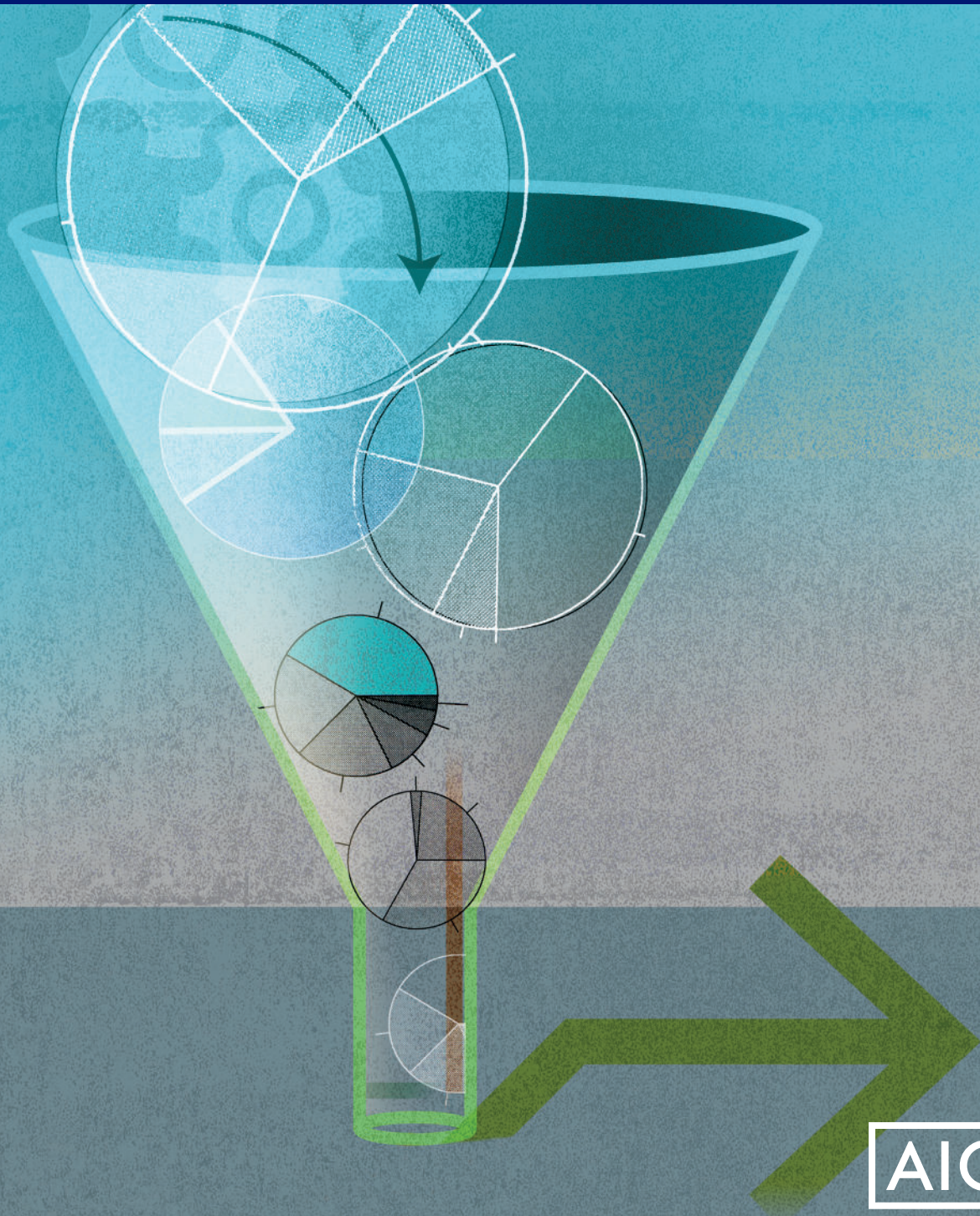



Your money in retirement

Income Savvy[®]

Turning assets into income



AIG[®]



You've worked hard to build up your retirement assets.
And now, with retirement in sight, it's time to shift the focus
from saving for retirement to generating income.

Income Savvy[®]

is designed to help you make informed decisions about
your retirement income and help create a personalized
income strategy that's right for you.

