

Deferred Annuities At-A-Glance

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A Church Life Annuity is a great tax-deferred way to accumulate funds for your retirement. Church Life annuities offer desirable accumulation features combined with security and protection.*

Why an Annuity?

Annuities are offered by insurance companies and they allow you to accumulate tax-deferred funds for retirement and then, if you desire, receive a guaranteed income (this process is called *Annuitization*) payable for life or for a specified period of time. Annuities are the only financial product that can guarantee** that you will not outlive your income. Annuities are long-term contracts and are generally not appropriate for short-term investing.

How It Works...

You make contributions to your contract and they accumulate interest until you withdraw your funds or you annuitize. The contract has a guaranteed minimum interest rate which is the lowest rate your contract will ever credit. The contracts also have a current interest rate that is not guaranteed and is periodically reset at the discretion of the company. If you elect annuitization, you can select a payout plan that suits your situation at the time you are ready for income payments.

Annuity Options...

You have several different options for deferred annuities with Church Life.

You will need to decide whether you want the SecureSelect Flexible Premium Deferred Annuity ("FPDA") or the Preservation Modified Single Premium Deferred Annuity ("SPDA"). These have some important differences, so you should make this decision carefully. These are set out in greater detail below.

You will also need to decide whether you want a tax-qualified Annuity — a Traditional IRA or a Roth IRA — or a non-qualified annuity contract. Both the FPDA and SPDA are available for either tax-qualified contracts or non-qualified contracts. The decision about which product is best for you should be made with your specific situation in mind. If you have questions about your situation, we recommend that you consult a tax or other financial advisor.

Products...

Roth IRA

With a Roth IRA Annuity, subject to income and earning eligibility requirements, you make contributions with after-tax dollars the amounts of which are limited by the Federal income tax code. Your money then grows tax-free. There is no income tax on earnings when they are withdrawn although there may be penalties if the funds are withdrawn within 5 years of your purchase of the contract and prior to age 59½ and there may also be surrender charges on withdrawals at any age under the contract depending on how long you have owned the annuity contract. IRS Minimum Distribution Rules do not apply. *Please contact Church Life if you would like more information about Roth IRAs.*

* Products and features may not be available in all states.

** Guarantees are subject to the claims paying ability of the issuing company.

(over please)

Products... (continued)

Traditional IRA

In a Traditional IRA, subject to income and earning eligibility requirements, you may make tax-deductible contributions — the amounts of which are limited by the Federal income tax code. The full amount of the payout will be subject to income tax when you begin to take annuity payments, but this may be at a lower income tax rate than you are in when you make the deductible contributions. There may be penalties for withdrawals prior to age 59½ and there may be surrender charges on withdrawals at any age depending on how long you have owned the annuity contract. IRS Minimum Distribution Rules apply, which means that generally you will need to begin taking distributions from the contract by age 70½. *Please contact Church Life if you would like more information about Traditional IRAs.*

Non-Qualified Annuities

Contributions are made with after-tax dollars and there are no income or other IRS eligibility requirements. Income tax on the interest earned is deferred during the period you leave your funds in the contract. When you begin to take distributions only the earnings are subject to income tax. There may be penalties for withdrawals prior to age 59½ and there may be surrender charges on withdrawals at any age under the contract depending on how long you have owned your contract. IRS Minimum Distribution Rules do not apply.

Tax Benefits.....

Generally, annuity contracts have some tax advantages because income tax on earnings is deferred until payout of the proceeds. In addition, there are tax qualified annuities, Traditional IRAs and Roth IRAs, which may offer additional tax benefits.

Rates...

The interest rates for the FPDA and SPDA cited below reflect the current rate you'll earn on your contributions. These rates are reviewed at least quarterly and may vary based on market conditions.

SecureSelect Flexible Premium Deferred Annuity (FPDA):

4.00%

Preservation Single Premium Deferred Annuity (SPDA):

4.00%

Bonus...

On both the FPDA and the SPDA, you will receive a 1.5% bonus on your initial contribution and any additional contributions made in the first year, as permitted by your contract.***

Guaranteed Rate...

Our annuities currently offer a guaranteed minimum interest rate of 3.00%. You're guaranteed to receive at least this rate for the life of your annuity contract regardless of market conditions.

Contributions...

SecureSelect Flexible Premium Deferred Annuity (FPDA):

- Initial contribution – \$500
- Subsequent contributions – \$50

Preservation Single Premium Deferred Annuity (SPDA):

\$5,000

*** In certain states, Church Life reserves the right to discontinue offering the bonus for new issues of these contracts.

Withdrawals and Annuity Surrender Charges...

SecureSelect Flexible Premium Deferred Annuity (FPDA):

If you withdraw more than 10%**** of your account balance annually within the first 10 years, you will be charged 8% of your accumulation value in the first 3 years, which then declines by 1% each year until it reaches zero.

Preservation Single Premium Deferred Annuity (SPDA):

If you withdraw more than 10%**** of your account balance annually within the first 7 years, you will be charged 7% of your accumulation value in the first year, which then declines by 1% each year until it reaches zero.

Please note that after the second anniversary of the contract, you can convert (or annuitize) your annuity through Church Life and begin receiving a steady stream of annuity payments without incurring any surrender charges. This applies to both the FPDA and SPDA.

Annuity Payout Options...

Annuities, like no other product, can guarantee that you will not outlive your money. If you decide to convert your account to an income stream, also called *annuitization*, you can get guaranteed lifetime income that offers you the stability of equal monthly payments, a specified payment, or a lump sum payment.

Remember, after the second anniversary of the contract, you can convert (or annuitize) your annuity through Church Life and begin receiving a steady stream of annuity payments without incurring any surrender charges.

****With a Roth IRA, this 10% carries over year to year increasing by 10% each year until a maximum of 50% is reached in the fifth contract year. This free surrender amount will be reduced by any withdrawals made in earlier years.

Please note that this document is provided to you for informational purposes only and should not be viewed as investment, tax or other advice. Be sure to consult your personal tax or financial advisor for additional guidance. In the event of a conflict between the information contained in this document and the Official IRA Documents or annuity contracts, the Official IRA Documents or annuity contracts will govern. The Church Pension Fund and its affiliates retain the right to amend, terminate or modify the terms of the IRAs and annuity contracts described in this document at any time.

QUESTIONS?

Call (866) 802-6333, Monday – Friday, 8:30AM – 4:45PM ET,
or email us at churchlife@cpge.org