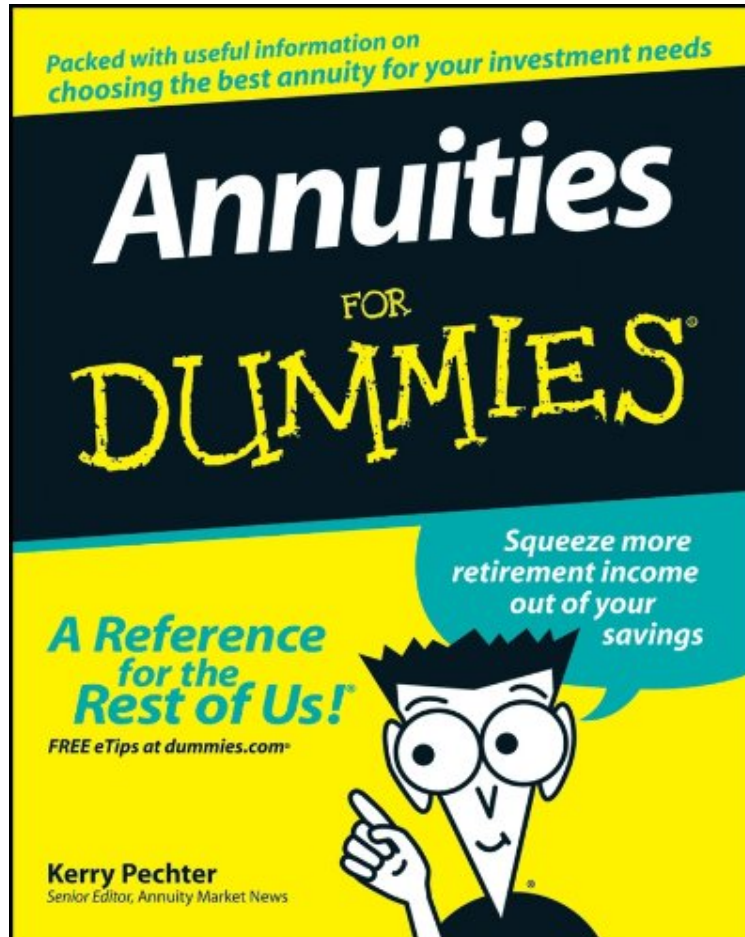


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## Annuities For Dummiesreg;

*Kerry Pechter*

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**Kerry Pechter : Annuities For Dummiesreg;** before purchasing it in order to gage whether or not it would be worth my time, and all praised Annuities For Dummiesreg;:

13 of 13 people found the following review helpful. AN EXCELLENT INTRODUCTION TO ANNUITIESBy timcon1964In the past, those Americans who invested in annuities usually did so in order to defer taxes. They seldom converted these accounts into income streams. But, as traditional pension plans have been displaced by 401 (k) accounts, the value of annuities as a source of ongoing income payments is becoming apparent. Kerry Pechter, who edits the online publication, Retirement Income Journal, devotes much of his attention to annuities. Although annuities may still serve as tax deferred investments, Pechter wrote Annuities for Dummies with an eye to baby boomers who are reaching their retirement years without pensions and with limited payments from Social Security. He contends that annuities are the best way to convert savings into lifetime income. But Americans seem reluctant to invest in annuities, possibly because they are unfamiliar with the annuity options now available and how these can provide reliable retirement income, and offer protection against inflation and unpredictable interest rates and stock market trends. This book helps to explain these options. Its 21 chapters are grouped in five parts. It also includes an 8-page glossary and

