

Guaranteed Lifetime Income Riders

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Guaranteed Lifetime Income Riders

- **Provides a lifetime income** (subject to certain restrictions)
- **Client has control of the money remaining in their contract** (annuitization not required)
- **Client has choice of rate/benefit option that best suits their needs**
- **Spousal income benefit available**

Guaranteed Lifetime Income Riders

- Based on the rate chosen, the Income Account will grow at a predetermined rate to provide a lifetime income in the future.
- The Income Account is an accounting value used solely to determine the amount of income you will earn under the income rider.
- It is not an accessible value (via surrender or withdrawal). It serves as a measuring value for purposes of the rider only.
- $\text{Income Value} = \text{premiums paid} + \text{bonus accumulated at the IAV rate chosen (3\% - 7\%, depending on product)}$
- $\text{Contract/Account Value} = \text{premiums paid} + \text{bonus accumulated at the indexed interest rate credited each year (never below 0\%)}$.
- The Income Value accumulation period ends when lifetime income payments begin or the contract terminates.
- Lifetime income is available without a surrender charge.

Guaranteed Lifetime Income Riders

Contract Value

Grows based on index credits & determines

- 10% penalty-free withdrawal
- Required Minimum Distributions (RMD)
- Terminal Illness/Nursing Home
- Death Benefit

Income Value

Grows @ 3% - 7% and determines

- Used solely to determine the guaranteed lifetime income payout

Lifetime Income Benefit Rider

- American Equity 3% - Guarantees 3% compound annual growth for up to 20 years or until income payments begin at no initial fee. Available for all issue ages. Cannot be changed after issue. Cannot change to 5.5% or 6% at age 50.
- American Equity 5.5% - Guarantees 5.5% compound annual growth for up to 20 years or until income payments begin for 0.75% annual fee. Available for issue ages 50+. Cannot be changed after issue.
- American Equity 6% - Guarantees 6% compound annual growth for up to 10 years or until income payments begin for 0.90% annual fee. Available for issue ages 50+.

Guaranteed Minimum Withdrawal Benefit (GMWB)

- F&G Prosperity Elite 6.5% - Guarantees 6.5% compound annual growth for up to 20 years or until income payments begin for 1.30% annual fee. Available for all issue ages.
- F&G Accumulator Plus 6.75% - Guarantees 6.75% compound annual growth for up to 20 years or until income payments begin for 0.70% annual fee. Available for all issue ages.
- F&G Safe Income Plus 7% - Guarantees 7% compound annual growth for up to 20 years or until income payments begin for 1.05% annual fee. Available for all issue ages.

Guaranteed Minimum Withdrawal Benefit (GMWB)

- Phoenix Personal Income Annuity, Income Today – For those needing immediate income. Fee is 1.15%. Available for all issue ages.
 - 30% bonus to Income Account only if income started in 1st policy year
 - 37.5% bonus to Income Account only if income started in 2nd policy year
 - 45% bonus to Income Account only if income started in 3rd policy year
- Phoenix Personal Income Annuity, Income Tomorrow – For those needing income 4 or more years in future. Guarantees 14% simple annual growth for up to 10 years or until income payments begin for 1.15% annual fee. Available for all issue ages.

American Equity LIBR

- **No cost option, 3% growth**

\$200,000

+ 10%

\$220,000

@ 3%

\$295,662

X 5.4%

\$ 15,966

Premium at age 60

Bonus Gold bonus

Guaranteed interest

Income Value in 10 yr

Single Life Payout Factor Male, age 70

Annual payment for life

American Equity LIBR

- **Option with 0.75% fee and 5.5% growth**

\$200,000	Premium at age 60
+ 10%	Bonus Gold bonus
<u>\$220,000</u>	
@ 5.5%	Guaranteed interest
\$375,792	Income Value in 10 yr (age 70)
\$ 20,293	Annual payment for life at age 70

