

PADUA FINANCIAL SERVICES

Opulence™ by Choice

FIXED INDEXED ANNUITIES

7 Details People Often Miss

Understand the benefits, limits and trade-offs before you commit retirement money.

Growth limits • Access to cash • Income options

Explore your questions with Padua

www.paduafinancial.com

Insurance services: Padua Insurance Agency, LLC
Educational guide • October 11, 2026

Contract terms vary. Guarantees depend on the issuing insurer's financial strength and claims-paying ability.

DETAILS 1 AND 2

Understand the growth rules

1. An index link does not mean you own the index.

A fixed indexed annuity (FIA) is a long-term insurance contract. Its formula uses an index to help determine interest. You do not own the stocks in that index. An FIA is different from a variable annuity or a registered index-linked annuity (RILA). [1, 2]

2. A market gain is not your credited interest.

A **cap** limits the interest credited for a term. A **participation rate** uses a portion of the index change. A **spread** subtracts a stated amount from that change. Contracts may combine these features, and some terms may reset. [3]

Simple illustration: An index rises 10%. With 100% participation, a 6% cap and no spread, the credited interest is 6% before any applicable charges. These are invented numbers, not a product quote or forecast.

Ask: Which terms are guaranteed, which can change, and how is index growth measured?

Sources: 1, 2, 3. See the linked references on page 7.

DETAILS 3 AND 4

Protection has boundaries

3. A 0% index floor is not a promise that every value stays level.

Negative index performance does not create negative index interest in an FIA. But withdrawals, rider charges, surrender charges or a market value adjustment can reduce what you receive. The guarantee also depends on the insurer. An annuity is not an FDIC-insured bank deposit. [1, 2, 4]

Ask: What would my cash surrender value be if I needed the money early?

4. “No annual fee” does not mean no costs or limits.

Read the surrender schedule and any rider fee. A market value adjustment can raise or lower an early payout. Check when penalty-free withdrawals begin and how they are calculated; tax may still apply. Bonuses can have conditions or repayment rules. [2, 4]

Ask: Show me all charges, bonus conditions, withdrawal limits and compensation. Keep emergency money needs in the comparison.

Sources: 1, 2, 4. See the linked references on page 7.

DETAIL 5

Income numbers need context

5. An income benefit base may not be spendable cash.

Some income riders track a separate number to calculate future withdrawals. A bonus or “roll-up” on that number is not necessarily growth in your cash value. Ask for each value separately. [5]

Contract value

The value accumulated under the contract.

Cash surrender value

What you could receive if you leave, after applicable adjustments and charges.

Income benefit base

A calculation value used by certain riders; it may not be available as a lump sum.

A qualifying lifetime-withdrawal rider can keep paying after contract value reaches zero if its conditions are met. Fees and excess-withdrawal rules matter. Annuitization generally restricts later access. [2, 5]

Ask: What is my guaranteed annual payment, what changes it, and what can my beneficiaries receive?

Sources: 2, 5. See the linked references on page 7.

DETAILS 6 AND 7

Taxes and rollover choices

6. Tax-deferred does not mean tax-free.

For an annuity bought with after-tax money, withdrawals before annuitization generally take taxable earnings first. Taxable amounts are generally ordinary income. A 10% additional federal tax may apply before age 59½; exceptions and account type matter. Periodic payments follow different rules. [6]

An annuity inside an IRA does not add another layer of tax deferral. Its insurance benefits must justify its costs and restrictions. Review your own tax situation before moving money. [2]

7. An annuity is not automatically the best home for an old 401(k).

Compare leaving the money in the plan, moving it to an eligible new employer plan, or an IRA rollover. Compare costs, investments, income options, withdrawal access, creditor protections and tax treatment. Cashing out may create taxes and penalties. Leaving money in the current plan can make sense. [7]

Ask: What would I gain and give up with each option, including staying where I am?

Sources: 2, 6, 7. See the linked references on page 7.

YOUR NEXT STEP

Questions for your review

Get clear answers before you sign.

1. What problem am I trying to solve: future income, growth, or access to money?
2. How much money must remain available for emergencies and near-term spending?
3. What is guaranteed in writing, and what is only an illustration?
4. What are the surrender values, rider costs and withdrawal rules?
5. How does this compare with my current plan and other suitable options?
6. Who receives what if I die, and what is my contract's cancellation period?

Bring: your current statement, any existing annuity contract and a simple list of income needs. Use a secure method for account documents; do not enter account numbers in the website inquiry form.

Request an annuity conversation

www.paduafinancial.com • Gilberto "Gil" Padua

READ FURTHER

Sources and important notes

1. [SEC Investor.gov: Annuities](#)
2. [NAIC: Buyer's Guide to Fixed Deferred Annuities](#)
3. [FINRA: Risks and Rewards of Indexed Annuities](#)
4. [Florida DFS: Annuities - A Guide for Consumers](#)
5. [Nationwide: Peak 10 consumer explanation](#)
6. [IRS Publication 575: Pension and Annuity Income](#)
7. [FINRA Regulatory Notice 13-45: IRA Rollovers](#)

Links reviewed October 11, 2026. Source 5 illustrates the distinction between income and cash values; it is not a product recommendation. No current product rate is quoted in this guide.

General education only; not personalized investment, tax or legal advice. Product terms, availability and state requirements vary. Review the actual contract, disclosure and carrier illustration with a properly licensed professional. Obtain qualified tax or legal advice for your situation.

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