Income Savvy[®]

What challenges do I need to be prepared for?	2
How can I generate income from my savings & investments?	4
Where do I start?	6
How can I generate more guaranteed income?	11

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

This material about retirement income planning and all information contained herein, including any examples, is provided for educational purposes only and does not constitute tax, legal, or other individualized advice. While the information contained herein has been obtained from sources deemed reliable, American International Group, Inc. (including its subsidiaries, distributors and representatives) cannot be held responsible for any direct or indirect loss resulting from the application of the information provided here. Individuals should consult a qualified tax professional or attorney regarding their specific situation.

This material is intended only for educational purposes to help you, with the guidance of your financial professional, make informed decisions. We do not provide investment advice or recommendations.

What challenges do I need to be prepared for?

When it comes to generating income from your savings and investments, there are a number of new challenges and pitfalls you may encounter. If you're not prepared for them, these challenges have the potential to derail your long-term retirement income strategy.

The challenges you may encounter

You may live longer than you expect.¹



For a couple, both age 65:

50% chance that one spouse will live to age 93

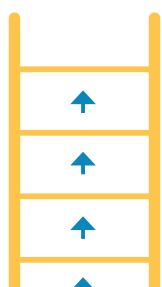
25% chance that one spouse will live to age 97

You may not know how much to safely withdraw from your savings & investments.²

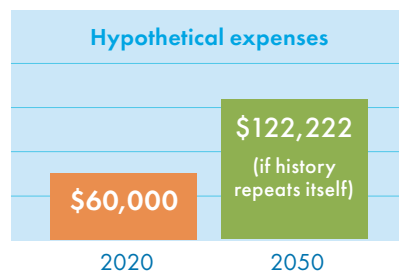
Today's "Safe" Withdrawal Rate



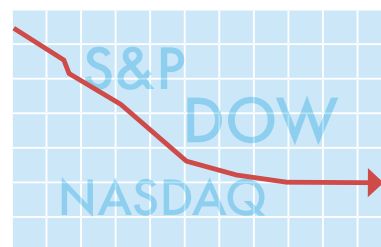
Healthcare costs could continue to climb.



Other costs may rise more than anticipated.³



The market could experience a significant decline.



One way to help protect against a number of these challenges and pitfalls is to ensure that more of your income is protected.

¹ Source: Society of Actuaries 2012 Individual Annuitant Mortality Tables. Assumes a couple, both age 65.

² A "safe" withdrawal rate is a rate that provides sustainable income during your retirement without completely depleting your investment portfolio.

³ Source: Wilshire Compass, 2020.



Protection against the unexpected

When it comes to your financial affairs, you more than likely protect what's important to you with insurance.

Asset	Value	Insured?	
		Yes	No
Home	\$		
Life	\$		
Auto	\$		
401(k), IRA, other retirement investments	\$		

- ← Odds of major fire damage over the next 30 years: less than 1%⁴
- ← Probability of a 60-year-old male dying within 5 years: less than 4%⁴
- ← There was only 1 crash for every 42 registered vehicles in the U.S. in recent years.⁴
- ← Historically, the stock market has experienced a decline of 20% or more approximately once every 3 to 4 years⁴

Would you like your financial professional to help you understand how principal protection or income protection can be utilized when designing a retirement income strategy?

Yes No

⁴ Sources (in order of boxes above): True Odds: How Risk Affects Your Everyday Life; 2012 Individual Annuitant Mortality Tables; U.S. Department of Transportation 2018 (data as of 2015); Ned Davis Research, Inc. based on Dow Jones Industrial Average, daily closes, 1/2/1900-12/31/2019.

Annuities are long-term financial products designed for retirement purposes. In the Accumulation phase, they can help you build assets on a tax-deferred basis. In the Income phase, they can provide you with guaranteed income through standard or optional features. Contract and optional benefit guarantees are backed by the claims-paying ability of the issuing insurer. Early withdrawals may be subject to withdrawal charges. Partial withdrawals may reduce benefits available under the contract, as well as the amount available upon a full surrender. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply. Income protection features may be standard or optional. Additional fees, withdrawal parameters and other limitations apply. Investment requirements also apply with variable annuities. Keep in mind, for retirement plans and accounts (such as IRAs and 401(k)s), an annuity provides no additional tax-deferred benefit beyond that provided by the retirement plan or account itself.

