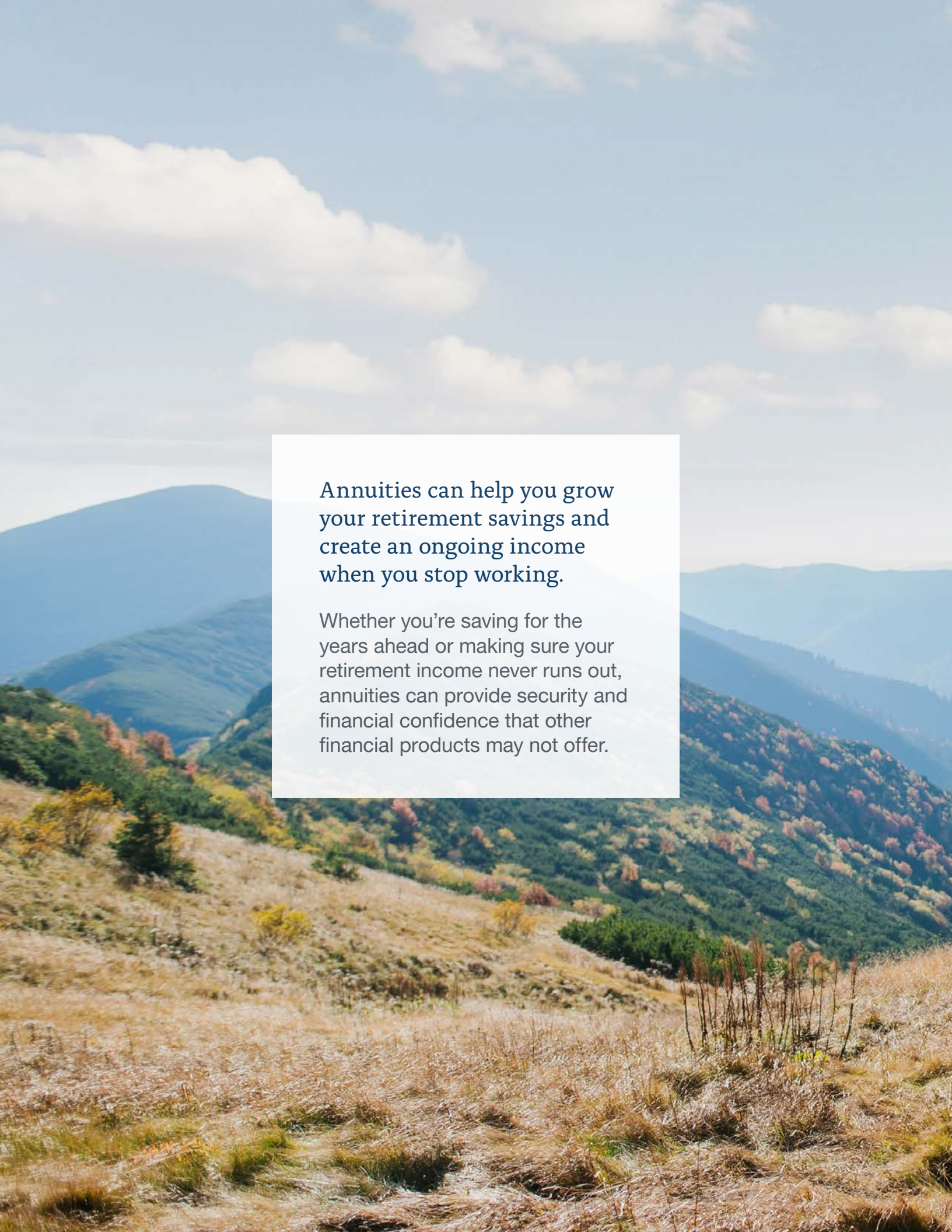


A guide to annuities.

Planning for retirement is important, but with so many options, it can be hard to find a place to start. This guide is a great first step.

