

A PLAIN-ENGLISH GUIDE · 2026 EDITION

The *Safe* *Money* Guide

CDs and fixed annuities, side by side, so you can
decide where your most protected dollars belong.



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BEFORE YOU BEGIN

Your safest dollars deserve a plan, too

Most people I meet keep a meaningful share of their savings in places they think of as “safe”: bank CDs, savings accounts, and fixed annuities. That instinct is sound. Money you cannot afford to lose should not ride the market.

But safe money still involves choices. How it is titled, how it is taxed, when you can reach it, and what happens to it when you pass all depend on where it sits. Those details rarely come up at the bank counter.

This guide lays CDs and fixed annuities side by side, without a sales pitch for either. Both have a place. The goal is to put each dollar where it fits your timeline.



INSIDE THIS GUIDE

3 • Getting CDs right

5 • Which fits when

4 • CDs vs. fixed annuities

6 • Your safe-money inventory

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Getting CDs right

A certificate of deposit is simple: you leave money with a bank for a set term and earn a stated rate. The details below are where CD owners most often leave value, or protection, on the table.

1 Shop beyond your branch

Rates vary widely between banks and credit unions, and loyalty is rarely rewarded at renewal. Check what is available before a CD rolls over automatically.

2 Know your FDIC coverage

FDIC insurance covers up to \$250,000 per depositor, per insured bank, for each ownership category, such as individual, joint, and trust accounts. Larger balances may be covered by spreading money across banks or categories. Confirm coverage with the FDIC's online estimator before relying on it.

3 Read the fine print on access

Early withdrawal usually costs several months of interest. A higher-rate "callable" CD lets the bank end it early, typically when rates fall, so you may have to reinvest at lower rates.

4 Title it on purpose

Adding a child as a joint owner can expose your money to their creditors or divorce. A payable-on-death designation, or ownership by your living trust, can pass the CD outside probate without giving up control during your life.

CDs vs. fixed annuities

A multi-year guaranteed annuity (MYGA) is the closest insurance cousin to a CD: a fixed rate for a fixed term. They solve similar problems in different ways.

	Bank CD	Fixed annuity (MYGA)
Backed by	FDIC insurance, up to its limits	The issuing insurer’s financial strength and claims-paying ability
Typical terms	A few months to about five years	Commonly two to ten years
Taxes on interest	Taxable each year, even if reinvested	Generally deferred until withdrawn
Early access	Penalty, often several months of interest	Surrender charges; many allow a limited free withdrawal each year
Before age 59½	No federal age penalty	A 10% additional federal tax on earnings may apply
At your death	Passes by title or payable-on-death designation	Paid to named beneficiaries, generally outside probate
Lifetime income	Not available	Can be converted to payments for life

Keep in mind: annuities are insurance contracts, not bank deposits, and are not FDIC insured. Rates on both change often, so we compare current options side by side at your review.

Which fits when

The simplest way to decide is to match each dollar to when you will need it. Most households use more than one of these.

ANY TIME

Ready reserve

Savings or money market accounts for emergencies and the next several months of spending.

KNOWN DATES

CDs

Money for a known need in the next one to five years: a car, a project, a planned gift.

LONGER HORIZON

Fixed annuities

Money you will not need for the full term, where tax deferral, beneficiary control, or future income matters.

Consider a ladder

Instead of locking everything into one term, stagger maturities, for example one, two, three, four, and five years. Something comes due every year, which gives you access and a chance to reinvest if rates have risen. The same idea works with fixed annuities of different terms.

OFFERED AN ANNUITY AT THE BANK?

A second opinion costs nothing. Bring the proposal and I will walk through the rate, term, surrender schedule, and how it compares with other options, so you can decide with the full picture.

Your safe-money inventory

List every CD, savings account, and fixed annuity. Seeing them in one place often reveals maturities that cluster, titles that no longer fit, and coverage gaps.

BANK / INSURER	TYPE	AMOUNT	RATE	MATURES	TITLED AS	POD / BENEFICIARY

QUESTIONS TO ANSWER

- ☐ Is any single bank holding more than my FDIC coverage?
- ☐ Do several maturities land in the same year?
- ☐ Is any account titled jointly with a child or other relative?
- ☐ Is money sitting at a low rate that I won't need for years?

YOUR NEXT STEP

Let's put every safe dollar *in its place*.

A complimentary safe-money review, with no obligation to make a change.

01 · Book

Scan the code below or call to choose a time that works for you.

02 · Review

Bring your inventory from page 6. We meet in Murrieta or by video.

03 · Decide

You receive a written summary. Keep, adjust, or replace: your call.



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