
Significantly Greater Income Potential Among Key Advantages of Tax-deferred Fixed Annuities, According to Experts at AnnuityAdvantage

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MEDFORD, Ore., April 7, 2014 /PRNewswire/ -- Safe, smart retirement planning means limiting fees and taxes while maximizing potential return and income. Tax-deferred fixed annuities provide a way to meet both of those goals. AnnuityAdvantage, (<http://www.annuityadvantage.com>) an industry-leading marketer of fixed annuities and associated resources, encourages investors to strongly consider this type of savings vehicle for its superior combination of safety, tax deferral and guaranteed income.

Also known as fixed annuities, tax-deferred fixed annuities are a contract between an insurance company and an annuitant. The terms of the contract guarantee a certain interest rate; many fixed annuities offer several guaranteed income options. Thanks to their safety and adaptability, fixed annuities have become one of the most popular options for those making financial planning decisions with retirement in mind.

An investment approach prioritizing retirement income should naturally reduce or limit obligations like capital gains or income taxes, while also protecting one's principal. A tax-deferred fixed annuity does precisely that, giving retirees and pre-retirees a worry-free means to accrue passive, untaxed interest earnings prior to withdrawal.

"Fixed annuities are a winning proposition in most circumstances," explains Ken Nuss, founder and CEO of AnnuityAdvantage. "In addition to providing tax deferral, fixed annuities are safer than mutual funds and similar, market-based investments. Furthermore, fixed annuities offer superior yields when compared with more conservative options, such as traditional bank certificates of deposit or savings accounts."

Competitive Rates

Interest rates on fixed annuities are generally comparable to other fixed-interest, portfolio-based investment vehicles, but notably better than traditional savings accounts or CDs. At AnnuityAdvantage, site visitors can browse products from over 40 highly rated insurance companies representing hundreds of different annuities. One of the more popular types of product is the multi-year guarantee annuity, which provides the same, level interest rate throughout the annuity's guarantee term, typically from three to ten years.

Tax Deferral

Because annuitants don't pay taxes on their interest earnings until they begin receiving income from their annuity, the income potential of fixed annuities is increased when compared to taxable alternatives. Because no money needs to be withdrawn from the annuity to pay annual income tax on the interest earnings, more money is left within the annuity to grow and compound. The resulting effect of this tax-deferred interest compounding increases over time.

Security

Most tax-deferred fixed annuities extend a minimum interest rate guarantee to policyholders, regardless of market performance. The insurance company's assets provide the backing for the policy. In the unlikely event that the company becomes insolvent or otherwise defaults on payments, the annuitant's state guaranty fund will step in to protect principal and earned interest (up to certain limits). This "insurance for insurance" only applies to companies licensed to sell products in that state.

To make the most of fixed annuities' numerous advantages, investors must be discriminating shoppers. Not all fixed annuities are created equally; some are indisputably better than others. Also, retirees and pre-retirees should consider whether the surrender charge period, which applies when money is withdrawn early, fits with their particular needs.

AnnuityAdvantage makes comparing and shopping for fixed-rate annuities easier than ever before. The service is completely free, and a team of annuity specialists has carefully curated the site's list of fixed annuities. Individuals can even call AnnuityAdvantage's customer service line for one-on-one advice on selecting the best fixed annuity to satisfy their unique circumstances.

About AnnuityAdvantage

Founded in 1999 by veteran financial and retirement planner Ken Nuss, AnnuityAdvantage is the leading online provider of fixed-rate, equity-indexed, and immediate income annuities. Consumers planning for retirement have come to rely on AnnuityAdvantage for individualized, expert recommendations and guaranteed, high-value annuity products that have been thoroughly screened by Nuss and his staff. The company's client-centered approach allows consumers to find the best mix of annuity products for their unique needs from the hundreds of annuities available through AnnuityAdvantage. There are no fees for the service.

Nuss is an active member of the National Association of Insurance and Financial Advisors (NAIFA), the National Association for Fixed Annuities (NAFA), and the National Ethics Association (NEA). He holds an Oregon insurance consulting license, along with an individual producer license in all 50 states and the District of Columbia.

Learn more at <http://www.annuityadvantage.com> or call 800-239-0356.

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