

# An Alternative to CDs

A Simple Strategy for Today's Low Interest Rate Environment

We've been in a generally declining interest rate environment for most of the past decade. The last few years have produced record low interest rates.

These low rates are not an accident. They have been shaped by the Federal Reserve to help consumers borrow money more cheaply – with the hope that it will help spur the economy after the financial crisis of 2008. Unfortunately, low rates don't just benefit borrowers.

They also affect savers. Interest rates from savings accounts, CDs and bonds are still near record lows. On August 20, 2014, Bankrate.com showed that the national average yield on a 1-year CD was just 0.24%.

Some people renew their maturing CDs because they believe they have no other viable option due to current conditions. It makes you wonder...are there other alternatives in this low rate environment?




## Another Option... A Fixed Index Annuity

The Voya Secure Index family of annuities are fixed index annuities issued by Voya Insurance and Annuity Company (Voya USA). Fixed index annuities are long-term insurance contracts that, depending on the contract, may offer a guaranteed annual interest rate and earnings potential that is linked to participation in the growth, if any, of an index. **Please see the specific product's disclosure statement for more complete information.**

Annuities provide you with minimum guarantees and interest potential you may not be able to find in other sources of fixed income like savings accounts, certificates of deposit and savings bonds. Guarantees are based on the financial strength and claims paying ability of the issuing insurance company and are not FDIC insured.

If an annuity is suitable for your needs, here's one strategy that's an attractive alternative to a CD.

## Split the Difference and Come Out Ahead

<b>FIRST...</b> Elect <b>50%</b> of your premium to the Fixed Rate strategy available within the Voya Secure Index Five Annuity, <i>which currently provides a guaranteed 1% interest.</i>	<b>1%</b> 
<b>THEN...</b> Elect remaining <b>50%</b> of your premium to any combination of the available indexed strategies - <i>providing upside potential for your premium dollars.</i>	
<b>AFTER ONE YEAR...</b> Even if the portion in the index strategy credited 0%, you would still have 1% interest credited to monies in the fixed rate annuity -- providing a minimum interest credit of .50%.	<b>.50%</b>  <b>Fixed Index Annuity</b> <b>VS.</b> <b>.24%</b>  <b>CD</b>
	<b>.50%</b> = Minimum cumulative 1-yr. interest credit (with further upside potential).*
	<b>.24%</b> = National average of 1-year CDs as of 08/20/2014, assuming 0% interest credit in non-guaranteed strategies.**

Depending on the indexing strategy chosen (subject to various index caps and calculation methods) it's possible to get more interest credits on the indexed portion of your premium...potentially providing a better chance to keep up with inflation.

\* A Voya Secure Index Five Annuity has a five-year surrender charge schedule, for full or partial surrenders. Interest credits on annuities and CD's are subject to change at any time.

\*\* Bankrate.com

Not FDIC/NCUA/NCUSIF Insured | Not a Deposit of a Bank/Credit Union | Not Bank/Credit Union Guaranteed | Not Insured by Any Federal Government Agency

## Scenario:

### Jane, 62 years old, \$100,000 maturing CD

- Wants a higher yield on her savings and does not want to put her principal at risk.
- She does not expect to need the money in the next 5 years, but wants the peace of mind that she can access it if the need arises.



## Solution:

Jane deposits \$100,000 in the Voya Secure Index Five Annuity and elects the Return of Premium rider, which gives her the security of knowing she will not lose any premiums paid should she ever need to withdraw the entire accumulation value.

## Benefit:

Jane splits her premium payment between the fixed account paying 1.00% and the Monthly Cap Index at a rate of 1.00% per month for a maximum annual credit of 12.00%. By allocating her premium equally between the two options, Jane's blended strategy will earn at least 0.50% and potentially up to 6.50% in her first year.

### **Annuities are issued by Voya Insurance and Annuity Company, (Des Moines, IA), member of the Voya® family of companies.**

All guarantees are based upon the financial strength and claims-paying ability of the issuing company, which is solely responsible for all obligations under its contracts. This is a summary. Read the contract for complete details. The product and its features may not be available in all states and are subject to change.

Fixed index annuities are insurance contracts that, depending on the contract, may offer a guaranteed annual interest rate and earnings potential that is linked to participation in the increase, if any, of an index. Withdrawals may be subject to Federal/State income tax and, if taken prior to age 59½, an additional 10% Federal penalty tax. Withdrawals do not participate in credits of index or interest. Federal law requires that withdrawals be taken first from interest credited. A withdrawal includes any partial surrender. All distributions from qualified annuities may be taxable. State premium taxes may reduce the final value of your annuity.

IRAs and other qualified plans already provide tax deferral like that provided by an annuity. Additional features and benefits such as contract guarantees, death benefits and the ability to receive a lifetime income are contained within the annuity for a cost. Please be sure the features and costs of the annuity are right for you when considering the purchase of the annuity. Neither the company nor its agents or representatives can provide tax, legal or accounting advice. Please consult your attorney or tax advisor about your specific circumstances. The contract does not directly participate in any stock or equity products.

For premium elected to the index strategies, no amount is credited in the current contract year if the contract is annuitized, surrendered or re-elected prior to the end of the contract year. The interest rate, index cap, monthly cap, participation rate, index spread, and credit caps are set at the beginning of the period, are guaranteed for the first period and may change for future periods. Annuity income is defined as a series of periodic payments, a part of which may be return of your premium or principal, which is guaranteed by the issuing insurance company for a specified period of time or for the life of the annuitant. Contract Form Series: IU-IA-3033 (07/12), IU-RA-3058, IU-RA-3059 (08/08); IU-RA-3060 (08/08), IU-RA-3107, may vary by state and may not be available in all states.

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