Investments and insurance products are: Not FDIC/NCUA Insured • Not Insured by Any Federal Government Agency
• Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any of Its Affiliates • May Lose Value



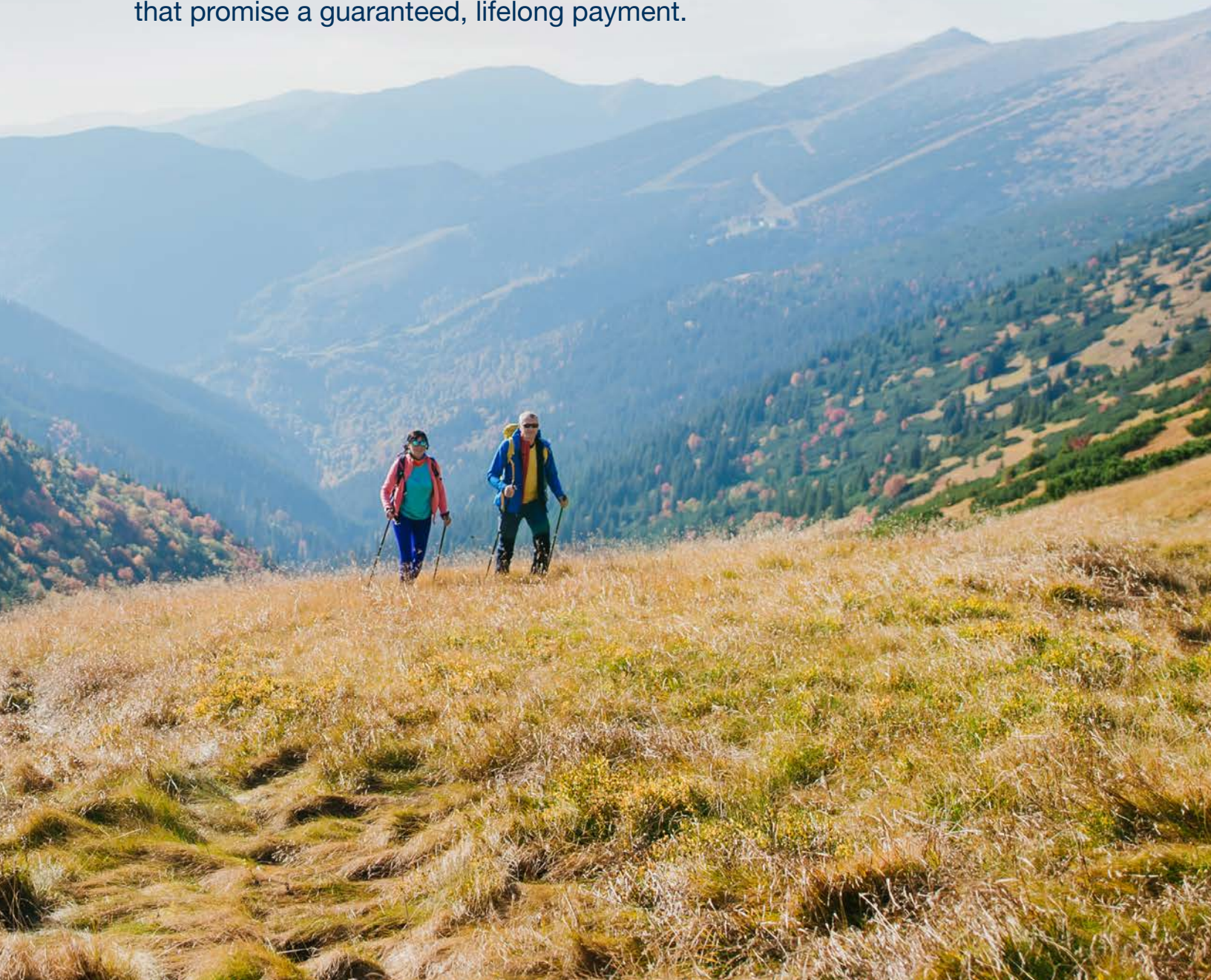
Annuities can help you grow your retirement savings and create an ongoing income when you stop working.