How can I generate income from my savings & investments?

If you're like many individuals nearing retirement, you may be wondering how to turn a portion of your existing savings and investments, including IRA and 401(k) accounts, into the income you're going to need. While there are a number of different strategies from which to choose, one approach you may want to ask your financial professional about is the Income Floor approach.

The Income Floor approach

The Income Floor approach may help provide you with a solid foundation for addressing your retirement needs. With this strategy, a minimum level of income is established to cover essential lifestyle expenses. This minimum level of income is referred to as your Income Floor. The Income Floor may be funded with income from guaranteed sources, such as Social Security, pensions and annuities, or low-risk investments such as bonds or Certificates of Deposit (CDs).

Discretionary lifestyle expenses and legacy plans, which may be more flexible in nature, may be funded with income from non-guaranteed sources, such as a broad portfolio of investments—or income from guaranteed or low-risk sources, depending on your retirement needs and goals.

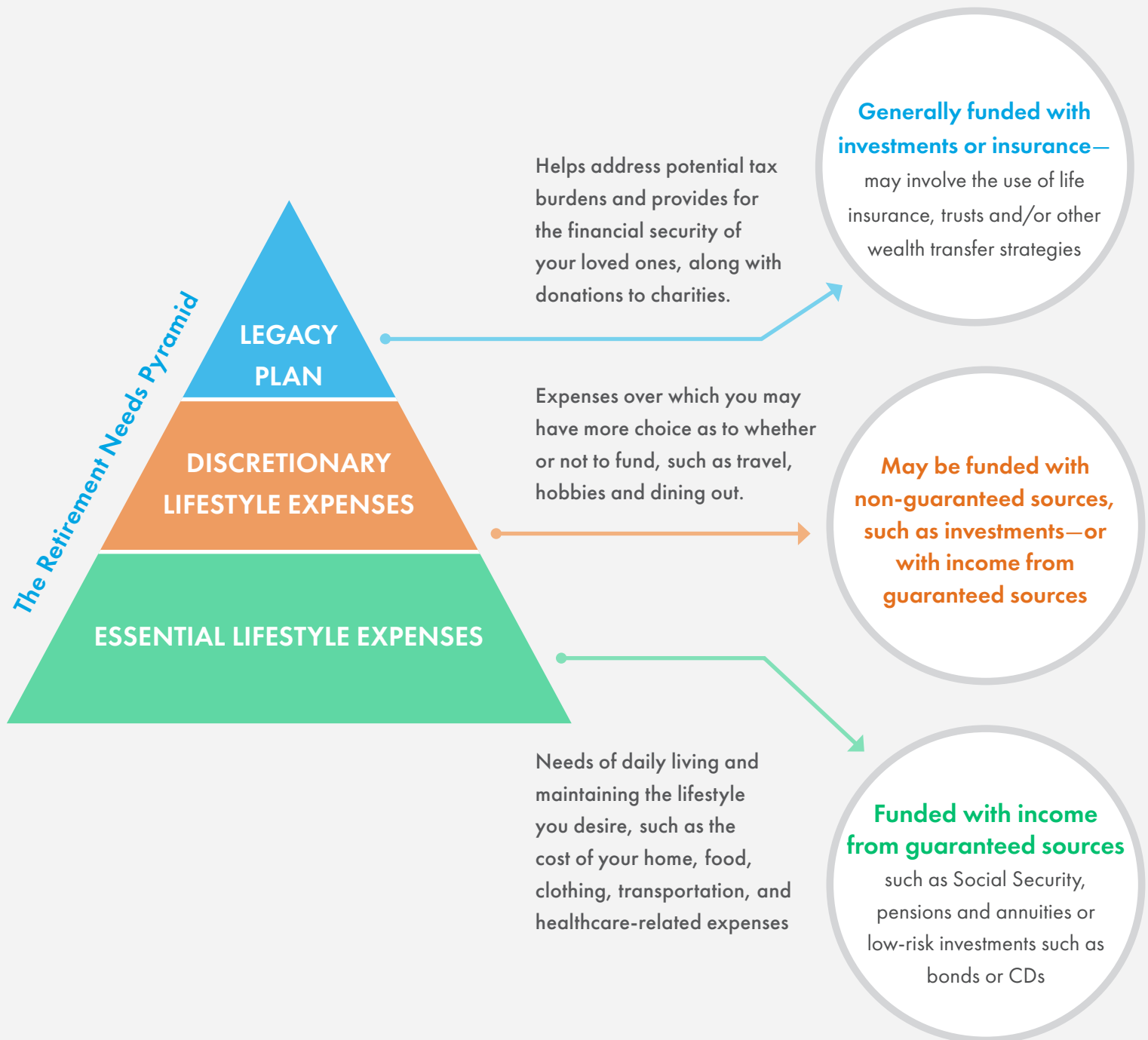
Key Benefits

The Income Floor approach helps ensure:

- Essential lifestyle expenses are covered with guaranteed income throughout retirement
- Discretionary lifestyle expenses may be covered by a combination of guaranteed and non-guaranteed income, based on your personal preference and comfort level

If you have more of your income coming from guaranteed sources, such as Social Security, a pension or an annuity, it can help reduce the likelihood of running out of money in retirement.

