



Invest in a tax-deferred annuity

Help Reduce Taxation of Social Security Benefits

Did you know that when you retire, up to 85 percent of your Social Security benefits may be taxable? However, if you put a portion of your assets into a tax-deferred investment like an annuity, the amount of your Social Security benefit that is taxed may decrease.

How to determine the taxable amount of your Social Security benefits

Total taxable income	_____
Wages \$ _____ Interest \$ _____	
Pension \$ _____ Other \$ _____	
Dividends \$ _____	
Tax-exempt interest income	+ _____
(i.e., interest on municipal bonds)	
½ Social Security benefits	+ _____
Provisional income	= _____
Base allowance	_____
(See chart on reverse)	

Compare your provisional income to the base allowance for your filing status. If your provisional income is equal to or less than your base allowance, none of your Social Security benefits are taxable. If your provisional income is more than the base allowance shown, either 50% or 85% of your Social Security benefits may be taxed.

Did you know that when you retire, up to 85% of your Social Security benefits may be taxable?

FILING STATUS	INCOME BASE ALLOWANCES*	
Single	\$25,000	\$34,000
Married, living apart with separate returns	\$25,000	\$34,000
Married	\$32,000	\$44,000
Married, filing separately	Any income	
Amount of benefits taxed	50%	85%

Annuities can help reduce the amount of taxes you pay on your Social Security benefits. Just by moving your investments into a tax-deferred annuity, you can lower the taxes you'll pay on Social Security benefits.

Earnings from an annuity are taxed only at the time of withdrawal, and only the portion withdrawn is used to calculate your taxable income. And because you can determine when you will take withdrawals, you can determine when the income will be taxed. While investments with tax-exempt interest are used to calculate your income for tax purposes, tax-deferred investments are not.

Look into an annuity today and see how it can help decrease your Social Security taxes!

* If Modified Adjusted Gross Income (MAGI), plus one-half of Social Security benefits exceeds these base allowances, the benefits will be taxed approximately as shown in the chart. MAGI is Adjusted Gross Income (AGI) from all sources plus tax-exempt interest income. See Form 1040 for additional instructions.

Tax-qualified retirement arrangements, such as IRAs, SEPs, and SIMPLE-IRAs are tax-deferred. You derive no additional benefit from the tax deferral feature of the annuity. Consequently, an annuity should be used to fund an IRA, or other tax qualified retirement arrangement, to benefit from the annuity's features other than tax deferral. These features may include guaranteed lifetime income, guaranteed minimum interest rates, and death benefits without surrender charges.

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