



## Course Information:

**Course Title: *Annuities* #290121**

**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 6.5** (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 (ethics0: 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX 178025

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: 1/14/2021.

Author: Pau J. Winn, CLU, ChFC

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

## Instructions for taking this course

**Note: Download and save the PDF of this course to your computer to enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window) for easier navigation.**

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](http://www.bhfe.com).
- 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](mailto:contact@bhfe.com).

# Learning Objectives

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
9. Recognize the requirements imposed on the sale of variable annuities under Regulation Best Interest

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This document is designed to provide general information about the subject. It is not a substitute for professional advice in specific situations. This publication is not intended to be, and should not be construed as, legal or accounting advice which should be provided only by professional advisers.

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