An overview of the Income Floor approach



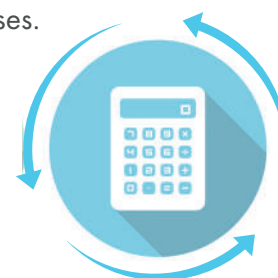
Where do I start?

With the help of your financial professional, the first step in becoming Income Savvy is to consider your retirement income needs.

Assess your income needs

Determine how much money you're going to need each year—this is your **"Income Number."** It's the sum of your Essential Lifestyle Expenses plus your Discretionary Lifestyle Expenses.

Begin by calculating your current expenses and then adjust them based on your desired lifestyle in retirement. If you believe certain discretionary expenses are essential to your retirement lifestyle, you could include them as "Other" Essential Lifestyle Expenses.



Essential Lifestyle Expenses	Annual Cost
Housing mortgage payments, rent, insurance, property tax	\$
Utilities gas, water, electricity, telephone, cable	\$
Food/Groceries/Meals	\$
Transportation car payments, gas, car insurance, maintenance	\$
Personal clothing, haircuts, dry cleaning, toiletries	\$
Healthcare/Medicare Premiums supplemental medical insurance, prescriptions and other out-of-pocket expenses	\$
Life, Disability and Long-Term Care Insurance	\$
Income Taxes federal, state	\$
Other	\$
Annual Essential Lifestyle Expenses	\$

Discretionary Lifestyle Expenses	Annual Cost
Entertainment movies, theater, sporting events and restaurants	\$
Travel & Recreation hotels, airfare and RV/boat expenses	\$
Memberships golf, health club and yoga	\$
Gifts and Donations	\$
Other	\$
Annual Discretionary Lifestyle Expenses	\$

Annual Essential Lifestyle Expenses	\$
Annual Discretionary Lifestyle Expenses	\$
Total Annual Expenses (Essential Lifestyle + Discretionary Lifestyle)	\$

This is your "Income Number"



