ARE YOUR REQUIRED MINIMUM DISTRIBUTIONS (RMDS) PROTECTED IN RETIREMENT?

Bob and Joan's RMD challenge.

Bob and Joan meet with their financial professional for their annual review.Now that Bob is 73,[1] his IRAs are subject to specific IRS-mandated withdrawals—called Required Minimum Distributions. This represents a critical "point of protection" for Bob and Joan on their retirement journey.Their financial professional expresses concern that RMDs, combined with a potential market downturn, significantly increase the chance they will run out of money in retirement.

RMD fast facts:

- RMDs begin the year you reach age 73, and every year you're required to withdraw a minimum percentage of your qualified account—and the RMD withdrawal percentages increase annually
- RMDs are designed to ensure that you'll eventually be taxed on the money in your qualified accounts
- Must be taken regardless of market conditions

RMD percentages by age:

Age	73	74	75	76	77	78	79
RMD Percentage	3.77%	3.92%	4.06%	4.21%	4.36%	4.54%	4.73%

Age	80	81	82	83	84	85	86
RMD Percentage	4.95%	5.15%	5.40%	5.64%	5.95%	6.25%	6.57%

Age	87	88	89	90	91	92	93
RMD Percentage	6.94%	7.29%	7.75%	8.19%	8.69%	9.25%	9.90%

Note: For simplicity, withdrawal factors have been rounded. Work with your financial professional to determine your RMD amount.

Meet Bob & Joan:

- Bob is age 73
- Joan is age 65
- Both are retired

Their retirement income sources:

- Bob's IRAs
- Social Security

Their retirement goals:

- Secure lifetime income for both of their lives
- Ensure that income continues to Joan if Bob should pass away
- Help them limit or protect against market losses and the impact on their income

[1] The required beginning RMD date is determined by your date of birth. If you were born after 1950 and before 1960, your applicable age is 73.

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The impact of Required Minimum Distributions in a declining market.

Their financial professional shows them how Bob's IRA could be quickly depleted if they experience negative account performance while taking RMDs.

Year	Age	Beginning Balance	Market Return	RMD Amount	Ending Balance
1	73	$100,000	-10.1%	$3,774	$86,126
2	74	$86,126	-13.0%	$3,378	$71,552
3	**75**	**$71,552**	**-23.4%**	**$2,909**	**$51,901**
4	76	$51,901	26.4%	$2,190	$63,412
5	77	$63,412	9.0%	$2,769	$66,350
6	78	$66,350	3.0%	$3,016	$65,325
7	79	$65,325	13.6%	$3,096	$71,113
8	80	$71,113	3.5%	$3,520	$70,082
9	81	$70,082	-38.5%	$3,612	$39,488
10	82	$39,488	23.45%	$2,134	$46,613
11	**83**	**$46,613**	**12.8%**	**$2,634**	**$49,946**

In this example, the early negative performance combined with his RMDs has nearly cut Bob's account in half after just three years.

By age 83, the combination of RMDs and poor performance has significantly depleted Bob's IRA, putting them at risk of depleting the account and running out of retirement income.

Hypothetical mathematical example does not represent any specific investment. If fees and charges were included, results would be different. Example assumes RMD payout rates are rounded to two decimals, and RMDs are taken at year end. The returns shown are based on the Price Returns for the S&P 500® Index from 12/31/2000 to 12/31/2010. Numbers are rounded for ease of use. Past performance is not indicative of future results.

Bob and Joan explore an annuity

Their financial professional suggests an annuity as a way to provide a level of protection for a portion of their savings. The portion allocated to the annuity, called the "protected percentage", can help provide income that can last both their lives.

Protecting RMDs in a declining market.

Now let's look at Bob's scenario again. He began taking RMDs from one of his IRAs, and due to the RMDs combined with poor market performance, had less than half his account left by age 83. But what if Bob could have limited his losses by adding a measure of protection? Downside protection features can be found in products such as annuities and can help you stay the course in times of challenging market performance.

In exchange for a level of downside protection, you may not participate in 100% of market growth. In this example, let's assume Bob elects a 30% level of downside protection, with his growth then limited to 9.0%[2]. Let's see how Bob & Joan's outcome could improve.

Year	Age	Beginning Balance	Protected Strategy Return	RMD Amount	Ending Balance
1	73	$100,000	**0%**	$3,774	$96,226
2	74	$96,226	**0%**	$3,774	$92,453
3	**75**	**$92,453**	**0%**	**$3,758**	**$88,695**
4	76	$88,695	9.0%	$3,742	$92,935
5	77	$93,378	9.0%	$4,058	$97,241
6	78	$97,705	3.0%	$4,420	$95,738
7	79	$96,195	9.0%	$4,537	$99,817
8	80	$100,774	3.5%	$4,941	$98,369
9	81	$99,312	-8.5%	$5,071	$84,937
10	82	$85,752	9.0%	$4,591	$87,990
11	**83**	**$89,263**	**9.0%**	**$4,971**	**$90,938**

With 30% downside protection, Bob's account was protected from the early losses, and instead of being worth $51,901 after 3 years as in the unprotected scenario, it would have been worth $88,695!

There are several years, similar to year four where Bob's growth would have been limited to 9.0% in exchange for the level of downside protection in the negative years.

With 30% downside protection, Bob's results were significantly better. At age 83 Bob's account is $90,938 versus $49,946 in the unprotected scenario.

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[2] Includes an upside limit on growth of 9.0% based on downside protection option of 30%. The limit on upside growth based upon the average of the top selling indexed variable annuities utilizing the S&P 500® Index, annual point-to-point crediting method, and no explicit fee charged, as of 10/2024.

Note: Features, charges, fees, levels of protection, and limits on upside growth vary by product and are subject to change. The level of downside protection is the amount of the protected negative return—it limits the amount of negative index credit applied to an account.

The results:

- The 30% downside protection protected Bob from early losses, and in year 3, he would have an account value of $88,695 versus just $51,901 in the unprotected scenario.
- At age 83, Bob's account value in the protected scenario would have been $90,938, versus only $49,946 in the unprotected scenario.
- Additionally, due to the downside protection, Bob would have received an additional $14,605 in income, for a total difference of $55,597 by employing downside protection!
- If both Bob and Joan pass away, this would be additional legacy value for their children.

Protect your life's work. Talk to your financial professional about how an annuity can help you manage RMDs.

Index-linked variable annuity products are complex insurance and investment vehicles and are long-term investments designed for retirement purposes. There is risk of loss of principal if negative index returns exceed the selected protection level. As gains or losses are assessed at the end of each term, index credit is only received if the strategy is held full term, and no withdrawals are taken. Early withdrawals may result in a loss in addition to applicable surrender charges. Please reference the prospectus for information about the levels of protection available and other important product information.

Investors should consider the features of the contract and the underlying portfolios' investment objectives, policies, management, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional. Please read the prospectus carefully before investing.

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You should carefully consider your financial needs before investing in annuity products and benefits.

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