

## Security Benefit Gains Favorable Tax Treatment for Advisory Fees on Annuity Contracts

TOPEKA, KS, February 16, 2021 – Security Benefit today announced that it has received a favorable private letter ruling (PLR) from the Internal Revenue Service (IRS) that payment of certain investment advisory fees from an annuity contract are not treated as a taxable event by the contract owner. This provides financial professionals and their clients with greater flexibility to incorporate non-qualified fee-based annuities in their portfolios.

“We are pleased to receive this favorable treatment from the IRS for our already fast-growing annuity business,” said Mike Reidy, Director of RIA Distribution for Security Benefit. “It represents the removal of a barrier to greater annuity adoption by registered investment advisors and their clients.”

Financial professionals can deduct client fees from the cash value of certain non-qualified Security Benefit annuities, without tax consequences for their clients. The advisory fees must only be for ongoing investment advice and cannot exceed an annual rate of 1.5% of the advisor contract’s cash value. The fees must be related only to the annuity and paid directly to the registered investment advisor.

“The PLR formalizes the tax treatment for our fixed index and variable annuity products,” said Doug Wolff, President of Security Benefit. “We offer, through our relationship with DPL Financial Partners, a powerful set of commission-free retirement solutions and will continue to develop innovative annuity products for this segment.”

Currently, Security Benefit offers a fixed index annuity, ClearLine, and the Elite Designs variable product on DPL’s platform to help meet the business needs of fee-only and fee-based advisors.

### **About Security Benefit**

Security Benefit Corporation (“Security Benefit”), through its subsidiary Security Benefit Life Insurance Company (SBL), a Kansas-based insurance company that has been in business for 129 years, is a leader in the U.S. retirement market. Security Benefit together with its affiliates offers products in a full range of retirement markets and wealth segments for employers and individuals and held \$41.1 billion in assets under management as of December 31, 2019. Security Benefit, an Eldridge business, is one of the fastest growing U.S. retirement companies and continues its mission of helping Americans To and Through Retirement®. Learn more at [www.securitybenefit.com](http://www.securitybenefit.com).

Neither Security Benefit Life Insurance Company (SBL) nor Security Distributors is a fiduciary and the information provided is not intended to be investment advice. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

The ClearLine Annuity, in most states form ICC18 5500 (9-18), is a single premium, deferred fixed index annuity, issued by Security Benefit Life Insurance Company (SBL). Product features, limitations, and availability may vary by state. Not available in all states. Not a deposit. Not insured by any federal agency.

Product not available in New York.

The EliteDesigns Variable Annuity, form V6209, is a flexible premium deferred variable annuity issued by **Security Benefit Life Insurance Company** (SBL) and distributed by **Security Distributors**, a subsidiary of SBL. SBL is a subsidiary of Security Benefit Corporation (Security Benefit).

**33You should consider the investment objectives, risks, and charges and expenses of the investment options available under the EliteDesigns Variable Annuity carefully before investing. You may obtain a prospectus that contains this and other information about the investment options or Variable Annuity by calling 800.888.2461. You should read the prospectus carefully before investing. Investing in variable annuities involves risk and there is no guarantee of investment results.**

Annuities are long-term investments suitable for retirement investing. The investment return and principal value of an investment in the EliteDesigns Variable Annuity will fluctuate and you may have a gain or loss at redemption.

Guarantees provided by annuities are subject to the financial strength of the issuing insurance company. Annuities are not FDIC or NCUA/NCUSIF insured; are not obligations or deposits of and are not guaranteed or underwritten by any bank, savings and loan, or credit union or its affiliates; and are unrelated to and not a condition of the provision or term of any banking service or activity.

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