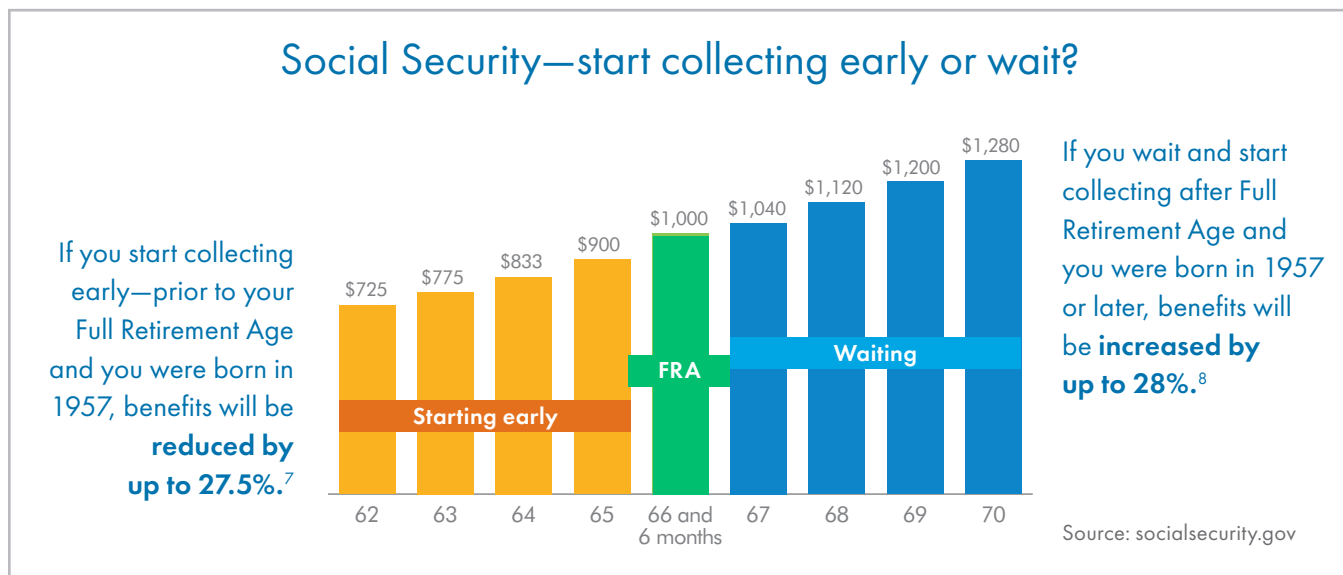
Identify your guaranteed income sources

You may have multiple sources of income in retirement. Some of your income may be from guaranteed sources, such as Social Security, a pension or an annuity. And some of your income may be from non-guaranteed sources, such as your savings and investments, and other sources, which could include a part-time job or rental income. An Income Savvy plan is built on a foundation of guaranteed income, so we'll begin with those sources.

Social Security

Today, for those 65 and older, Social Security represents only 33%⁵ of annual income. You'll want to be sure you're making the most of the benefits to which you are entitled. Waiting to start your benefits is one strategy for boosting your retirement income. Conversely, starting early can be costly.

This hypothetical example shows how monthly benefits can differ based on the age you start.⁶ It assumes a benefit of \$1,000 is available at an assumed Full Retirement Age of 66 and 6 months. Your Full Retirement Age (FRA) may be different. Visit socialsecurity.gov for details.



To get an estimate of your Social Security benefits, you can use the Retirement Estimator available at www.ssa.gov/benefits/retirement/estimator.html.

⁵ Source: socialsecurity.gov, Fast Facts & Figures About Social Security, 2017. (Data as of 2015.)

⁶ Amounts shown do not reflect any cost-of-living adjustments.

⁷ Percentage reduction varies depending on your year of birth and Full Retirement Age. The reduction is 5/9 of one percent for each month before your Full Retirement Age, up to 36 months. If the number of months exceeds 36, then the benefit is reduced 5/12 of one percent per month in excess of 36. Source: socialsecurity.gov

⁸ If you were born in 1943 or later, the delayed retirement credit is 8% each year. Source: socialsecurity.gov.

Pensions

If you're fortunate enough to be covered by a defined benefit pension plan, you can contact your current or former employer's Human Resources department to learn more about your pension benefits.

Here are some questions you may want to ask:

- At what age are my benefits available?
- What are my payout options?
- Do I have the option for an income stream that lasts for as long as I live, while providing benefits to my surviving spouse if I should die first?
- What are the estimated benefit amounts?

Determine your annual guaranteed income

Once you have obtained the needed estimates for Social Security and a pension, if applicable, you can determine your annual income from guaranteed sources.



Guaranteed Sources of Retirement Income	Annual Income
Social Security	\$
Pensions	\$
Annuities	\$
Other	\$
Total Annual Guaranteed Income	\$

Today, only 28% of Baby Boomers expect significant income from an employer-provided pension.⁹

⁹ Source: Insured Retirement Institute, "Baby Boomer Expectations for Retirement 2018."

