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Division of Insurance Urges Alaskans to Get Educated About Retirement Options
Participate in National Retirement Planning Week, April 3 through 7

April 3, 2017 JUNEAU – What will take the place of a regular paycheck when you retire? What ongoing expenses will you have? Whatever your financial situation, it helps to educate yourself about the available retirement options. The Division of Insurance encourages all Alaskans to financially secure their futures by developing and managing retirement plans.

Social Security provides a portion of monthly income for the majority of older Americans. Some retirees also receive monthly checks from a traditional pension plan. But those who need additional monthly income are often faced with two options: rely on savings and investment accounts for additional expenses or purchase financial products—like annuities—that guarantee a steady income.

An annuity can provide monthly income as a supplement or alternative to a traditional pension. Although an annuity might be the right place for some of your money, be sure to consider the alternatives. While annuity payments are advertised as tax *deferred*, they are not tax *deductible*. Unlike contributions to annuities, contributions to a 401(k) or IRAs are tax deductible and lower your taxable income. You may find that regular investment products offer more attractive costs, allow you to retain control over your savings, and allow you to avoid locking into low interest rates.

Annuity Shopping Tips

Follow these tips to protect yourself when shopping for annuities:

- *Be cautious of free lunch or dinner seminars.*
These seminars are often run by people who are good at high-pressure sales. They may try to schedule a one-on-one appointment where they will try to sell you something.
- *Buy from a licensed agent or broker.*
All agents and brokers are required to be licensed through the Division of Insurance.
- *Take your time when making a decision.*
Most people need expert help to determine if a plan meets their needs. However, do not allow an agent or broker to pressure you into buying an annuity today. It may take months before you understand a plan thoroughly enough to make a decision.
- *Make sure you understand the product and contract.*

When shopping for annuities, it is often best to avoid complex, high-fee products. Be aware that financial advisers may be motivated by high commissions to sell certain annuity products. Find out how your advisor is paid, and make sure you understand the whole contract.

- *Beware of changing your policy.*

If an agent recommends that you replace your annuity with another policy, find out why. Make sure switching is really in your best interest.

More information about [annuities](#) is available at insurance.alaska.gov. If you encounter deceptive sales practices or have other questions about insurance, the Division of Insurance may be able to help. To talk with a consumer services representative directly, call 269-7900 in Anchorage, or call the toll-free number 1-800-INSURAK outside of Anchorage.

The Division of Insurance, along with the Division of Banking and Securities, the Division of Corporations, Business and Professional Licensing, the Alcohol and Marijuana Control Office, and the Regulatory Commission of Alaska, is an agency housed within the Alaska State Department of Commerce, Community and Economic Development tasked with protecting consumers in Alaska. For additional information about the division, please visit insurance.alaska.gov. For additional information about the Department of Commerce, Community, and Economic Development and its other agencies, please visit commerce.alaska.gov.

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