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## Course Information:

**Course Title: *Annuities* #290116**

**Recommended continuing education credit hours recommended for this course:**

In accordance with the standards of the Certified Financial Planner Board of Standards and the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

**CFP® 4.5** (All states) CFP Board Course ID# 222058; CFP Board sponsor number: 1008.

**CPA 6** (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

## CLU, ChFC/PACE Recertification: 6

### Course Description

This course examines the annuity concept and explains what an annuity is and how it works:

- The mechanics of the accumulation and payout phases of an annuity, including sample calculations
- Settlement options and their appropriate uses
- Annuity taxation: Federal income tax treatment of premature withdrawals; lump-sum distributions; and periodic payments.
- A comparison of the different annuity contracts available with respect to client suitability.

Variable and fixed annuities are discussed in terms of single vs. periodic premium, immediate vs. deferred, qualified vs. non-qualified, and settlement options.

**Program Delivery Method:** Self-Study (NASBA QAS Self-Study/interactive)

### Subject Codes/Field of Study

FP Board of Standards, Inc., NAPFA: Investments

NASBA (CPA): Administrative Practice

### Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: CFP Board, NASBA (CPA): Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: None

Advance Preparation: None

## Course Content

Publication/Revision Date: 1/14/2016.

Author: Pau J. Winn, CLU, ChFC

Final exam (online): Forty-five questions (multiple-choice).

## Instructions for taking this course

A passing grade of at least 70% is required on the final exam for this course. The exam may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning objectives listed below and studying the review questions after each major section (or chapter) in the text. Once you are confident that the learning objectives have been met, answer the final exam questions (online).

## Instructions for Taking the Final Exam Online

- Login to your account online at [www.bhfe.com](http://www.bhfe.com).
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## Learning Objectives

Upon completion of this basic course, the student should be able to:

1. Describe a typical annuity buyer and the principal reasons individuals buy annuity contracts
2. List the characteristics of annuities and the benefits of tax deferral
3. Explain how variable annuities work
4. Identify the cash value management tools available to a variable annuity contract owner
5. List the factors to be considered in determining variable annuity suitability
6. Calculate interest to be credited under various fixed annuity contracts
7. Explain the operation of indexed annuities
8. Describe how annuities are taxed

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# Annuities

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