



## ANNUITY MYTHS ABOUT FEES AND COMMISSIONS

Navigating your way through retirement can sometimes be challenging. But the first step is making sure you have the most accurate information.

There's never been more information about retirement available to you, but often that leads to confusion. You have to sort through lots of detail to determine whether a particular product can help you reach your goals. Here are some common misconceptions about the costs associated with annuities, with explanations about how fees work with annuities. Remember that annuities are not right for every situation; it's a good idea to speak with a financial professional to determine whether an annuity is right for your needs.

### **MYTH 1: Annuities are too expensive**

Annuities may be less costly than you think. Some annuities have no direct costs, but even for those that do, cost is often linked to the benefits they provide. Annuities offer features and benefits, such as monthly income for life or protection from market downside, that few other investments do. Those benefits will likely come with a fee but could be valuable to you in addressing key retirement goals.

Think of an annuity as a way of stabilizing your retirement income, similar to the way you insure other valuable assets, like your home or your

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car. Having an annuity that helps protect your invested principal from loss or that provides monthly payments for life can be worth a little bit extra. It's always a good idea to talk to your financial professional to determine if the benefits associated with any additional costs make sense for you.

**MYTH 2: The fees are hidden**

Actually, it's simple to find out what costs are included with an annuity. The easiest way is to ask your financial professional to give you what's called a "personalized illustration." This document includes any annuity fees you would pay, along with the benefits the annuity will offer.

You can also find fees listed in the prospectus or disclosure statement, which your financial professional will provide to you. Your regular annuity statement also will include any fees

associated with your contract. Ask your financial professional for a copy of them or to answer any questions you have.

**MYTH 3: Commissions from annuities are too high**

Your financial professional will ask to be compensated for the work they do on your behalf. He or she can be compensated by a fee you pay, or by a commission paid by the insurance company. Regardless of what you invest in, it's a good idea to ask your him or her, "How are you compensated for the advice you provide?" or "Does your compensation come from the insurance company or from me?" Whether your financial professional is paid by a commission from the insurance company or fee paid by you, he or she will make a recommendation based on your financial goals and how they can be met through a comprehensive financial plan.