42 pages of appendices. A detailed 8-page Table of Contents and 12-page index provide access; and the volume features the customary " . . . for Dummies" sidebars and icons to identify tips, things to remember, and special warnings. In Part One (57 pages), Pechter puts annuities in context, describes the types of annuities, their elements, and the relevant technical language (for this the glossary is also helpful). Annuities involve more costs than other investments, and may be less profitable; but they provide greater security. This is especially important for women, since they usually live longer than men. Pechter describes the challenges that confront retirees—outliving their savings, coping with inflation, and meeting health care costs—and explains how annuities can help deal with these challenges. He discusses the advantages and disadvantages of various types of annuities, and emphasizes the importance of planning, paying attention to fees, and selecting reliable insurance companies. In Part Two (79 pages), Pechter describes the principal types of annuities in greater detail. He deals with deferred annuities, explaining how they operate, the different features they offer, and how they can be purchased. But his emphasis is on income annuities, both fixed and variable. He compares these with systematic withdrawal plans (for example, withdrawing a certain percentage of one's savings each year), and discusses some of the available special options, such as annuitant control over investments, adjustments for inflation, and guaranteed living benefits. This part also includes information about advanced life deferred annuities (which are less expensive, but provide income only after the annuitant has reached a fairly advanced age). Part Three (44 pages) describes some of the administrative aspects of annuities. It explains the respective functions of the owner, annuitant, and beneficiaries, which persons should be assigned to these roles, and the disposition of annuity assets when the owner, annuitant, or beneficiaries die. In this part, Pechter also discusses the management of annuity assets, withdrawing assets, converting annuities, 1035 exchanges, and a beneficiary's options for receiving annuity assets. He also deals with the impact of taxes on annuities. The issues involved in purchasing an annuity are addressed in Part Four (43 pages). These include assessing risk tolerance, purchasing ladders of annuities (annuities with different companies, terms, and dates), adjusting for inflation, purchasing advanced life deferred annuities, and combining annuities with long-term care insurance. Pechter also discusses the best time for purchasing an annuity, the reasons for dealing with a particular type of salesman or agent, and the advantages and disadvantages of buying no-load annuities online. He urges readers to avoid some of the pitfalls related to annuities—especially investing too much money in an annuity, underestimating longevity and inflation, ignoring the associated fees, and failing to shop around, select the most appropriate options, or understand what you are buying. In what may be a case of the tail wagging the dog, it seems that every " . . . for Dummies" book has to have "The Part of Tens," even though the applicability of such an inflexible approach is not always apparent. In this book, Pechter uses this section (Part Five [43 pages]) to summarize some of the material he presents in previous parts. He advises readers not to put all their money into an annuity, to ask questions before signing a contract, to purchase from a strong company, and to consider the impact of fees, the possibility of growth, and the certainty of taxes. He discusses longevity and how it can be improved (he suggests a good diet, exercise, and marriage). Here and throughout his book, Pechter cites various helpful websites, and cautions readers regarding which websites to avoid. The Appendices (42 pages) offer information to guide readers in researching annuities and rating companies. Here Pechter identifies the leading sellers of variable and fixed annuities and sellers of no-load annuities, and describes some of the policies they offer. He explains the protection provided by states against insurance company bankruptcies. Among the appendices is a reproduction of IRS Publication 939 (General Rule for Pensions and Annuities). As will appear from this review, the book is somewhat repetitive. Information in a chapter is occasionally repeated in subsequent chapters. This is partly due the " . . . for Dummies" format, which may encourage presentation of the same information in different contexts, assuming that a reader may not read a book in its entirety. But, for some readers (like the present reviewer), who do not grasp all the details of this rather complicated subject at the first glance, repetition may not be inappropriate. No single book can be a complete guide to this subject—especially because the economy, the potential of investments, and the varieties of insurance company annuity policies are constantly in flux. But Pechter is an authority on annuities with no personal agenda, and his book provides an excellent overview of the subject.

60 of 61 people found the following review helpful. A first-rate and understandable overview of a very complex subject

By John L. Olsen "Annuities For Dummies", by Kerry Pechter, is a wonderful book! Annuities can be wickedly complicated (and are often far more complicated than they ought to be), but Pechter's explanation is uniformly clear and understandable. That, alone, would make his book unusually valuable. But it's also accurate and fair, which makes it darned near unique among writings about insurance products by financial journalists. I'm an annuity expert (co-author of "The Annuity Advisor" and author of numerous articles, in various journals, about annuities), and I found this book informative. (I wish I'd made certain points as clearly as Kerry does). I've recommended it to insurance agents and consumers and will continue to do so.

- John L. Olsen, CLU, ChFC, AEP

5 of 5 people found the following review helpful. Get this book before you buy an annuity

By Lawrence A Chilelli Annuity salesmen have driven me bonkers with their promises of a risk free future if only you purchase their product. Before you spend a dime on an annuity, read this book. I am not saying annuities are bad, but you need to understand how they work if you are going to invest your money in them. Remember, the salesman is getting a 6 to 9% commission on selling you one so that is his only focus and once you

give them the check, your money is gone. The government is not going to take care of you, it's up to you to plan your future. Be informed before you buy. This book takes you through all the annuity types, pros and cons.

Why look into annuities? If you're a Baby Boomer with little or no pension and most of your money in low-interest savings accounts, an annuity may be the key to a secure and comfortable retirement. How can you find out whether an annuity is right for you? Read *Annuities For Dummies*, 3rd Edition. This completely revised and updated, plain-English guide is packed with the latest information on choosing the best annuity for your retirement needs. You'll find out exactly what annuities are, whether they're the right financial vehicle for you, and which of the many annuity options might have your name on it. You'll learn the ins and outs of using annuities to fund your retirement years, figure out whether to stress investments with insurance or insurance with investments, and find out how the right combination of annuities can help you squeeze more income out of your savings than any other financial tool. Discover how to: Identify the main types of annuities Weigh the pros and cons of annuities for yourself Minimize the complexity and cost of your annuity investment Figure out how much money to commit Avoid common annuity pitfalls Create an income you can't outlive The time to start securing your financial future is now. *Annuities For Dummies*, 3rd Edition, gives you knowledge, insider tips, and expert advice you need to make your money do its best for you.

From the Back Cover Use annuities to build your own pension Will annuities work for you? Get the nitty-gritty on these financial tools Are you a baby boomer who's about to retire? Are you concerned about your financial future? Relax. This plain-English guide will walk you through the ins and outs of using annuities to fund your retirement years. Find out what annuities are, whether they're the right financial vehicle for you, and which of the many options might have your name on it. Discover how to: Make sense of annuities Weigh all the pros and cons Figure out how much money to commit Create an income you can't outlive Avoid common annuity pitfalls About the Author Kerry Pechter is the senior editor of *Annuity Market News*. As a reporter who writes about annuities and the annuity industry full-time and as a former marketing writer who specialized in annuities at The Vanguard Group, he brings both an outsider's and an insider's perspective to the writing of this book. A financial journalist for many years, Kerry has written for the *New York Times*, the *Wall Street Journal*, the *Los Angeles Times*, and many other national and regional publications. His previous books include two career guides, *A Big Splash in a Small Pond: How to Get a Job in a Small Company* (Fireside) and *An Engineer's Guide to Lifelong Employability* (IEEE). He is a graduate of Kenyon College.