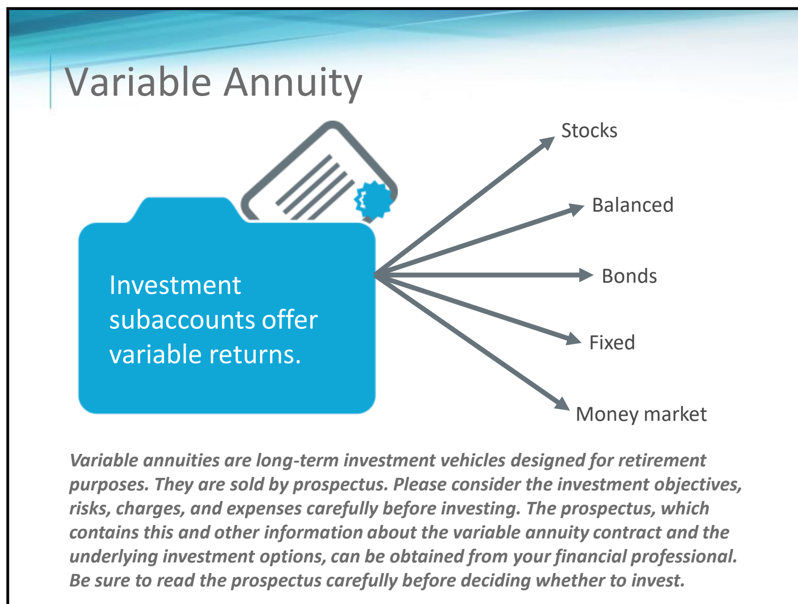

A variable annuity offers fluctuating returns.

You can allocate your contributions among your choice of a variety of underlying investment portfolios called *subaccounts*, which can range from conservative to aggressive. Your return is based on the performance of the subaccounts that you select.

Because of their unique structure, variable annuities offer a tremendous amount of investment flexibility. Most contracts offer a variety of professionally managed portfolios that invest in stocks, bonds, and money market instruments, as well as balanced investments. In addition, some of your contributions can be allocated to accounts that offer a fixed rate of return.

You can periodically reallocate your subaccounts based on your financial outlook or your personal situation.

With variable annuities, *you* decide how much risk you want to take in order to earn potentially higher returns. *You* have control. One thing to keep in mind, however, is that you, not the insurance company, bear the risk associated with a variable annuity.

Variable annuity subaccounts fluctuate with changes in market conditions. When surrendered, the principal may be worth more or less than the original amount invested.

Variable annuities are long-term investment vehicles designed for retirement purposes. They are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the variable annuity contract and the underlying investment options, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

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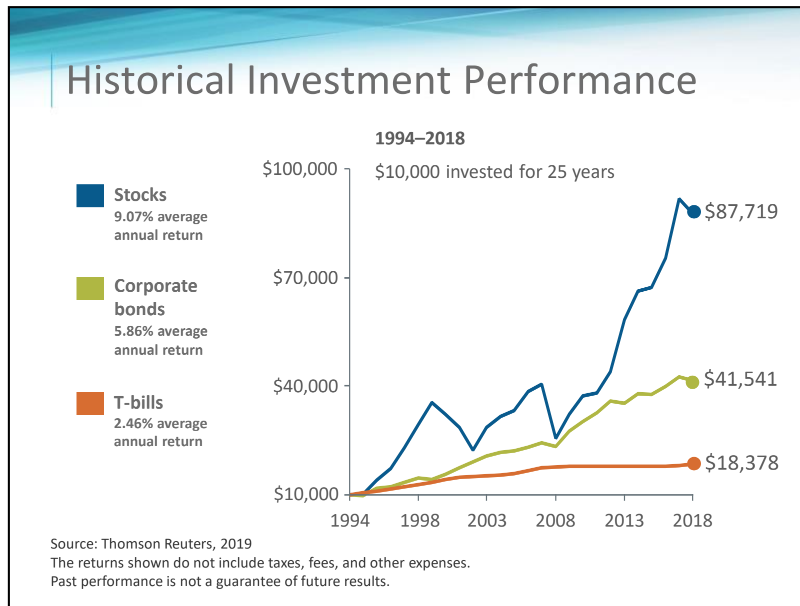

To illustrate how investment performance can fluctuate over time, this graph shows the historical performance of stocks, corporate bonds, and Treasury bills over the 25-year period from 1994 through 2018.

As you can see, stocks outperformed corporate bonds and cash investments over this period. The average annual return of stocks was 9.07 percent. Thus, a $10,000 initial investment in stocks mirroring the S&P 500 could have grown to $87,719. Corporate bonds yielded a 5.86 percent average annual return; thus, a $10,000 investment in corporate bonds could have ended up at $41,541. And if the $10,000 had been invested entirely in Treasury bills, your investment could have averaged 2.46 percent annually and ended up at $18,378 after 25 years.

Over a long period of time, taking advantage of these investment classes — especially stocks — can help keep inflation from eroding your retirement savings. Keep in mind, however, that rates of return will vary over time. Investments offering the potential for higher rates of return also involve higher risk, and past performance is no guarantee of future results.

Source: Thomson Reuters, 2019. Performance shown is for the period January 1, 1994, to December 31, 2018. Stocks are represented by the S&P 500 composite total return, which is generally considered to be representative of the U.S. stock market. Corporate bonds are represented by the Citigroup Corporate Bond Composite Index, which is generally considered to be representative of the U.S. corporate bond market. T-bills are represented by the Citigroup Three-Month Treasury Bill Index, which is generally considered to be representative of short-term cash alternatives. T-bills are backed by the full faith and credit of the U.S. government as to the timely payment of principal and interest. The returns shown do not reflect taxes, fees, brokerage commissions, or other expenses typically associated with investing. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in an index. Actual results will vary.

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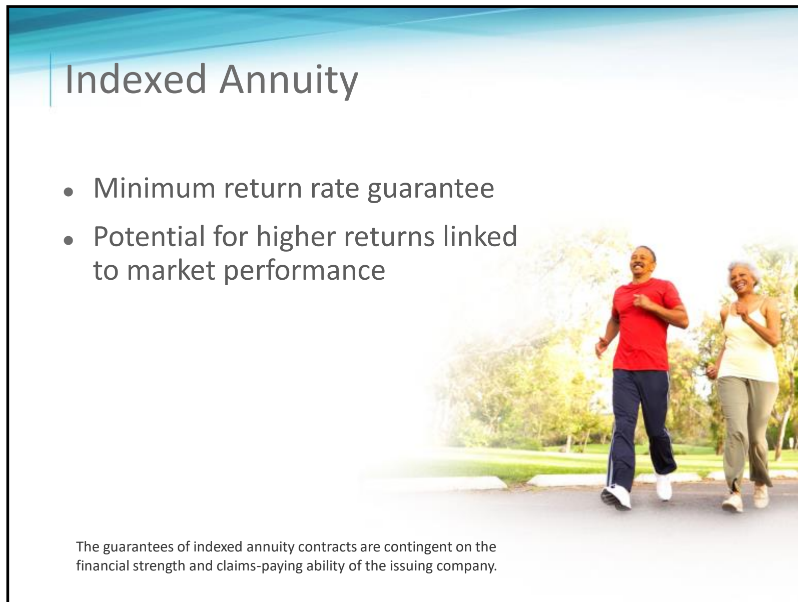

One popular type of hybrid annuity is the indexed annuity (also called an equity-indexed annuity and a fixed-indexed annuity). An indexed annuity is a fixed annuity contract that offers returns tied to a market index, such as the Standard & Poor's 500. It also features a minimum return rate guarantee like a traditional fixed annuity. This guarantee is contingent on holding the indexed annuity until the end of the term.

Like other annuities, most indexed annuities are insurance contracts and are not securities, although their return may be linked to a market index. However, some indexed annuities are registered securities. With those, it is especially important for the potential buyer to secure and read the accompanying prospectus. The prospectus contains full information about charges, risks, and other important data.

Indexed annuities have been popular with investors who want to benefit from the upside potential of the market without forfeiting the security of a guaranteed return. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing company. Theoretically, indexed annuities have the potential to produce higher returns than fixed annuities because their performance is tied to a market index.

The guarantees of indexed annuities may cover only a certain percentage of the initial investment; therefore, it is possible to lose money when investing in an indexed annuity.

Of course, indexed annuities are not appropriate for every investor. Participation rates are set and limited by the insurance company. So an 80 percent participation rate means that only 80 percent of the gain experienced by the index for that year would be credited to the contract holder. Also, like most annuity contracts, indexed annuities have certain rules, restrictions, and expenses. Some insurance companies reserve the right to change participation rates, cap rates, or other fees either annually or at the start of each contract term. These types of changes could affect the investment return. It is prudent and important to review how the contract handles these issues before deciding whether to invest.

Most annuities have surrender charges that are assessed during the early years of the contract if the contract owner surrenders the annuity. In addition, withdrawals prior to age 59½ may be subject to a 10 percent federal income tax penalty.

As you can see, annuities offer creative solutions to the financial challenges that people face in retirement.

The S&P 500 index of securities is frequently used as a measure of U.S. stock market performance. The S&P 500 is unmanaged and does not represent the performance of any specific investment. Investors cannot invest directly in an index.

