Big-Time INSURANCE

A FREE PLAIN-ENGLISH GUIDE FOR RETIREES & PRE-RETIREES

The Safe-Money Retirement Guide

Plain-English Answers About Annuities

What each type of annuity is contractually guaranteed to do, what it is *not*, and the questions to ask before you sign anything.

Fixed & MYGA | Fixed Indexed | Income Annuities | Your CA Rights

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Proudly local to the Central Valley

A NOTE BEFORE WE BEGIN

Retirement money deserves straight answers

If you're within a few years of retirement, or already there, you've probably heard strong opinions about annuities. Some people love them. Some people can't stand them. Most people simply aren't sure what they are.

This guide is meant to fix that. No hype, no pressure, and no "too good to be true" promises. Just a plain-English look at what each type of annuity is **contractually guaranteed** to do, what it isn't, and how to decide whether one belongs in your plan at all.

An annuity isn't right for everyone, and it's rarely right for all of your money. My job is to help you understand your options so you can make a confident decision, whether or not that decision involves me.

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What "safe money" means here

In this guide, "safe money" refers to dollars you don't want exposed to stock-market losses: money you're counting on for income, emergencies, or peace of mind. It does not mean "risk-free." Every product has trade-offs, and we'll cover them honestly.

How to get the most from this guide

Read the promises

For each type, compare the green "guaranteed" list with the red "watch for" list.

Jot down questions

Use the checklist on page 9 with any agent, including me.

Talk it through

Bring your notes to a free, no-pressure 20-minute review.

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THE BASICS

What is an annuity?

An annuity is a **contract between you and an insurance company**. You give the insurer money (a lump sum or a series of payments), and in exchange the insurer makes specific promises written into the contract, such as a set interest rate, protection from market loss, or income you can't outlive.

That's really it. The details of the promises are what separate one annuity from another, which is why the most important question is always: *"What is this contract actually guaranteed to do?"*

1

Accumulation

Your money stays in the contract and grows according to the contract's terms. Growth is generally tax-deferred until you take it out.

2

Distribution

You take money out: through withdrawals, or by turning the value into a stream of income for a set period or for life.

Six terms worth knowing

Owner, annuitant & beneficiary
The owner controls the contract. The annuitant's life is used to calculate income. The beneficiary receives what remains at death.

Premium
The money you put into the contract, either all at once or over time.

Surrender period
The years during which taking out more than the allowed amount triggers a charge. More on page 8.

Annuitization
Converting the contract's value into guaranteed income payments. This is usually irreversible.

Rider
An optional add-on feature, such as a lifetime income benefit, often for an added cost.

Tax deferral
Gains are generally not taxed until withdrawn, then taxed as ordinary income. Your tax situation is unique.

An important point about guarantees

Guarantees are backed by the financial strength and claims-paying ability of the issuing insurer. That's why the strength of the insurer matters just as much as the features of the contract.

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THE LANDSCAPE

The main types at a glance

Most annuities fall into a handful of families. Here's a simple side-by-side of what each one is built to do. The pages that follow cover each in more detail.

	Fixed / MYGA	Fixed Indexed	Income (SPIA / DIA)
Built for	Predictable, guaranteed growth for a set term	Principal protection with a chance at higher, index-linked interest	Turning a lump sum into a paycheck, now or later
Market-loss protection	Yes, from market downturns	Yes, credited interest can't go below zero due to index performance	Not market-based; payments are set by contract
How growth works	Stated interest rate, guaranteed for the term	Interest linked to an index, limited by caps, participation rates or spreads	No growth focus; the promise is the income amount
Access to money	Limited during the surrender period	Limited during the surrender period	Generally little or no lump-sum access once income starts
Simplicity	●●● Very simple	●●○ More moving parts	●●● Simple, but usually irreversible

⚠ A brief word on variable annuities

Variable annuities invest in market sub-accounts, so your value can go down as well as up, and they're regulated as securities. They're a different tool for a different goal, and they **are not something I focus on or offer**. If you own one or are considering one, a licensed securities professional is the right person to review it.

Guarantees are backed by the financial strength and claims-paying ability of the issuing insurer.

