

# Factor taxes into your savings strategy

## Action Planner **action steps**

### Take a look at what you really earn on taxable products

When comparing yields or rates, make sure you know the taxable status of the product. Fixed annuities are tax-deferred. That means the money that might otherwise go to pay taxes on your earnings stays in your account working for you.

The table below reveals actual after-tax yields in a taxable account. **For example, a 2.00% taxable yield in a 22% tax bracket results in only 1.56% after earnings are taxed.**

Your federal tax bracket	10%	12%	22%	24%	32%	35%	37%
Taxable yield*	After-tax yield*						
1.00%	0.90%	0.88%	0.78%	0.76%	0.68%	0.65%	0.63%
1.50%	1.35%	1.32%	1.17%	1.14%	1.02%	0.98%	0.95%
2.00%	1.80%	1.76%	1.56%	1.52%	1.36%	1.30%	1.26%
2.50%	2.25%	2.20%	1.95%	1.90%	1.70%	1.63%	1.58%
3.00%	2.70%	2.64%	2.34%	2.28%	2.04%	1.95%	1.89%
3.50%	3.15%	3.08%	2.73%	2.66%	2.38%	2.28%	2.21%
4.00%	3.60%	3.52%	3.12%	3.04%	2.72%	2.60%	2.52%
4.50%	4.05%	3.96%	3.51%	3.42%	3.06%	2.93%	2.84%
5.00%	4.50%	4.40%	3.90%	3.80%	3.40%	3.25%	3.15%

\*The yields shown are hypothetical and are for illustration purposes only. They do not represent the performance of, or reflect the yields earned by, any specific product.

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Annuities are long-term insurance products designed for retirement. Early withdrawals may be subject to withdrawal charges. Partial withdrawals may reduce benefits available under the contract, as well as the amount available upon a full surrender. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply. If you're planning to fund your IRA with an annuity, you should know that these retirement accounts are already tax-deferred. You should only use an annuity in a retirement account if you want to benefit from features other than tax deferral. Please consult with your financial and tax professionals for more information regarding your individual situation.

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Not a Deposit • Not Insured by any Federal Government Agency

### Discover how tax-deferred yields compare to taxable yields

The table below shows the taxable yield you would need to equal the yield from a tax-deferred fixed annuity while you're accumulating your savings. **For example, a 2.00% tax-deferred yield in a 24% tax bracket would require a 2.63% taxable yield to accumulate the same value.**

Although earnings are not subject to current taxation with an annuity, earnings are taxable and subject to ordinary income tax when withdrawn, and, if taken prior to age 59½, may be subject to an additional 10% federal tax.

Your federal tax bracket	10%	12%	22%	24%	32%	35%	37%
Tax-deferred yield*	Equivalent taxable yield*						
1.00%	1.11%	1.14%	1.28%	1.32%	1.47%	1.54%	1.59%
1.50%	1.67%	1.70%	1.92%	1.97%	2.21%	2.31%	2.38%
2.00%	2.22%	2.27%	2.56%	2.63%	2.94%	3.08%	3.17%
2.50%	2.78%	2.84%	3.21%	3.29%	3.68%	3.85%	3.97%
3.00%	3.33%	3.41%	3.85%	3.95%	4.41%	4.62%	4.76%
3.50%	3.89%	3.98%	4.49%	4.61%	5.15%	5.38%	5.56%
4.00%	4.44%	4.55%	5.13%	5.26%	5.88%	6.15%	6.35%
4.50%	5.00%	5.11%	5.77%	5.92%	6.62%	6.92%	7.14%
5.00%	5.56%	5.68%	6.41%	6.58%	7.35%	7.69%	7.94%

**Consult with your agent, financial professional and/or tax advisor today to customize your savings strategy to fit your individual situation.**

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