Whether you're saving for the years ahead or making sure your retirement income never runs out, annuities can provide security and financial confidence that other financial products may not offer.

What is an annuity?

An annuity is a financial product offered by an insurance company to help you manage the money you've earmarked for retirement. Depending on your goals, an annuity can help grow your money or pay you a steady income—some help you save, others help you spend.

Annuities can help make sure you don't run out of money when you stop working. In fact, annuities are the only financial products for sale that promise a guaranteed, lifelong payment.



Different solutions for different goals.

There are a lot of annuity products available today, but fundamentally, almost all annuities come in one of two categories:

1

Annuities to grow your money

2

Annuities to create a lifelong income payment

Based on your age and retirement expectations, your financial professional may suggest an annuity to help you achieve one (or both) of these goals.

Let's take a closer look at how each type of annuity works.

How do annuities work?

“Growth” Annuities

- 1 You fund the annuity
- 2 Your money grows over a period of your choosing
- 3 You withdraw your money to use for retirement

“Income” Annuities

- 1 You fund the annuity
- 2 You choose a date to “turn on” your income payments
- 3 You receive retirement income payments for life

*Growth annuities may either be Fixed or Variable (however, variable annuities are not guaranteed to grow).



Common types of annuities.

Annuities come in different types, each designed to help meet specific financial goals like guaranteed income, asset growth, or legacy planning. Just like you wouldn't use the same tool for every job, the right annuity depends on what you want it to accomplish. Here's a high-level look at some common types of annuity products.

	Fixed Annuity	Indexed Annuity	Variable Annuity	Income Annuity
In a nutshell	Pays a set, guaranteed interest rate*	Returns are linked to market indexes (like the S&P 500); offers downside protection for the original investment	You invest in investment options that have the potential to grow or decline in value	You give a lump sum or series of payments and get steady payments
Best For	People who want safety and predictability	People who want growth potential and want to protect their original investment	Investors with a longer time horizon and higher risk tolerance	Those wanting reliable, predictable income now or in the future
	Growth focused			Lifetime Income

Features at a glance

Annuity Type	Growth Approach	Tax-Deferred Growth	Stability of Returns	Income Guarantee	Fees
Fixed	Guaranteed returns	Yes	Predictable	Optional	No ongoing fees
Indexed	Market-linked returns with downside protection	Yes	Market dependent, but protects investment from loss	Optional	No ongoing fees
Variable	Market-driven returns for higher upside	Yes	Market dependent	Optional	Annual fees assessed
Income	N/A	N/A	Predictable	Yes	No ongoing fees



Why do people buy annuities?

Retirement Security

Many annuities offer stable and predictable income payments, shielding you from downturns in the stock market. Knowing your money is secure, even during times of uncertainty, can provide peace of mind. However, some annuities involve market risk.

Tax Relief

Earnings within a Fixed Deferred/ Variable Annuity grow tax-deferred until you take money out, allowing for potentially greater growth compared to similar taxable accounts.

That means you won't pay taxes on interest or investment gains until you start taking withdrawals, potentially during retirement when you may be in a lower tax bracket.¹

Income Tax Treatment: When you receive income from an annuity, a portion may be taxable depending on how the contract was funded. If it's funded with after-tax dollars, only the earnings are

taxed; your original investment (cost basis) comes back to you tax-free.

Required Minimum Distributions (RMDs):

Qualified annuities held in IRAs or other retirement accounts are subject to RMD rules after age 73. Non-qualified annuities are not, unless structured that way.

"Pension-Like" Amenities

Annuities can provide a steady stream of income lasts your entire life, helping to cover essential expenses and maintain the lifestyle you want. They can be set-up to cover individual needs or those of spouses through joint payouts.

Investment Confidence

Some annuities allow you to seek growth through investment options tied to equities, available only in variable annuities, while protecting the money you put in. These annuities protect your money from market losses by guaranteeing a minimum value or income, even if the market drops.