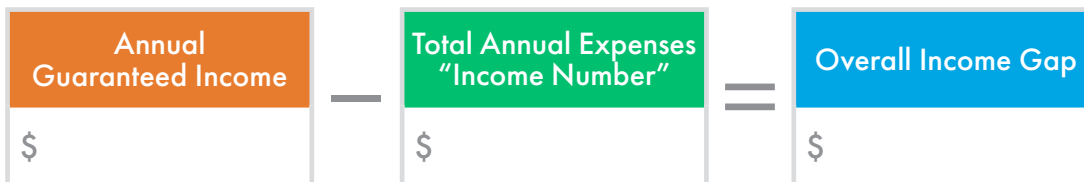


See if you're facing an income gap

First determine if you have enough guaranteed income to cover your Annual Essential Lifestyle Expenses. This is a priority for many retirees and key to creating an Income Savvy Plan.

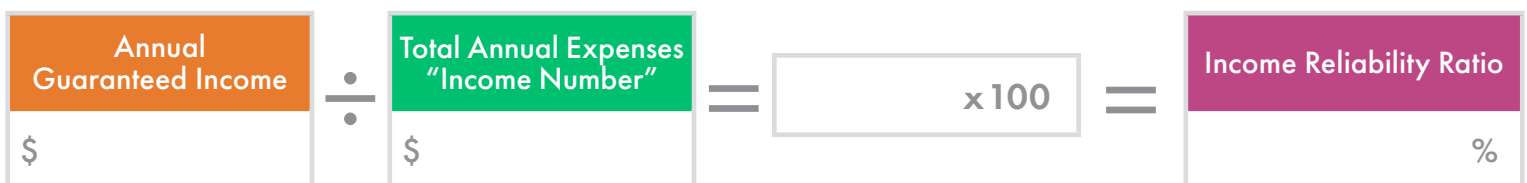


Of course, you may want some or all of your Discretionary Lifestyle Expenses to also be covered with guaranteed income. So next, examine your Total Annual Expenses (that is, your Essential Lifestyle Expenses PLUS your Discretionary Lifestyle Expenses) to see if you're facing an overall income gap.



Calculate your Income Reliability Ratio

Another factor you may want to consider is your Income Reliability Ratio. This ratio can help you assess where you stand in terms of your retirement income security. If your ratio is low, you may want to consider how challenges such as a market decline or living longer than expected could impact your long-term retirement income strategy.

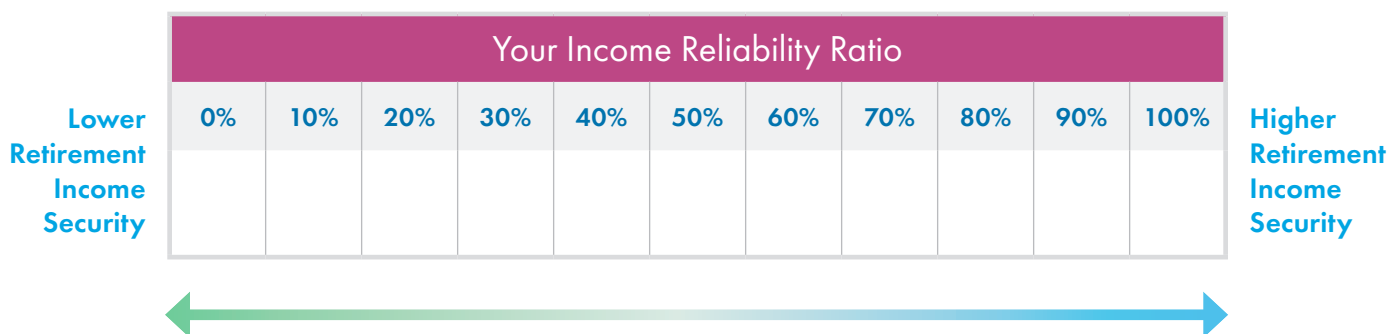


Review your situation

So far, with the help of your financial professional, you have:

- Assessed your income needs
- Identified your guaranteed income sources
- Determined if you're facing an income gap
- Calculated your Income Reliability Ratio

Now it's time to review your situation and more carefully consider your Income Reliability Ratio. To do this, indicate on the chart below where your ratio currently falls.



If your Income Reliability Ratio is further to the left, consider if you are comfortable with your retirement income being funded from your current savings and investments, or other non-guaranteed sources such as a part-time job or rental income. This type of income may be less predictable due to market volatility, changes in interest rates or other factors, and may result in lower retirement income security.

If your Income Reliability Ratio is further to the right, you have the assurance of knowing that a greater portion of your total annual expenses in retirement will be covered with income that's guaranteed for a higher level of retirement income security.

