

## Deferred Income Annuity

A single premium fixed deferred income annuity



Annuities issued by

American General Life Insurance Company (AGL) and The United States Life Insurance Company in the City of New York (US Life)

Guarantees are backed by the claims-paying ability of the issuing insurance company.

### Product Snapshot

Through our American Pathway series of annuities, we are committed to helping grow and protect the financial security of you and your family.

AGL and US Life Guarantees	
Single Premium Contract	<p>Minimum single premium: \$20,000</p> <p>Maximum single premium: \$1,000,000 without prior home-office approval</p> <p>Qualified Longevity Annuity Contract (QLAC): the lesser of 25% of aggregated IRA account values or dollar limit of \$130,000 in 2018, subject to IRS cost-of-living adjustments in future years.<sup>1</sup></p> <p>With some exceptions, an income annuity permanently converts principal to a guaranteed income stream.</p>
Source of Funds <sup>2</sup>	<p>Pretax: IRA, SEP, IRA</p> <p>After-tax: Nonqualified, Roth IRA</p> <p><b>US Life does not accept sales of the American Pathway Deferred Income Annuity in New York funded by replacements of deferred annuity contracts or life insurance policies.</b></p>
Owner Issue Ages	<p>18 – 90 for nonqualified and Roth IRA (85 is maximum issue age for all lifetime income only payment options.)</p> <p>18 – 69 for qualified and IRA contracts</p> <p>18 – 83 for QLAC IRA contracts</p> <p><b>Minimum owner issue age is 18, or if earlier, the age of majority as defined by law in state of issue.</b></p>
Date of First Payment	<p>Minimum deferral period: Must be greater than 12 months</p> <p>Maximum deferral period: 30 years</p> <ul style="list-style-type: none"> <li>You must choose your date of first payment when you purchase the annuity</li> <li>Distributions of nonqualified and Roth IRA funds must begin by age 91</li> <li>Distributions of qualified and IRA funds must begin by age 70½</li> <li>Distributions of QLAC funds must begin by the first day of the month following the annuitant's 85th birthday</li> </ul> <p>A professional tax advisor should be consulted.</p>

<sup>1</sup> QLAC IRA premiums are limited to the lesser of \$130,000 (lifetime) or 25% of the individual's aggregated traditional IRA account values as of the prior December 31, less premiums previously paid for other QLACs.

<sup>2</sup> Nonqualified purchases by non-natural entities require approval from the Home Office on a case-by-case exception basis and must have a minimum premium of \$150,000 in order to be considered.

## AGL and US Life Guarantees

Income Start Date Adjustment <sup>3</sup>	You can accelerate or defer the first payment date within five years of the original income start date as long as it complies with the minimum and maximum deferral periods. This feature may be elected once during the life of the annuity contract and only if the withdrawal benefit has not been exercised. Not available with any lifetime income only payment option. State variations may apply.
Death Benefit	<p>At the time of annuity purchase, you will select what, if any, death benefit will be paid if all owners (or annuitants if owner is non-natural) die prior to the income start date.</p> <p>The options are:</p> <ul style="list-style-type: none"> <li>• Death benefit is equal to the premium amount</li> <li>• Death benefit is equal to the premium amount plus compounded interest (Not available with QLAC)</li> <li>• No death benefit will be payable nor will any annuity payments ever be made (Only available with lifetime income only payment options)</li> </ul> <p>If any annuitant dies after the income start date, any remaining annuity benefit will be paid in accordance with the payment option selected.</p>
Annuitant	<ul style="list-style-type: none"> <li>• Single Life: Provides payments for the life of one annuitant.</li> <li>• Joint and Survivor: Provides payments as long as either annuitant lives; payments to the joint annuitant can be designed to remain level or decrease upon the death of the primary annuitant.</li> <li>• Joint and Contingent: Provides payments as long as either annuitant lives; payments to the surviving annuitant can be designed to remain level or decrease upon the death of either annuitant.</li> </ul> <p>If owner is a natural person, owner must be annuitant. Joint owner must be joint annuitant, and joint annuitant must be spouse of the annuitant.</p>
Income Payment Options	<p>These options are available for single life, joint and survivor, and joint and contingent</p> <ul style="list-style-type: none"> <li>• Lifetime income only<sup>4</sup></li> <li>• Lifetime income with certain period</li> <li>• Lifetime income with installment refund</li> <li>• Lifetime income with cash (lump sum) refund<sup>4</sup></li> <li>• Certain period only</li> </ul> <p>Certain period varies depending upon:</p> <ul style="list-style-type: none"> <li>• Nonqualified and Roth IRA: Five – 30 years (cannot exceed age 110)</li> <li>• IRA and SEP IRA: Five – 30 years (cannot exceed IRS limits)</li> </ul> <p>In times of low interest rates, some certain periods may not be available.</p>
Payment Increase Options	1% to 5% increase on each income start date anniversary (simple or compounded interest, flat dollar increase)
Income Payment Frequency	Monthly, quarterly, semiannually or annually

