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Ensure a Lucrative Additional Source of Retirement Income with Annuity Investments

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If you don't plan your retirement well in advance you are sure to face financial challenges in the post retirement phase. Annuity investments will not only ensure you a tension free post retirement life but will also prove to be your additional source of retirement income. In tax deferred annuity schemes you invest certain amount for a fixed period of time. You can make periodic investments or pay a lump sum amount at a single go. In tax deferred annuity schemes or retirement annuity plans, the tax payments get deferred till the time of maturity. The size of the payment is directly affected by the time period for which the annuity scheme is being adopted.

Fixed annuity, variable annuity, and equity indexed annuity, are the three different forms of tax deferred annuities. Fixed annuities involve minimum amount of risk. They offer fixed rate of return to the annuitants, as they are not subjected to the market condition. In this case either you initially need to invest a lump sum amount or you can make periodic investments. Payout in the form of disbursements or distributions can be received immediately after the investment, or on the date, which has been specified in the annuity contract. Fixed annuities ensure you steady flow of income on a monthly basis.

If you invest in variable annuities you will be offered variable rate of interest. This annuity investment involves certain amount of risk, as they are affected by the market fluctuation. Variable annuities play a key role in the tax-deferred growth of the amount invested. You can receive periodic payments for a particular span of time, or till the last day of your life, as ensured by the tax-deferred annuity policy. In case of death, the beneficiary; whose name is mentioned in the annuity contract, becomes entitled to receive a guaranteed return. Tax deferred annuity schemes will maximise your investment return as they usually offer compound rate of interest.

Indexed annuity investments help you to get tax benefit, and also provide you with death benefit. The amount that you invest in this tax deferred annuity scheme, is dependent on the performance of the market.

Deferred annuity is an annuity scheme that will enable you to make periodic investments. In these deferred annuity schemes you enjoy the flexibility of making payment in irregular investments. In this type of annuity program you will not be allowed to make any withdrawal till the date that has been specified in the annuity contract. No tax, or sales charges, are being imposed on these deferred annuity schemes.

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Robert Jhonson is a Financial consultant who has good information on a deferred annuity and a Tax deferred annuity. For more information, he recommends you to visit a www.immediateannuities.com/.

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