PSG Annuity Guide

A GUIDE FOR CONSUMERS

KAYLA PRICE
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Introduction

TO FIXED INDEXED ANNUITY

GROWTH, PROTECTION & GUARANTEED INCOME — EXPLAINED IN PLAIN ENGLISH

Whether you're approaching retirement or already living it, protecting the savings you've worked a lifetime to build is one of the most important financial decisions you'll make. A Fixed Indexed Annuity (FIA) offers a powerful combination of principal protection, market-linked growth potential, and the option for guaranteed lifetime income — all without the risk of losing what you've saved due to market downturns.

PROTECTION
YOUR ORIGINAL DEPOSIT IS SHIELDED FROM MARKET LOSSES.
YOU CANNOT LOSE PRINCIPAL DUE TO INDEX PERFORMANCE.

GROWTH
INTEREST IS LINKED TO A MARKET
INDEX LIKE THE S&P 500 — WITH A FLOOR OF 0%, SO A DOWN
MARKET NEVER COSTS YOU.

INCOME
OPTIONAL LIFETIME INCOME RIDER
LETS YOU TURN YOUR SAVINGS INTO GUARANTEED INCOME YOU CAN
NEVER OUTLIVE.

"IT IS NOT HOW MUCH MONEY YOU HAVE — IT IS HOW MUCH INCOME YOU HAVE EACH MONTH."

A FREE GUIDE FROM KAYLA PRICE, LICENSED INSURANCE ADVISOR

Kayla Price is an independent, licensed insurance advisor and owner of Price Services Group, LLC. She works for you — not for any single insurance company — which means you receive an honest, unbiased comparison of the best FIA products available for your situation. No pressure. No jargon.

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WHAT IS A FIXED INDEXED ANNUITY?

UNDERSTANDING HOW FIAS WORK

A Fixed Indexed Annuity is a contract between you and an insurance company. You deposit a lump sum — or a series of payments — and in return, the insurer provides interest growth tied to a market index such as the S&P 500, while guaranteeing that your principal is never at risk due to market downturns. Think of it as a way to participate in market upside while being completely protected on the downside.

How the Interest Crediting Works

When the index rises, you receive a portion of that gain — up to a cap or participation rate set by the carrier. When the index falls, your account is credited zero, not negative. You never lose principal or previously credited interest due to market performance.

Market Scenario	Index Performance	Your Account
Strong bull market	S&P 500 +18%	You receive ~8% (subject to cap)
Flat year	S&P 500 0%	You receive 0% — no gain, no loss
Major market crash	S&P 500 -25%	You receive 0% — principal fully protected
Guaranteed floor	**Any scenario**	**Your principal is never at risk from market losses**

Note: Caps, participation rates, and spreads vary by product and carrier. A licensed advisor can compare specific products for your state.

TWO KEY CONCEPTS TO KNOW

THE FLOOR — Your Safety Net

The floor is the minimum interest rate your FIA can credit — typically 0%. This means even in a year when the market drops dramatically, your account simply earns nothing rather than losing value. Your hard-earned savings stay intact

THE CAP — Your Growth Ceiling

The cap is the maximum interest rate you can receive in a given period. If the index returns 20% but your cap is 9%, you receive 9%. Caps vary widely by carrier and product — comparing them carefully is essential before you commit.

THE ANNUAL RESET — HOW YOUR GAINS GET LOCKED IN

MANY FIAS USE AN ANNUAL POINT-TO-POINT CREDITING METHOD. AT THE END OF EACH CONTRACT YEAR, ANY INTEREST EARNED IS LOCKED IN AND ADDED TO YOUR ACCOUNT BALANCE — PERMANENTLY. YOUR NEW BASELINE RESETS AT THE HIGHER VALUE. THIS MEANS PRIOR GAINS CAN NEVER BE TAKEN AWAY BY FUTURE MARKET LOSSES.

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IS A FIXED INDEXED ANNUITY RIGHT FOR YOU?

A Fixed Indexed Annuity is not the right fit for everyone — and a good advisor will tell you that honestly. The key is understanding what FIAs are designed to accomplish and whether those goals align with your situation.

A FIA MAY BE RIGHT FOR YOU IF...

- ✓ You're within 5–10 years of retirement or already there
- ✓ You want to protect your savings from market losses
- ✓ You want growth potential without direct market risk
- ✓ You have a lump sum to deposit — rollover, savings, or CD
- ✓ You want guaranteed lifetime income you can't outlive
- ✓ You're looking for tax-deferred growth
- ✓ You want to leave a financial legacy for your family

A FIA MAY NOT BE RIGHT IF...