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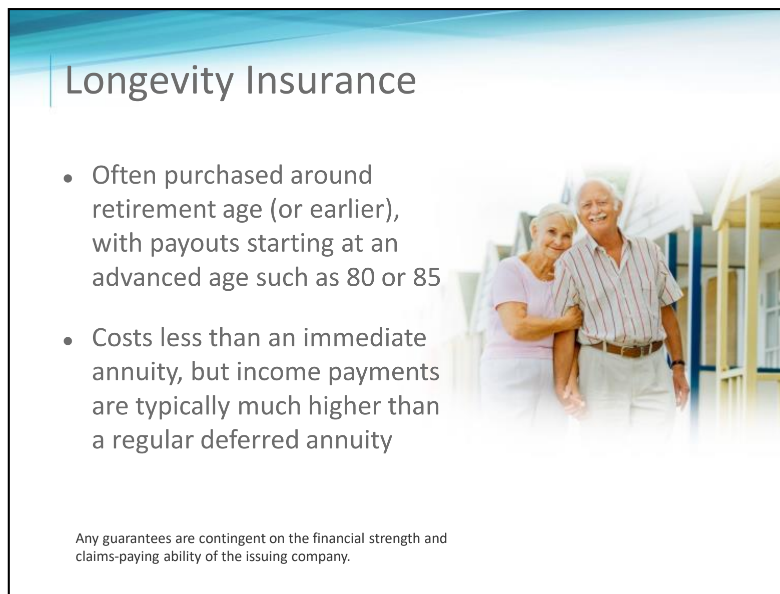

One creative and fairly new annuity strategy is called “longevity insurance” (also known as a “future income annuity” or an “advanced life deferred annuity”).

A longevity annuity is a form of “insurance” designed to provide a guaranteed lifetime income once someone reaches an advanced age, when his or her retirement plan assets might be nearly depleted. Although this product may not be appropriate for everyone, it might be a good option for healthy baby-boomer retirees who are relying on their investment assets for retirement income and are worried about outliving those assets if they live well into their 80s or 90s.

Someone might use a small portion of his or her retirement assets to purchase longevity insurance when he or she approaches retirement age, or even earlier. The policy owner would typically pay the premium as a lump sum up-front (or over time before income payouts begin) and the benefit would be calculated up-front, much like an immediate annuity. But unlike an immediate annuity, the income payments would not begin until the policy owner reaches a specific age such as 85. Because the annuity income is delayed, the cost is typically lower than it would be for an immediate annuity but much higher than it would be for a regular deferred annuity. Another upside is that there are no annual fees.

Investors who are considering a retirement income strategy using longevity insurance should understand that if they die before the annuity payouts begin, the insurance company will generally keep the premiums that were paid, unless it was possible to structure the annuity payouts to continue throughout the lifetime of a second individual, such as a surviving spouse. Another downside is that once longevity insurance is purchased, the money is locked up and cannot be withdrawn if you need it later. And your heirs typically do not receive a death benefit.

Longevity annuities have contract limitations, exclusions, fees, expenses, termination provisions, and terms for keeping them in force. If withdrawal/surrender is permitted during the deferral phase, surrender charges would typically apply. Withdrawals of annuity earnings are taxed as ordinary income. Withdrawals prior to age 59½ may be subject to a 10 percent federal income tax penalty. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing insurance company. When purchasing any annuity, investors should be aware that they may sacrifice the opportunity for higher returns that might be available in the financial markets, and that inflation could reduce the future purchasing power of their annuity payouts.

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Longevity Insurance in a Qualified Retirement Plan

Qualified longevity annuity contract (QLAC)

- Can use lesser of $130,000 or 25% of account balance to purchase a QLAC
- Annuity's value excluded from account balance used to determine RMDs
- Option for continuation of income for lifetime of beneficiary
- No cash-out provisions
- Income payments are fully taxable

Thanks to a 2014 IRS decision, you may be able to turn a portion of your retirement plan savings into a guaranteed income stream using a qualified longevity annuity contract (QLAC).

In the past, it would have been counter-productive to purchase longevity insurance in a qualified retirement plan, such as a 401(k), or a traditional IRA because the amount used to purchase the annuity would have been included in the account balance to determine required minimum distributions (RMDs). The IRS ruling allows retirement plan participants to use the lesser of $130,000 (inflation adjusted) or 25 percent of their account balances to purchase a QLAC, with the annuity's value excluded from the account balance used to determine RMDs. If your employer offers a QLAC option in a retirement plan, you might be able to invest through regular salary deferrals.

Having a QLAC might enable you to take larger retirement plan distributions earlier in retirement, knowing that you will have a guaranteed future income from the annuity. Income payments must begin no later than the first day of the month following your 85th birthday.

The rules also allow for the continuation of income payments throughout the lifetime of a beneficiary (such as a surviving spouse) and/or the return of premiums (minus payouts) as a death benefit. However, these options will either raise the purchase price or reduce income payments later in life. Without the optional death benefit, the insurance company will generally keep the premiums paid if the annuity owner dies, even if payouts have not yet begun. Also consider that cash-out provisions are not allowed in QLACs, so any money invested in the annuity is no longer a liquid asset, and you might be sacrificing the opportunity for higher investment returns in the financial markets.

Like other distributions from tax-deferred retirement plans, income payments from a QLAC are fully taxable. (With nonqualified annuities purchased outside a retirement plan, only the earnings portion is taxed.)

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Income for Life

1. Annuities for an Income You Can't Outlive
2. **Tax Considerations**
3. Trends and Strategies
4. Case Studies
5. Important Questions

Now let's look at some of the tax considerations you should be aware of with annuities.

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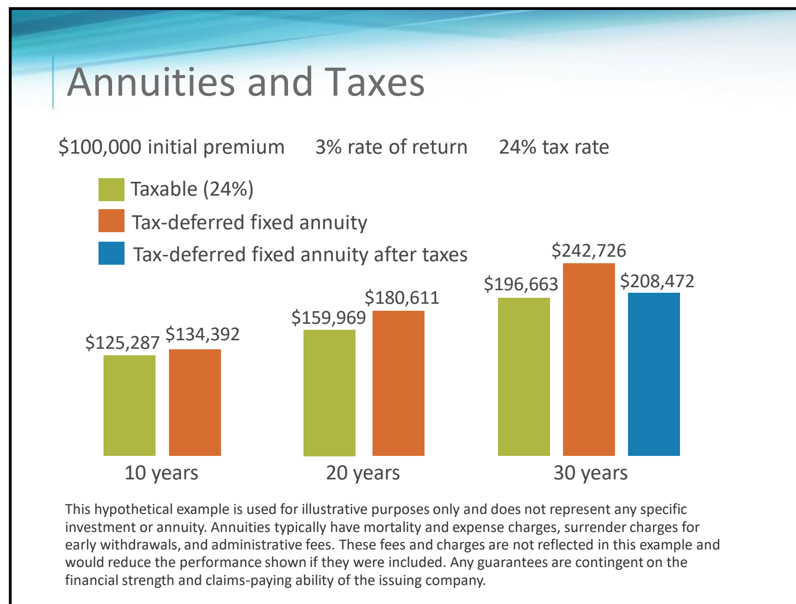

First, annuities can be excellent tax management tools. Because they are tax deferred, they can help reduce current taxes on the potential growth of your funds, thereby giving you an edge over Uncle Sam.

This chart shows the dramatic difference that tax-deferred accumulation can make. The tax-deferred fixed annuity can grow faster than the taxable account because you keep more of your money working for you.

Assuming a $100,000 initial premium and a 3 percent rate of return, the value of a tax-deferred fixed annuity would amount to $242,726 after 30 years of accumulation. The taxable account (24 percent tax rate), which of course is taxed each year, would amount to $196,663.

But accumulation is only half of the story, isn't it? Will you still come out ahead after you pay the taxes on withdrawals from the fixed annuity?

Even after paying taxes on the gains (at a 24 percent tax rate), the value of the account after 30 years would be $208,472.

This hypothetical example is used for illustrative purposes only. Its performance is not indicative of any particular investment vehicle or fixed annuity. The example assumes an initial $100,000 premium, a 3 percent annual rate of return, and a 24 percent federal tax rate.

Rates of return will vary over time, particularly for long-term investments. The taxable amount of the lump-sum withdrawal is the account value at the end of the period less the initial investment. Distributions from tax-deferred plans are taxed as ordinary income and, if taken prior to age 59½, may also be subject to a 10 percent federal income tax penalty. Annuities typically have mortality and expense charges, surrender charges for early withdrawals, and administrative fees. These fees and charges are not reflected in this example and would reduce the performance shown if they were included. Any guarantees are contingent on the claims-paying ability of the issuing company. Actual results will vary.

Lower maximum tax rates for capital gains and dividends, as well as the tax treatment of investment losses, could make the taxable investment return more favorable, reducing the difference in performance between the accounts shown. Investors should consider their investment horizon and income tax brackets, both current and anticipated, when making investment decisions.

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The Effects of Taxes and Inflation

Page 9

1.	Initial investment	$10,000
2.	Interest rate	4%
3.	Amount earned *(line 1 x line 2)*	$400
4.	Federal income tax bracket	32%
5.	After-tax return *[line 3 – (line 3 x line 4)]*	$272
6.	Net value of account after taxes *(line 1 + line 5)*	$10,272
7.	Inflation rate	3%
8.	Value of the account after inflation and taxes *[line 6 ÷ (100% + line 7)]*	$9,973
9.	Real rate of return *[(line 8 – line 1) ÷ line 1]*	–0.27%

This hypothetical example is used for illustrative purposes only and does not represent any specific financial vehicle.

