

First Choice Bonus Annuity

A Variable Deferred Bonus
Annuity



The 4% bonus:
giving you a
head start

What is a Bonus Annuity?

Is a First Choice Variable Deferred Bonus Annuity right for you?

Do you need to supplement your retirement savings?

Are you within 10-15 years of retirement and concerned about outliving your savings?

Do you have money you can invest for at least 10 years and/or until you are at least 59½ years of age?

Are you in a high enough tax bracket to benefit from tax deferral?

Do you have a tolerance for market risk, including the possible loss of principal?

If so, you may wish to consider a First Choice Variable Deferred Bonus Annuity.

Bonus annuities are deferred annuities that offer you a bonus on payments made into your annuity contract. Bonus annuities are designed to help you build retirement assets over a long period of time and, once annuitized, offer a guaranteed¹ steady source of income during your retirement years.

Why Consider a Bonus Annuity?

When you are ready to start receiving income, annuities are the only financial products that can guarantee¹ payments for the rest of your life. If you are like millions of Americans, you may find that a variable deferred annuity with a “bonus feature” can help you reach your retirement goals, especially in today’s low-interest rate environment. That’s why we created the First Choice Bonus Annuity, a Variable Deferred Bonus Annuity.

Why First Choice Variable Deferred Bonus Annuity?

The First Choice Bonus Annuity has numerous benefits and advantages, especially for individuals who need to save for retirement and want an income stream during their retirement years, including:

Four percent cash bonus. What better way to start your annuity than with a cash bonus paid up front, deposited directly into your account? You will receive the 4 percent cash bonus on all qualified deposits up to \$200,000 in a contract year². For example, if you deposit \$200,000 at 4 percent, your starting balance is automatically \$208,000.

Five percent cash bonus. In addition, you will receive a 5 percent cash bonus on all qualified deposits over \$200,000 within a contract year. For example, if you deposit \$250,000, you will receive a 4 percent cash bonus for \$200,000 and a 5 percent cash bonus for the \$50,000, so that your starting balance is automatically \$260,500.

Tax-deferred growth. You pay no income tax on earnings until they are withdrawn from the annuity. This is an advantage annuities have when compared to current taxable investments, because tax deferral may help the value of your annuity grow faster through the power of compounding.

No annual contribution limit. The money invested in a variable deferred bonus annuity is not subject to annual contribution limits, such as those that exist with IRAs, 401(k)s or other qualified plans. You choose how much, and when, you want to contribute.

No mandatory distributions at age 70½. There is no requirement for beginning annual distributions from a variable deferred bonus annuity at age 70½ as there is with IRAs, 401(k)s and other qualified plans. Earnings on your contributions to an annuity can accumulate tax deferred to age 90.

¹ All guarantees are subject to the financial strength and claims-paying ability of Foresters Life Insurance and Annuity Company which makes no guarantees with respect to the investment return or principal value of the underlying subaccounts.

First Choice Variable Deferred Bonus Annuity

Cindy and John



Cindy and John, both in their early 50s, want to ensure they have income during their golden years. As part of their long-term investment plan, they decided a variable deferred bonus annuity was right for them. "We felt it would complement the other aspects of our portfolio," said Cindy. "We want the opportunity to supplement our retirement savings."

"We have time on our side," said John. "We are already invested in several fixed income mutual funds, so we decided we needed to increase our asset allocation in stocks and want to invest in several equity subaccounts that are offered in the annuity."*

Annuity investment options

Investment Subaccounts. The First Choice Variable Deferred Bonus Annuity offers 12 actively managed investment subaccounts, each with their own investment objective and degree of risk.² Each subaccount invests in a portfolio of stocks and/or bonds. The Accumulation Value of the annuity will vary with the performance of the subaccounts you select.

Fixed account. If you want to allocate a portion of your funds to an interest-bearing account, the First Choice Variable Deferred Bonus Annuity has such an option. The interest-bearing or fixed account has a current interest rate periodically declared by Foresters Life Insurance and Annuity Company, as well as a minimum guaranteed⁴ interest rate. The value of your allocations in the fixed account can never decrease. You can invest up to 50 percent of your First Choice Variable Deferred Bonus Annuity premiums in the fixed account; the remainder must be allocated to the investment subaccounts.

* The hypothetical example is not intended to represent any specific situation or individual.

Allocating Your Purchase Payments. You can allocate funds to any of the investment subaccounts and the fixed account. Moreover, you can change your subaccount allocations up to six times within a 12-month period, or you can authorize automatic reallocation.

Creating an income stream for your retirement years

When you "annuitize" your contract, it will convert your Accumulation Value to an income stream that you cannot outlive. The amount of the annuity payment will depend upon the payment option you choose, your gender and your age at the time you annuitize. The portion of the annuity payment that represents earnings will be taxable.³ Annuitized contracts are not subject to a surrender charge.

The First Choice Variable Deferred Bonus Annuity offers a variety of payout options, such as:

Single Life Annuities. An annuity that provides income benefits for one person only; it is income you can never outlive.