¹ Withdrawals prior to age 59½ may be subject to a 10% IRS penalty.

Easier Inheritances

Avoiding Probate: Annuities with named beneficiaries typically avoid the probate process. This means the funds can go directly to your loved ones without the time, cost, and publicity of court proceedings.

Death Benefits: Many annuities offer optional death benefit riders or return-of-premium features to ensure a smooth and timely transfer of funds to heirs, sometimes with options for lump-sum payments or structured payouts to help manage taxes and spending.²

Larger Deposits

Typically, there's no annual limit on how much you can contribute to an annuity, unlike IRAs or 401(k)s (which are capped by the IRS).

² Death benefits may depend on a claim being made before annuity payments begin (annuitization).

Answers to common questions about annuities:

Q: Do all annuities have fees?

A: No, many types of annuities have no ongoing fees. Variable annuities, on the other hand, typically do come with annual policy fees or rider fees associated with optional "add-ons." It's important to understand all the costs and limitations of the annuity you're considering.

Q: What if I need access to my money?

A: Growth-focused annuities are designed for long-term retirement savings and most have rules for how long you must wait before accessing your full account value. However, many products offer withdrawal features that create some flexibility. Income annuities offer less access to funds in exchange for the security of lifetime payments.

Q: How long do my income annuity payments last?

A: It's up to you, but usually people choose a lifetime income option that ensures payments continue for life. You can even cover two lives with a joint policy, ensuring one spouse continues to receive income even after one passes away. There are also options to receive income payments for only a set period of time.

Q: What happens to my money when I die?

A: For most growth-focused annuities, a standard death benefit would pass your account value (or initial investment, whichever is higher) to a beneficiary. Likewise, income annuities typically allow the remaining income payments to pass to a beneficiary, minus any income you received already prior to death.

Q: Can I lose money in an annuity?

A: Most fixed, indexed, and income annuity products in the market today protect 100% of your principal. This security allows retirees to feel more confident about planning ahead. Variable annuities carry market risk, as the money you've invested goes up and down each day. Optional riders can be purchased to mitigate this risk or take loss off the table altogether.



Glossary of common annuity terms.

Annuitization: This is the process of converting the value of your deferred annuity into a reliable stream of income – either for life or for a specific period of time. It’s a way to turn your savings into a steady paycheck you can count on in retirement.

Beneficiary: The person who receives the remaining funds or income upon the annuitant’s death.

Principal: The original amount of money you invest in the annuity. Sometimes called a premium.

Rider: An optional feature you can add to your annuity for extra benefits, like income guarantees, investment protection, or enhanced death benefits.

Surrender Charge: A fee for withdrawing funds from the annuity before a certain period as defined by the policy contract.

Cost Basis: The portion of the original amount you invested in your annuity that has already been taxed and cannot be taxed again. This determines how much of your withdrawals are taxable.

Exclusion Ratio: A formula used to determine the portion of each income annuity payment that is considered a return of the cost basis and not taxable versus earnings which are taxable.

Guaranteed Minimum Interest Rate (GMIR): The lowest rate of interest your annuity will earn, regardless of market conditions. It provides a safety net for fixed and some indexed annuities.

Guaranteed Lifetime Withdrawal Benefit (GLWB): Many growth-focused annuities offer optional "income" riders that allow you to convert your account balance to a series of guaranteed lifetime withdrawals. Assuming rules are met, even if your withdrawals reduce your account to \$0, you'd still receive your withdrawal amount for life.

Guaranteed Minimum Accumulation Benefit (GMAB): Some variable annuities offer optional riders to protect the value of your market-based investment. After a required holding period, if your account is lower than what you initially invested, the insurer will make up the difference and make you whole.

Free Amount: When you put money into a growth-focused annuity, it’s meant to stay there and grow until you're ready to use it for retirement. But sometimes, life happens—you might need to take out some money earlier. Insurers typically let you take out a little bit each year without a penalty. That little bit is called the “free amount.”

*All guarantees are backed by the claims-paying ability of the issuer.