On page 9 in your workbook, you'll find a worksheet that shows how taxes and inflation can affect your retirement savings. Let's take a minute and go through the example together. Later, you can use the worksheet to see how taxes and inflation can take a toll on your own investment returns.

(Pause to give workshop participants sufficient time to locate the appropriate workbook exercise.)

If you invested $10,000 in an account earning 4 percent interest, you would earn $400 interest for one year. You'll find these numbers on lines 1, 2, and 3. In the 32 percent federal income tax bracket, you would have an after-tax return of $272, which you see on line 5. That leaves you with a balance of $10,272. Does everyone see that on line 6?

The problem is that $10,272 is not your true return. If we were experiencing a 3 percent inflation rate, you would divide by 1.03. This leaves you with only $9,973, which means you earned a real rate of return of –0.27 percent.

Taxes and inflation can definitely wreak havoc on your portfolio.

The interest rate illustrated is hypothetical and is not indicative of the performance of any specific investment or annuity.

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Penalties and Surrender Charges

- 10% federal income tax penalty on withdrawals taken prior to age 59½
- Most annuities are subject to surrender charges in the early years of the contract

Along with the advantages of tax deferral are some restrictions you should be aware of with annuities.

First, because annuities are tax-deferred funding vehicles typically used to provide retirement income, they impose a 10 percent federal income tax penalty on withdrawals taken prior to age 59½. This penalty also applies to early withdrawals from traditional IRAs and most employer-sponsored retirement plans.

Second, in addition to having fees and expenses, most annuities have surrender charges that are in effect during the early years of the contract in the event that you surrender the annuity earlier than anticipated. These surrender charges typically work on a sliding scale, with higher charges during the first years of the contract and lower charges in the years before the surrender charges expire.

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Income for Life

1. Annuities for an Income You Can't Outlive
2. Tax Considerations
3. **Trends and Strategies**
4. Case Studies
5. Important Questions

Now let's look at some strategies you might consider that can use annuities as the funding vehicle.

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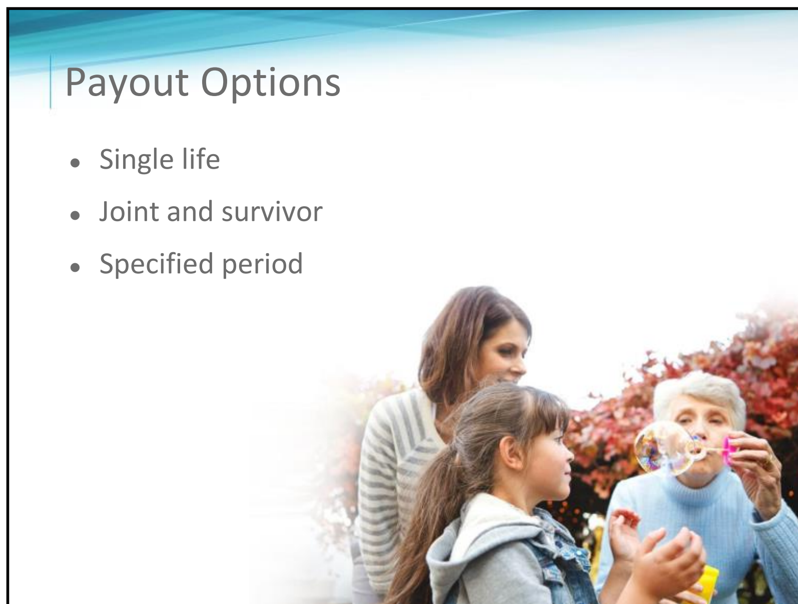

The payout options offered by annuities can bring an extra measure of confidence during your retirement.

Knowing that you won't outlive your money means a lot if you are going to enjoy your retirement years. And annuities offer one way in which you can be sure of a steady income.

You can structure income from an annuity in a number of ways. Three of the most common methods are listed here.

The **single life** payment (also called "lifetime income") provides the maximum monthly benefit and relates to the lifetime payment option we have been discussing. When a contract owner decides to annuitize, the issuing company pays the individual the contracted monthly or annual income for the rest of that person's life, no matter how long he or she lives. Depending on the type of annuity owned, the contract owner may be able to choose a fixed payout or a variable payout. Even if the contract owner outlives his or her life expectancy, payments will continue for life and end only upon the death of the annuitant.

The **joint and survivor** option pays an income over the lives of two people, such as you and your spouse. Because two lives are involved in the payout calculation instead of one, these payments are typically lower than under the single-life option. However, if the spouse who owns the annuity should die sooner than expected, the surviving spouse will continue to receive payments for the rest of his or her life.

Under the **specified period** option, the annuitant receives income for a certain number of years, then payments stop. If the annuitant dies before payments expire, the remaining scheduled payments will be made to the annuitant's named beneficiary.

Keep in mind that the guarantees provided by the annuity are contingent on the financial strength and claims-paying ability of the issuing insurance company.

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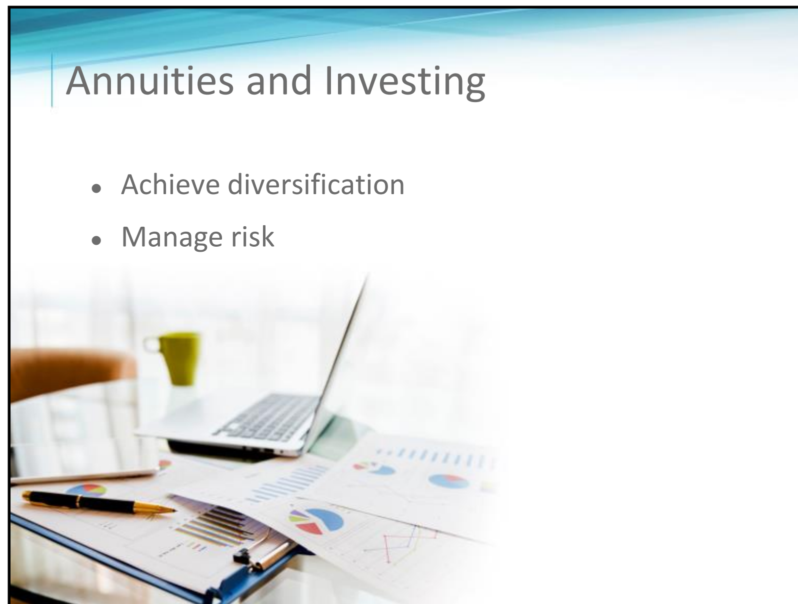

Variable annuities can help you achieve diversification through a variety of investment subaccounts. You can diversify among the subaccounts to gain exposure to different asset classes. And considering that *each* subaccount has *many* different securities, you effectively benefit from *two* levels of diversification.

Diversification does not guarantee a profit or protect against investment loss. It is a method used to help manage investment risk.

Variable annuities can also help you manage risk. Subaccount options usually range from very conservative to very aggressive. Chances are, there are subaccounts suitable for your risk tolerance and financial objectives. In addition, you can periodically adjust your allocations as your risk preferences change or the financial markets shift. The investment return and principal value of the investment options are not guaranteed. Because variable annuity subaccounts fluctuate with changes in market conditions, the principal may be worth more or less than the original amount invested when the annuity is surrendered.

There are contract limitations, fees, and charges associated with variable annuities, which can include mortality and expense risk charges, sales and surrender charges, administrative fees, and charges for optional benefits. Withdrawals reduce annuity contract benefits and values. Variable annuities are not guaranteed by the FDIC or any other government agency; they are not deposits of, nor are they guaranteed or endorsed by, any bank or savings association. Withdrawals of annuity earnings are taxed as ordinary income and may be subject to surrender charges plus a 10 percent federal income tax penalty if made prior to age 59½. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing company.

Variable annuities are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the variable annuity contract and the underlying investment options, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

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Annuities Provide Other Benefits

- Preservation of principal
- Flexible premium options
- Flexible payout options
- Death benefit
- Avoid probate

Annuities are versatile financial vehicles that provide a number of other benefits as well.

One key benefit is preservation of principal. The principal and income of fixed annuities are guaranteed by the issuing insurance company.

Annuities offer flexible premium options to help meet your accumulation needs.

They also offer flexible payout options. You can tailor your annuity payouts to suit your specific cash-flow needs.

Annuities provide a death benefit. If the contract owner or annuitant dies before the annuity payments begin, the beneficiary will receive a death benefit at least equal to the net premiums paid, adjusted for prior withdrawals and expenses. And many contracts will refund the annuity's accumulated value. Remember, the guarantees offered by the insurance company are contingent on the financial strength and claims-paying ability of the issuing company.

Finally, annuities can help your estate avoid probate. Your beneficiaries will receive the annuity proceeds without the time and expense of the probate process.

(Note: If annuities provide protection against the claims of creditors in your state, highlight that benefit as well.)

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A common strategy is to use a deferred annuity to supplement other types of retirement plans.

IRAs and employer-sponsored retirement plans such as pension plans, profit-sharing plans, 401(k) plans, and 403(b) plans are often the most appropriate ways to save for retirement. The problem with these vehicles is that there are strict limits on how much you can contribute to them.

