

American PathwaySM

Immediate Annuity

A single-premium immediate fixed-income annuity with guaranteed payments

Through our American Pathway series of annuities, we offer protection of your savings and predictable retirement income payments. We are committed to helping protect the financial security of you and your family.

All guarantees are backed by the claims-paying ability of the issuing insurance company.

Balance today's needs with those of tomorrow

If you want guaranteed income payments that will continue for as long as you live and can even adjust to keep pace with inflation, the American Pathway Immediate Annuity may be for you. You select how much income you'll receive, how frequently you'll receive it and how long the payments will continue. You can convert a single sum of as little as \$10,000 into a guaranteed lifetime stream of income payments.¹ Ask your financial professional about American Pathway Immediate Annuity if you're looking for:

- **More income:** an income annuity may generate more income than other products or methods.²
- **Security** in knowing you could never outlive your assets.³
- **Flexibility** to decide how long your payments will last (lifetime or specified period).

A tax-advantaged approach

The American Pathway Immediate Annuity enjoys tax-favored treatment under current federal income tax laws. For nonqualified annuities (purchased with after-tax dollars), only a portion of each payment you receive — the interest earned — is considered taxable. The remainder of the payment is considered return of principal until your entire original principal has been received.

Customize your annuity by choosing among options like payment frequency, automatic increase, advance payment, and choice of payee.



Customize your income plan

- **Timely benefits:** Receive your payments monthly, quarterly, semiannually, or annually, beginning from one to 12 months after your contract is issued.
- **Convenient delivery:** Have payments mailed to your home or enjoy the convenience of direct deposit into your checking or savings account.
- **Payee choice:** The entire income payment, or a partial amount, can be directed to an alternate party, such as a charity, institution, family member or other individual. The contract owner is still responsible for the income tax on distributions to an alternate payee.

Income payment options

- **Single life contingency options:** These options cover the life of one person, the annuitant. Depending on the option you select, payments may be received for the life of the annuitant only, or you may specify that if the amount of payments received is less than the premium you paid, the difference may be paid to a beneficiary following the annuitant's death.
- **Joint life options:** These options cover the lives of two annuitants. Under one option, the survivor continues to receive an annuity payment for his/her life, of the same dollar amount or a decreased percentage. Another option lets you designate primary and secondary annuitants, with the secondary annuitant receiving decreased payments for life following the primary annuitant's death.
- **Certain period option:** This option provides payments for a specified length of time. Nonqualified annuities may have certain periods between five and 40 years. Qualified (funded with pretax dollars) annuities may have a certain period that is no less than five years, but no greater than the annuitant's life expectancy (determined according to IRS minimum distribution rules). In times of low interest rates, some certain periods may not be available.

Payment increase options

These options, whether inflation adjusted or automatic, allow you to receive an increase in your income payments.

- **Automatic increase percentages:** When you select this option, you can choose an annual increase of 1% to 5% to your income payment from the following choices ...
 - Flat dollar increase
 - Simple percentage increase
 - Compounded percentage increase

The initial income payment for increasing contracts will be lower than for contracts without an increasing income payment.

- **Consumer Price Index-U:** This option provides an annual cost-of-living (inflation) adjustment to your income payment. Your income payments are adjusted annually and can increase or decrease along with the non-seasonally adjusted Consumer Price Index (CPI-U) published by the U.S. Bureau of Labor Statistics. On the upside, there is no cap on the increase percentage. On the downside, rest assured you will never receive less than your initial income payment.

Advance payment option

If you are receiving annuity income payments on a monthly basis, you can request to receive a lump-sum payment equal to the value of the next six months' worth of payments. Your regularly scheduled payments will resume after six months. You may exercise this feature if you are age 59½ or older and the contract is a nonqualified plan. This valuable feature may be elected twice during the life of the annuity contract.⁴

¹ Depending on payment option chosen.

² In exchange for higher payments, income annuities permanently convert principal into a guaranteed payment stream.

³ Refers to assets used to purchase this annuity.

⁴ The company expects to report the full amount of the accelerated payment as fully taxable for the year of the payment, and recalculate the exclusion ratio for the remaining payments. This may limit or alter the policyowner's ability to fully recapture the investment in the contract over the annuity payment period. The company makes no representations and provides no advice as to the ultimate tax treatment of any annuity distribution transaction, and you may wish to consult with a tax advisor prior to exercising a withdrawal feature under an immediate annuity.

Tax-qualified contracts such as IRAs, 401(k)s, etc., are tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the treatment by the tax-qualified retirement plan itself. However, annuities do provide other features and benefits such as income options.

This information is general in nature and may be subject to change. American General Life Insurance Company, The United States Life Insurance Company in the City of New York, their agents and representatives are not authorized to give legal, tax or accounting advice. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your situation, consult your professional attorney, tax advisor or accountant.

Annuities issued by American General Life Insurance Company (AGL) **except in New York, where issued by** The United States Life Insurance Company in the City of New York (US Life).

Guarantees are backed by the claims-paying ability of the issuing insurance company.

Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG).

American General Life Insurance Company
2727-A Allen Parkway
Houston, Texas 77019

The United States Life Insurance Company in the City of New York
One World Financial Center, 200 Liberty Street
New York, New York 10281