Joint Life Annuity. An annuity that provides income benefits on two individuals, as long as one or both are living.

Refund Life Annuity. An annuity that provides income benefits for Single Life or Joint Life annuitants, as long as one or both are living; if both annuitants should die before receiving an amount equal to the premium paid, their beneficiaries will continue to receive this income in installments until the total amount paid equals the premium.

Systematic Withdrawals. Another payment option is a series of partial surrenders that you can use to receive income when you need it. The payments you receive from systematic withdrawals will be taxed on an "earnings first" basis; that is, each payment will be considered as taxable earnings until all earnings have been distributed. Payments after this point will represent a tax-free return of investment.

² Both the return and principal value of the underlying subaccounts will fluctuate and the surrender value may be worth more or less than the original investment when the contract is surrendered.

³ Under current federal tax law, the portion of each annuity payment that represents earnings is taxed as ordinary income. Surrenders from a variable annuity are assumed to be from gains first and from principal second.

Fees and expenses

As with all variable annuities, the First Choice Variable Deferred Bonus Annuity has certain fees and expenses that you should be aware of and understand before purchasing the annuity. These fees and charges may be higher and the surrender charge period may be longer than contracts that do not provide a bonus. For example, the First Choice Variable Deferred Annuity from Foresters Life Insurance and Annuity Company has a lower mortality and expense charge (one percent) and a shorter surrender period than the First Choice Variable Deferred Bonus Annuity.

The First Choice Variable Deferred Bonus Annuity is a “back-loaded” annuity which means that if you cash in or surrender your annuity within the first nine years, you will pay a surrender charge that begins at eight percent and scales down over a period of nine years. Please refer to the prospectus for all fees and expenses.

Other important considerations. Despite its higher mortality and expense charge compared to many non-bonus annuities, the First Choice Variable Deferred Bonus Annuity will maintain a higher accumulation value than the First Choice Variable Deferred Annuity for a period of years. Precisely how long depends on a variety of factors, such as the following:

- Annuitants closer to retirement age when they would set up a monthly income would generally do better with the bonus annuity. Younger annuitants may want to consider First Choice Variable Deferred Annuity from Foresters Life Insurance and Annuity Company that has a lower mortality and expense charge.
- The rate of return on the investment subaccounts is important since the bonus amount when credited to the annuity earns the same overall rate of return.
- The interest rate paid on the fixed account—which is subject to change, but no lower than one percent—is another determining factor in the value of the bonus annuity.
- The allocation percentage in the fixed account (maximum of 50 percent) and the separate account will further affect the relative values of the two types of annuities. In the First Choice Variable Deferred Bonus Annuity, a greater fixed account allocation may allow the bonus annuity to maintain a higher value than the non-bonus annuity for a longer period of time.

Generally, if you have the ability to contribute to a tax-deductible individual retirement account or a qualified plan such as a 401(k), you should probably maximize those contributions before contributing to a variable deferred annuity since contributions to a First Choice Variable Deferred Bonus Annuity are not tax deductible and the tax-deferral benefits are the same.

Annuity contracts and insurance policies contain certain exclusions, limitations and other terms for keeping them in force. For complete costs and details, see your Representative. Annuity contract and life insurance policy guarantees apply only to certain insurance features and are subject to the claims-paying ability and financial strength of Foresters Life Insurance and Annuity Company.

Neither Foresters Life Insurance and Annuity Company nor its affiliates provide legal, tax or estate planning services. Should you require such services, you should consult a legal, tax or estate planning professional.

For more complete information about the First Choice Variable Deferred Bonus Annuity, you can obtain a free prospectus by contacting your Representative, writing to us at the address below, calling 800 832 7783 or visiting our website at forestersfinancial.com. You should consider the investment objectives, risks, charges and expenses carefully before purchasing an annuity. The prospectus contains this and other important information and should be read carefully before purchasing an annuity. In addition, the Life Series Funds prospectus has information about the available subaccounts and their investment objectives. The subaccounts' underlying funds are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

First Choice Variable Deferred Bonus Annuity is approved in these states with the form number listed below:

FPBA-1 (10/12)(CA)	FPBA-1 (10/12)(FL)
FPBA-1 (10/12)(CT)	FPBA-1 (10/12)(ND)
FPBA-1 (10/12)(DE)	FPBA-1 (10/12)(NY)
FPBA-1 (10/12)(DC)	

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AL	ID	MD	NE	OR	VA
AR	IL	ME	NH	PA	VT
AZ	IN	MI	NJ	RI	WA
CO	KS	MN	NM	SC	WI
GA	KY	MO	NV	TN	WV
HI	LA	MS	OH	TX	WY
IA	MA	NC	OK	UT	

The First Choice Variable Deferred Bonus Annuity contracts are issued by:

Foresters Life Insurance and Annuity Company

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New York, New York 10005
800 832 7783

Distributed by:
Foresters Financial Services, Inc.
40 Wall Street
New York, New York 10005
800 423 4026

forestersfinancial.com

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