

Tax-deferred accumulation is not the same as tax-free accumulation. It means your taxes are delayed until you start withdrawing money. You also may have to pay a 10% tax penalty if you withdraw money before age 59 1/2.

When you take payouts or make a withdrawal, you may have to pay ordinary income taxes on the earned interest.\*

You can exchange (rollover or transfer) the funds from one tax-deferred annuity to another without paying taxes on the earnings when you make the exchange. Before you do, compare the benefits, features, and costs of the two annuities. You may pay a surrender charge if you make the exchange during the surrender charge period. Also, you may pay a surrender charge if you make withdrawals from a new annuity during the first years you own the annuity.

### Does buying an annuity in a retirement plan provide extra tax benefits?

Purchasing an annuity as an IRA or other tax-deferred retirement plan does not give you any extra tax benefits. Choose your annuity based on its other features and benefits, as well as its risks and costs, not solely based upon its tax benefits. You should consult a professional tax advisor to discuss your individual tax situation.

## Miscellaneous Information

**Changes to your contract** - We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we will notify you about the changes in writing.

**Compensation** - We pay the sales representative, broker, or firm for selling the annuity to you. They may receive additional compensation for selling this annuity contract rather than selling another annuity contract.

**Free look** - Many states have laws that provide you with a set number of days to review and reconsider your annuity purchase. If you decide during that time that you do not want it, you may return the annuity and receive all your money back. CSA Fraternal Life provides you with 30 days to look over your contract. During this period, you may cancel for any reason. Please review your contract to learn more about your free look period.

### How can I receive my annuity information?

Every member will be provided an Annual Report to assess the values of their annuity.

### How do I know if a Flexible Premium Deferred Annuity is right for me?

You should think about what your goals are for the money you put into the annuity. The questions listed below may help you decide:

- How long can I leave my money in the annuity?
- Does the annuity let me get money when I need it?
- When is the earliest I can get my money out of the annuity, and how much can I get?
- How soon will I need income payments?

### What should I know about the insurance company?

CSA Fraternal Life is the oldest fraternal benefit society in the United States. CSA Fraternal Life provides financial security to its members through life insurance and annuity products, and the organization offers opportunities for cultural and educational growth.

*\*Most IRAs are taxed on all funds because they were excluded from your taxable income in the year in which the contribution was made.*

*This is a summary document and not part of your contract with CSA Fraternal Life.*

## CSA Fraternal Life

2050 Finley Road Suite 70, Lombard IL 60148  
Phone: (800) LIFE-CSA or (630) 472-0500  
Fax: (630) 472-1100 [www.csalife.com](http://www.csalife.com)



## Flexible Premium Deferred Annuity Disclosure

***This disclosure can help you understand flexible premium deferred annuities. It discusses:***

- how interest is earned
- how charges are calculated
- what happens if you take money out before it is scheduled to be paid
- how to make informed decisions when you choose to invest in an annuity
- the ways in which long-term financial goals can be achieved

## CSA Fraternal Life

2050 Finley Road Suite 70, Lombard IL 60148  
Phone: (800) LIFE-CSA or (630) 472-0500  
Fax: (630) 472-1100 [www.csalife.com](http://www.csalife.com)



This disclosure reviews important points to think about before buying an annuity with CSA Fraternal Life. This annuity is flexible premium, which means you can purchase it with as many premiums (payments) as you want, whenever you want. (For qualified plans, IRS restrictions apply.) It is deferred, which means payouts begin at a future date. You do not pay taxes on the interest it earns until the money is distributed to you.

You can use an annuity to save money for retirement and receive retirement income for life. **It is not meant to be used to meet short-term financial goals.**

If you have questions about this annuity, please ask your sales representative, advisor, or contact CSA Fraternal Life by calling (800) 543-3272. This Disclosure is not meant to offer legal, financial, or tax advice. You may want to consult an independent advisor.

### The Annuity Contract

Deferred annuities have an accumulation period and a payout period. During the accumulation period, the money you put into the annuity earns interest. The earnings grow tax-deferred as long as you leave them in the annuity. After the accumulation period ends, the payout period (annuitization period) begins; CSA Fraternal Life pays income to you or your beneficiary.

#### How will the value of my annuity grow?

During the accumulation period of a Flexible Premium Deferred Annuity, your money earns tax-deferred interest at the current rate that is being offered by CSA Fraternal Life.

When you purchase your annuity, the current rate depends on general economic conditions and will change from time to time. The accumulation rate that is in effect at the time of issue will be guaranteed until the first contract anniversary.

The guaranteed minimum interest rate during the life of the annuity is 1%. This means your annuity will never earn less than the guaranteed minimum.

During the payout period, the amount of each income payment to you is determined when the payments start and will not change.

### Benefits

#### How do I get income (payouts) from my annuity?

Once you have an annuity, you may choose a payout commencement date (when you start to receive income from your annuity). You can also choose how to receive the income (the payout or settlement option).

Income payments are usually made monthly, but you may choose to receive them less often. The amount of the income payment is based on the accumulated value in your annuity and the annuity's benefit rate that is in effect when income payments start. The benefit rate usually depends on your age, gender, and the annuity payment option you choose. For example, you might choose payments that continue as long as you live, as long as you and your spouse live, or for a set number of years.

#### What happens after I die?

If you die before we start to pay you your income from your annuity, we pay the value of your annuity to your beneficiary. If you die after the payouts start, depending on the type of payout you chose, we pay any remaining periodic payments to your beneficiary at the same frequency you were receiving them.

### Fees, Expenses, and Other Charges

#### What happens if I take out some or all of the money from my annuity?

You cannot take any of the money out of your annuity after the payout begins.. However, before it begins, you can take out all of your annuity's value (full surrender) or part of it (partial surrender/ withdrawal). You can take a partial surrender if the amount you request is at least \$250 and you leave at least \$1,000 in the annuity.

We take a surrender charge from the amounts you withdraw within the surrender charge period, when applicable. Beginning in the second contract year, the society will waive the applicable surrender charge on one partial withdrawal during each contract year that does not exceed 10% of the accumulated value.

#### Amounts over the allowable 10% are subject to the following surrender charges:

Contract year							
1	2	3	4	5	6	7	8
Surrender charge							
8%	7%	6%	5%	4%	3%	1%	0%

*Example:* If you have an annuity and you withdraw \$7,000 in the second contract year, your surrender charge is  $\$7,000 \times 0.07 = \$490$ . If you withdraw money after the end of the seventh contract year, there is no surrender charge.

*Exceptions:* In some cases, we may waive the surrender charge. For example, there is no surrender charge if we pay the remaining value of your annuity to a beneficiary after your death.

#### Do I pay any other CSA Fraternal Life fees or charges?

No. Currently, there are not any other fees or charges on this annuity.

### Taxes

#### How will payouts and withdrawals from my annuity be taxed?

You should consult a professional tax advisor to discuss your individual tax situation. Under current federal law, annuities receive special tax treatment. Income tax on annuities is deferred, which means you do not pay taxes on the interest your money earns while it stays in the annuity. (continued on back...)