

The Power of a Tax-Deferred Annuity

Tax-deferral benefits of fixed index annuities:



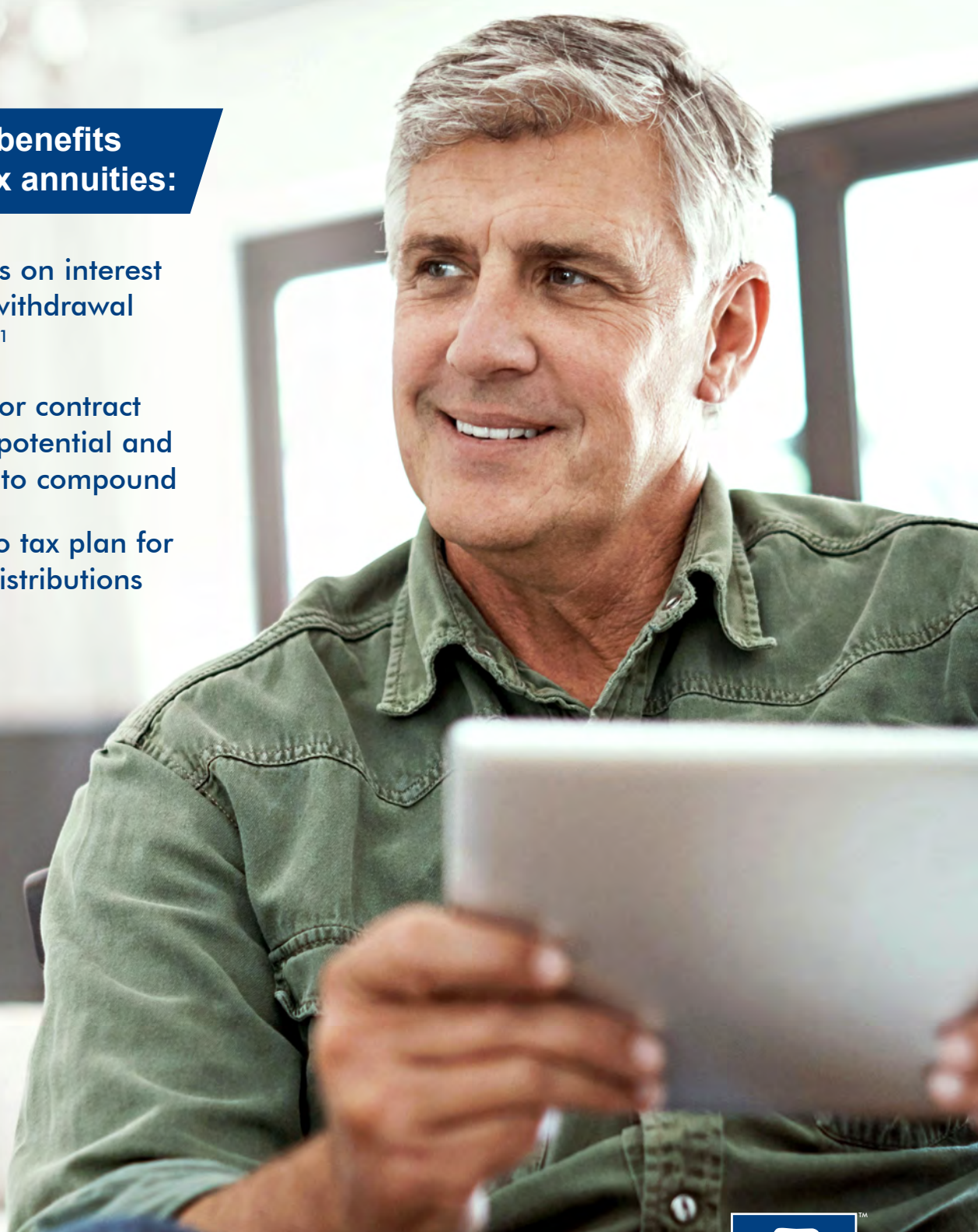
No taxes on interest until a withdrawal is made¹



Allows for contract growth potential and interest to compound



Ability to tax plan for future distributions



The one who works for you!®



**AMERICAN
EQUITY™**

The Power of a Tax-Deferred Annuity

Tax-Deferred Growth

A tax-deferred annuity allows your premium and interest to accumulate on a tax-deferred basis. While your money remains in your annuity contract, you will not be taxed on any earnings. When you withdraw money, any taxable portion distributed is taxed as ordinary income.¹

	Currently Taxed	Tax-Deferred
Current Balance	\$100,000	\$100,000
Interest Rate	3%	3%
Interest Earned	\$3,000	\$3,000
Tax Bracket	24%	24%
Tax Payable	\$720	\$0*
After Tax Interest	\$2,280	\$3,000
After Tax Yield	2.16%	3%

*Assuming no withdrawals. | Source: <https://taxfoundation.org/2021-tax-brackets/>

Tax-deferred versus Taxable Impacts

With this example, a contract owner is in the **24 percent** federal tax bracket and has a fixed index annuity that earns **2.50 percent**. To equal those earnings with a taxable investment product, they would have to earn a rate of **3.29 percent** instead.

Discover how to make the most of your time and finances with an American Equity fixed index annuity.

FEDERAL TAX BRACKET

22% 24% 32% 35%

Rate your tax-deferred annuity earns**	Rate needed in a taxable investment to be equivalent to the earning of your annuity			
1.50%	1.92%	1.97%	2.21%	2.31%
2.00%	2.56%	2.63%	2.94%	3.08%
2.50%	3.21%	3.29%	3.68%	3.85%
3.00%	3.85%	3.95%	4.41%	4.62%
3.50%	4.49%	4.61%	5.15%	5.38%
4.00%	5.13%	5.26%	5.88%	6.15%

** Rates shown are for demonstration purposes only and are not meant to depict current crediting rates available on American Equity annuity products.

¹ Assumes contract is owned by an individual. | For product specific details, please see sales brochures and disclosures. | Annuity products offered by American Equity. Other retirement options may also support similar goals. | 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. | American Equity Investment Life Insurance Company® does not offer legal, investment, or tax advice. Please consult a qualified legal or tax advisor. | Surrender charges may apply to excess withdrawals that exceed annual penalty free withdrawal available under the contract. You may be subject to a 10% federal penalty if you make withdrawals before age 59 1/2



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