

OAKLAND BUSINESS & Finance

BUSINESS MILESTONES

This column highlights promotions, transfers, hirings, openings and other key business news with Farmington-area connections. Send a brief biographical summary — including the town of residence and employment and a photo, if possible, to: Business Editor, Farmington Observer, 33411 Grand River, Farmington 48335. The Observer's fax number is (810) 477-9722.

Mark T. Boonstra, an attorney from the law firm of Miller, Canfield, Paddock and Stone, P.L.C., and a litigator with the firm's Detroit office, was elected to a three-year term as a member of the Antitrust, Franchising, and Trade Regulation Section.

Patricia Temple of Farmington Hills was selected as Quality Achiever of the Year at Jervis B. Webb Company's recent "Webb 9000" quality kickoff luncheon.

Temple has been Temple employed in the Information Services Department at Webb World Headquarters in Farmington Hills for 11 years. As a Business Analyst specializing in production and materials, she helps fellow employees resolve business problems through the use of computer and communications technology.

Marc Borovoy, D.P.M. of Farmington Hills has been named Immediate Past President of the Michigan Podiatric Medical Association (MPMA), the statewide organization of physician specialists of the foot and ankle. He began his two-year term on Sept. 29.

Borovoy is a graduate of Wayne State University and the Ohio College of Podiatric Medicine. He is a diplomate of the American Board of Podiatric Surgery, American Board of Quality Assurance

and Utilization Review and Fellow of the American College of Foot and Ankle Surgeons. He was named Podiatrist of the Year in 1983 by the Southeast Division of MPMA and received the Shilling Star Award in 1993.

Michael Gerber, D.P.M. of Farmington Hills has been named to the Board of Directors of the Michigan Podiatric Medical Association (MPMA), the statewide organization of the physician specialists of the foot and ankle. He was elected to his term in office Sept. 29.

Gerber has been involved with the MPMA for 14 years and is vice president of the Macomb/Oakland Division of the MPMA. He is a graduate of the University of Detroit and the Ohio College of Podiatric Medicine.

Gerber is a board certified by the American Board of Podiatric Orthopedics, American Board of Foot and Ankle Surgeons and a Fellow of the American College of Foot Orthopedists and the American College of Foot and Ankle Surgeons.

Steven Binder, D.P.M. of Farmington Hills completed his four-year term as secretary of the Michigan Podiatric Medical Association (MPMA), the statewide organization of physician specialists of the foot and ankle.

Binder is chair of the Investment Committee of the MPMA and serves on the Membership Services Committee. He is a 1983 graduate of Ohio College of Podiatric Medicine.

Binder is on the staff at Pontiac Osteopathic Hospital where he is vice-chair of the Department of Podiatry.

Marie Delawaky, D.P.M. of Farmington Hills completed her term on the Board of Directors of the Michigan Podiatric Medical Association (MPMA), the statewide organization of physician specialists of the foot and ankle.

She was named Podiatrist of the Year in 1993 by the MPMA Southeast Division. She is a graduate of Wayne State University and the Scholl College of Podiatric Medicine.

Amount and Duration of Investment

\$60,000 over 30 years
\$40,000 over 20 years
\$20,000 over 10 years

Total Accumulated

\$202,146
\$ 87,730
\$ 29,567

Monthly Benefit (10 years certain) Starting at Age 65

\$1,557
\$ 676
\$ 228

Options are plentiful for accruing annuity

Second of two parts.



SID MITTA, Ph.D.

MORE THAN MONEY You can choose the period over which your annuity will be paid. Here are some common options.

Straight life annuity. You receive an income for as long as you live. However, there are no payments to anyone after you die. This type of annuity contract is sometimes called a "pure" annuity. You get payments for as long as you live — no more, no less. This type of annuity provides the most income per dollar of purchase money. It is recommended for someone who wants the most income possible and either has no dependents or has taken care of them through other means.

Life annuity with period certain. You receive an income for as long as you live. If you die within a certain period after you start getting paid, your beneficiary will get regular payments for the remainder of that period (usually 10 or 20 years). Because this policy contains an added benefit, the amount of monthly income per dollar of purchase money is less than with a straight annuity.

Under a variable annuity, the money generally is invested in common stocks or other equity (ownership) investments. The income you receive will be linked

directly to the market values of the investments and will vary during the payout period.

Costs

How much you pay for an annuity depends on how much monthly income you want to receive, your age when you buy the annuity contract, and when you want to start receiving income. It also depends on how you wish to make your payments — in a single sum or in a series of payments. For a single-premium deferred annuity, the smallest amount of purchase payment a company may accept can be \$2,500 to \$10,000. For a flexible premium retirement annuity, the company may accept payments of less than \$100, although it may require more in the first year. You should compare annuity contracts offered by different companies, since sales charges, surrender charges, interest rates and payouts can vary.

Sales and Surrender Charges. Let's take a look at deferred annuities first. Most companies offer plans that levy no sales charge. They are called "no-load" plans. Instead, you may be required to pay a surrender charge if you decide not to keep your contract. Surrender charges typically decrease to zero after five to 10 years from the date of issue of the contract or from receipt of a particular premium payment. Some companies waive the surrender charge if the interest rate being credited to the contract falls below a specified level.

Some companies charge a small annual maintenance fee, perhaps in years in which no premium payment is made, under a flexible premium retirement annuity. Such fees, as well as the sales charge (if any) are deducted from the accumulated contract value. Maintenance and asset management fees are common under variable annuities.

Immediate annuity contracts cannot be surrendered, and there is no contract value as such. Accordingly, sales charges, surrender charges and maintenance fees are not applicable.

