Preparing for Your Retirement…

An IRA Review

Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. All contract guarantees are based on the claims-paying ability of the issuing insurance company. Consult with your licensed financial representative on how specific annuity contracts may work for you in your particular situation. Your licensed financial representative will also provide you with costs and complete details about specific annuity contracts recommended to meet your specific needs and financial objectives.

Before purchasing a variable annuity contract, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain information relating to investment objectives, risks, charges and expenses, as well as other important information. The prospectuses are available from your licensed financial representative or the insurance company. You should read them carefully before purchasing a variable annuity contract.

In addition, IRAs already provide tax deferral under the Internal Revenue Code, so the tax deferral of an annuity does not provide any additional benefits. Also, variable annuities are subject to additional fees to which other IRA funding vehicles may not be subject.

Your earning power – your ability to earn an income – is your most valuable asset.

Few people realize that a 30-year-old couple will earn 3.5 million dollars by age 65 if their total family income averages $100,000 for their entire careers, without any raises.

How much of your earning power do you pay in taxes?

What will happen to your standard of living when your earning power ceases at retirement?

Sources of Retirement Income:

When you retire and your earning power ceases, you will have to depend on three primary sources for your retirement income:

Social Security	According to the Social Security Administration, the average retired worker in 2008 receives an estimated $1,079 monthly benefit, about 40% of average pre-retirement income. As pre-retirement income increases, however, the percentage replaced by Social Security declines.
Employer-Provided Plans	You may be eligible to participate in a retirement plan established by your employer and receive pension income at your retirement.
Personal Retirement Savings	For many people, there is a gap between the retirement income they can expect from Social Security and employer-provided plans and their retirement income objectives. Personal retirement savings represent the only way to bridge that gap!

If sufficient retirement income is not available, will you defer your retirement age, or will you choose to reduce your standard of living?

Here Are Some Important Facts About Social Security Retirement Benefits:

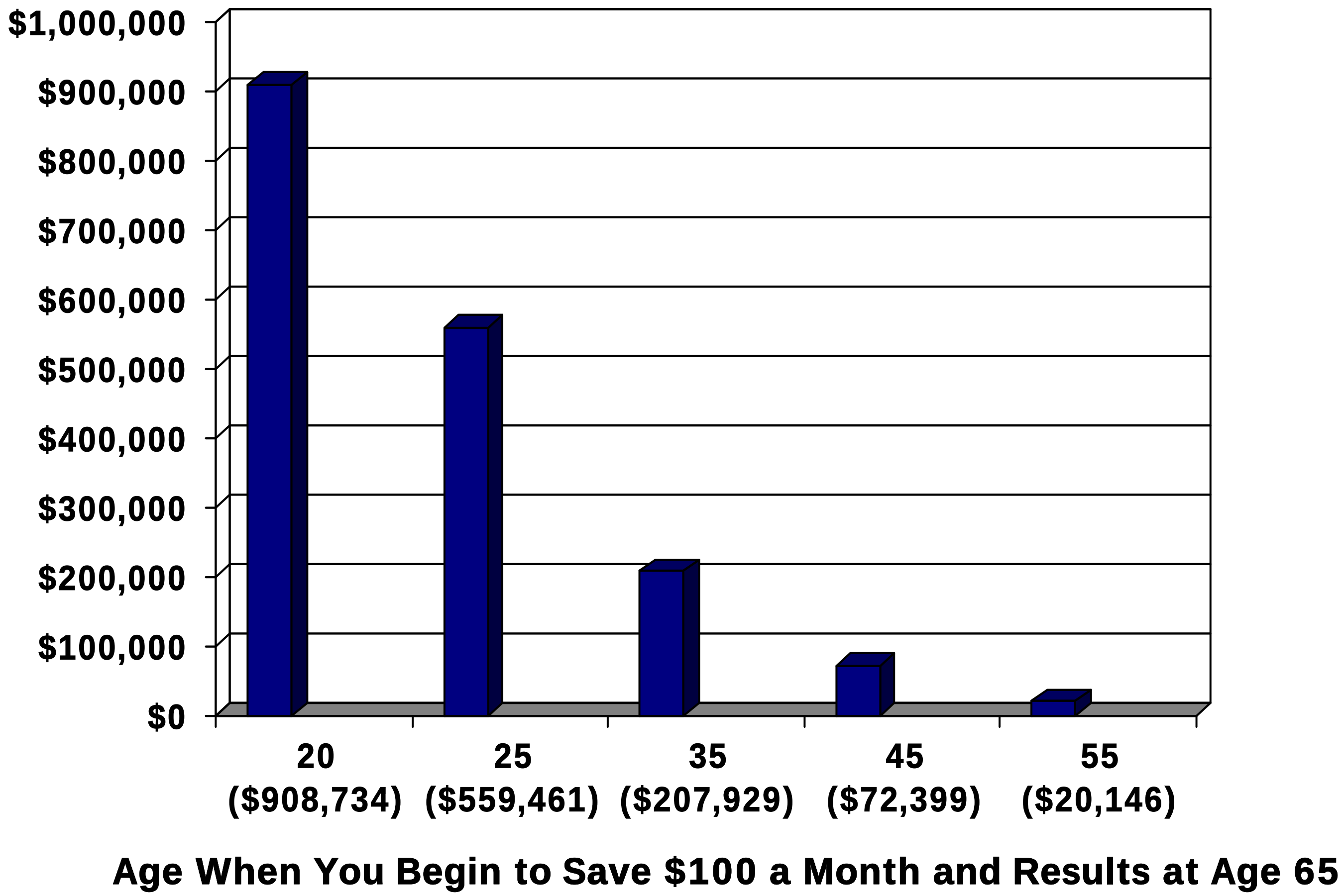
- The Social Security Normal Retirement Age, currently age 66 for those born between 1943 and 1954, is slowly **rising** to age 67 for persons born after 1954.
- Early retirement results in a **permanent reduction** in the Social Security retirement benefit.
- According to the Social Security Administration, the **maximum** Social Security retirement benefit for a worker retiring at full retirement age in 2008 is $2,185 monthly, while the **average** Social Security benefit for all retired workers in 2008 is $1,079.
- The Social Security spousal retirement benefit is limited to a **maximum** of 50% of the retired worker's benefit.
- How much do you want to rely on a source of retirement income over which you have no control?

