

# Systematic Withdrawal

A Flexible Distribution Program



Immediate Income | Fixed Percentage | Income Options | Interest Only | Fixed Amount

*The one who works for you!®*



## What is a Systematic Withdrawal?

Systematic withdrawals allow you to receive income 30 days after the contract issue date from an American Equity tax-deferred annuity on a monthly, quarterly, semi-annual or annual basis - while keeping complete control over your Contract Value.

Unlike the annuitization payment option for an annuity, with a systematic withdrawal you maintain your right to make partial or full withdrawals from your contract.

All withdrawals or surrenders, including Systematic Withdrawals, may be subject to the surrender charges described in your contract. If available, a distribution will incorporate the penalty-free withdrawal privilege as determined by the contract provisions.

## How it Works

Simply complete the systematic withdrawal request form and we will mail or deposit electronically to your bank account a payment at regular intervals until you notify us to make a change, or until the Minimum Contract Value Allowed is reached. You may select from three methods of calculating the amount of your distribution, as long as each withdrawal equals at least \$50.00.

At the same time, your contract will continue to earn current renewal interest rates, as well as all other benefits of an American Equity deferred annuity.

## What Are My Options?

### Interest Only

The interest credited to the contract will be sent to you at regular intervals. Since interest earned on money allocated to the fixed interest crediting strategy is compounded and credited daily, distributions more frequent than annually will result in a slightly lower effective annual yield than the stated rate.

### Fixed Amount

You may choose to receive the same amount in each check, regardless of other withdrawal activity.

### Fixed Percentage

We will send you a fixed percentage of your Contract Value in regular intervals. The amount of the distribution payment will be re-calculated each contract anniversary.

*NOTE: Fixed Amount and Fixed Percentage payouts may result in a reduction of your original premium.*



## The Advantages of a Systematic Withdrawal

The attractions of a Systematic Withdrawal over annuitization payment options are primarily two-fold. First, you can design and modify the distribution format to meet your changing cash flow needs. Second, you keep the ability to make additional partial withdrawals if available, over and above the regular distributions, should you have any special needs in the future.

In addition, in the event of your death, the remaining Contract Value will be available to your beneficiaries, which may not be the case with all settlement options.

## Implementation Procedures

- Complete the Systematic Withdrawal Request form or call our Service Department at 888-221-1234 to begin Systematic Withdrawals.
- Payments may begin within 30 days after we receive the request (or 30 days after contract issue if the request form and the premium accompany the application).
- Systematic Withdrawals may be changed once each contract year, with 30 days notice.
- The minimum withdrawal must be \$50, or a less frequent mode will be used. (For annual payments, contract minimums will prevail).
- Once started, Systematic Withdrawals will continue until we receive written notice to modify it or the Minimum Contract Value Allowed is reached.
- Surrender charges or Market Value Adjustments may apply to amounts requested that exceed the penalty-free amount allowed during the surrender charge period.

Systematic withdrawals are not a guaranteed benefit of any American Equity annuity contract and availability is subject to change. Contact Annuity Service for details at 888-221-1234 or email [service@american-equity.com](mailto:service@american-equity.com).



# American Equity

## Commitment to Values

### Service

Our contract owners are why we are here, and we do our best to provide service, second to none, every day.

### Integrity

Our values of honesty, fairness and truthfulness have been central to our past success and will continue to be for generations to come.

### Excellence

Our dedication to going above and beyond in every facet of our business has established us as a top-tier fixed index annuity provider.

### Safety

Our products provide Sleep Insurance<sup>®</sup> for contract owners that can trust their principal is protected and their income is guaranteed for life.

For additional resources and blogs, visit [www.american-equity.com](http://www.american-equity.com)



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The content provided is for informational purposes only and does not constitute advice. American Equity Investment Life Insurance Company<sup>®</sup> does not offer legal, investment, or tax advice. Please consult a qualified professional.

Systematic withdrawals taken in excess of the penalty-free withdrawal amount allowed may cause a loss of non-vested portions of accrued premium bonus on applicable products.

For contracts that also have a Lifetime Income Benefit Rider, systematic withdrawals will reduce the contract value and income account value on a pro-rata basis. See product disclosure and brochure for details.

Withdrawals taken prior to age 59 ½ may be subject to a 10% federal tax penalty.

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.