Your financial professional can help you review your situation and help you assess your comfort level with your current ratio.

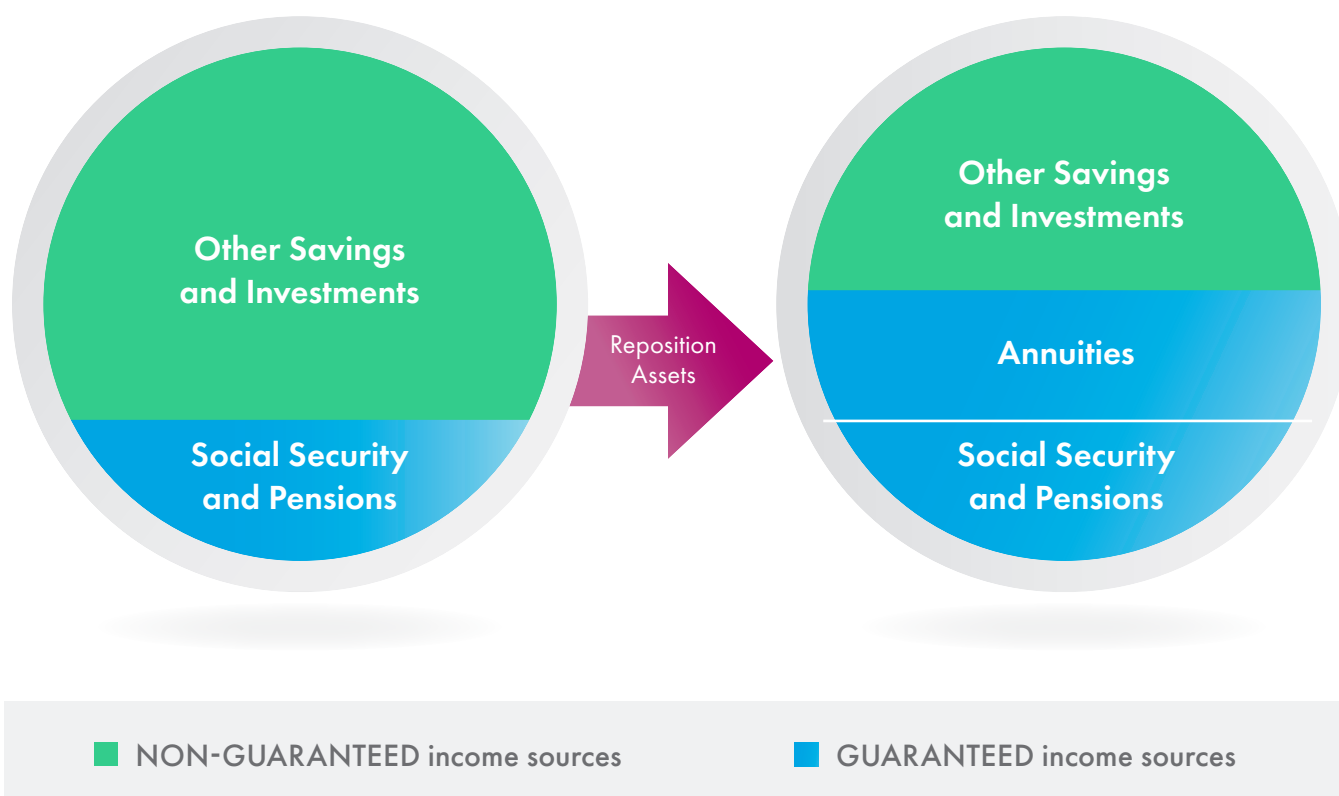
How can I generate more guaranteed income?



If you're facing an income gap or you want to help improve your Income Reliability Ratio to help enhance your retirement income security, you may want to consider repositioning a portion of your current savings and investments to generate additional guaranteed income.

An annuity can help you enhance your retirement security by providing you with income that's guaranteed to last for as long as you—or you and your spouse—live, depending on your choice of a single life or joint life income option. There are a number of different types of annuities from which to choose. Ask your financial professional for more information.

