
A GUIDE FOR ANNUITY OWNERS

IS YOUR ANNUITY STILL WORKING FOR YOU?

How to get more value and income from the annuity you already own: 6 costly mistakes to avoid and a simple checkup



- Check your rate
Is it still competitive?
- Know your dates
When your surrender period ends
- Protect your family
Beneficiaries and taxes done right

Compliments of

Rick Liuag

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Is Your Annuity Still Working for You?

Most people buy an annuity, file the contract away and rarely look at it again. That's understandable, since an annuity is meant to be a long-term, low-maintenance part of your plan.

But annuities change after you buy them. Rates reset. Surrender periods end. Your family, health and income needs change too. An annuity that fit perfectly ten years ago may not fit as well today. This guide shows how to get the most value and income from the annuity you already own.

Why a checkup matters

- **Your rate may have dropped.** Many contracts pay an attractive starting rate that later renews lower.
- **Your options may have opened up.** Once surrender charges end, you have more flexibility than you may realize.
- **Your paperwork may be out of date.** Beneficiaries named years ago may no longer reflect your wishes.
- **You may be paying for features you don't use.** Optional riders carry ongoing fees.

What to check, by type of annuity

Type	How it works	What to check
Fixed	Pays a declared interest rate, guaranteed for a set period	Current renewal rate and guaranteed minimum
Fixed indexed	Credits interest linked to a market index, with a 0% floor	Current caps and participation rates, rider fees
Variable	Invested in subaccounts, so value rises and falls with markets	Total annual fees and how much market risk you hold
Immediate	Converts a lump sum into income right away	Beneficiary and payout options on file

Ask Rick: Not sure which type you own? Your annual statement will tell us. Call 951-515-0292 and we'll look at it together.

6 Costly Mistakes Annuity Owners Make

1 Not noticing that your rate dropped

Many fixed annuities guarantee a rate for an initial period, sometimes with a first-year bonus. After that, the insurance company sets a renewal rate, which can be well below what new contracts pay. Many owners never notice, because the change shows up only on an annual statement.

What to do: Compare your current rate with your guaranteed minimum and with what's available today.

2 Not knowing when your surrender period ends

Most annuities charge a surrender fee for withdrawals above the free amount, often around 10% a year, during the first several years. The charge usually declines each year until it disappears. Once it does, you can typically move or reposition the money without that penalty.

What to do: Find your surrender schedule and mark the date it ends on your calendar.

3 Exchanging an annuity without doing the math

A "1035 exchange" lets you move money from one annuity to another without triggering taxes. It can be a smart move or an expensive one. A new contract usually starts a new surrender period, and any bonus may come with conditions. In California, annuity buyers age 60 and older also get a 30-day free look period to review a new contract.

What to do: Before any exchange, compare surrender charges, fees, guarantees and benefits side by side, in writing.

Ask Rick: Do you know your current rate and your surrender end date? If not, that's the first thing we'll find on your statement.

6 Costly Mistakes Annuity Owners Make

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Paying for riders you won't use

Optional riders, such as lifetime income or enhanced death benefits, are charged every year, often around 1% or more of a stated value. A rider can be well worth it if you plan to use it. If you never will, its fee quietly reduces your account value year after year.

What to do: List each rider, its annual cost and whether you still expect to use it.

5

Letting beneficiaries get out of date

Your annuity goes to the beneficiaries named on the contract, not to the people named in your will or trust. Marriages, divorces, births and deaths can leave the wrong person named, or no one. Naming your estate can mean probate and less flexibility for your heirs. Named beneficiaries often have choices that spread out the taxes.

What to do: Confirm your primary and contingent beneficiaries with the insurance company.

6

Taking money out the costly way

With most annuities bought with after-tax savings, withdrawals come from earnings first, which are taxed as ordinary income. Withdrawals before age 59½ can add a 10% federal penalty. Taking more than the free amount can trigger surrender charges, and extra withdrawals can shrink an income rider's guaranteed benefit.

What to do: Before withdrawing, check the free amount, the tax cost and the effect on any guarantees.

Ask Rick: Planning to take money out soon? A five-minute review first can save taxes, fees and lost guarantees.

Your Annuity Checkup

Use your most recent annual statement. Blanks are fine, since they show what we should look up together.

A. Contract basics

Insurance company	_____
Type (fixed, indexed, variable, immediate)	_____
Year purchased / original deposit	\$ _____
Current value / surrender value	\$ _____
Current rate or cap / guaranteed minimum	_____
Surrender period ends	_____
Riders and their annual cost	_____
Primary and contingent beneficiaries	_____

B. Quick check

I know the rate my annuity is paying today	☐ Yes ☐ No
I know when my surrender charges end	☐ Yes ☐ No
I know what my riders cost and plan to use them	☐ Yes ☐ No
My beneficiaries are current	☐ Yes ☐ No
I know how my withdrawals or payments will be taxed	☐ Yes ☐ No
My annuity still fits my income goals	☐ Yes ☐ No

Any "No" answers?

Each one is worth a closer look, and most can be answered in a single review

Is Your Annuity Still Working for You?

Your next step: a free annuity review

In a no-obligation review, we'll go over your checkup, read your statement together and explain in plain language what your annuity is doing for you today. If it's still the right fit, you'll know for sure. If it's not, you'll see your options, including the costs and trade-offs of each.

What to have available for our meeting (whatever you have is fine):

- Your completed annuity checkup
- Your most recent annual statement for each annuity
- Your contract or policy, including any rider pages
- Last year's tax return, if you're taking withdrawals or payments

Call Rick: 951-515-0292

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Important disclosures

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About Rick Liuag

For 37 years, Rick Liuag has helped people protect two things that matter most: the income they'll live on and the savings they've worked hard to build.

Rick works primarily with pre-retirees, retirees and small business owners, people who have spent decades building something and want to make sure it lasts. His clients often come to him with the same questions.



Will my savings last as long as I do? What happens if the market drops right before I retire? How do I protect my family and my business from a big, unexpected expense?

Rick specializes in retirement planning and risk management, helping clients answer those questions with a plan, not a guess. That can mean creating guaranteed lifetime income that works like a personal pension, or protecting principal from market losses.

Nearly four decades in the business have convinced Rick that good decisions start with good information. He writes his guides in plain language, explains the trade-offs along with the benefits, and never recommends something that doesn't fit. His clients always know how a plan works, what it costs and how he's paid before they decide anything.

Rick Liuag

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Schedule a conversation: calendly.com/rickliuag

Questions about your retirement?

Let's talk. There's never any cost or obligation.



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