

Help clients maximize income for the early, active retirement “Go-Go” years

Offer MORE income for the “Go-Go” years

Research from the U.S. Department of Labor has shown that income spending of retirees is the largest at the beginning of retirement (the active, “go-go” years) and declines as they get older (the “slow-go” years)! Healthcare is the one expense that may increase (+2%), while their Entertainment expense really declined (-28%).¹

The Early Years: “Go-Go Years”

Income need: HIGH

- Travel
- Vacation home or home improvements
- Grandchildren

The Middle Years: “Slow-Go Years”

Income need: MODERATE

- Less travel
- Downsizing

The Later Years: “No-Go Years”

Income need: LOW

- Stay close to home
- Not as much entertaining

Annual Spending	Age 65-74	Age 75+	% Change 65-75+
Apparel & Services	\$1,497	\$1,035	-31%
Entertainment	2,700	1,946	-28%
Food & Alcohol	7,919	5,938	-25%
Healthcare	6,772	6,914	+2%
Housing	18,709	15,806	-16%
Transportation	8,640	5,960	-31%
Miscellaneous & Other	5,024	4,492	-11%
Personal Insurance & Other	3,826	1,532	-60%
Total Expenditures	\$55,087	\$43,623	-21%

Source: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey, September 2020.

Lifetime Income Choice guaranteed living benefit rider’s **Max Income option** offers high initial withdrawal rates of up to **7.25%** (ages 72+, single life) with up to 4% Protected Income Payment Percentage (PIPP) for life!

¹Source: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey, September 2020

Offer clients a powerful income advantage for the Go-Go years

Max Income Option vs. 5% for life

Hypothetical example assumptions, \$100,000 premium, single life, issue age 65, 0% growth rate net of fee, and withdrawals starting immediately.

With 6.25% annual withdrawals at age 65, Max Income would provide clients with **20% more** cumulative income at age 80 than a 5% level income withdrawal strategy.

Clients can withdraw the Max Income rate each year until the contract value (CV) is depleted to \$0 due to withdrawals and the annual rider fee. Only when the CV reaches \$0, clients will receive the Protected Income Payment Percentage (PIPP) for life, which has a lower percentage.

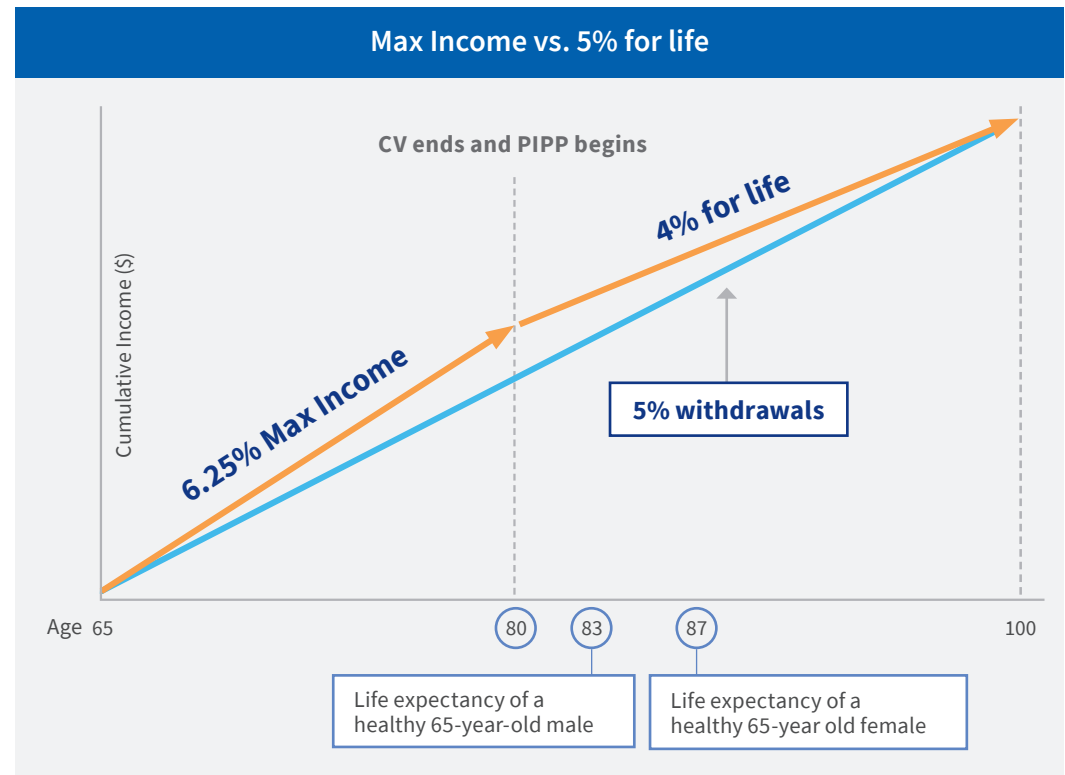
Cumulative income from Max Income remains higher than a 5% level stream of income until age 100 in this example!

