

# MEMBERS® Select Fixed Annuity II

GUARANTEED, STEADY GROWTH



 **CUNA MUTUAL GROUP**  
CMFG Life Insurance Company

  
Insurance & Investments

Move confidently into the future™



## ❖ ❖ A financial services company serving financial institutions and their clients worldwide.

**It is important to know that you have financial strength and professional experience behind your annuity.**

MEMBERS® Select Fixed Annuity II is underwritten by CMFG Life Insurance Company (CMFG Life), a leading provider of financial services to financial institutions and their valued customers worldwide. With more than 75 years of true market commitment, the CMFG Life vision is unwavering: to be a trusted business partner who delivers service excellence with customer-focused products and market-driven insight. As of December 31, 2015, financial records of CMFG Life, a Fortune 1000 company, indicated \$15.5 billion in assets, \$13.6 billion in liabilities and \$1.9 billion in policyowner surplus.

CMFG Life is rated A (Excellent), third-highest rating out of 16, by A.M. Best as of January 2016. In addition, Moody's Investors Service provided financial strength ratings of A2 to CMFG Life. The A2 rating ranks sixth-highest out of 21 ratings. CMFG Life also received an A rating from Standard & Poor's Rating Service, also sixth-highest out of 21. Ratings refer to the company's overall financial strength; they are not a recommendation of specific contract provisions, rates or practices. Guarantees are based on the claims-paying ability of CMFG Life Insurance Company.

Throughout their working years, Bob and Ellen have seen the market go up and down. Now that they're considering retirement, they would like a more conservative approach. They purchase the MEMBERS Select Fixed Annuity II with a portion of their savings. They plan to retire in 5 years, so they select the 5-year guarantee period. They have peace of mind knowing their retirement savings will grow at a guaranteed, steady rate. And once they retire, they can select to renew for another 5-year period, begin a guaranteed lifetime income or receive their contract value in one lump sum payment.



## 🔗 Guaranteed growth for your future.

You're looking for security in your future with a product that will help you plan ahead with confidence. MEMBERS Select Fixed Annuity II is a tax-deferred annuity that offers you the advantages of guaranteed<sup>1</sup> interest rates, tax-deferred interest on your purchase payment and a choice of guaranteed income payment options.

### Guaranteed interest rates

The MEMBERS Select Fixed Annuity II is a sound, stable option for retirement. With this single premium deferred annuity, your money grows at a guaranteed return, regardless of market conditions.

You may choose a guaranteed rate of return for 5, 7 or 10 years.<sup>2</sup> You select the time period that best meets your needs. For example:

- If you select the 5-year period, you receive a guaranteed fixed rate for 5 years and can renew for an additional 5 years.
- If you select the 7-year period, you receive a guaranteed fixed rate for 7 years and can renew for an additional 3 years.
- If you select the 10-year period, you receive a guaranteed fixed rate for 10 years.

With the 5- and 7-year guarantees, when you renew you will receive a competitive fixed rate identical to that credited for new MEMBERS Select II contracts being issued.

Once the contract reaches its 10th anniversary, renewal interest rates will be declared and guaranteed for one year at a time. Minimum renewal rates are based on state law. Minimum renewal rates in most states are guaranteed to be no less than 1.0% or greater than 3.0%. Check with your representative for current guarantees and renewal rates in your state.

### You pay no fees or expenses

There are no contract fees, administrative fees or up-front charges to pay when you purchase a MEMBERS Select Fixed Annuity II. All payments go to work for you immediately.

<sup>1</sup> All guarantees are based on the claims-paying ability of CMFG Life Insurance Company.

<sup>2</sup> The 10-year guarantee rate period is not offered in Oregon.



## Take advantage of tax deferral and compounding interest.

Taxes can have a tremendous effect on the growth of your retirement assets.<sup>1</sup> MEMBERS Select Fixed Annuity II has the potential to accumulate faster than a taxable investment earning similar rates of return. That's because as the interest compounds, you don't pay any current income taxes.

Tax deferral allows you to postpone the tax due until you take a partial withdrawal from your account or begin the annuity's income payout period (annuitization). And at that time, probably during your retirement, you may be in a lower tax bracket.

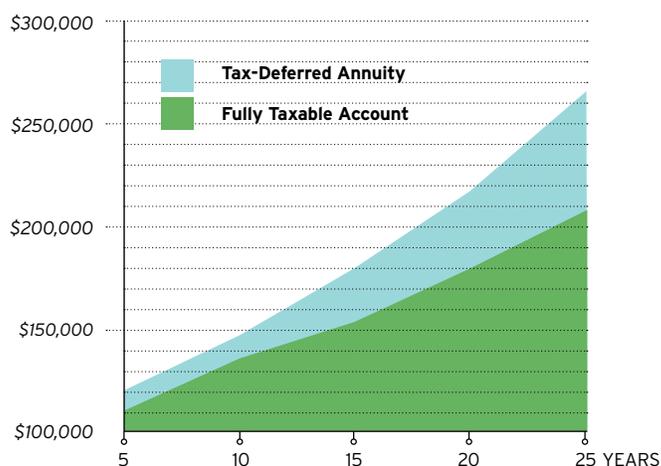
Your annuity has the potential to grow faster because you are earning interest on:

- The principal purchase payment,
- The money normally needed to pay taxes on the interest, and
- Interest already credited to your account.