If You Wait…You Lose!

“The eighth wonder of the world is compound interest.”
-- Albert Einstein

Delaying retirement savings can keep you from realizing your retirement dreams!

For each $100 per month that is saved, what will the savings be worth at age 65, assuming a hypothetical 10% rate of return*?



* This is a hypothetical illustration only and is not indicative of any particular investment or investment performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments.

A Potential Solution Using an IRA:

Those who qualify for a traditional **tax-deductible IRA** can use money that would otherwise be paid in taxes to establish a retirement fund that accumulates tax deferred. Taxes, however, must be paid as distributions are received from a tax-deductible IRA.

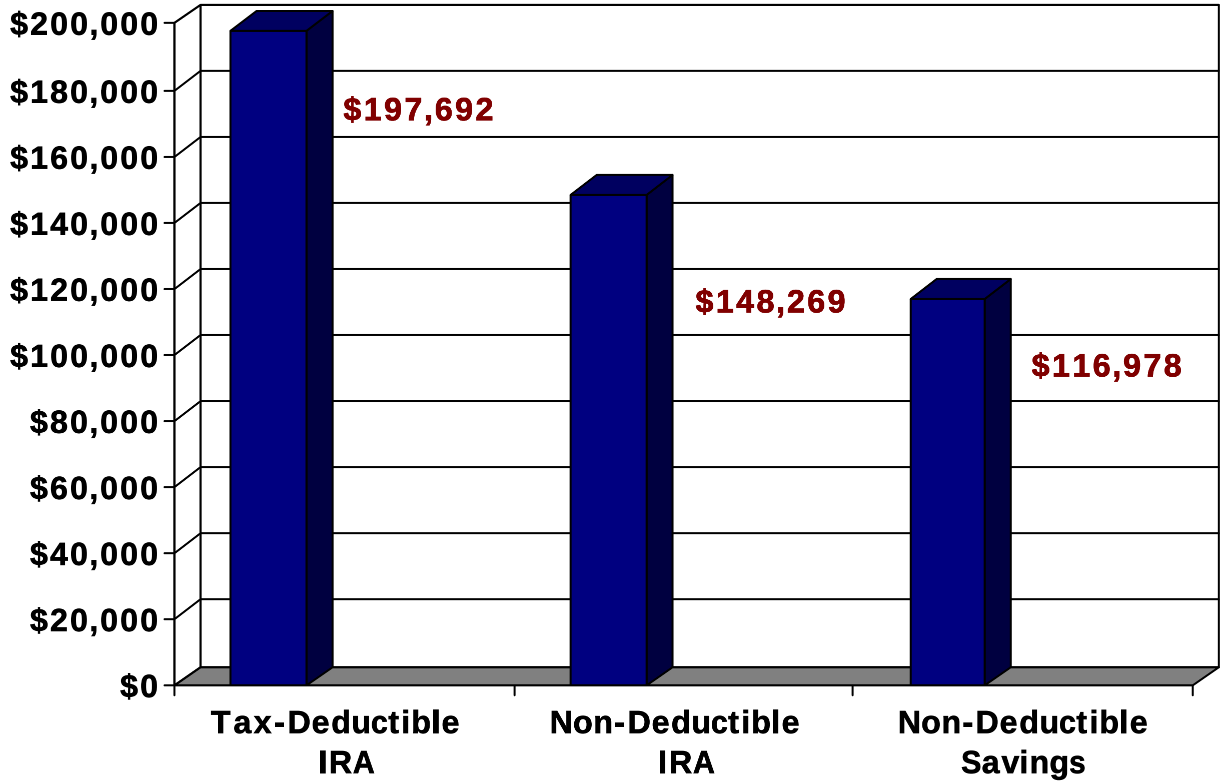
A second alternative for those who qualify is the Roth IRA. While contributions to a **Roth IRA** are not tax deductible, the retirement fund accumulates tax deferred and distributions are received free of income tax.

