



CDs vs. MYGAs: Understanding Your Options

Are you seeking a secure, predictable way to grow your money?

A **Multi-Year Guaranteed Annuity (MYGA)** may be the right fit. Like bank Certificates of Deposit (CDs), MYGAs offer guaranteed interest rates for a set term — but they come with extra benefits that may suit your financial goals better.

Feature Comparison

Key Features	CD	MYGA
Free from stock market risk?	✓	✓
Free from administrative fees?	✓	✓
Guaranteed rate for the full term?	✓	✓
Tax-deferred interest earnings?	✗	✓
Penalty-free access to 10% of premium?*	✗	✓
Death benefit to beneficiaries?	✗	✓
Option for guaranteed lifetime income?	✗	✓
Withdrawals before 59½ without IRS penalty?	✓	✗
FDIC insured?	✓	✗

* Up to 10% of your initial premium can typically be withdrawn annually without surrender charges (check terms).



What Is a MYGA?

A **Multi-Year Guaranteed Annuity (MYGA)** is a fixed annuity product that locks in your principal and offers a guaranteed interest rate over a term (usually 3-10 years). It's designed for individuals who want to protect against market volatility but want more flexibility and growth potential than a standard CD.

Important Considerations

- MYGAs are **not FDIC or NCUA insured**
- They **may lose value**
- They are **not bank or credit union guaranteed**
- They are **not a deposit or federally insured**

Early withdrawals may incur surrender charges and may be subject to income taxes, plus a 10% IRS penalty if made before age 59½. Always consult a **licensed financial professional** and a **tax advisor** to see how a MYGA fits into your overall retirement plan.



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