

Frequently Asked Questions about Artisan Annuity Accounts

The Artisan Flexible Premium Annuity and 401k Annuity Issue Ages 0 - 85

What is an Artisan Annuity?

The Artisan Annuity is an account that is offered as a financial benefit. It is funded from payroll income, self-employment income, interest income or other income. Interest grows "tax deferred" until withdrawn. Withdrawals of interest earnings under the age of 59½ are subject to an IRS excise tax and income tax. Artisan early withdrawal penalties may apply within the first six years only.

Who is eligible to own an Artisan Annuity?

ANYONE up to the age of 85.

Can I open an Artisan Annuity for someone else, such as a grandchild?

Yes, an Artisan Annuity makes a great gift for children or grandchildren. It is truly a gift that "keeps on giving." And, it is a great beginning for a youth's financial future.

What is the interest rate paid?

The Artisans guarantees a minimum based on interest on Treasury Notes. In fact you should earn much more! Interest is based on market conditions and rates are published in "The Artisan." The current annuity rate as of **January 1, 2016 is 2 %**.

How is my account balance reported?

You will receive a statement at least once annually. If you need one in between, simply contact our office and we can send one to you immediately.

How safe is my money?

The Artisans reserves your principal and interest at 100%. The Artisans are independently audited per state and federal insurance regulations. Your money is always available to you. The Artisans investment policy demands only "top grade securities."

Can I transfer my existing Annuity account without paying taxes?

Yes, annuity funds can be transferred directly, company to company, as a tax-free exchange.

When can I begin receiving payments?

Individuals over the age of 59½ may elect to receive their interest earnings in regular periodic payments like a Certificate of Deposit (CD). Annuitants

may elect a settlement option in which interest earnings and a return of principle is included in the distribution. At retirement or other settlement option, the accumulated benefits can be taken in one lump sum or in regular payments for as long as you live.

What happens to my money if I die?

Should you pass away before you receive the total benefit, your designated beneficiary will receive the balance of your Annuity funds. Beneficiaries who receive benefits are liable for income tax on the accrued interest only.

What are IRS early withdrawal charges?

Funds withdrawn prior to age 59½ are subject to an Internal Revenue Service "early withdrawal penalty." The IRS imposes the "early withdrawal penalty" in the form of a Federal excise tax on interest earnings.

What are Artisan early withdrawal charges?

The Artisans permit withdrawals of up to 10% per year without a surrender charge. Should you withdraw over 10% of your funds within the first year, there is an Artisan surrender charge of 6% on the amount withdrawn. This surrender charge drops 1% for each following year. There are **NO ARTISAN CHARGES** incurred for withdrawals after the contract is held for six years.

What is my tax responsibility?

Interest earned on Annuities is not taxable until withdrawn (tax deferred). This usually means that the tax you pay at retirement should be less, as you will probably be in a lower tax bracket. Because of the changing tax laws, we recommend that you consult a tax advisor to minimize your taxation.

What are the advantages over a Bank CD?

The interest rate for the Artisan Annuity is based on market conditions. The rate of interest returned is usually much higher than a Bank Savings Account and usually higher than Bank CD's. Income tax must be reported and paid on Bank CD interest earnings each year. Income taxes on interest earnings are "tax deferred," therefore, payable when withdrawn.