Either a tax-deductible IRA, a non-deductible IRA or a Roth IRA can produce results superior to a savings plan whose growth is taxed.

20 Year Results [1]

8% Hypothetical Annual Rate of Return $4,000 Annual Contribution

25% Income Tax Bracket



Tax-Deductible IRA	Non-Deductible IRA	Non-Deductible Savings
Tax-Deferred Growth [2]	Tax-Deferred Growth [3]	Growth Taxed [4]
$4,000 Contribution	$4,000 Contribution	$4,000 Contribution
- 0 Tax Paid	- 1,000 Tax Paid	- 1,000 Tax Paid
$4,000 To Invest	$3,000 To Invest	$3,000 To Invest

Notes:

(1) This is a hypothetical illustration only and is not indicative of any particular investment or performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. Depending on the performance of your IRA investment, it is also possible to lose money.

(2) If the tax-deductible traditional IRA is surrendered at the end of the 20th year, the principal amount remaining after payment of income tax is $148,269 at a 25% rate; assumes no penalty tax is assessed.

(3) If the non-tax deductible traditional IRA is surrendered at the end of the 20th year, the principal amount remaining after payment of income tax is $148,269 at a 25% rate; assumes no penalty tax is assessed.

(4) Non-deductible savings calculations assume the income tax is paid out of earnings each year, meaning that the full principal amount of $116,978 is available free of income tax at the end of the 20th year.

Traditional IRA vs. Roth IRA…A 2008 Comparison:

Eligible individuals can contribute to a tax-deductible traditional IRA, to a non-deductible Roth IRA or to a combination of the two. However, no more than a combined total of $5,000/$6,000 if age 50 or older in 2008 (or 100% of earned income if less) may be contributed to these accounts each year.

Individuals who are not eligible for deductible contributions to a traditional IRA or to make contributions to a Roth IRA may still make non-deductible contributions to a traditional IRA and receive the benefits of tax-deferred growth.

Traditional IRA vs. Roth IRA…A 2008 Comparison:

Which type of IRA is best for you depends on your situation, needs and objectives. The comparison that follows is designed to help you make an informed decision.

	Traditional IRA (tax deductible)	Roth IRA	Traditional IRA (non- deductible)
Deductible Contributions	Yes	No	No
Limit on Contributions	Yes (lesser of $5,000; $6,000 if age 50 or older; or 100% of earned income)	Yes (lesser of $5,000; $6,000 if age 50 or older; or 100% of earned income)	Yes (lesser of $5,000; $6,000 if age 50 or older; or 100% of earned income)
Tax-Deferred Growth	Yes	Yes	Yes
Tax-Free Distributions	No (fully taxable)	Yes (if qualified distributions)	No (partially taxable)

Traditional IRA vs. Roth IRA…A 2007 Comparison:

	Traditional IRA (tax deductible)	Roth IRA	Traditional IRA (non- deductible)
Age Limits	Yes (contributions cannot be made after age 70½)	No	Yes (contributions cannot be made after age 70½)
Income Limits	No	Yes (contribution phased out if adjusted gross income exceeds specified limits)	No
Minimum Distribution Requirement	Yes (distributions must begin by age 70½)	No	Yes (distributions must begin by age 70½)
Bankruptcy Protection	Yes (up to $1 million for all IRAs)	Yes (up to $1 million for all IRAs)	Yes (up to $1 million for all IRAs)

Which Is Better…the Traditional IRA or the Roth IRA?