Loans. Some contracts let you borrow against your accumulated contract value. You may also be able to use the annuity as collateral for a bank loan. Interest. With deferred annuities, insurance companies guarantee the interest that will be credited to your contract value. Every contract contains a long-term guarantee. The company, typically, credits interest at rates higher than the guarantee, as its investment results permit, and it may provide short-term guaranteed rate or rates.

With an immediate annuity, you will be told at the time of purchase exactly how much money you will get and when you will get it.

Shopping for an annuity

Each company prices annuities differently. In 1991, a 65-year-old woman buying an immediate annuity could receive income of around \$9,000 to \$10,000 a year

for life in return for a payment of \$100,000.

The following table gives examples of monthly life income at 65, with 10 years certain, that might result from paying various amounts into a deferred annuity contract for different periods of time. The examples are based on contributions of \$2,000 a year paid annually and illustrative rates for men published in 1992. Also, for purposes of this illustration, it accumulates at 7 percent per year. Taxes are not factored in either before or after retirement.

How about taxes?

When you buy a deferred annuity, the interest credited to your contract builds up free of current income tax. Once you start to receive a monthly payment, however, the government begins to tax the accumulated interest. Part of each payment will be interest and will be taxed as ordinary income. The other part is principal and is not taxable. This is true of both deferred and immediate annuities.

If you withdraw money from your annuity before age 59½, the interest you have earned on your contributions must be withdrawn before the principal and is subject to personal income tax. In addition, there is a 10-percent penalty tax on such premature withdrawals, except in certain circumstances, such as disability, death, or conversion into a lifetime annuity.

More Than Mutual Funds — A Whole New Way To Invest

Discover The Fidelity Investor Center



Come In For Your Free Personal Review

At Fidelity Investments, we took the commitment to excellence that's helped make us what we are today and put it to work in creating a new and better way to invest. It starts when you visit one of our local Investor Centers.

Find More Of The Investments You're Looking For

- Choose among a full range of mutual funds, not only Fidelity's but hundreds of no-load funds from other popular companies.
- Discount brokerage services that can save you up to 76% vs. full-cost brokers.*
- U.S. Treasuries, annuities, no-monthly-fee asset management accounts and more.

And Helpful Information Without Sales Pressure

You can begin by making an appointment for a free portfolio review. Using our powerful Workstation software, we'll help you project what if scenarios to assist with your planning and investing, even showing you the potential impacts of taxes and inflation on your investments over time.

And whether you're looking for market information such as Value Line and Standard & Poor's Guides, or to sign up for one of our free seminars, we'll focus on providing just as much — or as little — assistance as you need to take your next step.

Most of all, you'll find a relaxed, comfortable atmosphere for talking about all of your most important financial goals.

Visit Or Call A Fidelity Investor Center Today

Southfield Investor Center Birmingham Investor Center
Franklin Plaza, 20155 Northwestern Hwy. 280 North Woodward Avenue
NEW LOCATION

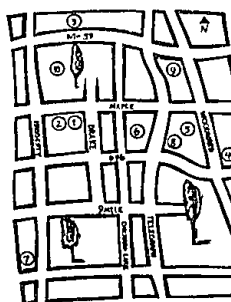
1-800-544-9797



©1995 FID

*For more complete information on any mutual fund offered through Fidelity including charges and expenses, call for a free prospectus. Please read it carefully before you invest or send money.

*76% savings based on April 1993 survey of full cost brokers. Minimum commission \$38. Savings will vary based on size and nature of trade. Fidelity Brokerage Services, Inc. Member NYSE, SIPC.



Finding us is as easy as 1,2,3,4,5,6,7,8,9,10.

We're here for you. And there for you. Everywhere in your community. With 10 facilities near you, you're never more than 15 minutes from Henry Ford care — anytime of the day or night.

With our expansion at Henry Ford Medical Center-West Bloomfield, we can do even more for you. In addition to internal medicine, OB/GYN, pediatrics, dermatology, eye care, orthopedics and, of course, 24-hour emergency care, we offer nearly 150 physicians in more than 35 specialties — all under one roof.



HAP and most major health care plans are welcome. Our members are also welcomed at over 60 hospitals and medical centers throughout Southeastern Michigan.

For after-hours questions, you can call our nursing advice service and talk with an experienced nurse who has immediate access to your medical information. And should you need hospital care, ask your doctor about admission to nearby St. Joseph's Hospital-Oakland, Huron Valley Hospital or Henry Ford Hospital.

More space, more physicians, more services, the same high level of care... this is Henry Ford Medical Center-West Bloomfield. Find out just how much more accommodating we are. Stop by and see us. For a Henry Ford physician, call 1-800-653-6568.

HENRY FORD MEDICAL CENTER
West Bloomfield

The Name You Can Trust For Complete Health Care.
6777 W. Maple Road, West Bloomfield, MI 48322

Henry Ford Medical Center-West Bloomfield, 6777 W. Maple Road, West Bloomfield, MI 48322. Henry Ford Medical Center-East, 280 North Woodward Avenue, Birmingham, MI 48203. Henry Ford Medical Center-North, 11111 W. Warren Avenue, Detroit, MI 48226. Henry Ford Medical Center-South, 2800 E. Warren Avenue, Detroit, MI 48207. Henry Ford Medical Center-Town Center, 11111 W. Warren Avenue, Detroit, MI 48226. Henry Ford Medical Center-University, 4201 E. University Road, Detroit, MI 48207. (*Not open to Henry Ford patients)