### Power of tax-deferred savings

Year	Tax-Deferred Annuity	Fully Taxable Account	Tax-Deferred Advantage
5	\$121,665	\$115,927	\$5,738
10	\$148,024	\$134,392	\$13,632
15	\$180,094	\$155,797	\$24,297
20	\$219,112	\$180,611	\$38,501
25	\$266,583	\$209,378	\$57,205

*This chart shows the benefits of tax deferral and compounding interest on an investment of \$100,000 over a period of 25 years. The comparison is between a tax-deferred fixed annuity and a fully taxable investment. The example assumes an interest rate of 4% and a federal tax rate of 25%.*



As a hypothetical comparison, these charts do not indicate or represent actual guaranteed future values and do not include any charges for early surrender, which would reduce account value. The taxable example shows income taxes paid annually. The tax-deferred example does not reflect taxes due on earnings once they are distributed. Taxes on annuity interest earned are due only when you choose to receive an income or make a withdrawal. Withdrawals from an annuity prior to age 59½ may be subject to a 10% IRS penalty. There are no additional tax benefits when an annuity is purchased as an IRA or other tax-qualified plan, since those plans already provide tax-deferred status. Annuities should be purchased as a qualified plan for the value of features other than tax deferral.

<sup>1</sup> This brochure provides a brief description of tax topics for fixed annuities and is not intended to provide tax advice. For tax or legal advice, contact a licensed professional.

## Access to your money.

You can withdraw up to 10% of your contract value free of surrender charges during any contract year.<sup>1</sup> During the first 10 years, surrender charges may be imposed on any amounts withdrawn over the 10% limit.

Year	1	2	3	4	5	6	7	8	9	10	11+
Charge	8%	7%	7%	7%	6%	5%	4%	3%	2%	1%	0%

For 30 days after the end of the 5-year guarantee period, funds are totally accessible without any contract charges.

For 30 days after the end of the 7-year guarantee period, funds are totally accessible without any contract charges.

Guarantee rate periods of 5 or 7 years offer an additional opportunity to access contract values without any charges during the 30 days after the end of the guarantee period. There are no surrender charges on, or after, the 10th contract anniversary.<sup>2</sup>

### Market value adjustment

A market value adjustment (MVA) will be applied to amounts withdrawn above the annual 10% free withdrawal amount and prior to surrender charges. The adjustment will either increase or decrease the annuity's value, depending on how interest rates have changed since the contract was issued. Should the MVA result in a decrease, in no event will it exceed the amount of interest earned above the minimum guarantee. The MVA does not apply after the contract has been in force for 10 years or during the 30-day period following the end of a 5- or 7-year guarantee rate period as shown above. The MVA does not apply to contracts issued in the states of Maryland, Minnesota, Missouri, Oregon and Washington.

### Total access in times of need

You have total access to all contract values without surrender charges and market value adjustments if:

- You are confined to a nursing home or hospital for 180 consecutive days after issue. Not available in California, Massachusetts and Oregon. One year wait to exercise in Connecticut.
- You are diagnosed as terminally ill with a life expectancy of less than one year (two years in Massachusetts and Washington). Full surrenders only in Massachusetts. Not available in California, New Jersey and Oregon. One year wait to exercise in Connecticut.
- Your primary residence sustains damages exceeding \$50,000 and you have applied for assistance through the Federal Emergency Management Agency (FEMA). Not available in California, Connecticut, Florida, Georgia, Illinois, Massachusetts, Minnesota, New Jersey, Oregon, Texas and Washington.



<sup>1</sup> Withdrawals may be subject to taxes, and if made prior to age 59½ may be subject to a 10% IRS penalty.

<sup>2</sup> Surrender charges in Maryland, Minnesota, Oregon and South Carolina apply for only 9 years. The surrender charge schedule is 8%, 7%, 7%, 6%, 5%, 4%, 3%, 2%, 1%.



Victor purchased the MEMBERS Select Fixed Annuity II with a 7-year guarantee period at age 59. Now, at age 66, he decides to elect a guaranteed lifetime monthly income. He names his son, Brent, as the primary beneficiary and designates his only grandchild, Robbie, as a contingent beneficiary. Concerned that his beneficiaries receive any remaining principal if he should die early, Victor selects the Life Income with Cash Refund option.

## Protection before starting income.

MEMBERS Select Fixed Annuity II provides for your family and loved ones. In the event of your death prior to starting annuity income, the entire value goes directly to your named beneficiary, with no surrender charges or market value adjustments. Although the beneficiary's payment may be subject to taxation, annuity payments avoid the costs and delays of probate.

