

# How Withdrawals Affect Your Client's Rider

The following hypothetical example shows what happens when a withdrawal (other than a rider income payment or to pay rider charges) is taken from a Great American Life® fixed-indexed annuity with an optional income or death benefit rider.

Dave purchases a fixed-indexed annuity with a \$100,000 purchase payment and adds an income rider. The rider offers a 7% rollup credit and 10-year rollup period. Dave is not ready to start receiving rider income payments, but decides to take a one-time withdrawal of \$5,400 in year six. At the time of the withdrawal, his account value is \$108,000, and his rider benefit base is \$135,000.

## How the withdrawal affects Dave's benefit base

After taking the withdrawal, Dave's account value is reduced by 5%. Because the rider uses a proportionality concept, his rider benefit base is also reduced by 5%.

### Account value

$$\begin{array}{r} \$108,000 \\ - \quad \$5,400 \\ \hline = \quad \$102,600 \end{array}$$



### Benefit base

$$\begin{array}{r} \$135,000 \\ - \quad \$6,750 \\ \hline = \quad \$128,250 \end{array}$$



## How the withdrawal affects Dave's rollup credits

Dave's withdrawal does not exceed the 10% free withdrawal allowance, so his rider rollup credits continue to accumulate. The withdrawal is subtracted from his rollup credit for year six, dollar for dollar. His new rollup credit for that year is \$1,600.

	End of year	Account value	Rollup credit	Benefit base
Rollup period	1	\$102,000	\$7,000	\$107,000
	2	\$104,000	\$7,000	\$114,000
	3	\$104,000	\$7,000	\$121,000
	4	\$106,000	\$7,000	\$128,000
	5	\$108,000	\$7,000	\$135,000
	6	\$102,600 <i>(\$108,000 account value - \$5,400 withdrawal)</i>	\$1,600 <i>(\$7,000 rollup credit - \$5,400 withdrawal)</i>	\$129,850 <i>(\$135,000 benefit base - \$6,750 reduction + \$1,600 rollup credit)</i>
	7	\$102,600	\$7,000	\$136,850
	8	\$104,600	\$7,000	\$143,850
	9	\$106,000	\$7,000	\$150,850
	10	\$106,000	\$7,000	\$157,850

*Account value numbers are hypothetical values for use in the example only. If your client takes a withdrawal, the rider charge rate may change. Please see riders for more information about rider charges, the impact of withdrawals on the rider benefits and other details about rider benefits and limitations. Optional riders are issued by Great American Life Insurance Company (Cincinnati, Ohio), a wholly owned subsidiary of MassMutual, and available for an annual charge. Riders may not be available in all states. You and your clients should consider all features, benefits and costs before they purchase an annuity and/or optional rider.*

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