Annuities can be an attractive, flexible complement to your other retirement plans. They are not subject to federally mandated contribution limits. Although the insurance company may impose limits, they generally are very high amounts. This means annuities can be funded with an inheritance, a lump-sum distribution from a retirement plan, or the proceeds from the sale of a home or business.

Even though the premiums you pay are not tax deductible, you can usually contribute as much as you want and still achieve the same tax deferral offered by IRAs and employer-sponsored retirement plans. Like the case with other tax-deferred plans, withdrawals made before age 59½ may be subject to a 10 percent federal income tax penalty.

Another advantage of annuities involves your distribution time frame. With traditional IRAs and employer-sponsored plans, you must begin taking required minimum distributions each year after you turn age 70½. An annuity, however, can continue to accumulate as long as you like — even after you reach age 70½.

Annuities do not provide any additional tax advantage when used to fund a qualified plan. Investors should consider buying an annuity to fund a qualified plan for the annuity's additional features such as lifetime income payments and death benefit protection.

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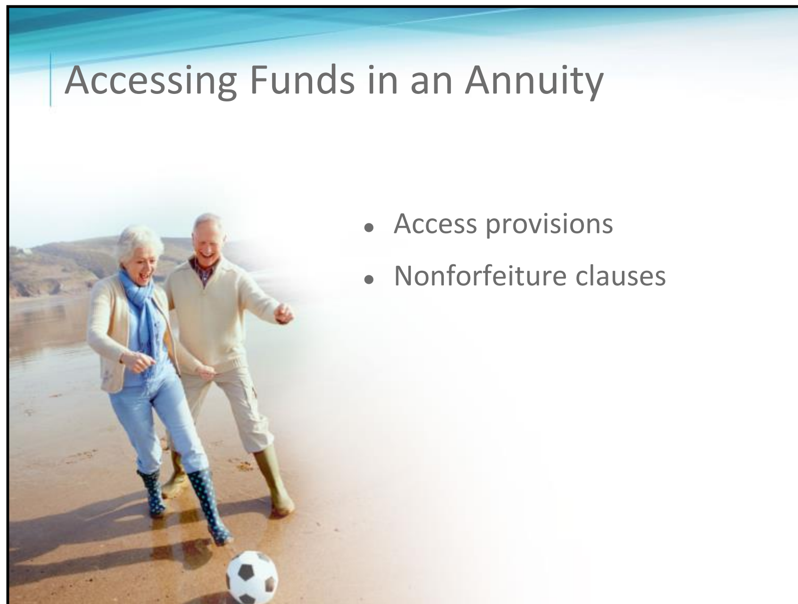

What if you need to access the funds in your annuity?

Most annuities contain provisions that allow you to access your funds without paying surrender charges. Some annuities allow you to withdraw a percentage of your accumulated balance each year. Others let you withdraw all or a portion of your earnings each year.

If you decide to cash out of your annuity, all contracts have nonforfeiture clauses that outline what you will receive. For example, you might receive a reduced annuity based on your current accumulation. Or you might receive a lump-sum cash payment.

In any case, it’s good to know that you can access the funds in your annuity if the need arises.

Bear in mind that when you do receive income from your annuity, you will have to pay income taxes on any earnings. And if you exceed the policy limits, surrender charges may apply. Withdrawals made prior to age 59½ may be subject to a 10 percent federal income tax penalty.

(Note: You may want to elaborate on the liquidity and nonforfeiture provisions of the annuities you sell.)

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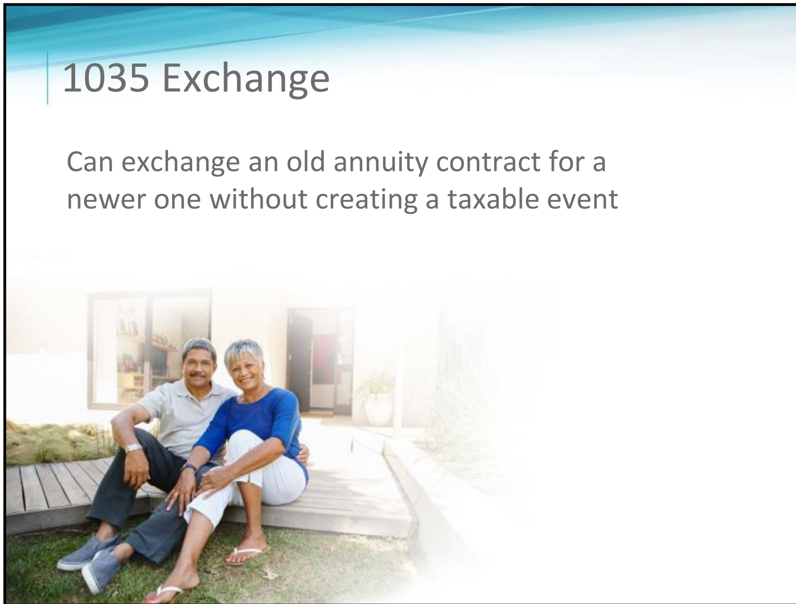

What happens if you want to trade an old annuity contract for a new one? Would you have to pay taxes on the growth of your old annuity?

Fortunately, no. A 1035 exchange allows you to exchange one annuity contract for a newer one without creating a taxable event.

Under Section 1035 of the Internal Revenue Code, you can exchange your old annuity contract for a newer one without creating a taxable event. This means you can effectively “trade in” your old contract for a new one that may offer better value or greater flexibility while maintaining the annuity’s tax-deferred status.

However, you do need to be careful with this strategy. The rules governing these types of exchanges are complex, and you may incur surrender charges under your “old” annuity contract. In addition, you will generally be subject to new surrender charges with the new annuity. Before taking any action, consult with an investment professional who is appropriately licensed to offer both securities and insurance products. This individual can determine whether a 1035 exchange is a suitable alternative for your particular situation.

With a fixed annuity, the issuing insurance company guarantees fixed payments, whereas payments from a variable annuity depend on the performance of the underlying subaccounts, which fluctuate with market conditions.

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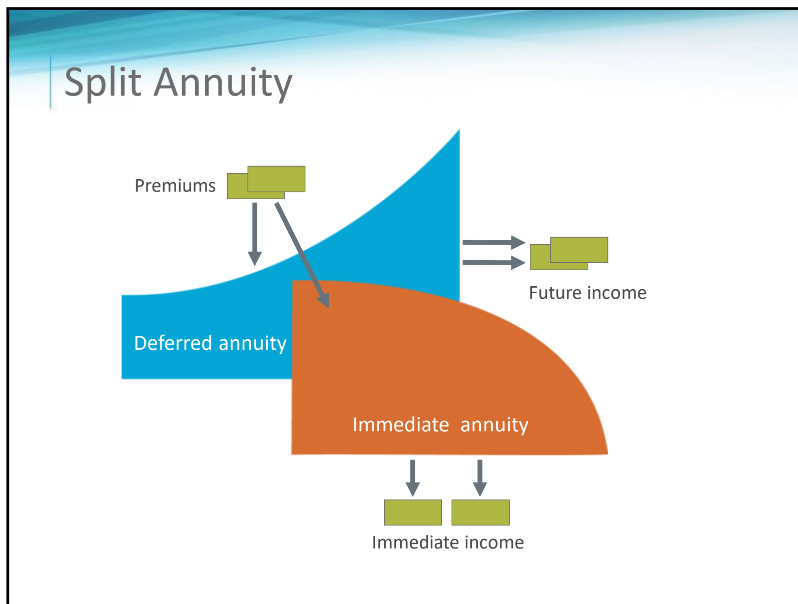

Another creative strategy is often called a “split annuity.”

Generally, a split annuity strategy involves dividing the initial premium into two contracts: an immediate fixed annuity contract and a deferred annuity contract. This strategy would generate an immediate, steady income stream while potentially stretching some retirement savings for future income.

For example, during the early years of retirement, the immediate fixed annuity would provide a steady income. Once the immediate annuity has paid out all its value and this income source is depleted, the funds from the deferred annuity could potentially be used as a replacement source of income.

A split annuity strategy can be an excellent way to achieve the dual benefits of a stable, current income stream and a future income stream. Bear in mind that you will have to pay taxes on the growth of the deferred annuity.

(Note: You may want to elaborate on split annuities at this time.)

Let’s look at a more complex illustration of a split annuity.

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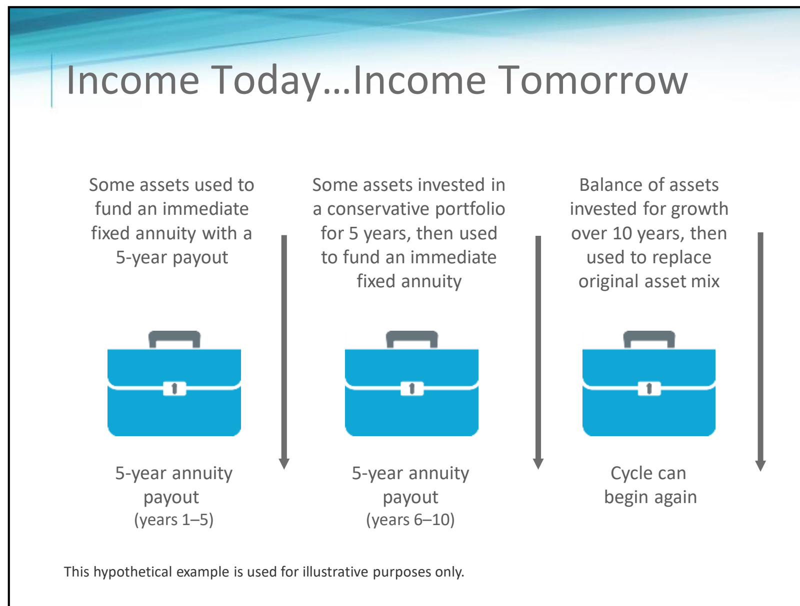

The concept of “income today, income tomorrow” combines immediate fixed annuities with conservative and growth investments to produce a potentially continuous income stream.