GA / BONUS GOLD I-1-07LB15 / LIFETIME INCOME BENEFIT RIDER (5.5%) / \$200,000.00

Date	Age	Contract Year	Income Account Value	Benefit Payout Percent	Lifetime Income Benefit Payment
1/4/2016	60	1	\$220,000.00	Not Eligible	Not Eligible
1/4/2017	61	2	\$232,100.00	4.50%	\$10,444.50
1/4/2018	62	3	\$244,865.50	4.60%	\$11,263.81
1/4/2019	63	4	\$258,333.10	4.70%	\$12,141.66
1/4/2020	64	5	\$272,541.42	4.80%	\$13,081.99
1/4/2021	65	6	\$287,531.20	4.90%	\$14,089.03
1/4/2022	66	7	\$303,345.42	5.00%	\$15,167.27
1/4/2023	67	8	\$320,029.42	5.10%	\$16,321.50
1/4/2024	68	9	\$337,631.03	5.20%	\$17,556.81
1/4/2025	69	10	\$356,200.74	5.30%	\$18,878.64
1/4/2026	70	11	\$375,791.78	5.40%	\$20,292.76
1/4/2027	71	12	\$396,460.33	5.50%	\$21,805.32
1/4/2028	72	13	\$418,265.65	5.60%	\$23,422.88
1/4/2029	73	14	\$441,270.26	5.70%	\$25,152.40
1/4/2030	74	15	\$465,540.12	5.80%	\$27,001.33
1/4/2031	75	16	\$491,144.83	5.90%	\$28,977.54
1/4/2032	76	17	\$518,157.79	6.00%	\$31,089.47
1/4/2033	77	18	\$546,656.47	6.10%	\$33,346.04
1/4/2034	78	19	\$576,722.58	6.20%	\$35,756.80
1/4/2035	79	20	\$608,442.32	6.30%	\$38,331.87

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- Can be stopped and restarted
- May start LIB at the later of Age 50 or 1st Contract Anniversary (immediately for Phoenix)
- Payments may be monthly, quarterly, bi-annually, and annually

Income Value Period

- The period of time during which the Income Value is credited the income rate (3%, 5.5% or 6%).
- The initial Income Value period is
 - 10 years for 3% and 5.5% options (can reset for another 10 years) for American Equity
 - 5 years for 6% option (can reset for another 5 years) for American Equity
 - 10 years for 6.5% and 7% options (can reset for another 10 years) for F&G
 - 10 years for Phoenix

Guaranteed Death Benefit Riders

Riders NOT available in all states

F&G Prosperity Elite Guaranteed Minimum Death Benefit

- Only available with Prosperity Elite
- Guarantees the death benefit will grow at a minimum 5 or 6.5% simple interest for the earliest of 10 yrs or to age 85
- Part of the Enhancement & Protection Package (0.50% or 1.30% fee)
- Beneficiary can choose
 - 1. Account value in a lump sum
 - 2. Guaranteed Minimum Death Benefit in a lump sum

Wellbeing / Impairment Riders

Riders NOT available in all states

American Equity Wellbeing rider (income doubler)

- Only available with the 5.5% and 6% rider
- Will double (150% increase for joint life income) their single life income payout if they are unable to perform 2 of 6 Activities of Daily Living (ADLs)
- Can choose home health care (no nursing home requirement)
- 0.85% annual fee for 5.5% LIBR (1.0% fee for 6% LIBR)
- 2 year waiting period
- 5 year max benefit period (as long as ADL eligibility requirements are met)
- Can only elect once
- Only available with the level payout option

F&G Prosperity Elite Impairment Rider

- Only available with Prosperity Elite
- Will double (150% increase for joint life income) their single life income payout if they are permanently unable to perform 2 of 6 Activities of Daily Living (ADLs)
- Part of Enhancement & Protection Package (0.50% or 1.30% fee)
- Can choose home health care (no nursing home requirement)
- 3 year waiting period (with no premiums added in past 3 years)
- Annuitant must be age 60+ at time of impairment
- Can only elect once

EXCESS WITHDRAWALS

- Partial withdrawals after LIB payments begin reduce LIB payment amounts by same percentage as Base Contract's Contract Value
For example: withdrawal of 5% of Base Contract's Contract Value reduces subsequent guaranteed payments by 5%
- If Base Contract's Contract Value is reduced to zero
IAV also reduces to zero & LIB payments will stop

Surrender charges may apply to Excess withdrawals that exceed 10% annual penalty free withdrawal available under the Base Contract
You may be subject to a 10% Federal penalty if you make withdrawals before age 59½.