Help improve your Income Reliability Ratio



Annuities can provide you with additional guaranteed lifetime income to help enhance your retirement income security

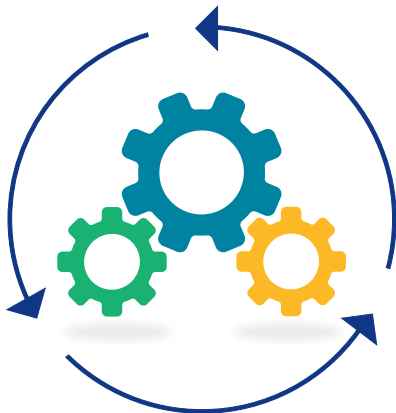
An investment in a variable annuity is subject to risk, including the possible loss of principal. Income annuities, such as immediate annuities and deferred income annuities, permanently convert principal into a guaranteed income stream. Be sure to ask your financial professional for complete details about the annuity you may be considering, including limitations and risks.

Are there changes I should make?

If you have determined that you want to purchase an annuity to help enhance your retirement income security or address an income gap, you'll want to review your current savings and investments. With the help of your financial professional, you can determine which investment(s) may make sense to reposition based on your overall income strategy. Your financial professional can help you evaluate your current savings and investments in terms of their ability to generate income for your retirement. You'll also want to evaluate if you have an adequate emergency fund to help cover unexpected costs.

As part of the investment review process, you may want to consider your Legacy Plans. Your financial professional can help you reposition a portion of your savings and investments to help address those plans, if leaving a legacy is important to you.

Your Savings and Investments	Current Value	Could You Reposition a Portion?
IRAs Traditional and Roth	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Employer-Sponsored Retirement Plans 401(k)s, 403(b)s, SEP IRAs	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Investments (outside of your Retirement Accounts) stocks, bonds, mutual funds, etc.	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Cash (excluding your emergency fund) CDs, money market, checking, savings accounts	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Total Savings and Investment Portfolio	\$	



Are you ready to turn assets into income?

Now that you have determined whether or not you're facing an income gap, calculated your Income Reliability Ratio, and identified savings and investments that may be available for repositioning, work with your financial professional to develop an income strategy that's right for you.



Be Income Savvy

Becoming Income Savvy isn't easy, but your financial professional can play a key role. Remember, the choices you make today about your retirement income strategy may be among the most important financial decisions you make in your life.

Talk to your financial professional today to determine an income strategy that's right for you.

Mutual funds and variable annuities are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges, expenses and other information regarding the contract and underlying funds, which should be considered carefully before investing. Please contact your financial professional or call 1-800-858-8850 ext. 6003 to obtain a mutual fund prospectus or 1-800-445-7862 to obtain a variable annuity prospectus. Please read the prospectus carefully before investing.

It is important to note that rollovers can have tax consequences at the time of distribution, including payment of federal income taxes, depending on the type of transfer and/or type of account involved. An additional 10% federal tax may apply if a distribution is taken prior to age 59½. You should consult your financial professional or tax advisor regarding your specific situation. If you are considering a rollover from your company's retirement plan, other options may be available.

All contract and optional benefit guarantees, including any fixed account crediting rates or annuity rates, are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased.

This material was prepared to support the marketing of annuities from American General Life Insurance Company (AGL) and The United States Life Insurance Company in the City of New York (US Life). Please keep in mind that AGL, US Life, and their distributors and representatives may not give tax, accounting or legal advice. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. Such discussions generally are based upon the company's understanding of current tax rules and interpretations. Tax laws are subject to legislative modification, and while many such modifications will have only a prospective application, it is important to recognize that a change could have retroactive effect as well. Please seek the advice of an independent tax advisor or attorney for more complete information concerning your particular circumstances and any tax statements made in this material.

Products and features may vary by state and may not be available in all states. The purchase of an annuity is not required for, and is not a term of, the provision of any banking service or activity.

Annuities are issued by **American General Life Insurance Company** (AGL), Houston, TX, except in New York, where they are issued by **The United States Life Insurance Company in the City of New York** (US Life). **Securities are distributed by AIG Capital Services, Inc.** (ACS), Member FINRA, 21650 Oxnard Street, Suite 750, Woodland Hills, CA 91367-4997, 1-800-445-7862. AGL, US Life and ACS are members of American International Group, Inc. (AIG).

© 2020. American International Group, Inc.



aig.com