- ✗ You need access to all your funds within 1–2 years
- ✗ You want 100% of the upside from stock market gains
- ✗ You're comfortable with high risk and market volatility
- ✗ You're under 50 with a long investment time horizon
- ✗ You need liquidity for potentially large unexpected expenses
- ✗ You already have sufficient guaranteed income from pensions or other sources

Common Sources of FIA Funding

- **401(k) or IRA Rollover:** Moving retirement savings into an FIA preserves tax-deferred status — no tax hit at the time of transfer.
- **CD or Savings Account:** Money sitting in low-yield accounts can earn significantly more inside an FIA.
- **Pension Lump Sum:** Convert a one-time pension payout into a reliable stream of guaranteed lifetime income.
- **Inheritance or Windfall:** Protect a one-time sum while allowing for index-linked growth and legacy planning.
- **1035 Exchange:** Replace an existing annuity with a better-performing product — tax-free under IRS rules.

Understanding the Surrender Period

FIAs typically carry a surrender period of 5–10 years. Withdrawing more than your free withdrawal amount (usually 10% per year) during this window may result in surrender charges. Planning your liquidity needs in advance is essential.

Surrender Period	Charge on Excess Withdrawal	Free Withdrawal
Years 1–2	8–10% of excess amount	10% per year, no charge
Years 3–5	5–8% of excess amount	10% per year, no charge
Years 6–8	2–5% of excess amount	10% per year, no charge
After Period	No surrender charges	Full liquidity available

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KEY FEATURES OF FIXED INDEXED ANNUITIES

Principal Protection

Your original deposit is fully protected from market losses. Even during a major downturn, you will not lose principal due to index performance. Your foundation stays intact.

Tax-Deferred Growth

Interest credited inside an FIA grows without being taxed each year. You pay taxes on gains only when you take distributions — allowing your money to compound faster over time.

Index-Linked Growth

Your interest is tied to the performance of a market index (S&P 500, Nasdaq, etc.) subject to a cap, participation rate, or spread — giving you real growth potential without direct market exposure.

Annual Reset (Ratchet)

Each year, gains are locked in and your account value resets at the new higher balance. Prior gains cannot be taken away by future market losses — a powerful built-in protection.

Free Withdrawal Provision

Most FIAs allow you to withdraw up to 10% of your account value each year without surrender charges, providing meaningful liquidity even during the surrender period.

Death Benefit

If you pass away during the accumulation phase, your named beneficiaries typically receive the full account value — bypassing probate and transferring wealth directly and efficiently.

No Contribution Limits

Unlike IRAs or 401(k)s, FIAs have no annual contribution limits for non-qualified (after-tax) money — making them ideal for those who want to save beyond retirement plan maximums.

The Income Rider — Guaranteed Income for Life

Many FIAs offer an optional Guaranteed Lifetime Withdrawal Benefit (GLWB) rider. For a small annual fee (typically 0.5–1.5%), this rider guarantees a specific income stream for life — regardless of market performance or how long you live. This is one of the most powerful tools available in retirement income planning today.

WITHOUT an Income Rider

- ✗ Account may run out if you live longer than expected
- ✗ Income depends entirely on account performance
- ✗ Real risk of outliving your retirement savings
- ✗ No guaranteed floor for monthly income

WITH an Income Rider

- ✓ Guaranteed income for life — even if your account hits zero
- ✓ Income amount is set at purchase and cannot decrease
- ✓ Peace of mind no matter how long you live
- ✓ Market downturns do not reduce your guaranteed payment

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8 QUESTIONS TO ASK BEFORE YOU BUY AN ANNUITY

Not all Fixed Indexed Annuities are created equal. Products vary significantly in caps, participation rates, riders, and carrier strength. Before committing, make sure you — or your advisor — can answer every one of these questions clearly and completely.

1 What is the surrender period and what are the charges?
Know exactly how long your money is committed and what it costs to access it early.

2 What is the cap rate, participation rate, or spread?
These determine how much of the index gain you actually receive. Compare across multiple products.

3 Which index options are available?
S&P 500, Nasdaq, multi-index strategies — understand what your interest is linked to and why.

4 Is there a guaranteed minimum interest rate?
Some FIAs guarantee a minimum floor rate even if the index is flat for multiple consecutive years.

5 What does the income rider cost and what income does it provide?
Riders typically carry annual fees of 0.5–1.5%. Know the guaranteed payout rate and when income begins.

6 What happens to my account when I pass away?
Confirm the death benefit structure and how beneficiaries receive funds — and whether probate is avoided.

7 Does this product fit my full financial picture?
An FIA is one piece of a retirement strategy. Make sure it works alongside your Social Security, Medicare, and other assets.

8 What is the insurance company's financial strength rating?
Look for AM Best ratings of A or better. Your guarantee is only as strong as the insurer backing it.

Ready to Find Out If a Fixed Indexed Annuity Is Right for You?

Book Your Free Retirement Income Review with Kayla Price

No pressure. No jargon. No cost to you. Kayla is independent — she works for you, not for any one insurance company.

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