UNCOVER WAYS TO MAXIMIZE SAVINGS

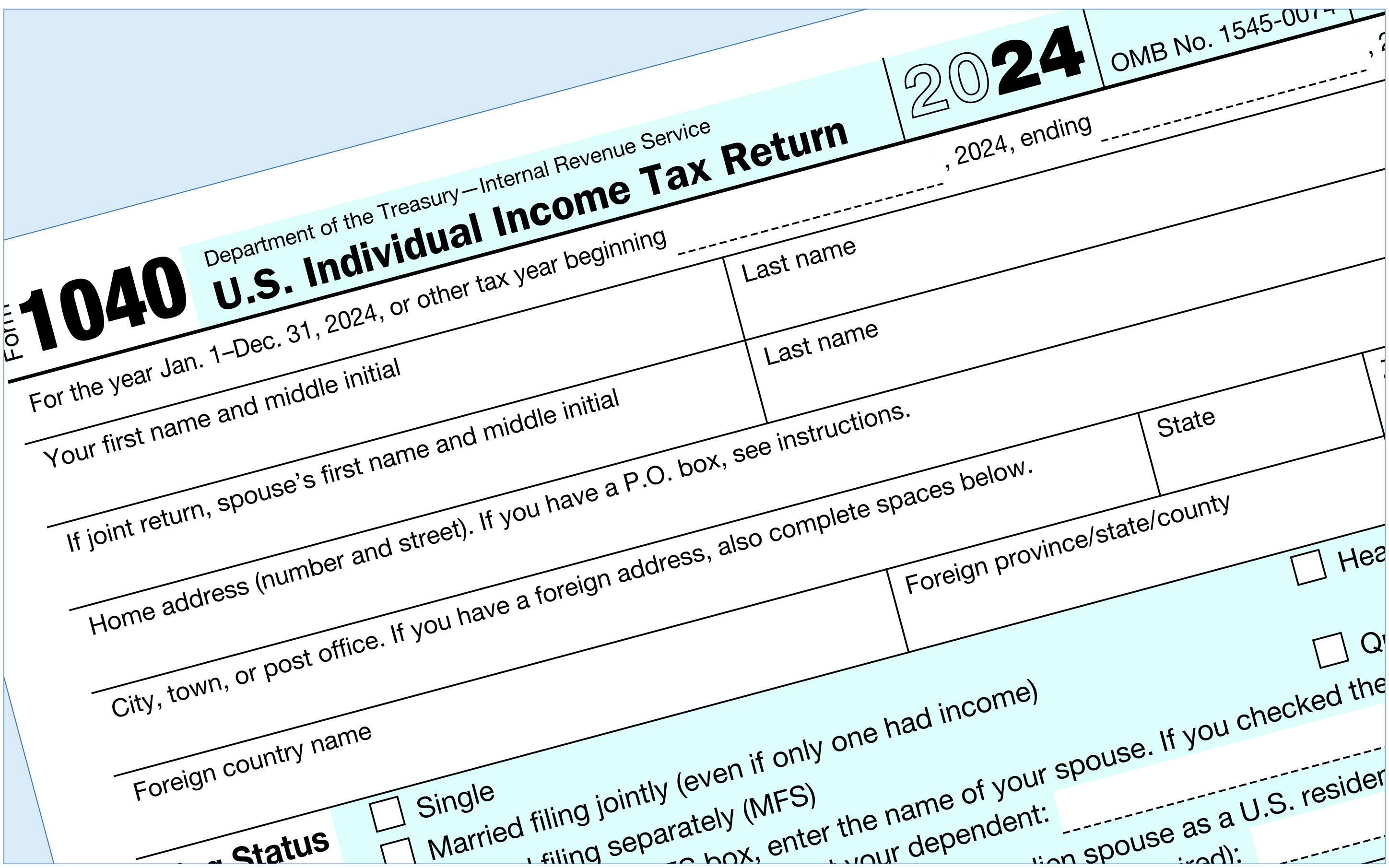
Checklist: An Annual Review of IRS Tax Form 1040

Scheduling an annual review of IRS Tax Form 1040 with your financial and tax professionals is an opportunity to confirm that your retirement strategy is still on target. By taking a closer look, your 1040 form also may identify tax savings that were missed and planning opportunities that you might not be taking advantage of.

Consider these questions as you review the form:

- Do I need to grow my retirement savings faster?
- How can I convert current assets into guaranteed lifetime income?
- Is there an opportunity to create a financial legacy for my heirs?
- Could I benefit from moving some of my assets invested in tax-inefficient strategies into tax-efficient ones?

If you decide that you need to focus on one or more of these areas, a deferred annuity could play an important role in your long-term retirement strategy.



Tax-Planning Opportunities Using This Form 1040 Overlay

Home address–Has your home address changed since last year? Did you move to a larger home or downsize? Has your state changed?

Filing Status–Determines the rate at which income is taxed. Has there been a change? Review the tax brackets to manage income.

Dependents–Do you have minor children? Are you supporting relatives with special needs or parents?

Line 1 Wages, salaries etc.–Have you developed your strategy to replace the income on Line 1 in retirement? Consider how different sources provide income and will be taxed.

High-income earners may be impacted by the Net Investment Income Tax (NIIT).

Are you taking maximum advantage of pretax deferrals like 401(k) contributions?

Line 2 Interest–Tax-exempt interest is not subject to tax itself but will be added back to your modified adjusted gross income (MAGI) for taxation of Social Security benefits and determination of the income-related monthly adjustment amount (IRMAA) for Medicare premiums.

Taxable interest–Taxes you paid reduce the amount of investment returns. Evaluate your current and future income expectations to determine if tax deferral may be beneficial.