The immediate fixed annuity can provide a stable income for a specific five-year period while the other investments have the potential to grow in value and eventually replace the income from the original fixed annuity.

This example covers a 10-year period, although this concept can be extended over a longer period of time. In this example, the assets are divided into three parts.

Some of the assets are used to fund an immediate fixed annuity to provide the needed income for the first five years.

Another portion of assets is invested conservatively with the idea that it will accumulate a sufficient amount to replace the original five-year fixed annuity with another immediate fixed annuity that will provide income for the next five years (years 6 through 10).

The balance of assets is invested for growth to take advantage of potentially higher returns. Of course, with this potential for higher returns comes an increased level of investment risk. If this strategy works as planned, at the end of 10 years, these assets may be able to replace some or all of the assets used to purchase the original immediate fixed annuities and provide a continuous income stream.

So, at this point, a decision is made whether to repeat the cycle again.

This hypothetical example is used for illustrative purposes only. Most annuities have surrender charges that are assessed during the early years of the contract if the contract owner surrenders the annuity. In addition, withdrawals before age 59½ may be subject to a 10 percent federal income tax penalty. Withdrawals of annuity earnings are taxed as ordinary income. The guarantees of fixed annuity contracts are contingent on the financial strength and claims-paying ability of the issuing insurance company. Investments seeking higher rates of return also involve a higher degree of investment risk. Actual results will vary.

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This last strategy may be valuable to those of you who are already retired. It involves some of the estate conservation issues that can be addressed with annuities.

With the right ownership and beneficiary designations, a contract that is in the annuitization phase generally won’t be subject to estate taxes.

In addition, in the event that you should die prior to annuitization and have a correctly named beneficiary, the value of your annuity would pass to your beneficiary free of probate. However, in this situation, the value generally would be included in your taxable estate.

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Income for Life

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The two hypothetical case studies that follow clearly illustrate some of the issues we have been discussing today.

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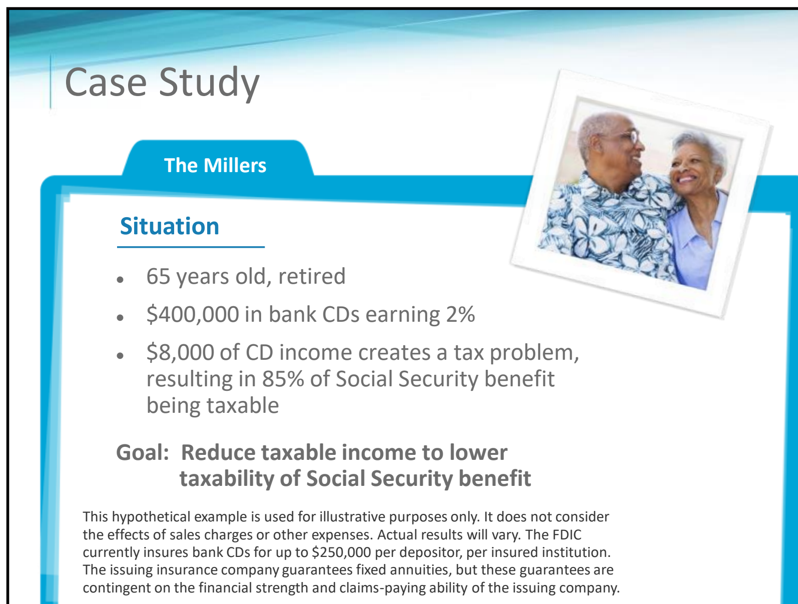

The Millers are both 65 years old and retired. To supplement their pension and Social Security income, they have accumulated a $400,000 portfolio of certificates of deposit (CDs).

Currently, the Millers earn 2 percent interest on their bank CDs. All of this $8,000 interest is taxable. The Millers don't need the income from the CDs for their living expenses. Their pension and Social Security income is sufficient for their current needs.

Nonetheless, the $8,000 interest income from the CDs is creating a tax problem for the Millers with respect to their Social Security benefit.

Depending on total household income, Social Security income may be taxable. For married couples filing jointly, if household income is between $32,000 and $44,000, taxes may be owed on up to 50 percent of the Social Security benefit. If joint household income is more than $44,000, a couple might owe taxes on up to 85 percent of their Social Security benefit.

In the Millers' situation, the CD income is pushing their taxable income above the $44,000 threshold, thereby subjecting 85 percent of their Social Security benefit to income taxes.

The Millers' goal is to reduce their taxable income so they can drop into the bracket in which only 50 percent of their Social Security benefit is taxable.

The FDIC currently insures bank CDs for up to $250,000 per depositor, per insured institution. Fixed annuities are guaranteed by the issuing insurance company, although any guarantees are contingent on the company's financial strength and claims-paying ability.

This hypothetical example is used for illustrative purposes only and does not consider the effects of sales charges or other expenses. Actual results will vary.

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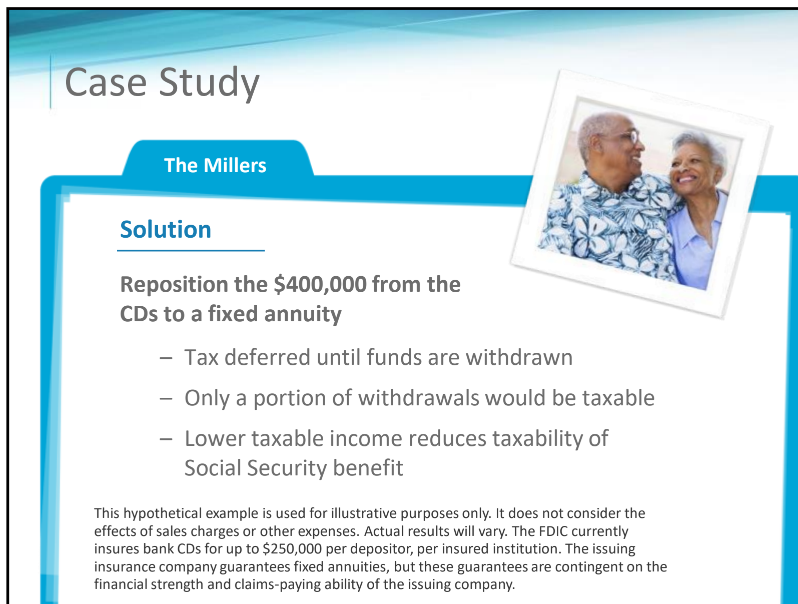

Basically, the Millers are effectively being taxed because of where they earn interest. So one solution would be to reposition their CDs to a fixed annuity.

By moving their $400,000 portfolio into a fixed annuity, taxes on the fixed annuity earnings are deferred until they are withdrawn. Because the Millers are not currently drawing income on these funds, they can reduce their taxable income by $8,000 per year — the interest the CDs were generating.

In addition, once the Millers begin to withdraw funds from the fixed annuity, only a portion of their withdrawals — the part attributed to any earnings — would be taxable. The remainder of their withdrawals would be treated as a return of principal and would not be subject to income taxes.

By effectively reducing their income by $8,000, the Millers' taxable income will drop below $44,000, which will subject only 50 percent of their Social Security benefit to taxation.

This strategy results in a double benefit for the Millers. Not only will they avoid being taxed on any accumulated earnings in the $400,000 annuity, but they will also reduce the amount of taxes owed on their Social Security benefit.

This annuity strategy can have many benefits, including providing a potential lifetime income stream as well as possibly lowering the couple's current income taxes. If this strategy is appropriate for you, it could be an excellent addition to your retirement plan.

The FDIC currently insures bank CDs for up to $250,000 per depositor, per insured institution. Fixed annuities are guaranteed by the issuing insurance company, although any guarantees are contingent on the company's financial strength and claims-paying ability.

This hypothetical example is used for illustrative purposes only and does not consider the effects of sales charges or other expenses. Actual results will vary.

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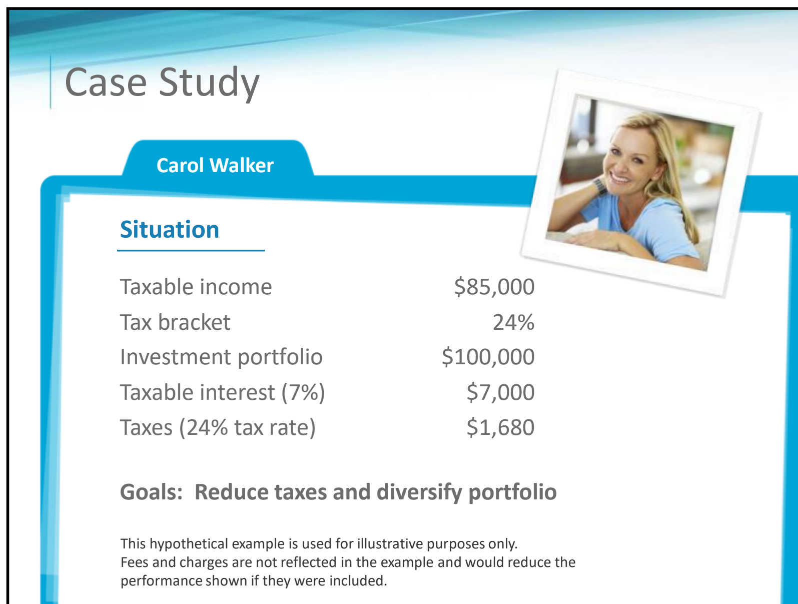

Let's look at another hypothetical example to see how annuities can help achieve other goals.