Depending on your situation and objectives, the tax-free distribution feature of the Roth IRA may produce superior overall results when compared to a traditional IRA, which may provide for tax-deductible contributions, but taxable distributions. In choosing between a traditional IRA and a Roth IRA, you may find it helpful to evaluate both the accumulation period and the distribution period results of the respective plans.

Which Is Better...the Traditional IRA or the Roth IRA?

Traditional vs. Roth IRA Accumulation Period (1)

$4,000 Annual Contribution   Values in 20 Years

8% Hypothetical Annual Rate of Return   25% Income Tax Bracket

	Total IRA Value	Deductible IRA Tax Savings (2)	Total Cash Available
Traditional IRA (deductible contributions)	$197,692	$38,993	$236,685
Traditional IRA (non-deductible contributions)	$197,692	$ 0	$197,692
Roth IRA (non-deductible contributions)	$197,692	$ 0	$197,692

(1) This is a hypothetical illustration only and is not indicative of any particular investment or performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. Depending on the performance of your IRA investment, it is also possible to lose money.

(2) Assumes that the annual tax savings are invested in a taxable account.

Which Is Better…the Traditional IRA or the Roth IRA?

Traditional vs. Roth IRA Distribution Period [1]

20 Year Distribution Period [2]

8% Hypothetical Annual Rate of Return   25% Income Tax Bracket

	Total Cash Available	Annual After-Tax Distribution	Total Distributions
Traditional IRA (deductible contributions; fully taxable IRA distributions)	$ 236,685	$17,228	$344,566
Traditional IRA (non-deductible contributions; partially taxable distributions)	$197,692	$14,983	$299,658
Roth IRA (non-deductible contributions; tax-free distributions)	$197,692	$18,644	$372,877

(1) This is a hypothetical illustration only and is not indicative of any particular investment or performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. Depending on the performance of your IRA investment, it is also possible to lose money.

(2) Assumes that principal and interest are distributed in equal annual installments over 20 years.

Understanding Traditional IRAs in 2008:

Eligibility:

Single Person	A single person who is under age 70½ and has earned income may establish and contribute up to the lesser of $5,000 or 100% of earned income to an IRA.
Married Couple	Up to $5,000 can be contributed to an IRA for each spouse, even if one spouse has no earned income, provided that the combined compensation of both spouses is at least equal to the combined IRA contribution (maximum of $10,000).
Older Workers	Workers who are age 50 or older may contribute an additional $1,000 to an IRA in 2008 for a total of $6,000, provided that earned income is at least equal to the IRA contribution.

Understanding Traditional IRAs in 2008:

Deductibility: IRA contributions are fully deducted from income, unless you and your spouse are active participants in an employer-sponsored retirement plan, including a tax-deferred annuity (TDA). In that event, the IRA deduction is gradually phased out as follows:

Adjusted Gross Income	Maximum IRA Deductions (2008 Tax Year)				
	Joint Taxpayers			Single Taxpayers	
	One IRA	Two IRAs	Age 50 or Older	One IRA	Age 50 or Older
$53,000 & under	$5,000	$10,000	$6,000	$5,000	$6,000
$58,000	$5,000	$10,000	$6,000	$2,500	$3,000
$63,000	$5,000	$10,000	$6,000	$ 0	$ 0
$85,000	$5,000	$10,000	$6,000	$ 0	$ 0
$95,000	$2,500	$5,000	$3,000	$ 0	$ 0
$105,000 & above	$ 0	$ 0	$ 0	$ 0	$ 0

Understanding Traditional IRAs in 2008:

Deductibility:

The spouse of an active participant in an employer-sponsored retirement plan who is not covered by his or her own plan can make fully-deductible IRA contributions, if the couple's adjusted gross income is below $159,000 in 2008 and partially-deductible IRA contributions if between $159,000 and $169,000 in 2008.

Contribution Deadline:

An IRA can be established and contributions made between January 1 of the current tax year and the date the income tax return for the current year is filed (no later than April 15th of the following year).

Traditional IRA Taxation in 2008:

During Life:

Contributions

Deductible up to $5,000 (up to $10,000 for a married couple; additional $1,000 contribution available to workers age 50 and older in 2008). If the individual is an active participant in an employer-sponsored qualified retirement plan, the tax deduction is gradually phased out, beginning at adjusted gross incomes in excess of $85,000 for married couples filing jointly ($53,000 for single taxpayers).

