## Your Retirement

## Your Retirement Plan, Post-Great Recession

(NAPSA)—Everyone from the baby boomer to the fresh-out-of-college millennial should think about retirement. More important, they should plan for retirement. Recent polls have shown that outliving retirement savings is one of the prime concerns for retirees.

The concern is a justifiable one. Thirty-six percent of Americans have no retirement savings and many have not saved enough to make them feel comfortable as they approach and begin retirement. As people continue to live longer, there is worry that they will outlive their savings—if they have sufficient savings to begin with.

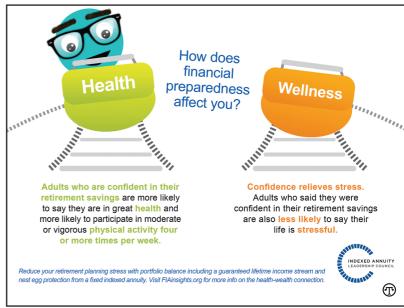
In the post—Great Recession climate, an emphasis on savings, retirement security and financial preparedness has never been as salient to the public—and so urgent. However, many people do not know how to begin to prepare a solid financial plan or what tools they should use to build an effective and reliable financial portfolio.

With pensions and other employer-provided retirement plans disappearing from the retirement landscape, it is placing more responsibility than ever on the average American to provide a steady income stream for themselves during their golden years. The thought of restful days in a sunny climate could be usurped by the thought of keeping up with bills and affording the upkeep of a home.

The landscape may sound bleak, but people who take a proactive approach can find that planning ahead helps alleviate concerns about their retirement years. In fact, several financial tools exist to help people maintain a comfortable lifestyle in retirement.

One of those tools is a fixed indexed annuity.

A fixed indexed annuity, or FIA, is a key part of a balanced financial plan that offers the opportunity for growth through a steady, guaranteed lifetime income stream, all while protecting the principal from the uncertainty of market volatility, according to the Indexed Annuity Leadership Council.



After the lows the stock market experienced in recent years, Americans have been weary of losing their money in investments. With an FIA, a retiree cannot lose his or her principal balance and is guaranteed a minimum return, ensuring the buyer never loses his or her investment.

Laura Adams, an insurance analyst, personal finance expert and author of "Smart Moves to Grow Rich," says, "Fixed indexed annuities are one of the most overlooked ways to make sure you never run out of money in retirement. They give you a set rate of return and income that's guaranteed for your entire life, no matter what happens in the financial markets. This security can make the difference between a retirement filled with constant financial worries or one with happiness and peace of mind."

FIAs are unique in that they offer the possibility of competitive interest crediting, if the markets are doing well. "Having an FIA is a smart way to balance your financial portfolio. It allows you to lock in your principal so it never declines in value due to market downturns, while also enjoying potential upside through marketlinked growth. That allows you to enjoy moderate rewards without taking on too much financial risk," Adams says.

FIAs also provide further bene-

fits through optional riders. Riders provide additional income in certain situations, such as nursing home stays or terminal illnesses. Health care riders are good options for individuals who are concerned with paying for possible health costs as they age. Other riders include income, which provides guaranteed income for life, and death benefit, which ensures that if the annuity purchaser dies, his or her beneficiary can receive an enhanced death benefit.

Another benefit to fixed indexed annuities is tax-deferred growth, allowing money to compound year after year. Taxes are not due until money is withdrawn from the annuity. Also, if individuals choose to receive an annuitized income stream on a nonqualified annuity, the payment is a combination of earnings and principal. Since the principal was put in on an after-tax basis, that portion is never taxable. Individuals will only owe tax on the earnings portion of their annuitization payments.

The benefits to an FIA are appealing in light of the instability of the market in recent years. When purchasing an FIA, make sure to do research and ask questions. Like any other major purchase, it's important to make sure you are comfortable with the contract and that the product is right for your situation.