

# How withdrawals affect your client's income rider

## for the IncomeSecure from Great American Life

To understand what happens when your client takes a withdrawal from his or her fixed-indexed annuity with the IncomeSecure<sup>SM</sup> rider, let's look at a hypothetical example.

Dave purchased a fixed-indexed annuity with the IncomeSecure guaranteed income rider, both offered by Great American Life Insurance Company<sup>®</sup>. In year six, he decides to take a one-time withdrawal of \$5,400.

Assumptions:

- ★ Dave has not started receiving rider income payments.
- ★ At the time of the withdrawal, his account value is \$108,000.
- ★ At the time of the withdrawal, his rider income base is \$140,000.

### How a withdrawal affects the income base

After taking the withdrawal, Dave's account value is reduced by 5%. Because the rider uses a proportionality concept, his rider income base is also reduced by 5%.

#### Account value

$$\begin{array}{r} \$108,000 \\ - \$5,400 \\ \hline = \$102,600 \end{array}$$

5%  
reduction

#### Income base

$$\begin{array}{r} \$140,000 \\ - \$7,000 \\ \hline = \$133,000 \end{array}$$

5%  
reduction

### How a withdrawal affects the income credits

Dave's withdrawal does not exceed the 10% free withdrawal allowance, so his rider income credits continue to accumulate. The withdrawal is subtracted from his income credit for year six, dollar for dollar. His new income credit for that year is \$2,600.

	End of year	Account value	Income credit	Income base
Income rollup period	1	\$102,000	\$8,000	\$108,000
	2	\$104,000	\$8,000	\$116,000
	3	\$104,000	\$8,000	\$124,000
	4	\$106,000	\$8,000	\$132,000
	5	\$108,000	\$8,000	\$140,000
	6	\$102,600 <small>(\$108,000 account value - \$5,400 withdrawal)</small>	\$2,600 <small>(\$8,000 income credit - \$5,400 withdrawal)</small>	\$135,600 <small>(\$140,000 income base - \$7,000 reduction + \$2,600 income credit)</small>
	7	\$102,600	\$8,000	\$143,600
	8	\$104,600	\$8,000	\$151,600
	9	\$106,000	\$8,000	\$159,600
	10	\$106,000	\$8,000	\$167,600

Note that free withdrawal allowance and required minimum distribution withdrawals will proportionally reduce the income base. Account value numbers are hypothetical values for use in the example only. Example assumes a 8% rollup rate, a 10-year rollup period and no resets. If your client takes a withdrawal, the rider charge rate may change. Please see the rider for more information about rider charges, the impact of withdrawals on the rider benefits and other details about rider benefits and limitations.

The IncomeSecure<sup>SM</sup> rider issued by Great American Life Insurance Company (R6036711NW) is an optional rider for which there is an annual charge. Rider may not be available in all states. Form number may vary by state. You and your clients should consider all features, benefits and costs before they purchase an annuity and/or optional rider.

All guarantees based on the claims-paying ability of Great American Life.

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