

# CD vs. MULTI YEAR GUARANTEE ANNUITY



For those individuals who are concerned that their CDs do not pay sufficient interest and that what interest they make is significantly reduced because of taxes and inflation, a Multi Year Guarantee Annuity (MYGA) can be a great vehicle. Listed below are several differences between certificates of deposit from a bank & tax-deferred Multi Year Guaranteed Annuities from an insurance company.

DOES THIS PRODUCT PROVIDE...	BANK CD	MYGA
Safety of principal?	YES	YES
Access to principal?	YES	YES
Principal investment unreduced by commissions?	YES	YES
Tax-deferred growth?	NO	YES
Social Security advantages by reducing taxable income?	NO	YES
Potentially higher yields?	NO	YES
Protection from the costs and delays associated with probate?	NO	YES

BANK CD	RATE	VS.	MYGA	RATE
3-year CD <sup>1</sup>	0.49%		3-year MYGA	2.00%
5-year CD <sup>2</sup>	0.80%		5-year MYGA	3.00%

Annuities are long term financial vehicles designed for retirement purposes. If you need access to your money in a year or two, a tax deferred annuity may not be the product for you. If you have a three or five year time horizon, a tax deferred annuity is an option that may provide rates higher than a CD.

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1. <http://bit.ly/1dNHK7e>

2. <http://bit.ly/1hmp9uf>

Annuities have age eligibility requirements, minimum premium amounts, systematic withdrawal limits, and qualifying requirements for waiver of withdrawal and surrender charges. Withdrawals are subject to ordinary income tax and, if taken prior to age 59½, a 10% federal penalty. Product availability and features may vary by state. Guarantees are based on the claims paying ability of the underlying insurance company. Insurance products are not bank deposits, and are not insured by the FDIC or other regulatory agencies. CDs are FDIC insured.

Purchase of an annuity is an important financial decision. Talk to your financial professional to learn more about the risks and benefits of annuities.