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Course Information:

Course Title: *Annuities* #290118

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 Professional 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): Specialized Knowledge and Application

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: 1/29/2018.

Author: Pau J. Winn, CLU, ChFC

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

Instructions for taking this course

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course and 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.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.
- CFP® and EA credits are reported weekly.

Have a question? Call us at 800-588-7039 or email us at 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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About This Course

How You Will Learn

In this course you will be introduced to terms and concepts used in connection with annuity contracts. Each new term is defined in the text and included in the Glossary. The concepts are explained and, where appropriate, are demonstrated through the use of examples.

At the conclusion of each lesson, a Chapter Review is presented to test comprehension of the material presented in the chapter. A response is given to each answer you select to the questions in the Chapter Review affirming the correct choice or explaining why the choice you selected was incorrect.

Why This Information is Important and How You Can Use It

This information is important for agents selling annuity contracts to customers and for advisers assessing the appropriateness of an annuity contract for a client. An understanding of the operation, advantages and disadvantages of annuities and the methods used to determine their cash value will assist the agent and adviser to better serve consumers and help ensure that annuity contracts are recommended and purchased only when they are suitable to meet client needs.