Carol Walker is 45 years old and earns $85,000 per year in taxable income. This puts her in the 24 percent marginal income tax bracket.

Over the years, she has accumulated a $100,000 investment portfolio. Her portfolio is currently yielding 7 percent, which means it is generating $7,000 of income each year. Unfortunately, Carol must pay taxes on that income. In the 24 percent tax bracket, taxes on her investment income are $1,680.

At this time, Carol doesn't need the $7,000 of interest income to maintain her lifestyle. Her salary is adequate to cover her expenses, so she typically reinvests this interest income.

Her goals are to reduce taxes and to diversify her portfolio.

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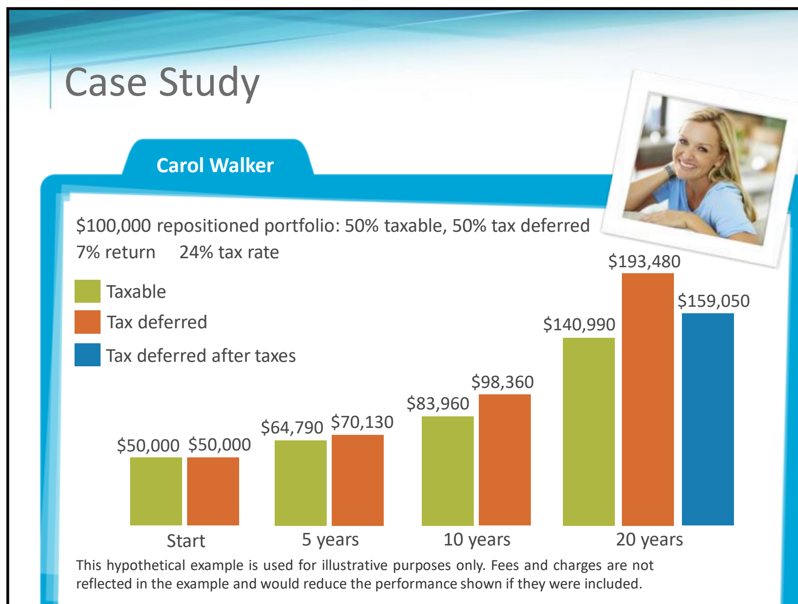

By reinvesting all or a portion of her portfolio in a tax-deferred vehicle, Carol could reduce her current taxes by up to $1,680.

This chart shows how Carol could benefit from reinvesting half of her $100,000 portfolio in a tax-deferred investment. Assuming a hypothetical 7 percent rate of return and an initial premium of $50,000, her tax-deferred investment would grow to $193,480 by the time she retires in 20 years. As you can see, her accumulation would be greater than the $140,990 she would accumulate by keeping the other $50,000 in her taxable portfolio (assuming the same rate of return).

By repositioning half of her portfolio, she will cut the taxes on her investment in half — and she will save $840 per year.

She can also allocate her funds to different types of investments with different risks, fees, and objectives associated with them.

This hypothetical example is used for illustrative purposes only. The example assumes $50,000 in the taxable portfolio, $50,000 in the tax-deferred portfolio, a 7 percent annual rate of return, and a 24 percent federal income tax rate. It does not consider the effects of sales charges or other expenses and does not represent the performance of any specific investment. Actual results will vary.

Remember that there is generally a higher degree of risk associated with investments that seek potentially higher returns. And withdrawals from tax-deferred investments prior to age 59½ may result in a 10 percent federal income tax penalty. Fees and charges are not reflected in the example and would reduce the performance shown if they were included. Lower maximum tax rates for capital gains and dividends, as well as the tax treatment of investment losses, could make the taxable investment return more favorable, reducing the difference in performance between the accounts shown. Investors should consider their investment horizon and income tax brackets, both current and anticipated, when making investment decisions.

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Income for Life

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4. Case Studies
5. **Important Questions**

Do you need to address your long-term income needs? If so, would an annuity be an appropriate vehicle to help meet those needs?

If you are considering an annuity, there are some important questions to consider.

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Four Important Questions

1 Is an annuity appropriate for you?

2 Should you choose fixed or variable?

3 How do you allocate a variable annuity?

4 How do you select an insurance company?

In order to make informed decisions about the financial challenges you face, ask yourself these four important questions.

1. Is an annuity appropriate for you?

2. Should you choose a fixed or variable annuity?

3. How do you allocate a variable annuity?

4. How do you select an insurance company?

Let's consider each of these questions individually.

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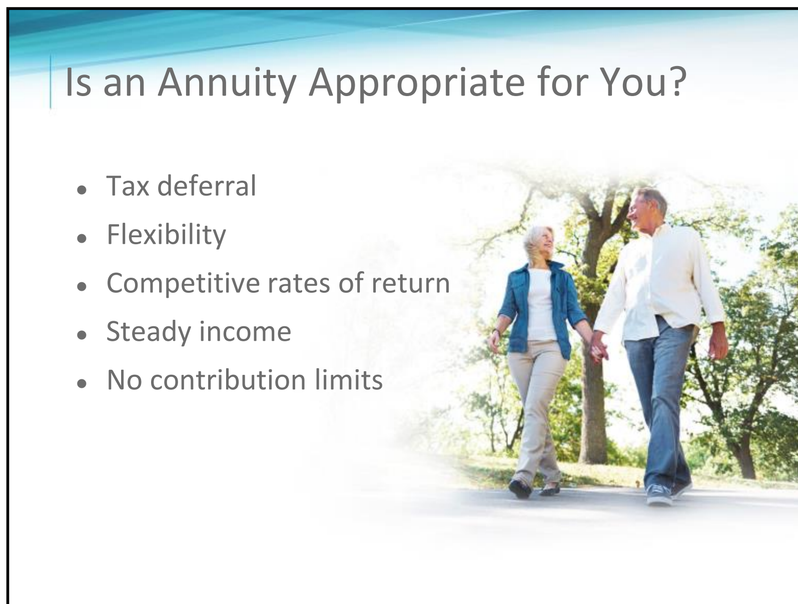

Is an annuity appropriate for you? If you decide to accumulate retirement funds in an annuity, you need to examine several issues.

Is tax deferral an important consideration? With an annuity, earnings accumulate tax deferred. You pay taxes only on the earnings portion of your annuity payout when you take withdrawals.

Are you looking for flexibility? Variable annuities provide the option of being conservative at times and more aggressive at other times — or combining strategies to help reduce risk.

Fixed annuities also offer competitive rates of return.

Do you want or need monthly or quarterly income? If you don't need current income from your investment but need a steady income in the future, a deferred annuity may be a good addition to your portfolio. If you do require a stable income right away, an immediate annuity may be a better choice.

Finally, with a deferred annuity, there are no federal contribution limits. You can contribute as much as you wish, subject to contract or insurance company limitations. This may result in a larger accumulation of funds from which you can draw retirement income in the future.

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You should be aware that there are a number of fees and charges associated with owning an annuity.

Fixed and variable annuities typically have sales charges. Most of these charges are postponed and levied against withdrawals, although they may be paid up-front at the time you purchase an annuity.

Administrative fees are annual variable annuity charges that cover the costs of maintaining the contract.

The investment management fee is a variable annuity charge. This fee is assessed against the assets of each subaccount and is generally based on a percentage of assets.

Fixed and variable annuities have mortality and expense charges to pay the costs associated with the death benefit, the annual insurance charge guarantee, and the lifetime income option that is set in the purchase contract. These charges are based on a percentage of the assets in the annuity.

Variable annuities are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the variable annuity contract and the underlying investment options, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

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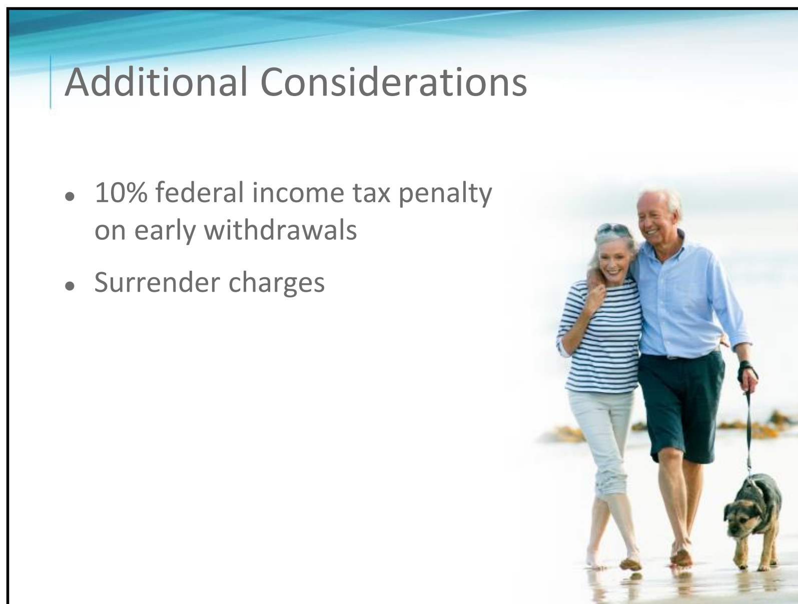

There are two additional considerations that can come into play if you need to access your funds earlier than expected.

