

Guaranteed lifetime  
income with a  
cash-out option.



Yes, you heard right.  
Guaranteed Minimum  
Withdrawal Benefit in  
AG Global Index® Annuities

## Guaranteed Minimum Withdrawal Benefit in AG Global Index® Annuities

Until recently, annuity owners could only receive guaranteed lifetime income payments by irrevocably giving up access to their annuity's cash value. Good news! We offer a flexible lifetime income option: the Guaranteed Minimum Withdrawal Benefit (GMWB).

The GMWB lets you:

- Tap into your annuity with a series of withdrawals that will continue for the rest of your life — even if those withdrawals completely deplete your annuity's value.
- Create an income stream with the potential to grow and with the security that you know the amount that you can withdraw each year without any surprises.
- Cash out at any time — giving you the peace of mind that comes with knowing you'll have an extra source of funds if an emergency strikes or your plans change.

You don't have to decide today if you want to take advantage of the GMWB—it's a built-in option with no up-front cost when your contract is issued.

### How it Works

Once you're ready to turn your savings into retirement income, you can start receiving GMWB withdrawals, provided:

- You've owned your contract for at least a year.

- Your account value is at least \$50,000.
- You're at least 55 years old and less than 91 years old. (Different age rules apply if you own your contract jointly with your spouse. See the Question & Answer section).

When you elect to start receiving the GMWB, a maximum benefit amount will be calculated as a percentage of your annuity's value at the beginning of that contract year. Each year we will recalculate your maximum benefit amount based upon your current age and annuity value. And, even if the annual recalculation results in a lower number, your maximum benefit amount will never decrease from year to year (provided you don't take more than the calculated maximum).

As you can see from the chart, the percentage used in the annual calculation grows higher as you age — which means your benefit amount has the

GMWB Income Percentages

Attained Age	Individual Owner	Joint Owners*
55-59	4.5%	3.5%
60-64	5.0%	4.0%
65-69	5.5%	4.5%
70-74	6.0%	5.0%
75-79	6.5%	5.5%
80-84	7.0%	6.0%
85+	7.5%	6.5%

\*Use average of the two ages

potential to grow depending on the amount of interest credited to your annuity.<sup>1</sup> Once a maximum benefit amount is calculated, you may withdraw up to that amount during the following contract year. Simply tell us how much of the calculated benefit amount you would like to withdraw and how often you would like to receive the benefits. See rider for full details.

## No up-front costs

The GMWB is a built-in benefit with no additional up-front cost. If you decide to begin the GMWB, your Account Options may be subject to lower caps, participation rates and/or interest crediting rates than if you hadn't started the GMWB. This variance is called a rate differential. When you elect GMWB withdrawals, we'll tell you the amounts of the differentials and — once they are set for your contract — they will never change. Keep in mind though that the Caps and Participation Rate that the rate differentials are applied to will change each year on your anniversary. Rest assured, rate differentials can never create negative interest rates.

<sup>1</sup> Additional premiums under the AG Global 8 Index® contract can also translate into increased GMWB.

## Questions & Answers About Guaranteed Minimum Withdrawal Benefit

### What's the process for electing GMWB withdrawals when I'm ready?

After each contract anniversary when your age and annuity value requirements are met, you'll receive a written notice of your option to elect the GMWB on your annual statement. Make your request within 45 days of your contract anniversary, and benefits will start retroactive to the contract anniversary.

### In addition to annual benefits, are there other options?

You can also choose to receive benefits semiannually, quarterly or monthly.

### What happens if I withdraw more than the maximum calculated benefit amount?

Withdrawals of more than the maximum calculated amount are called "excess withdrawals." Withdrawals resulting from a Required Minimum Distribution (RMD) for the annuity value of this contract aren't considered excess.

If you take excess withdrawals, your maximum benefit amount for the next year will be reduced by a prorated percentage based on the amount of the excess withdrawal relative to your contract's annuity value.