## Guarantee your retirement income.

When you're ready to begin receiving guaranteed<sup>1</sup> retirement income from your MEMBERS Select II, you have flexible annuitization options. Annuitization means turning your accumulated retirement savings directly into a stream of income payments. These payments can begin as soon as two years after issue (one year in Florida and nine years in Oregon unless waived in a non-discriminatory manner). You can choose from a wide range of payment options<sup>2</sup> to help meet your retirement goals.

### Fixed Installment Income

Offers you fixed guaranteed income payments for a selected number of years. Payments can be monthly, quarterly, semi-annually or annually.

### Fixed Life Income

Payments are fixed and guaranteed for your lifetime (single), or the lifetime of both you and another individual (joint). With joint life income, you can also choose to have survivor income remain level or reduced to match anticipated lower expenses.

### Inflation Adjusted Life Income<sup>3</sup>

If you are concerned your annuity income won't keep up with inflation, you can choose lifetime payments designed to help keep pace with rising costs. Inflation adjusted income payments can increase every January based on the changes in the Consumer Price Index (CPI). Should the CPI be negative (deflation), your payments remain the same. They never go down. Inflation adjusted income is available for single or joint life payments.

## Protect your beneficiaries after income begins.

For any lifetime annuitization option you choose, your MEMBERS Select II also has options that can help add protection for your loved ones if you should die early.

### Life with Cash Refund

Payments are guaranteed for life. At death, if the total of all payments made is less than the contract value applied, the difference is paid in a lump sum to your beneficiary.

### Life with Guarantee Period

Payments last for life, and if you die before the end of the guarantee period, your beneficiary receives payments until the period ends.

<sup>1</sup> All guarantees are based on the claims-paying ability of CMFG Life Insurance Company.

<sup>2</sup> Certain payment options may not be available in all states or with all plan types.

<sup>3</sup> Inflation adjusted income not available in Oregon.

## Commonly asked questions.

### How can I purchase the MEMBERS Select Fixed Annuity II?

Your annuity can be established as a traditional IRA, Roth IRA, SEP IRA, deferred compensation plan or through a deposit of after-tax dollars (non-qualified). State variations may apply.

### What is the maximum issue age?

The owner and annuitant may be up to age 90 (age 85 in Oregon) on their last birthday at the time of purchase.

### What is the minimum investment?

The MEMBERS Select Fixed Annuity II requires a payment of \$10,000 to issue the contract.

### Is there a maximum?

The maximum initial purchase payment is \$999,999.

### Can I add more money after issue?

Yes. For a "window" of 120 days after issue, you may add up to two times your initial purchase payment.

### Is there a rate lock for applications received without money?

Yes. Often an annuity is purchased with funds to be transferred from another contract or financial institution. These applications received without money may benefit from the 60-day rate lock feature of the MEMBERS Select II. With the rate lock, if interest rates decrease during the 60 days after we receive your application, the higher rate in place when you applied stays in effect until your money arrives. On the other hand, should rates increase during the 60-day period, then the new, higher current rates will apply once money is received. All appropriate transfer paperwork must accompany the application to begin the rate lock.

### What is the minimum guaranteed interest rate?

The contract's minimum guaranteed rate is determined by state law and in most states will not be less than 1.0% or greater than 3.0%. Your representative can provide the current minimum guaranteed rate for your state.

### Are there any annual contract fees?

No. There are no contract, administrative or up-front fees on the MEMBERS Select II. Your payments go to work immediately.



**Ask your representative to show you how the MEMBERS Select Fixed Annuity II can help you pursue your goals through guaranteed, steady growth.**



*CMFG Life Insurance Company*

CMFG Life Insurance Company  
2000 Heritage Way  
Waverly, IA 50677  
[www.members.cunamutual.com](http://www.members.cunamutual.com)

**All guarantees are backed by the claims-paying ability of CMFG Life Insurance Company.**

Withdrawals may be subject to surrender charges, and may also be subject to a market value adjustment (MVA). Withdrawals of taxable amounts are subject to ordinary income tax, and if taken before age 59½, may be subject to a 10% federal tax penalty. If you are considering purchasing an annuity as an IRA or other tax-qualified plan, you should consider benefits other than tax deferral since those plans already provide tax-deferred status. The company does not provide tax or legal advice. Contact a licensed professional.

MEMBERS Insurance & Investments and MEMBERS are marketing names for the products, services and programs offered by CMFG Life Insurance Company (CMFG Life), MEMBERS Life Insurance Company (MEMBERS Life) and other leading carriers. MEMBERS® is a registered trademark of CMFG Life. CUNA Mutual Group is the marketing name for CUNA Mutual Holding Company, a mutual insurance holding company, its subsidiaries and affiliates.

Annuity and insurance products are issued by CMFG Life, 2000 Heritage Way, Waverly, IA 50677.

**Investment and insurance products are not federally insured, may involve investment risk, may lose value and are not obligations of or guaranteed by any depository or lending institution.**

All contracts and forms may vary by state, and may not be available in all states or through all broker/dealers. Base Policy Form 2002-SPDA; OR policy form 2002-SPDANP(OR).