

# IncomeShield

fixed index annuity  
and lifetime income benefit rider (LIBR) with wellbeing benefit



## Income for life and your lifetime

Retirement is an exciting chapter of life. For many of today's retirees, that chapter is getting longer. That's why it's important for those approaching retirement to establish an income strategy that accounts for your day-to-day lifestyle as well as the changes you may see over a lifetime.

### This is Jodi

- She is 55 years old and plans to retire from nursing in the next seven to 10 years
- Her goal is to enjoy the independent lifestyle without outliving her money
- She is concerned about managing income gaps between her retirement reserves, social security benefits, and life's unexpected expenses

### Jodi's income strategy

Jodi maps out her income options with a financial professional. They have identified that her Social Security benefits will replace about 40% of her working income.\* To help supplement her income, she transitions a portion of her assets into a lifetime income source by purchasing a fixed index annuity with a \$100,000 initial premium. For additional flexibility, she elects to add a lifetime income benefit rider that can provide access to enhanced monthly payouts for help offsetting the burden of healthcare expenses<sup>1</sup>.

\*Center on Budget and Policy Priorities. Policy Basics: Top Ten Facts about social security.

<sup>1</sup>For someone who worked all of their adult life at average earnings and retires at age 65 in 2020, Social Security benefits replace about 40 percent of past earnings."

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## Year 1: Boosting income base

Jodi's income base increases right away with a 7.00% bonus on all first-year premiums. She is able to begin drawing income payments after year one, but chooses to let her assets to continue build.

IncomeShield 10 Lifetime Income Benefit Rider with Wellbeing Benefit	Income Soon	Income Later
Premium	\$100,000	\$100,000
First year premium bonus	7.00%	7.00%
Annual LIBR fee <sup>2</sup>	1.20%	1.20%

## Year 2: Generating lifetime income

By electing to add the Lifetime Income Benefit Rider with Wellbeing Benefit, Jodi is able to shore up her income reserves with the interest credited to her Income Account Value. Below we show two different strategies based on if she's planning to draw income in seven years or between years eight and 15. Additionally, beginning in year two, an enhanced payout factor of 200% if eligible<sup>1</sup>.

Accumulation period	7 Years	15 Years <sup>3</sup>
Income Account Value Rate	7.25% simple interest	6% compounding interest
Surrender charge schedule	10 years	10 years

## Year 4 and later: Drawing income

Jodi is able to build her benefit base over time. When she chooses to begin drawing income, her payout factor is a percentage of her Income Account Value based on her age. This payment is guaranteed for life. Plus, she has the added security of increased payouts should she qualify<sup>1</sup>.

Income drawn	Year four	Year eight
Annual income payment	\$5,471	\$7,417
Wellbeing Enhanced Benefit <sup>4</sup>	\$10,942.89	\$14,833.91

Payment amounts assume no prior withdrawals taken.

<sup>1</sup> The wellbeing benefit can only be activated one time after a two year waiting period. Contract owner must be unable to perform two of six ADLs and requires annual certification by a qualified physician. See disclosure and Sales Brochure for additional details.

<sup>2</sup> Rider fee is calculated based on the income account value and deducted from the contract value on each contract anniversary as long as the rider is attached to the contract.

<sup>3</sup> Initial Income Account Value (IAV) rate guarantee period is 10 years. For years 11-15 the IAV rate will never be lower than the minimum guaranteed IAV rate of 3%.

<sup>4</sup> The current enhanced income payment factor is 200% for single life payout or 150% for joint life payout.

American Equity Investment Life Insurance Company<sup>®</sup> does not offer legal, investment, or tax advice. Each client has specific needs which should be discussed with a qualified legal or tax advisor.

Annuity Contract and Riders issued under from series ICC17 BASE-IDX, ICC17 BASE-IDX-B, ICC17 IDX-10-7, ICC17 IDX-11-10, ICC20 R-LIBR-FCP, ICC20 R-LIBR-FSP, ICC20 R-LIBR-W-FCP, ICC20 R-LIBR-W-FSP, and state variations thereof. Availability may vary by state. Guarantees are based on the financial strength and claims paying ability of American Equity and are not guaranteed by any bank or insured by the FDIC. LIBR available for issue ages 50+. Surrender charges may apply to excess withdrawals that, in addition to LIB payment, exceed 10% annual free withdrawal available under the contract. Clients may be subject to a 10% federal penalty if withdrawals are made before age 59 1/2.

Lifetime Income available through [Optional] Lifetime Income Benefit Rider.

Income Account Value is only used to calculate Lifetime Income. It is not part of the underlying Contract Value, or available in a lump sum.

Provisions of the Lifetime Income Benefit Rider, such as Income Account Value Accumulation Rates, may change prior to issue.



American Equity Investment Life Insurance Company<sup>®</sup>  
6000 Westown Pkwy, West Des Moines, IA 50266

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