

Immediate Annuity Rates policy updates at DirectAnnuities.com

DirectAnnuities.com has updated the rates on their top Immediate Annuities

Feb. 16, 2010 - [PRLog](#) -- An immediate Annuity is an insurance policy which, in exchange for a sum of money, guarantees that the issuer will make a series of payments. These payments may be either level or increasing periodic payments for a fixed term of years or until the ending of a life or two lives, or even whichever is longer. It is also possible to structure the payments under an immediate annuity so that they vary with the performance of a specified set of investments, usually bond and equity mutual funds. Such a contract is called a variable immediate annuity.

Learn more at <http://www.directannuities.com/immediate-annuities>

The overarching characteristic of the immediate annuity is that it is a vehicle for distributing savings with a tax-deferred growth factor. A common use for an immediate annuity might be to provide a pension income. In the U.S., the tax treatment of an immediate annuity is that every payment is a combination of a return of principal (which part is not taxed) and income (which is taxed at ordinary income rates, not capital gain rates).

When a deferred annuity is annuitized, it works like an immediate annuity from that point on, but with a lower cost basis and thus more of the payment is taxed.

Single Premium Immediate Annuity is a life annuity contract between you and an insurance company. By paying in a lump sum of money you are guaranteed to receive an life annuity payment each month over a period of time. The amount of the payment is determined by both the current interest rate at the time your contract is issued and by choices you make from a wide variety of payment options. Once your contract is issued, your annuity payment is fully guaranteed for the period of time you have chosen. In addition, there are some excellent TAX BENEFITS to this type of payout. A portion of each payout is a TAX FREE return of your cost basis which means only a portion of each payout you receive is subject to tax.

Get the latest Immediate Annuity Rates at <http://www.directannuities.com/immediate-annuities>

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Direct Annuities offers best annuity rates for Fixed Annuities, CD Type Annuities, Equity Annuities, Immediate Annuities and Hybrid Annuities.

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