

ANNUITY RATES FOLLOW BOND RATES

When annuity rates fall they cause a reduction in pension incomes for tens of thousands of people approaching retirement. Reductions in government bond yields drives **down** annuity yields, which results in insurance companies reducing annuity rates.

Annuity rates closely follow bond yields because insurance companies purchase various types of bonds including, government bonds, to back their annuity payouts. Yields on annuities have fallen as a result of increased life expectancy and plummeting bond yields.

STREET TRANSLATION

As a result of the massive layoffs projected for **FORD, GM, and, CHYRSLER** you would be well advised to take a **SERIOUS** look at your companies pension plan to determine how it is funded. If your company is publicly traded get a copy of the companies **10Q** and **10K** report and analysis the company's financials. These reports will give you a fair assumption as to the financial condition of the company you work. You are depending on that company to "**HONOR**" it's commitment to provide you with retirement income based upon wages earned and contributed into the company pension plan. Do not let **ENRON** or **WORLD COM** happen to you and your family. If the majority of your pension plan is funded by company stock and annuities purchased by your employer, *then you MUST monitor your company's 10Q and 10K as well as the BOND MARKET!! Do your homework and you will pass the test!!!*

If you have any questions or need assistance, simply....

ASK THE WIZ!!!