

# How withdrawals affect your client's death benefit rider

## for the Inheritance Enhancer from Great American Life

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

Joe purchased a fixed-indexed annuity with the Inheritance Enhancer death benefit rider, both offered by Great American Life<sup>®</sup>. In year six, he decides to take a one-time withdrawal of \$5,400.

Assumptions:

- ★ At the time of the withdrawal, Joe's account value is \$108,000.
- ★ At the time of the withdrawal, his rider death benefit base is \$135,000.

### How a withdrawal affects the rider death benefit base

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

#### Account value

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



#### Rider death benefit base

$$\begin{array}{r} \$135,000 \\ - \$6,750 \\ \hline = \$128,250 \end{array}$$



### How a withdrawal affects the rider rollup credits

Joe's withdrawal does not exceed the 10% free withdrawal allowance, so his rider rollup credits continue to accumulate. The withdrawal is subtracted from his rollup credit for year six, dollar for dollar. His new rollup credit for that year is \$1,600.

	End of year	Account value	Rollup credit	Death benefit base
Rollup period	1	\$102,000	\$7,000	\$107,000
	2	\$104,000	\$7,000	\$114,000
	3	\$104,000	\$7,000	\$121,000
	4	\$106,000	\$7,000	\$128,000
	5	\$108,000	\$7,000	\$135,000
	6	\$102,600 <i>(\$108,000 account value - \$5,400 withdrawal)</i>	\$1,600 <i>(\$7,000 rollup credit - \$5,400 withdrawal)</i>	\$129,850 <i>(\$135,000 death benefit base - \$6,750 reduction + \$1,600 rollup credit)</i>
	7	\$104,600	\$7,000	\$136,850
	8	\$106,600	\$7,000	\$143,850
	9	\$106,600	\$7,000	\$150,850
	10	\$108,000	\$7,000	\$157,850

*Note that free withdrawal allowance and required minimum distribution withdrawals will proportionally reduce the death benefit base. Rider death benefit is available after contract year five. Contract death benefit applies in contract years one through five. Account value numbers are hypothetical values for use in the example only. Example assumes a 7% 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 Inheritance Enhancer rider issued by Great American Life Insurance Company<sup>®</sup> (R6042513NW) 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.*