Income Advantage of Lifetime Income Choice		
Age	Lifetime Income Choice cumulative income	5% withdrawals cumulative income
65	\$6,250	\$5,000 (per year)
70	\$37,500	\$30,000
75	\$68,750	\$55,000
80	\$100,000	\$80,000
85	\$120,000	\$105,000
90	\$140,000	\$130,000
95	\$160,000	\$156,407

Traditional “5 for Life” and “4.0 for Life” features referenced are hypothetical. They are for illustrative purposes only and not intended to be an actual comparison to a feature offered by a competitor. The comparisons above illustrate a mathematical principle, assume all other potential variables between annuity contracts and income features are the same and do not reflect any gains, income credits or fees associated with any product or feature.

There are two lifetime income options available with Lifetime Income Choice: Max Income and Level Income. The name Max Income does not imply that this option will provide more cumulative income than the Level Income Option. Max Income Option is designed to provide higher initial income than other options and will deplete the contract value quicker than a level income stream. The option’s initial rates will last until the contract value is depleted, at which point the client will receive the lower Protected Income Payment Percentage (PIPP) for life. Rider and option must be selected at contract issue and cannot be changed thereafter.

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In this example, Max Income offers

- \$6,250 per year until contract value is \$0 at age 80
- \$4,000 per year for life, 4% PIPP



Let's connect to put the power of Lifetime Income Choice to work for your clients!

Important information about Lifetime Income Choice

Lifetime Income Choice is available for an annual fee of 1.10% of the Income Base. The maximum annual amount that can be withdrawn under Max Income ranges from 2.60% to 7.25%, depending on the number of individuals covered, their age at the time of activation and whether or not the contract value has been depleted. The maximum withdrawal rate of up to 7.25% will remain in effect until the contract value is depleted, after which the Protected Income Payment Percentage (PIPP) of up to 4.00% will be paid for life. The name Max Income does not imply that it will provide more cumulative income than the Level Income option. The Level Income option provides annual withdrawals of 3.00% to 5.85%, depending on the number of individuals covered and their age at the time of activation. With the Level Income option, the lifetime withdrawal rate is not reduced once the contract value goes to zero. Either the Max Income or the Level Income option must be selected at contract issue and cannot be changed thereafter.

Activation is the decision to begin lifetime withdrawals under Lifetime Income Choice. The Income Base is the amount on which lifetime withdrawals are based. It is not a part of the contract value and cannot be withdrawn partially or in a lump sum. The Income Base is initially equal to the first eligible premium and is increased each time an eligible premium is made. It is also adjusted for withdrawals (prior to activation) and excess withdrawals (after activation). On each contract anniversary, the Income Base may increase with any available income credits. Eligible premiums are all premiums made in the contract's first 30 days.

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be appropriate for all individuals.

Withdrawals may be subject to federal and/or state income taxes. An additional 10% federal tax may apply if clients make withdrawals or surrender their annuity before age 59½. Clients should consult a tax advisor regarding their specific situation.

Lifetime Income Choice is a guaranteed living benefit rider available at contract issue in select Power Series Index Annuities for an annual fee of 1.10% of the Income Base. The Income Base is initially equal to the first eligible premium. The Income Base is adjusted for withdrawals (prior to activating the lifetime income benefit) and excess withdrawals (after activation and the first lifetime withdrawal) and is increased each time an eligible premium is made. Eligible premiums are all premiums made in the first 30 days of the contract. On each contract anniversary, the Income Base is set to equal the greater of 1) the contract value; or 2) the Income Base increased by any available income credit.

Annuities are issued by **American General Life Insurance Company**, Houston, Texas American General Life Insurance Company (AGL) is a member of the American International Group, Inc. (AIG) family of financial services companies. The underwriting risks, financial and contractual obligations and support functions associated with the annuities issued by AGL are its responsibility. Guarantees are backed by the claims-paying ability of AGL. AGL does not issue products in the state of New York. Annuities and riders may vary by state and are not available in all states.

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