## The GMWB in action: An example

Meet Gordon. He owns an annuity valued at \$100,000 when he elects to begin GMWB withdrawals. Because he's 69 years old, his initial maximum calculated benefit amount would be 5.5% of \$100,000 — or \$5,500.

Let's assume that, a year later, his annuity value is \$99,225 (reflecting the previous withdrawal and a year of hypothetical interest). Now that he's reached age 70, his maximum calculated benefit amount would be 6% of \$99,225, or \$5,954.

The next year, his annuity value has decreased somewhat, to \$97,000 (reflecting the previous withdrawal and a year of hypothetical interest). The income percentage calculation initially indicates a maximum benefit amount of \$5,820. However, as noted earlier, the GMWB guarantees his maximum benefit amount will never decrease from year to year as long as he hasn't taken any excess withdrawals. Therefore, his maximum benefit amount would remain at \$5,954.

*Not an actual case; presented for illustrative purposes only.*

### Can I stop receiving withdrawals under GMWB once I've started them?

Once you have elected to receive the GMWB process, a maximum benefit amount is calculated each year. You can withdraw any dollar amount — up to and including — this calculated maximum benefit each year without diminishing the GMWB value in future years. Said a different way, if you choose not to take a withdrawal or you take one for less than the calculated maximum benefit amount, then you simply increase the chances that future years' calculated benefit amount will be higher than the current year's.

### What happens if my GMWB causes my annuity value to decrease to zero?

The following year you will begin to receive benefits equal to the last calculated maximum benefit amount; annual recalculation will cease.

### How does joint ownership of an annuity affect the GMWB?

First, joint ownership affects the requirements for electing the GMWB. When a contract is owned jointly:

- There may only be two joint owners and they must be spouses.
- Both owners must be at least 50 but less than 90 years old.
- Their average age must be at least 55.

These are in addition to the requirements that the annuity be held for at least one year and have at least \$50,000 in annuity value.

Annuities with joint owners also use different income percentages to calculate the maximum benefit amount (please refer to the chart in the "How it Works" section). The average age of the joint owners is used to calculate benefits.

Joint ownership also affects what happens in the event of your death; this is covered in the next question.

*Continued on next page*

### **What if I die after I elect to start the GMWB?**

The answer depends on whether you own your contract as an individual or jointly with your spouse:

- Single contract owners' beneficiaries will receive the annuity's death benefit provided the annuity value is greater than zero when the owner dies.
- Joint contract owners, as noted earlier, must be spouses. The surviving spouse has the option to continue receiving benefits as if both owners were still alive.
- Or the spouse can receive the death benefit, provided the annuity value is greater than zero.

### **What if my spouse and I have a joint contract, we have not elected to start the GMWB and one of us dies?**

The surviving spouse will then become the sole owner and may elect to start the GMWB whenever he/she desires. The GMWB amount will be based upon the age of the surviving spouse and may begin on the next contract anniversary.

### **Are withdrawal charges applied to benefits received under the GMWB?**

No, but each withdrawal taken is counted toward the 10% allowed under the Free Withdrawal Provision.

### **How are GMWB withdrawals treated for tax purposes?**

They're treated as partial withdrawals. Your taxes will depend on:

- Whether your contract is a nonqualified or qualified contract.
- Your cost basis, if any.
- Your current annuity value.

Your tax professional can provide additional guidance on annuity taxation.<sup>2</sup>

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<sup>2</sup> Withdrawals may be subject to Federal and/or State income taxes. A 10% Federal penalty tax may apply if you make withdrawals or surrender your annuity before age 59-1/2. Beginning January 1, 2013, annuity income may be subject to an additional tax of 3.8% under specific factual situations. Consult your tax advisor regarding your specific situation.

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This brochure is not intended to be all-inclusive of product information. State variations may apply. It is not meant to be a substitute for the actual contract. Please refer to the contract for complete details.

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