

# Retirement Matters Newsletter

Manny Negron, Licensed Insurance Agent  
GenWealth Advisory Group

YOU'VE HELPING YOU NAVIGATE THE ROAD TO & THROUGH RETIREMENT



## **\*\*IMPORTANT INFORMATION IF YOU HAVE A MATURING CD!\*\***

I was visiting with a few of my clients earlier this week because they had a Certificate of Deposit coming due at one of the local banks. My discussion with them prompted me to send this letter to every one of my clients and others throughout our community.

While I was visiting with these clients, they mentioned they liked having their money in CDs because of the security of the bank, the protection of their principal and the fact that if they really needed it, they could get to some of their money out (i.e. liquidity). However, they came in to see me for two reasons: **they weren't happy with the taxes** they were paying on money they weren't even really using, and they were looking for a **more competitive interest rate**.

What many people don't realize is that you pay ordinary income tax on the interest you earn from your CD each year – **even if you leave the interest in the CD**. Not only does this water down your interest earnings, but the reportable interest could potentially trigger income taxes on your Social Security benefits, as well.

When you consider current CD interest rates (hovering anywhere from 1.05-1.35% depending on a 1-3 year term according to BankRate.com),

*...Continued on top of page 2*

## **Industry experts say...“Stocks Are Too Risky For Seniors”**

Experts recommend seniors to put their money in something safe, with minimum guarantees. For example, Certificates of Deposit's, Annuities or Bonds. Now, there are select groups who can afford to play the game of risk that the market entails, but for most seniors living on a restrictive budget, playing the risk game should be avoided.

Investing in stock has its place in the financial arena. The main reason retiree's invest in stock is to hopefully, get a huge return on their money and to outpace inflation.

Seniors have a valid concern when comes to inflation. However, there are ways to outpace inflation, without taking chances in the stock market.

This is where the Indexed Annuity comes in. Indexed Annuities are one of the few investment vehicles that can hedge inflation. Unlike CD's, bonds and money markets, Indexed Annuities have the potential for stock market type returns without the market risk. Seniors need safety, and all investing must be done prudently and cautiously.

### **Indexed Annuities Are A Great Option For Seniors**

Many seniors are concerned about how inflation may reduce the value of their savings, giving them less buying power long term. By investing into an Index annuity, they have the potential of outpacing inflation, thus keeping the buying power intact.

*...Continued on bottom of page 2*

OCTOBER 2012

### **Interesting Facts**

An olive tree can live up to 1500 years.

The dial tone of a normal telephone is in the key of "F".

There are 293 ways to make change for a dollar.

The tradition of brides carrying a bouquet of flowers started with the brides trying to hide their body odor.

Dalmatians are born without spots.

There are about 540,000 words in the English language and growing.

Red wine will spoil if exposed to light; hence tinted bottles.

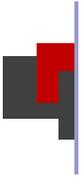
Elephants are the only mammals that can't jump.

### **Tired Of Losing Money?**

**Now you can get stock market type returns without the stock market risks.**

**Plus, it offers tax deferred interest and tax free income at retirement.**

**Call Our Office Today for More Information!**



*Are You Positioned To Capture The Stock Market Coming Upturn?  
 ...With Safety & Guarantees? Call now for your **FREE** report  
**‘Survival in a Volatile Market***

**Manny Negrón**

Licensed Insurance Agent  
 GenWealth Advisory Group

4386 Angle Pond Dr. South  
 Jordan Utah 84095  
 801-892-HELP (office)  
 801-856-7995 Cell  
[manny@genwealthadvisory.com](mailto:manny@genwealthadvisory.com)

*This month, the month of  
 October, is National Breast  
 Cancer Awareness Month.*

The United States is home to the highest rate of incident of breast cancer in the world. It is estimated that as many as 1 out of every 8 women are at risk and that there is a 1 out of every 35 chance of death. Breast cancer is a serious issue and remains as the most feared disease.

Many organizations in the United States work to promote Breast Cancer Awareness. We have listed some of those resources below:

National Breast Cancer Awareness Month website  
<http://www.nbcam.org/>

National Breast Cancer Foundation  
[www.nationalbreastcancer.org/](http://www.nationalbreastcancer.org/)

Susan G. Komen for the Cure  
<http://ww5.komen.org/>

**IMPORTANT INFORMATION IF YOU HAVE A MATURING CD!**

current inflation rates and the taxes you pay each year, there’s a very good chance **you may actually be losing purchasing power.**

If you have a Certificate of Deposit about to mature and would like to discuss other alternatives that can still provide security, principal protection and access to your money, please give our office a call. We offer a number of options, including fixed and fixed index annuities, which help you:

- Protect 100% of your principal from risk and loss
- Lock in all credited interest every year
- Defer taxes until earnings are paid out
- Help reduce or eliminate taxes you might be paying on Social Security benefits
- Get up to a 10% premium bonus (on qualifying products)\*
- Receive guaranteed retirement income you cannot outlive\*\*

We look forward to helping you make the most informed decisions possible to help you accomplish your retirement goals. Before you simply renew down at the bank or make your next financial move, call our office at **801.892.HELP (4357)** to schedule a complimentary visit!

\*Bonus annuities may include higher surrender charges, longer surrender periods, lower caps, higher spreads, or other restrictions not included in similar products which don’t offer a premium bonus. \*\*An annuity is a contract with an insurance company and is not FDIC or NCUA insured, is not insured by any federal agency, and is not guaranteed by any bank or credit union. Guarantees rely on the financial strength and claims-paying ability of the issuing insurer. Annuities are designed to meet long-term retirement income needs for retirement income. Withdrawals can reduce the living benefit and death benefit of the contract. Cancellation of contract during penalty phase may result in a loss of up to 15% of principal.

**Industry experts say...“Stocks Are Too Risky For Seniors”**

Plus, there are 2 other benefits for using an indexed Annuity, rather than investing in risky stocks:

**No-Loss Provision** - The first and possibly most-attractive provision of equity index annuities is the no-loss provision. This means that once a premium payment has been made or interest has been credited to the account, the account value will never decrease below that amount. This provides safety against the volatility of the market.

**Interest Guarantees** - The second benefit that appeals to many people is the interest guarantees. Most policies have a cap (maximum interest rate that can be credited to a policy in a specific period) and a base (the minimum interest rate that can be credited in a policy year). The cap rate can vary from no cap to a fixed percentage, but the base is generally zero. This allows the policyholder to benefit from potentially high returns and be guaranteed at the same time, that no money will be lost.

For most seniors, stocks are just too risky and may lead to a significant loss of principal, and now with options available such as the Index Annuity, dabbling in the market is not just too risky, it’s also unnecessary.

**Contact Our Office Today For More Information!**