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TYPE 1

Fixed annuities & MYGAs

A Multi-Year Guaranteed Annuity (MYGA) is often described as the annuity version of a CD. You choose a term, the insurer guarantees an interest rate for that entire term, and your account grows on a predictable path.

How it works

You deposit a lump sum. The contract states a guaranteed interest rate and a term length. Each year, interest is credited at that rate, and growth is generally tax-deferred. At the end of the term you typically have options: take the money, move it, or continue under new terms.

Contractually guaranteed

- A stated interest rate for the full guarantee term
- Your principal and credited interest are not reduced by market downturns
- A defined term length and a written surrender schedule
- A death benefit to your beneficiaries, as described in the contract

Not guaranteed / watch for

- Rates are set when you buy; they won't rise if market rates rise later
- Withdrawals above the free amount during the term can trigger surrender charges and possible market value adjustments
- Renewal rates after the term are not guaranteed to match
- Growth may not keep pace with inflation over long periods

Often a fit for...

Someone who wants a known result on a portion of their savings, doesn't need that money for the length of the term, and values simplicity over upside.

Ask about any MYGA

- Is the rate guaranteed for the whole term, or only the first year?
- Is there a market value adjustment?
- What happens when the term ends, and how will I be notified?
- Can interest be withdrawn without a charge?

Guarantees are backed by the financial strength and claims-paying ability of the issuing insurer.

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TYPE 2

Fixed indexed annuities

A fixed indexed annuity (FIA) protects your principal from market losses while letting you earn interest based partly on a market index. You are **not** invested in the market directly.

How the interest is figured

Each crediting period, the insurer measures the index's movement. In a down year, credited interest is typically zero rather than negative. In an up year, you receive a portion of the gain, limited by one or more of these:

Cap
The most interest you can be credited in a period, no matter how much the index rises.

Participation rate
The share of the index's gain used to calculate your interest.

Spread
A percentage subtracted from the index's gain before interest is credited.

Contractually guaranteed

- Your value won't go down because of index declines (withdrawals and rider fees can still reduce it)
- Credited interest, once added, is locked in
- A minimum guaranteed value as defined in the contract
- A written surrender schedule and death benefit terms

Not guaranteed / watch for

- Caps, participation rates and spreads can usually change at renewal, within contract limits
- Index-linked interest is not guaranteed; some years it may be zero
- Optional income riders may carry an annual fee that reduces your value
- Surrender charges apply to excess withdrawals during the surrender period

Set realistic expectations: an FIA is protection-first. It's designed to beat "zero" in good years, not to match the stock market. Be cautious of anyone who suggests otherwise.

Ask about any FIA

- What minimum caps and participation rates does the contract allow?
- How often can those rates be changed?
- Is the income rider optional, and what does it cost each year?
- Which values are guaranteed versus illustrated?

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TYPE 3

Income annuities: SPIA & DIA

Income annuities are the most straightforward promise in the annuity world: you give the insurer a sum of money, and it pays you a guaranteed income for a set period or for the rest of your life.

SPIA

SINGLE PREMIUM IMMEDIATE ANNUITY

Income begins right away, typically within the first year. Useful for covering essential monthly bills, like a personal pension.

DIA

DEFERRED INCOME ANNUITY

You buy now and income starts at a future date you choose. Waiting longer generally means larger payments once they begin.

Contractually guaranteed

- A specific income amount, on a specific schedule, as stated in the contract
- Payments for life, or for the period you select
- If chosen, a refund or period-certain option so beneficiaries may receive remaining value
- Payments not affected by market performance

Not guaranteed / watch for

- Once income starts, you generally can't get your lump sum back
- Level payments lose buying power to inflation unless you choose an increasing option (which lowers starting income)
- Life-only options may stop at death with nothing left for heirs
- Income amount depends on age, options and conditions on the day you buy

Life only

Highest payment for a given premium; payments stop at death.

Period certain

Payments for life or a set number of years, whichever is longer.

Cash / installment refund

Beneficiaries receive any premium not yet paid out, per the contract.

The "pension gap" question

A helpful exercise: list your essential monthly expenses, subtract guaranteed income you already have (like Social Security or a pension), and look at the gap. Some people choose to cover that gap with guaranteed income and keep the rest flexible.

