

HOW DO BANK CDs STACK UP TO MYGAs?

For the savers who have traditionally used bank CDs as the first choice for their retirement savings, the low interest rate environment that has been prevalent for some time has prevented them receiving the interest rates that have been historically expected. A Multi Year Guaranteed Annuity (fixed annuity) can offer higher returns with additional benefits such as tax deferral* and a potential lifetime income stream.

HOW DO THESE PRODUCTS COMPARE?

	BANK CD	MYGA
SAFETY OF PRINCIPAL	✓	✓
INSTITUTIONAL PROTECTION	✓	✓
GUARANTEED INTEREST	✓	✓
LIQUIDITY	✓	✓
TAX DEFERRAL	✗	✓
LIFETIME INCOME	✗	✓
AVOIDS PROBATE	✗	✓

WHAT DOES THIS ALL MEAN?

1. Institutional Protection: Bank CDs are insured by the FDIC up to \$250,000 while the MYGA is subject to the claims paying ability of the insurance company.
2. Interest Rate Guarantees: The interest rate of both the CD and MYGA are guaranteed for the term length purchased. Additionally, the MYGA has a renewal rate that will never fall below the minimum guarantee no matter where interest rates are in the future.
3. Liquidity: It is common for a bank CD to have a penalty assessed when withdrawing funds before the CD's maturity date. Annuities are commonly designed to have withdrawal provisions that allow the owner to access a percentage of their funds on hand in the annuity with no penalty charge for the withdrawal.
4. Income: Interest can be withdrawn from CDs, but it is not guaranteed to stay level throughout the owner's lifetime. MYGAs and annuities in general are designed to meet long-term retirement goals and have the ability to turn into lifetime income streams that stay level throughout the owners lifetime.

In closing, annuities are long term financial vehicles that are designed to help for retirement purposes. If you need to access all your funds in a year or two, an annuity may not be right for you. If you have more time a MYGA may be an attractive option to grow and protect your retirement savings.

*THIS STATEMENT IS NOT TAX ADVICE



*Effective as of July 29, 2021. For the latest rating, access www.ambest.com. A.M. Best assigns ratings from A++ to F, A++ being superior ratings.

The Oxford Life Multi-Select® annuity (contract form ICC14-MYGA0814, DA520, GLWB320, and state-specific variations where applicable) are issued by Oxford Life Insurance Company. An investment in these contracts is subject to possible loss of principal and earnings, since a surrender charge and market value adjustment may apply to withdrawals or upon surrender of the contract.