First, you may incur a penalty on early withdrawals. Like the case with other tax-deferred plans, withdrawals from annuities prior to age 59½ may be subject to a 10 percent federal income tax penalty. The IRS imposes the early-withdrawal penalty to ensure that these accounts are used for retirement and not other purposes. In addition, the annuity earnings are subject to ordinary income taxes when withdrawn.

The 10 percent penalty does not apply to withdrawals resulting from death or disability. In addition, you can avoid the penalty by taking the withdrawals as a series of substantially equal payments over your life expectancy.

Second, annuities usually impose surrender charges on amounts withdrawn during the first several years of the contract. These charges are designed to encourage long-term investing. Surrender charges usually range from 5 to 8 percent in the first year and can either decline each year thereafter or remain level.

Surrender charges and the 10 percent federal income tax penalty make annuities more appropriate for those with long-term objectives.

(Note: As consumers have demanded greater flexibility in annuities, many contracts contain waivers or partial waivers of surrender fees in cases such as terminal illness, nursing-home confinement, unemployment, the death of a spouse or child, or substantial damage to a primary residence. These provisions will vary by contract and insurance company.)

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The second important question is whether you should choose a fixed annuity or a variable annuity. Your decision will depend on a number of factors, including your age, risk tolerance, portfolio composition, and overall investment objectives.

For example, if you can accept fluctuations in the value of your annuity and have a long-term investment time frame, a variable annuity may be more appropriate for your needs.

If you don't feel comfortable with investment risk and want to ensure a guaranteed retirement income, a fixed annuity may be more appropriate.

Keep in mind that the guarantees of fixed annuities are contingent on the financial strength and claims-paying ability of the issuing insurance company.

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Should You Choose a Fixed Annuity or a Variable Annuity?

Page 14

We've developed a quiz that will help you determine whether you should choose a fixed or a variable annuity.

If you'll turn to page 14 in your workbook, you'll find some questions that will help you make a good decision.

(Pause to give workshop participants sufficient time to locate the appropriate page.

If time permits, conduct the quiz and allow participants to tally their scores and view the results. Alternatively, you can recommend that they take the quiz at home and bring the results to the complimentary consultation.)

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How Do You Allocate a Variable Annuity?

You have the ability to choose investment subaccounts that are conservative, aggressive, or a combination of both.

The third question is: How do you allocate a variable annuity?

If you choose a variable annuity over a fixed annuity, you will have to allocate the funds to various professionally managed subaccounts. You will have the ability to choose subaccounts that are conservative, aggressive, or a combination of both.

Your choices will depend, again, on your investment objectives and your risk preference.

Younger individuals can often afford to participate in investments with a higher degree of risk because they have more time to recover from any losses they might experience. So the younger you are, the more you may want to weight a variable annuity toward stocks and other growth-oriented investment subaccounts.

As you grow older, you may want to adjust your variable annuity allocation to a more conservative approach. This often happens because you become more dependent on your accumulated wealth for your standard of living, and you have less opportunity to make up for any losses you may experience. So as you approach retirement, you may want to consider reallocating your subaccounts from aggressive to more conservative choices within your variable annuity.

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Allocating a Variable Annuity

Considerations

- Value based on performance of subaccounts selected
- Management fees and other expenses
- Earnings taxed as ordinary income when withdrawn

If you are allocating the funds in a variable annuity, there are some considerations you should bear in mind.

First, the value of the annuity will ultimately be based on the performance of the subaccounts you select. Your accumulation — and perhaps your future income — will depend on how well the subaccounts perform.

Second, variable annuities charge management fees and other expenses, which may amount to 2 percent per year or more. But remember that these expenses give you access to professional investment managers and a variety of other services provided by the insurance company.

And, third, the earnings in your variable annuity will be taxed as ordinary income when you begin receiving payouts. This means you will not be able to benefit from favorable capital gains tax rates. However, this disadvantage may be offset over the long term by the benefits of tax-deferred accumulation.

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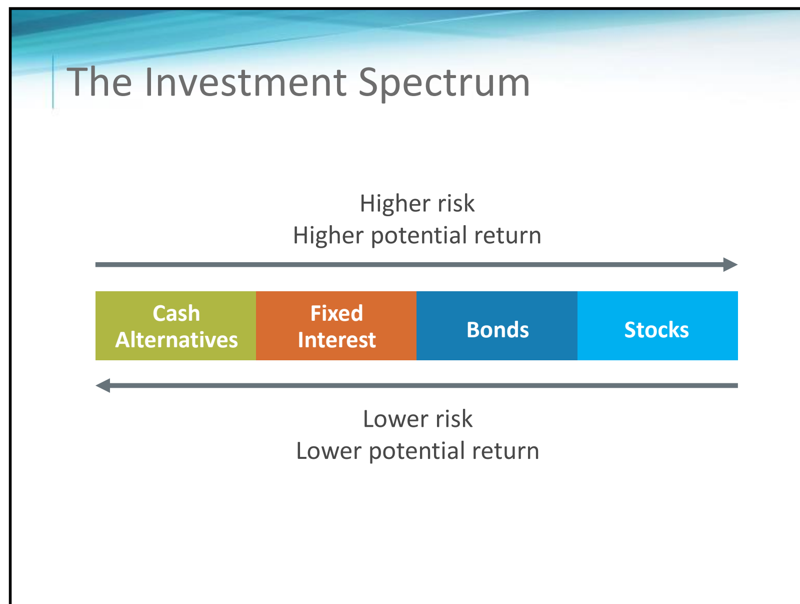

When allocating a variable annuity, one of the most important things to keep in mind is the relationship between risk and potential return.

This illustration is known as the investment spectrum. It shows the relationship between risk and potential return. In general, as you take on more risk, you increase your potential return. And the reverse is true, too. Generally, the less risk you take, the lower your potential return.

When you allocate your variable annuity, you should do so with an eye toward achieving a sensible balance of risk and return. You may find it appropriate to allocate your annuity among different subaccounts, each with a different level of risk.

Of course, your ultimate annuity allocation will be based on your overall objectives and your tolerance for investment risk.

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Assessing Your Risk Tolerance

Page 16

How much risk are you willing to accept in pursuit of your financial goals? We've developed a risk tolerance quiz to help you assess your ability to withstand risk. You'll find it on page 16 in your workbook.

Although this quiz is highly simplified, it will serve as a starting point for evaluating your risk tolerance.

(Pause to give workshop participants sufficient time to locate the appropriate page.

If time permits, conduct the quiz and allow participants to tally their scores and view the results. Alternatively, you can recommend that they take the quiz at home and bring the results to the complimentary consultation.)

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How Do You Select an Insurance Company?

Description	A.M. Best	Standard & Poor's	Moody's	Fitch Ratings
SUPERIOR Very little risk	A++ A+	AAA	Aaa	AAA
EXCELLENT Slightly higher risk	A A–	AA+ AA AA–	Aa1 Aa2 Aa3	AA A
GOOD High claims-paying ability	B++ B+	A+ A A–	A1 A2 A3	BBB
ADEQUATE Less protection against risk	B B–	BBB+ BBB BBB–	Baa1 Baa2 Baa3	BB
BELOW AVERAGE Relatively high risk factor	C++ C+	BB+ BB BB–	Ba1 Ba2 Ba3	—
WEAK Very high risk factor	C C–	B+ B B–	B1 B2 B3	B
NONVIABLE	D E F	CCC CC R	Caa Ca C	C D

And the fourth question is: How do you select an insurance company?

Naturally, you want an insurance company to be financially sound so that your annuity payments will be made in the future. So it's important to consider companies that have high financial strength ratings.

One of the best ways to compare insurance companies is to check with one of the insurance rating services. There are a number of rating companies that provide extensive analyses of insurance companies. These rating services carefully examine each insurance company in the areas of profitability, debt, liquidity, and other factors. Using the results of these examinations, they issue overall ratings.

This table shows the rating scales of the four most prominent rating companies: A.M. Best, Standard & Poor's, Moody's Investors Service, and Fitch Ratings. Because these services use slightly different criteria when rating insurance companies, they may have a slightly different view of a given company.

These ratings do not apply to the performance of the separate account of a variable annuity.

You should be able to find copies of at least one of these ratings in the reference section of your local library. If you are unable to find them, you can contact the services directly.

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Selecting an Insurance Company

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Obtaining Ratings

A.M. Best	908-439-2200
Standard & Poor's	877-772-5436
Moody's Investors Service	212-553-1653
Fitch Ratings	800-893-4824

You can obtain insurance company ratings over the telephone.

These phone numbers, which are on page 17 in your workbook, could prove to be quite valuable to you.

(Pause to give workshop participants sufficient time to find the appropriate workbook page and then review the information.)

