



American Equity's  
**Gold standard**  
for a secure Retirement

**Lifetime Income  
Benefit Rider**

(LIBR)\*

Included automatically on  
most Indexed Annuities\*\*

**Take Back Control  
of Your Retirement  
With Guaranteed  
Lifetime Income!**

\*Form number may vary by state.  
Not available in all states.  
\*\*See Product Disclosure for availability.



# Lifetime Income Benefit Rider Overview

## **LIFETIME INCOME BENEFIT RIDER OVERVIEW**

- Provides a lifetime income that you cannot outlive
- NO annuitization is required to receive Lifetime Income Benefit payments
- Guarantees 5% Annual Growth up to the time income payments begin
- No fees or charges to the applicant for this benefit
- Automatically added only if the Owner and Annuitant are the same person

## **LIFETIME INCOME BENEFIT RIDER FEATURES**

The Lifetime Income Benefit Rider (LIBR) allows you to take a lifetime income from your annuity without losing control of your retirement assets. This is possible because the lifetime income is in the form of regular withdrawals from your contract rather than annuitized payments. The guaranteed income may also be stopped and restarted at your discretion.

The Lifetime Income Benefit Rider is automatically added to your contract, when the Owner and the Annuitant are the same. There are no fees or charges deducted from your contract in order to add this rider. The benefit may be activated after the first year of your policy.

## **ACCUMULATION YEARS**

One key term of the Lifetime Income Benefit Rider is the Income Account Value (IAV). The Income Account Value equals the total initial premium growing at 5% per contract year,\* until Lifetime Income Benefit payments begin.

## **LIFETIME INCOME BENEFIT RIDER ELECTION AGES**

You may elect the Lifetime Income Benefit after the 1st Contract Year, but before the 12th Contract Anniversary.\*\*

The Lifetime Income Benefit Rider terminates at the death of the Owner/Annuitant. The LIBR will continue if the spouse is the sole beneficiary and meets the following conditions:

1. If Owner/Annuitant dies before Lifetime Income Benefit payments begin, the spouse may step in to the Base Contract, and if age 50 or older this Rider will continue with the Base Contract; or
2. If Lifetime Income Benefit payments have already begun, the surviving spouse is eligible to receive:
  - (a) The current Contract Value in a lump sum; or
  - (b) The remaining Income Account Value in a series of payments of up to 6% of the Income Account Value, based on spouse's age at date of step-in, until Income Account Value is depleted to zero.

## **LIFE INCOME BENEFIT RIDER (LIBR)**

\*Less withdrawals and associated surrender charges.

\*\*Lifetime Income Benefit Rider must be elected before the 16th anniversary on the Bonus Gold (INDEX-1-07 and INDEX-7-05-OK)

## DISTRIBUTION YEARS

You may elect to begin Lifetime Income Benefit Payments when you are 50 years old and after the 1st Contract Year.<sup>+</sup> You can elect to receive your income monthly, quarterly, semi-annually, or annually. Your Lifetime Income Benefit payments are based upon your age at time of election and a percentage of the Income Account Value as shown below. You must elect to begin Lifetime Income Benefit payments before the 12th Contract Anniversary.\*\*

OWNER/ANNUITANT'S AGE @ ELECTION OF LIB PAYMENTS	SINGLE OWNER/ANNUITANT PERCENTAGE OF IAV	JOINT OWNER/ANNUITANT PERCENTAGE OF IAV
50-59	4%	3%
60-69	5%	4%
70-79	6%	5%
80+	7%	6%

The diagram below illustrates the Income Account Value and sample guaranteed Lifetime Income Benefit payments based on a selected issue age assuming \$100,000 single premium, 5% guaranteed annual growth until payments begin and no withdrawals prior to electing income.

YEARS OF DEFERRAL	INCOME ACCOUNT VALUE	LIFETIME INCOME BENEFIT PAYMENTS AT AGE 60-69	LIFETIME INCOME BENEFIT PAYMENTS AT AGE 70-79	LIFETIME INCOME BENEFIT PAYMENTS AT AGE 80+
1	\$105,000	\$5,250	\$6,300	\$7,350
2	\$110,250	\$5,513	\$6,615	\$7,718
3	\$115,763	\$5,788	\$6,945	\$8,103
4	\$121,551	\$6,077	\$7,293	\$8,508
5	\$127,628	\$6,381	\$7,657	\$8,933
6	\$134,010	\$6,700	\$8,040	\$9,380
7	\$140,710	\$7,035	\$8,442	\$9,849
8	\$147,746	\$7,387	\$8,864	\$10,342
9	\$155,133	\$7,756	\$9,307	\$10,859
10	\$162,889	\$8,144	\$9,773	\$11,402

**The longer you wait to elect your income, the greater the amount of your Lifetime Income Benefit payments.**

<sup>+</sup>Withdrawals are subject to taxation and if taken before age 59½ may be subject to a 10% IRS penalty.

# Lifetime Income Benefit Rider Details

## **AUTOMATIC ANNUAL STEP-UP**

On each Contract Anniversary after Lifetime Income Benefit payments begin, if your Contract Value exceeds the Income Account Value, your Income Account Value will step-up to equal your Contract Value.

When Lifetime Income Benefit payments increase, this higher payment amount is your locked in guaranteed lifetime income. For example, assume you are 70 years old when you elect the Lifetime Income Benefit. Also, assume your Income Account Value is \$105,000 and the Contract Value is \$108,000. On the next Contract Anniversary your Income Account Value would step up to \$108,000 and increase your guaranteed Lifetime Income Benefit payment from \$6,300 to \$6,480.

## **EXAMPLE: \$100,000 PREMIUM • AGE 70 AT LIBR ELECTION--**

	IAV @ 5%	INTEREST CREDIT	CONTRACT VALUE	INCOME AMOUNT 6%
1st Contract Anniversary	Initial - \$105,000 \$108,000 step up	8%	\$108,000	\$6,480 locked
			\$108,000	
2nd Contract Anniversary	\$109,642 step up	8%	\$101,520*	\$6,579 locked
			\$109,642	
3rd Contract Anniversary	\$111,308 step up	8%	\$103,063*	\$6,678 locked
			\$111,308	
4th Contract Anniversary	\$104,630	0%	\$104,630*	\$6,678
			\$104,630	

\*Contract value after LIB payment taken.

## **EXCESS WITHDRAWALS**

Any partial withdrawals taken after Lifetime Income Benefit payments begin reduce future Life Income Benefit payment amounts. For example, an additional withdrawal of 5% above your guaranteed payment reduces your next guaranteed payment by 5%. If excess withdrawals reduce the Contract Value to zero the Income Account Value also reduces to zero and your Lifetime Income Benefit payments stop. Surrender Charges may apply to excess withdrawals.

## **REQUIRED MINIMUM DISTRIBUTIONS (RMD'S)**

Lifetime Income Benefit Rider is RMD friendly. RMD's are not considered excess withdrawals.

Neither American Equity nor our agents offer legal, investment or tax advice. Please consult a qualified advisor for these matters.



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