<sup>3</sup> You cannot exercise both the income start date adjustment and commutation withdrawal benefit riders. Your exercise of a right or receipt of a benefit under either rider will result in the immediate termination of the other rider.

<sup>4</sup> QLAC purchases are limited to payment options lifetime income only and lifetime income with cash (lump sum) refund.

## AGL and US Life Guarantees

### Payee Choice

The entire income payment, or a partial amount, can be directed to an alternate party, such as a charity, institution, family member or other individual. The contract owner is still responsible for the income tax on distributions to an alternate payee.

### Advance Payment Option<sup>5,6</sup>

If you are receiving annuity income payments on a monthly basis, you can request to receive a lump-sum payment equal to the value of the next six months' worth of payments. Your regularly scheduled payments will resume after six months. You may exercise this feature if you are age 59½ or older and the contract is nonqualified or a Roth IRA. This feature may be elected twice during the life of the annuity contract.

### Commutation Withdrawal Benefit<sup>3, 5, 6, 7</sup>

Anytime after one year following the income start date, the owner can elect a one-time withdrawal up to 100% of the present value of the remaining guaranteed income payments as a lump sum.

- Available for nonqualified and Roth IRA contracts that include a non-increasing single or joint lifetime income payment option with a certain period, cash refund or installment refund
- Beneficiaries may request a lump-sum withdrawal if all annuitants die before the end of any remaining guaranteed period
- Available if income start date adjustment rider has not been exercised
- Withdrawal amount must be greater than or equal to \$2,500
- Withdrawals will reduce any remaining guaranteed payments by the same percentage amount as the withdrawal
- At the end of the guaranteed period, lifetime income payments will return to the amount guaranteed prior to the withdrawal
- Rider terminates upon use or after guaranteed income payments cease, whichever occurs first
- Withdrawals may be subject to certain restrictions and may incur withdrawal charges as shown below

Withdrawal charges are applied as a percentage of the amount being withdrawn.

Contract year	1	2	3	4	5	6	7	8	9	10+
Withdrawal charge	N/A	N/A	7%	6%	5%	4%	3%	2%	1%	0%

The commutation withdrawal benefit may not be available in some states, including New York.

<sup>3</sup> You cannot exercise both the income start date adjustment and commutation withdrawal benefit riders. Your exercise of a right or receipt of a benefit under either rider will result in the immediate termination of the other rider.

<sup>5</sup> The company expects to report the full amount of the lump-sum payment as fully taxable for the year of the payment, and recalculate the exclusion ratio for the remaining payments. This may limit or alter the policyowner's ability to fully recapture the investment in the contract over the annuity payment period. The company makes no representations and provides no advice as to the ultimate tax treatment of any annuity distribution transaction, and you may wish to consult with a tax advisor prior to exercising a withdrawal feature under an income annuity.

<sup>6</sup> If the advance payment option has been exercised, there will be a six-month waiting period before a commutation withdrawal benefit can be requested.

<sup>7</sup> The commutation withdrawal benefit option is not available with lifetime income only, certain period only, or any income payment option that includes an annual payment adjustment. Additional restrictions may apply.

Annuities are long-term retirement saving vehicles.

Retirement plans and accounts that satisfy relevant qualification rules, such as 403(b)s, IRAs, 401(k)s, etc., can be tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan or account with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the tax deferral of the tax-qualified retirement plan or account itself. However, annuities do provide other features and benefits.

This information is general in nature, may be subject to change and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your situation, consult your professional attorney, tax advisor or accountant.

Annuities issued by American General Life Insurance Company (AGL), Houston, TX except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life). Issuing companies AGL and US Life are responsible for financial obligations of insurance products and are members of American International Group, Inc. (AIG).

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products and other financial services to customers in more than 80 countries and jurisdictions.

May not be available in all states and product features may vary by state. Please refer to your contract.

