



NASSAU



# 7 Questions To Consider

Before purchasing a Multi-Year Guaranteed Annuity

Issued by Nassau Life and Annuity Company or Nassau Life Insurance Company



Multi-year guaranteed annuities, or MYGAs, are fixed annuities and have become an increasingly popular product for people looking for guaranteed returns and stability in their retirement portfolios. While the annual interest rate is the main differentiating factor, MYGAs can offer different features. Before applying for a fixed annuity it is important to know the answer to the following questions.

# 01

## Is the same interest rate guaranteed for the entire term?

Some MYGAs offer higher bonus rates for the first year, and then the rate drops in the following years. Other MYGAs provide rates that progressively increase each year of the guaranteed term. Knowing the effective guaranteed interest for each period and for the entire term is critical to understanding the expected interest earnings under the contract.

*Nassau guarantees the same rate for the duration of the initial guarantee period.*

# 02

## How is the interest calculated?

Traditionally, MYGAs calculated interest annually, credited on a daily basis, and compounded each year. However, some newer MYGAs pay only simple interest each year. Knowing how interest is calculated is crucial in understanding how your principal will grow over time.

*Nassau pays compound annual interest credited daily.*



## 03

### **How soon can your client begin withdrawing interest?**

Some MYGAs offer an annual free withdrawal amount that can allow for penalty withdrawals of interest after 30 days, while others require you to wait for one year. Understanding the timing of free withdrawal percentage is essential to ensuring that the annuity aligns with your financial goals and liquidity needs.

*If the annuity you selected includes a free withdrawal amount, Nassau will allow free withdrawals after the first 30 days.*

## 04

### **Does the surrender charge change over time?**

Many MYGAs offer reduced surrender charges over time as the MYGA approaches the end of the guaranteed rate period. However, some MYGAs include surrender charges that remain the same throughout the course of the guaranteed period. Either way, it's important to ensure you understand the charges and other penalties that may apply to your annuity contract.

*Nassau's surrender charges decline over the duration of the guaranteed period.*

## 05

### **Can the surrender charge be waived in case of emergencies?**

Some carriers offer contracts that will waive the surrender charge in the event of severe health problems, such as a terminal illness. Understanding this feature is important if you may need to suddenly access your contract value due to unexpected severe health problems.

*Nassau offers nursing home and terminal illness surrender charge waivers.<sup>1</sup>*

<sup>1</sup> Note the Market Value Adjustment (MVA) is not waived and may increase or decrease the amount withdrawn. Waivers are subject to state approval and certain conditions apply. See the contract for details.



## 06

### **What happens to the account value at the end of the initial guarantee period?**

Some carriers will allow you to continue the contract at a new declared rate and do not reset the surrender period. This allows you to free withdraw funds subject to a market value adjustment, or MVA, beyond that point. Knowing what happens to the account value at the end of the guaranteed rate period is essential in understanding the contract's long-term potential.

***Nassau does not reset the surrender charge after the initial guarantee period.<sup>2</sup>***

<sup>2</sup> At the end of this period, you have a 30-day window to surrender any amount of the contract free of charge. After this window, a MVA will apply which may increase or decrease the amount withdrawn.



## 07

### **What will the beneficiary receive at death?**

In some instances, the beneficiary will receive the contract value - the premium plus accrued interest less any prior withdrawals. In others, the beneficiary will receive the cash surrender value of the contract, which may include surrender charges and MVA. Knowing what the beneficiary will receive at death is essential in ensuring that your estate planning needs are met.

***Nassau's death benefit is equal to the contract value. No surrender charge or MVA will apply.***



# NASSAU

Not all MYGAs are alike. It is crucial to ask the right questions before selecting an annuity. Understanding the different features of MYGAs will enable you to make an informed decision with your agent that aligns with your financial goals, liquidity needs, and estate planning needs.

**WORKING HARDER**  
TO BE YOUR  
**CARRIER OF CHOICE**

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Annuity contracts may be 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. Annuities are long-term insurance contracts. Annuities held within qualified plans do not provide any additional tax benefit. All or a portion of amounts withdrawn are subject to ordinary income tax, and if taken prior to age 59 1/2, a 10% IRS penalty may also apply.

**Product features, options and availability may vary by state. Guarantees are based on the claims-paying ability of the issuing company.**

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BPD41369

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