EINPRESSWIRE

Serenity Wealth Management Reveals: New Retirement Planning Approach through Fixed Indexed Annuities

How to diversify your retirement portfolio risk through fixed indexed annuities

Serenity Wealth Management Logo

LONG BEACH, CA, UNITED STATES, June 27, 2025 /EINPresswire.com/ -- Often misunderstood and misrepresented, annuities suffer a negative reputation due to widespread confusion with variable annuities. These variable annuities feature high fees, considerable risks, and an unsettling degree of unpredictability due to stock market dependency. However, many fixed indexed annuities mark a stark contrast, offering zero or minimal annual fees, protection from stock market declines, and potential growth through favorable market conditions, with only upward participation.

> Before 2021, I was not impressed by the guaranteed income provisions of most annuities. But now, in 2025, locking in today’s lifetime income provisions has become an incredible opportunity”
>
> *Curtis Hill*

Curtis Hill remarks, “Indexed annuities are evolving, offering security and competitive gains without the inherent losses of traditional stock markets.”

Financial advisors need to focus on eliminating the confusion between risky variable annuities and risk-free indexed options. Many investors, without fully understanding the risks, have purchased variable annuities and have subsequently been disappointed by pathetic investment returns, dramatic investment losses, and the inability to take withdrawals from the annuity without suffering huge fees. It is not surprising that these investors report terrible experiences. As a result, all annuities suffer a negative reputation.

Variable annuities are frequently sold by stock brokers through the big Wall Street firms that benefit financially from the mutual fund fees inside these variable annuities. With variable annuities, savers' principal is invested in the stock market; therefore, variable annuities should be avoided due to the high risk and fees.

Fixed indexed annuities are different. Many have zero annual fees. Savers' money is never directly invested in the stock market. Regardless of declining stock markets, indexed annuities are shielded from the declines and provide opportunities for participation in the upward movement of the index.


What do you need to know?

Conservative tax-wise investors have always been attracted to the absolute safety and tax-deferred nature of indexed annuities. In 2021, average annual gains of 3 to 6 percent were common with these investments, which were reasonably appealing when compared to the then-low money market, CD, or bond interest rates.

But today, in 2025, the interest rate environment has changed. Average annual gains of 6 to 9 percent and even higher returns are now possible with growth-focused indexed annuities. Annual crediting rate caps and participation rates have increased dramatically on some annuities, allowing much higher annual gains. And some crediting methods have no caps or limits. Now, these indexed annuities look attractive even compared to the long-term average of the stock market.

The advantage of indexed annuities over the stock market is the fact that they can never go down in value. Indexed annuities do not decrease in value when the stock market declines. The money is always safe and accessible because there is no need to wait for the stock market to recover to access the funds without realizing losses. Thus, indexed annuities can be more liquid than a stock market investment during stock market downturns.

Another liquidity concern is the annuity surrender charges. An annuity company will charge a surrender fee if the policy is liquidated within an initial period, typically 3 to 10 years. These fees are typically 6 to 10 percent in the first year and quickly decline each year. Contracted annuity income, however, is often exempt from these fees. Also, most annuities allow 10% annual withdrawals free of surrender fees.

Surrender fees should be considered in the broader picture. It is easy to lose 10, 20, even 30 percent in a stock market investment in the first few months. And if the money is needed for an emergency, the liquidation of this investment can cause a large loss. But with an annuity, this loss is limited to the remaining (decreasing) surrender charge.

"Before 2021, I was not impressed by the guaranteed income provisions of most annuities. But now, in 2025, locking in today’s lifetime income provisions has become an incredible opportunity.

Previously, a 65-year-old could lock-in a 4 to 6 percent income for life. But now, in 2025, the same person can lock-in a 7 to 9 percent annual payout rate. This is a guaranteed lifetime contract rate that will not go down if interest rates decline. If the same person is willing to wait several years before starting lifetime income, annual income could potentially double," States Curtis Hill.

Disclaimer: This press release is not intended as investment advice. Please consult a financial professional for a customized plan for your unique situation. Curtis Hill and Irina Hill provide insurance services through Serenity Wealth Management. Investment advisory services are offered through a separate entity, Portfolio Medics, LLC, a registered investment advisor. Serenity Wealth Management and Portfolio Medics, LLC are not affiliated. Serenity Wealth Management and Rodeo Realty are not affiliated. California Insurance License # 0B50660 and # 4294529.

Irina Hill
Serenity Wealth Management
+1 310-467-2277
email us here
Visit us on social media:
LinkedIn
Facebook
YouTube
X