The spouse of an active participant in an employer-sponsored retirement plan who is not covered by his or her own plan can make fully-deductible IRA contributions, if the couple's adjusted gross income is below $159,000 and partially-deductible IRA contributions if between $159,000 and $169,000 in 2008.

Growth

The earnings on IRA contributions (whether deductible or non-deductible) accumulate tax-free until distributed.

Traditional IRA Taxation in 2008:

During Life:

Distributions

IRA distributions are taxed under the rules of IRC Sec. 72. This means that the taxpayer is entitled to recover any non-deductible IRA contributions tax-free when distributions begin. Other than this tax-free return of the "investment in the contract," all IRA distributions are includable in gross income in the year received. In addition:

- Premature distributions made prior to age 59½ are subject to a 10% excise or "penalty" tax in addition to the regular income tax on the amount of the distribution. Exceptions are available.
- Minimum distributions from an IRA must begin by April 1 of the year after the year in which the taxpayer attains age 70½, or a 50% excise tax is levied on the difference between what was paid out and what should have been paid out under IRA minimum distribution rules.

Traditional IRA Taxation in 2008:

At Death:

Estate Taxation	The value of the IRA is included in the gross estate of the deceased owner.
Income Taxation	IRA distributions to a beneficiary are taxed in the same manner as if received by the IRA owner.

Understanding Roth IRAs in 2008:

Eligibility:

Single taxpayers with adjusted gross income of up to $101,000 or married couples filing jointly with adjusted gross income up to $159,000 are eligible to contribute the full $5,000 annually to a Roth IRA. Workers who are age 50 or older may contribute an additional $1,000 to a Roth IRA in 2008, for a total of $6,000.

The contribution amount is gradually reduced to zero for adjusted gross income levels between $101,000 and $116,000 for single taxpayers, and between $159,000 and $169,000 for couples.

Unlike regular IRAs, contributions to a Roth IRA can be made even after age 70½.

Deductibility:

Contributions to a Roth IRA are non-deductible. Instead, the tax advantages of a Roth IRA are "backloaded." Earnings on Roth IRA contributions accumulate without tax and distributions may be received tax free.

Understanding Roth IRAs in 2008:

Qualified Distributions:

Qualified distributions from a Roth IRA are not included in gross income and are not subject to the additional 10% penalty tax for premature distributions. To be a tax-free qualified distribution:

- The distribution must occur more than five years after the individual first contributed to the Roth IRA; and
- The individual must be at least 59½ years old, disabled, deceased or the funds must be used to purchase a first home ($10,000 lifetime limit).

Converting from a Regular IRA to a Roth IRA:

Taxpayers with adjusted gross incomes not exceeding $100,000 can convert a regular IRA into a Roth IRA, where IRA assets will continue to accumulate tax-deferred, but be eligible to receive tax-free Roth IRA taxation when distributed.

Income taxes must be paid on the amount that is converted, but there is no premature distribution penalty tax.

Beginning in 2010, the $100,000 adjusted gross income ceiling for converting a traditional IRA to a Roth IRA will be eliminated.

Roth IRA Taxation in 2008:

During Life:

Contributions Not deductible.

Growth The earnings on Roth IRA contributions accumulate tax-free until distributed.

Distributions Qualified distributions from a Roth IRA are received free of income tax and are not subject to the 10% premature withdrawal penalty tax. Qualified distributions include:

- Distributions made more than five years after the individual first contributed to the Roth IRA; and
- The individual is at least 59½ years old, disabled, deceased, the distributions are made in substantially equal periodic payments, or the funds are used to pay medical expenses above 7.5% of adjusted gross income or to purchase a first home ($10,000 lifetime limit).

Roth IRA distributions that do not meet the qualified distribution requirements will be included in income to the extent that the distribution represents earnings on Roth IRA contributions and may be subject to a 10% premature withdrawal penalty tax.

There is no requirement that distributions from a Roth IRA begin by age 70½.

Roth IRA Taxation in 2008:

At Death:

Estate Taxation	The value of the Roth IRA is included in the gross estate of the deceased owner.
Income Taxation	Roth IRA distributions to a beneficiary are taxed in the same manner as if received by the IRA owner. The Roth IRA must be completely distributed within five years of death, an annuity must be purchased within one year of death, or distributions must continue to the beneficiary “at least as rapidly” as before death to the Roth IRA owner.

You Can Manage Your Finances…

It's by managing your finances that you write the story of your life. You are both the author and the story's principal character. Resolve to perform what you ought.

Benjamin Franklin