

RETIREMENT

Annuity Living Benefits

Many variable annuity contracts offer “living benefit” guarantees. For an additional cost, these living benefits can help protect variable annuity owners from market volatility or running out of money in retirement.

Adding a **guaranteed minimum withdrawal benefit** to a variable annuity contract would allow the contract owner to withdraw a fixed percentage (usually 5% to 7%) of the premiums paid until 100% of the premiums paid had been withdrawn, even if the contract’s underlying investments were to lose money.

A **guaranteed minimum income benefit** would ensure that when the contract owner is ready to collect retirement income payments, they would be based on a minimum payout base even if poor market performance lowers the value of the underlying investments.

A **guaranteed minimum accumulation benefit** would ensure that the contract value would not fall below a specified minimum after a specified term. The minimum is usually equal to the premiums paid.

A variable annuity is a long-term financial vehicle used for retirement purposes. With a variable annuity contract, one or more payments are made to an insurance company, which agrees to pay an income stream or a lump-sum amount at a later date. Variable annuities have contract limitations, fees, and charges, which can include mortality and expense risk charges, sales and surrender charges, administrative fees, and charges for optional benefits. Withdrawals reduce contract benefits and values. Variable annuities are not guaranteed by the FDIC or any other government agency, nor are they guaranteed or endorsed by any bank or savings association.

Withdrawals of annuity earnings are taxed as ordinary income and may be subject to a 10% federal income tax penalty if made prior to age 59½. Surrender charges may also apply during the contract’s early years. Any guarantees are contingent on the claims-paying ability of the issuing company. The investment return and principal value of an investment option are not guaranteed. Variable annuity subaccounts fluctuate with changes in market conditions. When an annuity is surrendered, the principal may be worth more or less than the original amount invested.

Variable annuities are sold only by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.