

# Variable annuities

Would you like to own an investment with guarantees you will not lose money? Would you like to invest in mutual funds without paying taxes each year on the profits you earn? Variable annuities can provide these benefits.

Variable annuities are securities products offered by insurance companies. Each one offers "sub-accounts" managed by a mutual fund company that allow for the type of diversification mutual funds provide. The return you earn varies with the performance of the sub-accounts chosen, just like a mutual fund investment will vary based upon the performance of the fund.

You can roll 401(k) and IRA money into this type of account, and money placed in a variable annuity grows tax-deferred, which means you do not pay taxes on your earnings until your withdraw your money. Money that grows tax-deferred grows more quickly than

## Your Green



Roger Green, MSFS, CFP®  
Green Financial Resources

money that is taxed annually. Variable Annuities provide no additional tax advantage for IRAs.

As a result of past bear markets, many investors know the best way to grow assets effectively over long periods is to invest in mutual funds, but they also know that mutual funds can lose much of their value during certain periods. In response to this concern, the insurance companies have begun offering perform-

ance guarantees, for additional cost, in the form of both living benefits and death benefits.

There are variations in the living and death benefits you can choose and variations in cost, but, for example, a living benefit may promise to pay you a withdrawal amount based on your original investment (generally 7% per annum), even if the value of that investment declines. Death benefit protection provisions generally guarantee to pay your beneficiaries the greater of: 1) what you invested minus withdrawals or 2) the current value or 3) the highest anniversary value. These new features generally cost an additional .0035% or about \$35.00 on each \$10,000 invested.



Special Photo

Winners of Longest Drive, **Ryan Hountz** and Closest to the Pin, **Rick Schewe**.

Variable annuities are not perfect: there are risks of fluctuating sub-accounts; costs are usually higher than the costs of mutual funds; and as with all insurance products, there is the possibility of insolvency on the part of the insurance company, as the guarantees are backed by the underlying financial strength of the issuing insurance company. In exchange for not taxing you every year, any withdrawals you make prior to age 59 1/2 are subject to a 10% IRS penalty. This is not a short-term investment vehicle. To keep people invested, most insurers assess a surrender charge for withdrawals over a certain amount within the first 3-8 years, although there are variable annuities available with no surrender charge.

An experienced financial professional, such as myself, will be able to help you determine if variable annuities would be an appropriate addition to your investment portfolio. Call 770.931.1414 if you would like further guidance on this or any financial planning concern.

*Roger S. Green is a Registered Representative of Multi-Financial Securities Corporation, member FINRA/SIPC, with his office located at 3700 Crestwood Parkway, Suite 140, Duluth, GA 30096. Hear more "Your Green", Saturdays at 2:00, on WNIV 970 AM or live at www.wniv.com. Visit Roger's website at www.rogersgreen.com.*

# Green Financial annual golf tournament 2008



Photo Courtesy of CVS Event Photos

GREEN FINANCIAL held its 7th Annual Green Financial Golf Tournament on May 20th at the exclusive River Club in Suwanee and raised over \$30,000 for the 2nd year in a row for the Gwinnett Children's Shelter. Our staff as shown in this right to left is: **Drew Digby, Betty Huff, Janet Jameson, Roger Green, Aaron Holley, Laura Green, Joey Montgomery, Carolyn Mohsen, Alexi Upchurch, Kelly Schmidt, Adam Upchurch, Judy Barron, Jason Piper, Erina Patterson, and Tim Sloan.**



Special Photo

The 1st place foursome with **Roger Green: Larry Harrison Sr., Larry Harrison Jr., Jim Thouvenot, and Brent Payne.**



Special Photo

Roger Green with the 2nd Place foursome: **Todd Brauer, Jeremie Carr, Dale Earnhardt** and the Children Shelter's own **Susie Ryan** (shown 1st in picture).



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## SUCCESSFUL RETIREMENT PLANNING

August 14, 21, and 28th  
(3 Thursday evenings)  
from 6:30-9:30 PM

To Register, Call Gwinnett Tech:

770.995.9697 or

770.962.7580 x 6743

GREEN FINANCIAL RESOURCES

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