

Identifying Retirement Income Gaps



1 How much to maintain your lifestyle?

Typically, you will need 75-85% of your current gross monthly income to maintain your current lifestyle. You may need more or less, depending on your expenses, health care costs and retirement goals.

| | | |
|---|---|----|
| Gross Annual Income | | |
| Months | ÷ | 12 |
| Percent of gross monthly income needed | x | |
| Estimated monthly retirement income needed | = | |

2 How much guaranteed monthly income?

| | | |
|---|---|--|
| Social Security | | |
| Pension | + | |
| Other income | + | |
| Estimated monthly income from guaranteed sources | = | |

3 How much income from your retirement portfolio each year?

| | | |
|--|---|--|
| Estimated monthly retirement income needed | | |
| Estimated monthly income from guaranteed sources | - | |
| Estimated monthly income needed from retirement portfolio | = | |

Did you know?

The average couple retiring at age 65 can expect to spend almost \$1,000 in medical costs¹, \$500 on food² and \$1,300 on housing² per month.

4 Will your retirement portfolio last your lifetime?

It may be best to plan for retirement to last 30 years.

| | | |
|--|---|--|
| Estimated monthly income needed from your retirement portfolio | | |
| Number of months | x | |
| Total funds needed from your retirement portfolio | = | |

Allocating a portion of your portfolio to a fixed index annuity is one option that could help you fill monthly income gaps. For example, a 63-year-old male client is considering purchasing an annuity using **IncomeShield 10** with a lifetime income benefit rider (LIBR) and starting joint income at age 70*. No matter how much he decides to purchase, he can feel confident knowing he has monthly income options that will last a lifetime.

| Annuity Premium Amount | Monthly lifetime income payment |
|------------------------|---------------------------------|
| \$100K | \$543 |
| \$250K | \$1,357 |
| \$500K | \$2,715 |
| \$750K | \$4,073 |
| \$1 Million | \$5,430 |

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. Annuity Contract and Riders issued under from series ICC17 BASE-IDX-B, ICC17 IDX-11-10, ICC17 R-LIBR-FSP, ICC17 R-LIBR-W-FSP, and state variations thereof. Availability may vary by state. American Equity Investment Life Insurance Company® does not offer legal, investment, or tax advice. Please consult a qualified professional.

*LIBR available for ages 50+. Hypothetical example includes the following assumptions: an Income Account Value (IAV) rate of 7.25% simple interest; a 7% bonus on first year premium; a joint life payout factor of 4.04%; and no withdrawals from the annuity contract. Rates are set at issue and are subject to change. A rider fee will be deducted from the contract value each year the rider is active. See disclosure and sales brochure for details.

¹ Money, "Here's how much the average couple will spend on health care costs in retirement." April, 2018

² Bureau of Labor and Statistics. Based on responses from 2017 nationwide survey "Consumer Expenditures Survey." 2018



American Equity Investment Life Insurance Company®
6000 Westown Pkwy, West Des Moines, IA 50266

www.american-equity.com • Call us at 888-221-1234