

# Fixed-Rate Annuities: Lock in High Rate Now

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Interest rates are likely to fall further soon

MEDFORD, OR / ACCESSWIRE / September 11, 2024 / Buyers can get up to 5.66% annually for a five-year fixed-rate annuity or 5.25% for a two-year product, for example, but those high rates aren't likely to last long.

"Rates have already come down a bit, and I expect they'll drop more," says Ken Nuss, CEO of AnnuityAdvantage, an **online annuity marketplace**. Forecasters expect the Federal Reserve Bank to cut interest rates in September, he points out.

Annuities often outperform bonds or CDs, plus offer tax deferral

The most popular type of fixed-rate annuity, the multi-year guaranteed annuity (MYGA), guarantees **a fixed interest rate for a term**, which is why it's also known as a CD-type annuity. With stocks at an all-time high, many older investors and savers are looking for safe alternatives.

MYGAs can substitute for bonds or CDs (bank certificates of deposit) in a portfolio. MYGA rates are typically higher, and all interest in a nonqualified annuity is tax-deferred. You pay no income tax on the interest earnings until you choose to withdraw them.

With a fixed annuity, your deposited premium and interest are guaranteed by the issuing insurance company. Strictly regulated by the states, insurance companies have a long history of stability. Nevertheless, it is wise (and easy) to research the financial strength and ratings of the issuing company.

MYGAs are also powerful wealth-building tools for IRAs and Roth IRAs, Nuss says.

Rate information online plus expert advice

"We're here to help you decide if an annuity is right for you, and if one is, to find the best deal from one of the many insurers we represent," Nuss says. "We offer rate and product information on our website and, if you decide to take the next step, advice from our annuity professionals."

Withdrawals of annuity interest before age 59 ½ are subject to a 10% IRA penalty.

**Ken Nuss** is the founder and CEO of **AnnuityAdvantage**, a leading online provider of fixed-rate, fixed-indexed, and lifetime income annuities since 1999. Ken is a nationally recognized annuity expert quoted in national media and a widely published author. A free rate-comparison service with interest rates from dozens of insurers is available at <https://www.annuityadvantage.com> or by calling (800) 239-0356.

SOURCE: AnnuityAdvantage

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