

New Favorable Tax Treatment... Available Only With Annuities



Great American Life® received a Private Letter Ruling (PLR) from the IRS that concludes advisory fees may be withdrawn from a non-qualified fixed-indexed annuity without creating a taxable event for your clients.

This favorable tax treatment is similar to advisory fees paid from qualified accounts, and **more favorable than advisory fees paid for other types of non-qualified investments**, such as stocks, bonds, mutual funds and ETFs.

	Are advisory fees taxable to clients?	Are advisory fees deductible by client?
Non-qualified accounts		
Stocks, bonds, mutual funds and ETFs	No, but liquidating assets to pay fees may generate taxable income (capital gains).	No, miscellaneous itemized deductions for advisory fees are no longer allowed.
Fee-based annuities	Before PLR: Yes (ordinary income) After PLR: No	Before PLR: No After PLR: No, but fees reduce future taxable income.
Qualified accounts		
Stocks, bonds, mutual funds and ETFs	No	No, but fees reduce future taxable income.
Fee-based annuities	No	No, but fees reduce future taxable income.

Here's how your clients can qualify for the favorable tax treatment under the PLR:

- The annuity must be a fee-based fixed-indexed annuity from Great American Life. You cannot receive a commission.
- Your client must authorize the deduction of the fees, and the fees cannot exceed an annual rate of 1.50%.
- The fees must be for services associated with the particular annuity and not for other assets under management.

With Great American, you can count on a simpler annuity experience. Transparent products with no hidden surprises and a dedicated RIA team that understands your business.

Find out more at GreatAmericanRIA.com or call us at **800-628-8226**.

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