

PROVIDENCE ANNUITIES, IRA ANNUITIES and ROTH IRA ANNUITIES
Executive Summary

- **Current Interest Rate: 3.25%**

- **Future Interest Rate:** Although the interest rate will float with market forces, Providence's Executive Board's considered policy is to make current and future interest rates consistently competitive with bank and credit union CD rates. The Board has a policy against teaser rates that would drop longer term investors into relatively undesirable rates of interest.
- **Guaranteed Minimum Interest Rate:** Providence will pay a minimum interest rate of 3%, regardless of how low bank and credit union CD or other rates might go.
- **Recent Rate History.** In the last ten years Providence's interest rate has gravitated between 3.00 and 5.25%; this demonstrates the Board's commitment to keeping the rates competitive as much as is feasible.
- **Guaranteed Principal and Interest.** Providence guarantees both principal and interest. You will not lose either your deposited monies (principal) or your interest, as you might in stocks, bonds and mutual funds. Your monies are guaranteed not to diminish; they will grow steadily through favorable interest rates.
- **Loads, maintenance fees, administrative fees, etc.** Providence has none: again, every penny invested into a Providence annuity works for the investor.
- **Additional Deposits.** You can make additional deposits into your account at any time. The fresh deposit will not trigger a fresh surrender charge period. That period extends only from the time of the initial deposit.
- **Tax-deferral.** You do not pay any income taxes on an **annuity**, until you make withdrawals (usually in retirement), at which time you will likely be in a far lower tax bracket; in order to match the current tax-deferred growth rate, most taxpayers would have to find a taxable vehicle that pays 4% to 5.00%, and 5.3% in the highest tax bracket. Every penny works for you.
- **Traditional, Roth, SEP, SIMPLE and other IRAs.** The Providence annuity can be wrapped into one of these great instruments for retirement savings. **In the case of a Roth IRA, all growth and withdrawals are tax free. In the case of other IRAs qualifying contributions are tax-deductible, dollar-for dollar.**
- **Investment Foundation.** Shrewd investors and estate builders establish good foundations; the Providence annuity, IRA annuity and Roth IRA annuity would take care of a lot of basic savings needs, thereby allowing one to take greater risks in other markets, if desirable and appropriate.
- **Surrender Charge.** In order to pay higher rates, Providence, as is the norm in the industry, has a surrender charge period; however, Providence's surrender charge declines by one point per year, starting at 6% and then disappearing entirely after the sixth year. **You can withdraw up to 10% of the money in the account in any given year, without the surrender charge. After the six year surrender charge ends, the account is completely free and open for withdrawals of any size.**
- **Surrender Charge Waived Completely.** Surrender charges are completely waived in the event of death or selection of a monthly payment option. Full cash value will be available.
- **Emergency Fund.** In times of need – especially after the surrender charge disappears – the annuity funds are a great emergency fund. Although there is a federal excise tax penalty for withdrawals before age 59.5, that penalty is only 10% of the interest portion of a withdrawal: That really is not draconian.
- **Retirement Pension.** If you so select (preferably in retirement) you can choose a payout option that will guarantee you a monthly pension check for the rest of your life with available mechanisms for continuing that payout to a beneficiary.