Guarantees are backed by the financial strength and claims-paying ability of the issuing insurer.

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THE FINE PRINT, MADE PLAIN

Surrender periods, fees & your California rights

Surrender periods

Annuities are designed for money you can leave in place for a while. During the **surrender period**, taking out more than the contract allows can trigger a surrender charge, which usually declines each year until it disappears.

- Many contracts allow a **penalty-free withdrawal** amount each year; the amount varies by contract.
- Some contracts include a **market value adjustment (MVA)** that can raise or lower what you receive if you surrender early.
- Some contracts waive charges for certain events, such as nursing-home confinement or terminal illness, as defined in the contract.

Fees in general terms

- Basic MYGAs and many FIAs have **no annual fee** on the base contract.
- **Optional riders** (such as lifetime income benefits) often carry an annual charge.
- Withdrawals of gains are taxed as ordinary income, and withdrawals before age 59½ may face an additional IRS penalty. Ask your tax professional.

Your rights in California

30 *days*

Free-look period: In California, if you're **age 60 or older**, you have at least **30 days** after receiving your annuity contract to review it and cancel for a refund, as provided by California law. Read the cover page of your contract for the exact terms.

Best-interest standard: California's annuity best-interest rules require an agent recommending an annuity to act in your best interest: understand your situation, disclose how they're paid, and document why the recommendation fits you.

Rule of thumb

Never put money into an annuity that you may need before the surrender period ends. Keep a separate emergency fund that's easy to reach.

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PROTECT YOURSELF

Questions to ask any agent

01 What, specifically, is this contract **guaranteed** to do, in writing?

02 What is **not** guaranteed, and what can the insurer change later?

03 How long is the surrender period, and what does the charge schedule look like?

04 How much can I withdraw each year without a charge?

05 Are there any rider fees or other annual charges? What happens if I don't need the rider?

06 How does this fit with my Social Security, savings and other income?

07 What other options did you consider for me, and why is this one better for **my** situation?

08 How are you compensated for this recommendation?

09 What is the financial strength of the issuing insurer?

10 When does my free-look period start and end?

⚠ **Red flags:** pressure to "act today," promises that sound like stock-market returns with no risk, reluctance to put guarantees in writing, or advice to move all your money at once.

How a best-interest review works

California's best-interest annuity rules apply to every recommendation I make. Here's what that looks like with me:

1 **Listen**
We talk through your goals, income, expenses, timeline, health, and what money you might need to reach.

2 **Review**
We look at what you already own, including any existing annuities, before suggesting changes.

3 **Compare**
If an annuity makes sense, we compare suitable options and explain the trade-offs, including doing nothing.

4 **Disclose & document**
You get clear disclosures, including how I'm paid, and a written basis for any recommendation.

5 **Decide on your timeline**
No pressure. You take the time you need, and the free-look period still protects you afterward.

My notes & questions for my review

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YOUR NEXT STEP

Book your free 20-minute review

A relaxed, no-obligation conversation about your retirement income goals. We'll look at where you are, answer your questions in plain English, and talk about whether an annuity fits your plan at all.

Book online
Schedule your free review →

Call Roy directly
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SCAN TO BOOK

Book My Free 20-Minute Review

https://api.leadconnectorhq.com/widget/bookings/bigtimeins-coverage-review

Helpful to have handy

- Recent statements for savings, CDs or retirement accounts
- Any existing annuity or life insurance contracts
- A rough idea of your monthly expenses
- Your Social Security or pension estimates

What you can expect

- Plain-English answers, no jargon
- An honest view, including when an annuity isn't the right fit
- No obligation and no pressure to decide
- A time that works for your schedule

Important information

This material is for informational purposes; Roy Bryant is a licensed insurance agent, not a securities representative. Guarantees are backed by the financial strength and claims-paying ability of the issuing insurer. Annuities are long-term insurance contracts intended for retirement. Features, limitations, surrender charges and availability vary by product, insurer and state; refer to the contract and disclosure documents for complete details. Withdrawals may be subject to surrender charges and ordinary income tax, and withdrawals before age 59½ may be subject to an additional IRS penalty. This guide is not tax or legal advice; please consult a qualified tax or legal professional about your situation. Variable annuities are securities and are not offered by Roy Bryant.

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