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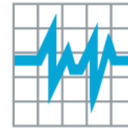
Annuities and Financial Challenges



We all face financial challenges. Perhaps some of the most common challenges include building a lifetime income, taxes, retirement considerations, and investing.

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Annuities offer creative solutions that can help you solve many of these financial challenges.

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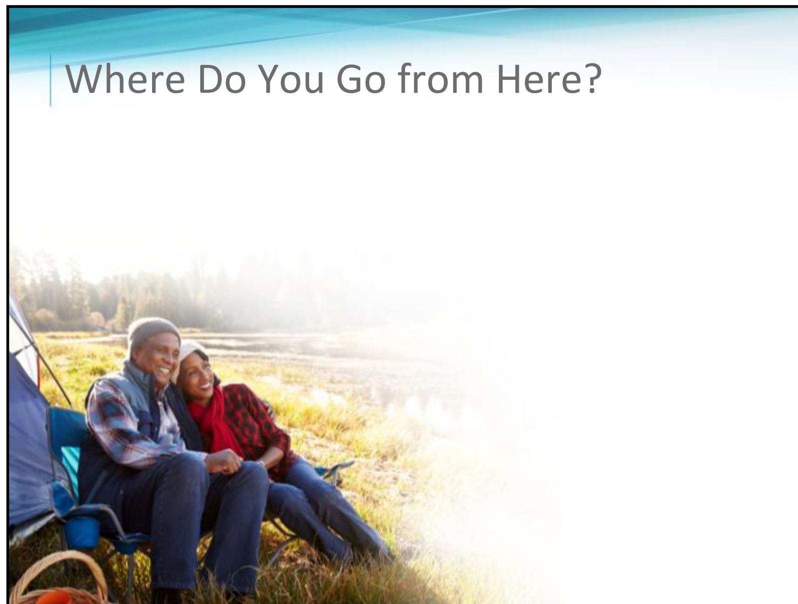

We’ve covered a lot of information. We’re confident that we have given you some creative solutions to help meet several financial challenges.

So, where do you go from here?

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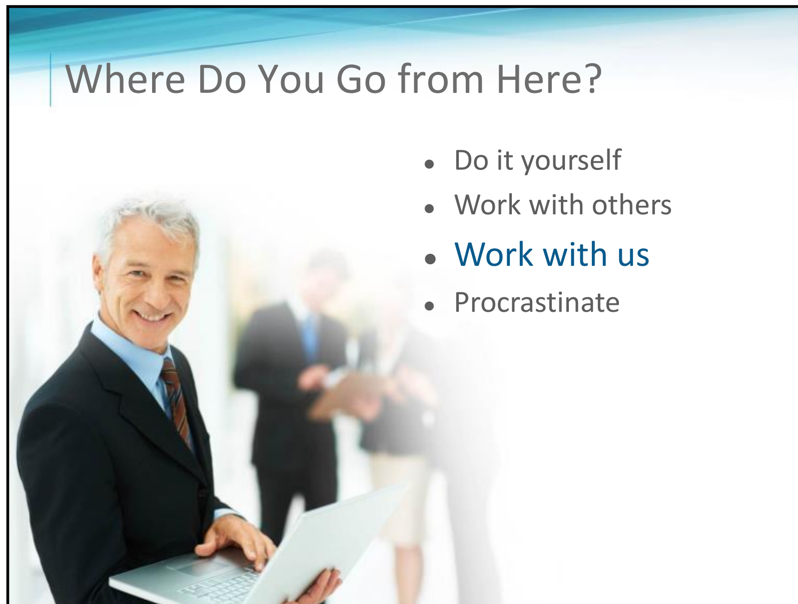

There are several ways you can proceed from here.

You can do it yourself. If you decide to purchase an annuity, you can call insurance companies, talk to salespeople, and make your own comparisons. You can use the workbook to assess your needs and evaluate various contracts. It's a tremendous amount of work, but you *could* do it.

You can work with others. Perhaps you have contacts who can help you accomplish some of your financial goals.

You could work with us. We hope you feel comfortable with what you've learned about our professional knowledge and the approach we take with our clients.

Finally, you can procrastinate. I hope we've made it clear that procrastination is *not* a prudent move.

Of course, we hope you'll decide to work with us, and we hope you'll come to the complimentary consultation. We don't expect you to make any decisions now, nor do we expect you to decide when you come in to our office. We want you to decide only when you're ready. As you get to know us better, we feel confident that you'll want to work with us. But again, the choice is up to you.

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Evaluation Form

Will everyone please pull out the evaluation form I talked about earlier?

I'd like you to fill out the form now and turn it in. The evaluation form is your way of commenting on the workshop. It also lets us know whether you'd like a personal meeting to discuss any of the ideas you've learned here. Because many of the people who attend our workshops come in for a complimentary consultation, we've blocked out several days next week to meet with you, answer your questions, and address your specific concerns.

(Look around the room to be certain everyone is filling out an evaluation form. If some are not, take a step forward and ask for everyone to fill out an evaluation form. If some participants still do not take out their forms, have extra forms available to hand out to them.)

Remember my two promises. If you check "Yes, I am interested in scheduling a complimentary consultation," I'll call you tomorrow to set up an appointment. If you check "No, I am not interested in scheduling an appointment at this time," no one from our office will contact you directly after the workshop. I'll be collecting the evaluation forms as you leave today.

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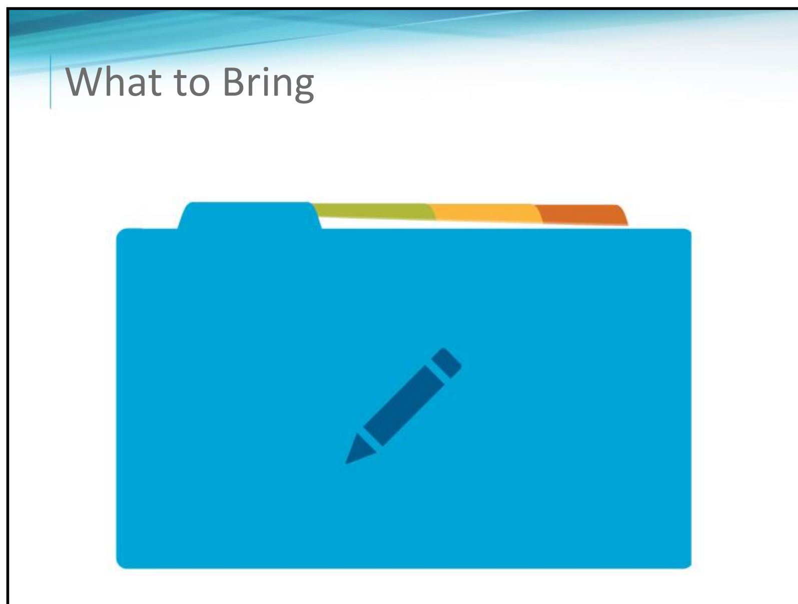

In addition to your workshop workbook, there are several important items you should bring to the complimentary consultation. On the back of your workbook, you'll find a place to write these down.

(Note: Mention the important financial forms and documents that you would like participants to bring to the consultation. Among others, you may want to include:

- *Personal balance sheet*
- *Personal income statement*
- *Recent bank/brokerage statements*
- *Income tax returns — past three years*
- *Life insurance policies*
- *Annuity contracts*
- *Retirement plan account statements.)*

Also, on pages 18 and 19 of the workbook, you'll find worksheets designed to gather pertinent financial information about you. Please go ahead and fill this out at home. Then during our consultation, we'll review this data accordingly.

Of course, if you can't find some of these documents or don't finish the worksheets, please come anyway. We are looking forward to meeting with you either way.

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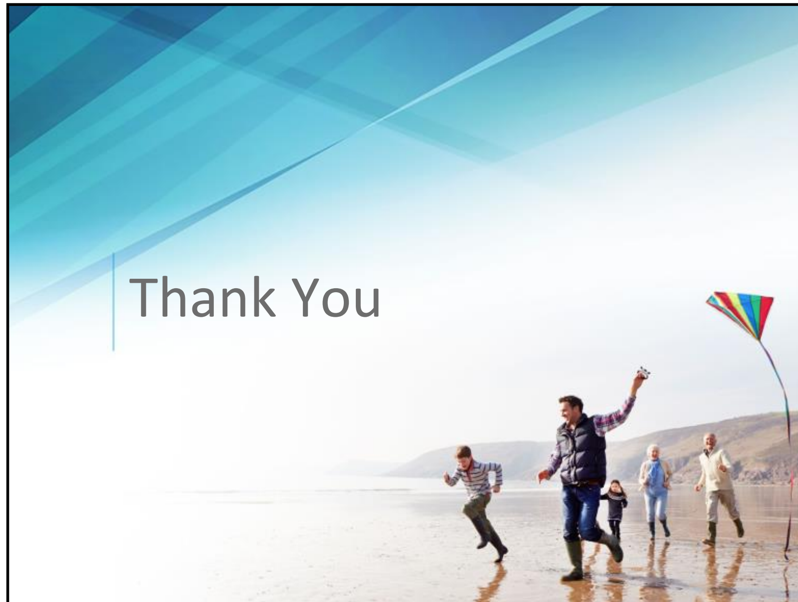

Thank you for coming to our workshop. We want to compliment everyone on the initiative you've shown in wanting to improve your financial situation.

Before you leave, I'd like to shake hands with you and collect your evaluation forms.

Thank you again.

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