Line 3 Dividends–Taxes you paid reduce the amount of investment returns. Evaluate your current and future income expectations to determine if tax deferral may be beneficial.

Line 4 IRA distributions–Are you younger than age 59½ and incurred a penalty? Consider creating an emergency fund to avoid accessing retirement assets.

Are your RMDs larger than the income that you need? Consider whether a qualified longevity annuity contract (QLAC) would be a helpful strategy. A portion of the IRA account value can be used to purchase a QLAC which allows distributions to be deferred until age 85.

Another opportunity may be a qualified charitable distribution (QCD). If you are charitably inclined, you may direct money from the IRA directly to a qualifying charity, up to $108,000 (2024), and have it count toward your RMD but not be included in income and not be deductible. There are some limits if you are still making deductible IRA contributions.

Line 5 Pensions and Annuities–Pensions and annuities provide the opportunity for guaranteed lifetime income. Is the annuity income guaranteed? Is it at an appropriate level to support income needs?

Line 6 Social Security–Taxation of Social Security benefits is measured on combined income = adjusted gross income (AGI) + tax-exempt interest + ½ of Social Security benefits.

Did Social Security benefits decrease from last year? Medicare Part B premiums are deducted from most taxpayers' Social Security benefits; an IRMAA adjustment could result in lower benefits received.

Line 7 Capital Gain or (loss)–Long-term capital gain assets provide the opportunity to choose when to recognize income by deciding when to sell the assets. Are your investment assets in the appropriate accounts based on the income generated? Perhaps high turnover accounts with short-term capital gains (STCG) in tax-deferred accounts and long-term capital gains (LTCG) in after-tax accounts. Are you eligible for a 0% LTCG rate?

Are you implementing strategies such as capital gains or capital loss harvesting strategies each year?

Annuities are long-term contracts with insurance companies designed for retirement savings and income often considered because they can help:

- Enable money to grow faster through **tax deferral**. Because an annuity offers tax deferral for individuals, earnings will compound without current income tax. Your money grows faster because you don't pay taxes on earnings until you actually withdraw them or until they are distributed to you.
- Control taxes through the timing of withdrawals.
- Provide protected **lifetime income** when you annuitize the contract no matter how long you live: Annuity payout options include some that pay for life, which helps alleviate concerns that you will outlive your assets.
- Preserve a legacy and help provide for loved ones through a guaranteed **beneficiary benefit**. A beneficiary benefit leaves an amount to loved ones and is typically a standard feature of an annuity, with many offering optional beneficiary benefits with enhanced features for an additional cost.

This checklist outlines the specific topics covered on Form 1040 that you may want to consider.

Topic	Expenses	Potential Strategy
Filing Status	▪ Do you need additional savings for retirement expenses?	**Tax deferral**
	▪ Do you and your spouse want guaranteed income for life?	**Lifetime income**
	▪ Do you want to provide a beneficiary benefit for your spouse after you die?	**Beneficiary benefit**
Dependents	▪ Do you want to provide a beneficiary benefit for your heirs after you die?	**Beneficiary benefit**
Business Income	▪ Do you have income from operating a business?	**Lifetime income, beneficiary benefit** You can make tax-deductible contributions to a retirement plan for your business (for example, SEP-IRA, SIMPLE IRA, and/or Individual 401(k)).
Investment Income	▪ Are you receiving taxable interest, dividends, and/or capital gains?	**Tax deferral**
	▪ Are you subject to net investment income tax (NIIT)?	**Tax deferral** You may consider placing some of your less tax-efficient assets into a deferred annuity and receive tax deferral to avoid paying additional taxes.
Retirement Income	▪ Are you receiving IRA distributions, pension and annuity income, and/or Social Security benefits?	**Lifetime income** ▪ Make sure all early distributions (also called 72(t)/(q) distributions) taken before age 59½ are compliant. ▪ If you are taking required minimum distributions (RMDs), continue to take these distributions to avoid the 25% excise penalty. Roth IRAs do not have RMD requirements, so a Roth IRA conversion may be something to consider. ▪ Roth IRA distributions can be tax-free and would not impact Social Security benefits from being subject to income tax.

All annuity guarantees, including optional benefits, are subject to the claims-paying ability and financial strength of the issuing insurance company.

A beneficiary benefit is referred to as a death benefit in the contract summary and prospectus.

Topic	Expenses	Potential Strategy
Retirement-Plan Contributions	▪ Do you participate in and contribute to a SEP-IRA, SIMPLE IRA, or qualified plan?	**Lifetime income, beneficiary benefit** Generally, your contributions are made on a pretax basis and are a way to save for retirement and reduce your current taxable income.
IRA Contributions	▪ Are you (and/or your spouse) eligible for a deductible IRA contribution?	**Lifetime income, beneficiary benefit** To make a traditional IRA contribution, you must have earned income. Your contributions may or may not be deductible depending on your participation in an employer-sponsored retirement plan and your modified adjusted gross income (MAGI).
Adjusted Gross Income (AGI)	▪ Have you considered a Roth IRA conversion so you can have access to tax-free income in the future?	**Lifetime income, beneficiary benefit** Your conversion will be subject to income tax; however, future distributions will be tax-free when qualified distribution requirements are met (for example, you have owned a Roth IRA for five years and attained age 59½).
Tax Total	▪ Would you like the potential to pay fewer taxes in the future?	**Tax deferral** With the rising tax environment, a deferred annuity can provide growth potential for your assets and avoid paying additional taxes.
Refund	▪ What do you intend to do with your refund?	Instead of spending the refund, consider opportunities to save and invest for the future.

To learn more about deferred annuities, speak with your financial professional or visit our website.

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