

How do MYGAs stack up against CDs?

Multi-year guaranteed annuities (MYGAs) and CDs both provide a guaranteed interest rate over a certain period of time. But what benefits do MYGAs have over CDs?

1

Tax deferral

- Avoid annual taxes and a 1099
- No taxable event until your clients withdraw funds

2

Strong performance

Year	Account Value
0	\$200,000
1	\$210,400
2	\$221,341
3	\$231,851
4	\$244,959
5	\$257,697

Rates based on a hypothetical \$200,000 initial premium into a **5-Year MYGA** with a 5.20% interest rate and no withdrawals. Rates effective 08/08/2025. Interest rates subject to change.

3

Available riders

With these two riders, give your clients the option to access their money when they need it most without the surrender charges. MYGAs offer the following additional riders (availability may vary by state):

- Nursing Home Benefit Rider
- Terminal Illness Benefit Rider

4

Beneficiary options

- Pay beneficiaries outside probate
- Beneficiaries can elect the death benefit or the spousal continuation option

Here is an overview on how a **Fixed Annuity** offered in 3, 5 or 7-year surrender charge period durations - stacks up against a CD and four popular client benefits to feature:

	CD	MYGA
Premium protection from market declines	✓	✓
Guaranteed interest rate	✓	✓
Surrender charges or penalties	✓	✓
Tax-deferred growth		✓
Surrender-charge free partial withdrawals		✓
Terminal illness & nursing home riders ¹		✓
Pay to a beneficiary outside probate		✓
Option to annuitize		✓

¹Not available in MA

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