

First Choice

Variable Deferred  
Annuity



# It's all about choice

# Is First Choice right for you?

Do you need to supplement your retirement savings?

Do you seek tax-deferred income?

Do you have money you can invest for at least 10 years and until you are at least 59<sup>1/2</sup> years of age?

If you are already retired, are you concerned about outliving your savings?

If so, you should consider a First Choice Variable Deferred Annuity.

Your Representative can help you decide if First Choice is right for you.

Variable annuities are financial products designed to help you accumulate retirement assets. You will have the opportunity to accumulate tax deferred assets. Most importantly, when you are ready to start receiving income, annuities are the only financial product that can transfer the Accumulation Value into guaranteed<sup>1</sup> income payments for the rest of your life. If you are like millions of Americans, you may find that a variable annuity can help you reach your retirement goals.

You should know that the purchase of a variable annuity does involve risk, including the possible loss of principal. In addition, variable annuities have fees and charges that will be charged to their Accumulation Value. Therefore, depending on the investment subaccount's rate of return, a variable annuity when redeemed may be worth more or less than the total of all the purchase payments you have made.

### Tax advantages

**Tax deferred growth.** The earnings on the Accumulation Value are tax deferred, which means you do not pay income tax on these earnings until they are withdrawn from the annuity contract.

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

**No mandatory distributions at age 70<sup>1/2</sup>.** There is no requirement for beginning annual distributions from a variable annuity at age 70<sup>1/2</sup> 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. Under current federal tax law, the portion of each annuity payment that represents earnings is taxed as ordinary income.

### Investment opportunities in the Accumulation Phase

The Accumulation Phase is the period during which you are making contributions to the annuity.

**A variety of investment subaccounts.** First Choice offers a variety of professionally managed subaccounts, each with its own investment objective and degree of risk. Each subaccount invests in a portfolio of stocks and/or bonds. The 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, First Choice 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 guaranteed<sup>1</sup> interest rate that is established by a regulated formula. The value of your allocations in the fixed account can never decrease.

**Allocating your purchase payments.** You can allocate funds to all of the subaccounts and the fixed account as long as each allocation has a minimum of one percent of each purchase payment. Foresters Life Insurance and Annuity Company makes no guarantees<sup>1</sup> with respect to the investment return or principal value of the underlying subaccounts.

<sup>1</sup> 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 Annuity

Karen and Richard



Karen and Richard are in their early 30s and want to get a head start in saving for retirement. After speaking with their Representative, they decided a

Variable Deferred Annuity would work best for them. They like its many benefits including the investment options and tax-deferred growth.\*

## Annuity option in the Payout Phase

The Payout Phase is the period during which you receive income payments from the annuity.

**Annuitization.** You can annuitize your contract, which will convert your Accumulation Value into an income that you cannot outlive. The amount of the annuity payment will depend on the payment option you choose, your gender and age at the time you annuitize your contract. The portion of the annuity payment that represents earnings will be taxable. Annuitized contracts are not subject to surrender charges.

**Annuity payment options.** First Choice provides you with a variety of annuity payment options, such as:

- Single and Joint Life annuity
- Single and Joint Life annuity with 10- or 20-year guarantee periods
- Refund Life Annuity

**Systematic Withdrawals.** Another option is taking systematic withdrawals, which are 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. Each payment will be considered as taxable earnings until such time as all the actual earnings have been distributed. Payments after this point will be a tax-free return of investment.

**Surrenders.** Annuities are designed to be part of a long-term retirement investment plan. If you take partial surrenders during the Accumulation Phase or fully surrender the annuity before maturity, you may be subject to a surrender charge. If you surrender part of or the entire annuity before age 59½, you may be subject to a 10 percent IRS penalty on the taxable portion of the surrendered amount. Each year, however, you can surrender up to 10 percent of your purchase payments without incurring a surrender charge. But the amount of the surrender may still be taxable.

## Death benefit protection

If you are the annuitant under a First Choice annuity contract and die before annuity payments begin, your beneficiary will receive a death benefit equal to the greater of: the annuity’s Accumulation Value, or the total of all purchase payments contributed to the annuity (less any surrenders).

You should know that the purchase of a variable annuity does involve risk, including the possible loss of principal. In addition, variable annuities have fees and charges that will be charged to their Accumulation Value. Therefore, depending on the investment subaccount’s rate of return, a variable annuity when redeemed may be worth more or less than the total of all the purchase payments you have made.

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

## Fees and expenses

As with all variable annuities, First Choice has certain fees and expenses that you should be aware of and understand before purchasing the annuity. First Choice is a back-loaded annuity, which means that if you cash in or surrender your annuity within the first eight years, you will pay a surrender charge that begins at eight percent and scales down one percent each year.

Please refer to the prospectus for all fees and expenses.

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

## Growing the value of your First Choice Variable Deferred Annuity

First Choice offers you a variety of professionally managed investment subaccounts, each with its own investment objective and degree of risk.

There are risks associated with investing in variable annuities, and fees and surrender charges may apply as well as early withdrawal penalties. Withdrawals before age 59½ may be subject to a 10 percent federal tax penalty.

*Annuity contracts and insurance policies contain certain exclusions, limitations and other terms for keeping them in force. For complete costs and details, see your Financial Services 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 information about Foresters Life Insurance and Annuity Company variable annuity contracts, you may obtain a free prospectus by contacting your Representative or calling 800 832 7783. The prospectus contains information about a contract's features, risks, charges and expenses, and the investment objective and risks of the underlying investment subaccounts as well as other information about the variable annuity. Consider this information, and read the prospectus carefully before you purchase an annuity or send money. Contract availability and features may vary by state. Variable annuities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

First Choice is approved in the states with the form number listed below:

FPVA-1 (08/09) (AZ)	FPVA-1 (08/09) (FL)
FPVA-1 (08/09) (CA)	FPVA-1 (08/09) (NY)
FPVA-1 (08/09) (CT)	FPVA-1 (08/09) (ND)
FPVA-1 (08/09) (DE)	
FPVA-1 (08/09) (DC)	

The following states are approved under form #ICC09 FPVA-1 (08/09):

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

The First Choice contracts are issued by:

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