

ALLIANZ® INDEX ADVANTAGE+ INCOME®  
and ALLIANZ® INDEX ADVANTAGE INCOME ADV®

# Seeking to improve outcomes: lifestyle changes vs. increasing lifetime income potential

eMoney Advisor® case study using Allianz® registered index-linked annuities (RILAs) with Income Benefit rider



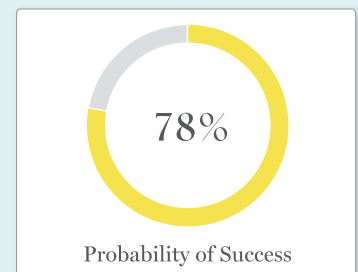
## MEET BEN AND NATALIE,

a hypothetical married couple working with their financial professional to identify their retirement goals and input the details into eMoney:<sup>1</sup>

ASSUMPTIONS			
Working years (age 55-65)		Retirement years (age 65+)	
Household annual income	\$200,000 combined	Income need at age 65	\$135,000 (assumed annual increase of 2.50%, and health care increasing at 5.30%)
Retirement account at age 55	\$1,000,000 60% equities/40% bonds (assumes 5.40% average return and 9.90% standard deviation)	Social Security benefit	\$34,790 each at age 67 (assumed Full Retirement Age benefit with 2.00% annual cost-of-living adjustment)
Annual additions	\$30,000 until 65	Planning ages	Ben: age 92 Natalie: age 94

## CURRENT SCENARIO RESULTS

Using eMoney, out of 1,000 trials, **78% were successful** and **22% failed** resulting in Ben and Natalie running out of money. Unfortunately, withdrawing from their retirement account to fully fund their income need and adjusting for inflation puts them **below their preferred probability range of 85%-100%**.



LET'S EXAMINE POTENTIAL SOLUTIONS that may increase their probability of success. →

<sup>1</sup> Assumptions for planning ages, rate of return, rate of inflation, and cost-of-living adjustment used in this example are based on the values provided by eMoney.

This material must be preceded or accompanied by a current prospectus for the Allianz® registered index-linked annuity and any required accompaniments. Refer to the product brochure for important information and index disclosures.

For more complete information about the variable option, contact Allianz Life Financial Services, LLC at 800.542.5427 for a prospectus. The prospectuses contain details on investment objectives, risks, fees, and expenses, as well as other information about the index options and the variable option, which your clients should carefully consider. Encourage your clients to read the prospectuses thoroughly before sending money.

# Potential solutions

**MAKE LIFESTYLE CHANGES – OR – KEEP THEIR LIFESTYLE AS IS** and purchase to meet their retirement goals: an Allianz® RILA with Income Benefit rider:

→ **Work longer.**

For example, retiring at 67 instead of 65 increases the **probability of success to 88%.**

→ **Save more.**

For example, saving 25% more (\$37,500 in annual additions) increases the **probability of success to 81%.**

→ **Spend less.**

For example, spending 25% less (\$101,250 at age 65) increases the **probability of success to 99%.**

→ **Allocate \$325,000 in an Allianz® RILA with Income Benefit at age 55,** assumes a 4% average net return. \$675,000 remains in their Retirement Account.

→ **Elect joint payments with Increasing Income payment option at age 65.** \$35,600 projected initial annual income payment that can increase each year (assumes a 7.40% Lifetime Income Percentage and annual income payment increase of 3% each year),<sup>1</sup> increasing their **probability of success to 94%.**

A RILA with Income Benefit provides indexed return potential with the opportunity for a level of protection through multiple index strategies (also called crediting methods) available prior to receiving income, tax-deferred growth, a variety of lifetime annuity payout options, and a death benefit during the accumulation phase.

**TURN TO THE NEXT PAGE TO SEE THE HYPOTHETICAL RESULTS of purchasing an Allianz® RILA with Income Benefit →**

<sup>1</sup>When modeling increasing income in eMoney Advisor®, a static increase will be applied each year based on an average of the increases reflected in the illustration (as calculated when completing the Lifetime Income Benefit section). This is not a realistic depiction of how an annuity could work as actual index results would present volatility over time, including years of negative index returns where the annuity income would not receive an increase. There is no guarantee an annuity will earn Performance Credits or earn an increase in any given year. Refer to the annualized return under the "Weighted Return after Credits before Income starts" column on the product illustration as a guideline when setting an annual increase amount. Keep in mind, you can use a lower value than this average to show a more conservative yearly increase if desired. These hypothetical results are for illustrative purposes only and do not include any contract fees or charges. If they had been included, the results may be lower.

Index Advantage+ Income® includes a product fee of 1.25%. Automatically included with the contract at issue, the Income Benefit rider includes a rider fee of 0.70%. Both fees are accrued daily and deducted on each quarterly contract anniversary.

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Withdrawals will reduce contract values (including any Cash Value) and the value of any potential protection benefits. Withdrawals taken within the period stated in the prospectus will be subject to a withdrawal charge or a Market Value Adjustment (MVA), depending on the product. All withdrawals are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal additional tax.

As with any investment vehicle, registered index-linked annuities (RILAs) are subject to risk – including possible loss of principal. Investment returns and principal will fluctuate with market conditions so that contract value, upon distribution, may be worth more or less than the original cost.

Although an index or indexes will affect index options values, the index options do not directly participate in any stock or equity investment and are not a direct investment in an index.

Beginning at age 45, lifetime income percentages are guaranteed to increase each year clients wait to start income. Lifetime income payments can begin on any Index Anniversary once the eligible person reaches age 50, and no later than age 100 after a minimum waiting period of one index year. For joint payments, the age of the younger eligible person will be used to determine income percentages, income percentage increases, and when income payments begin.

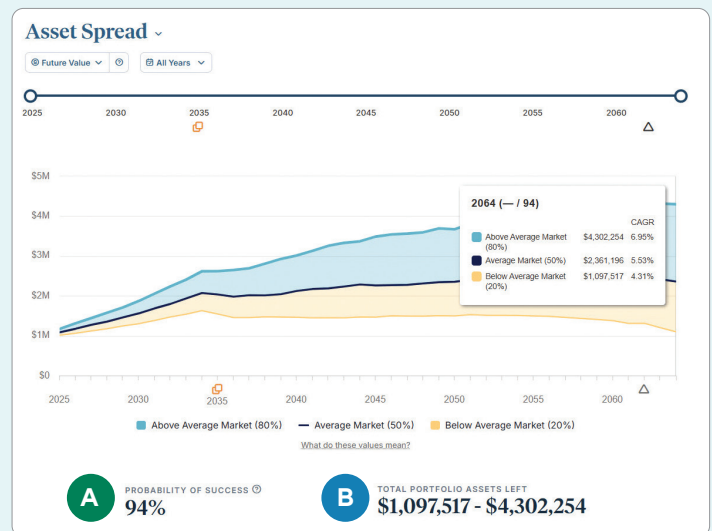
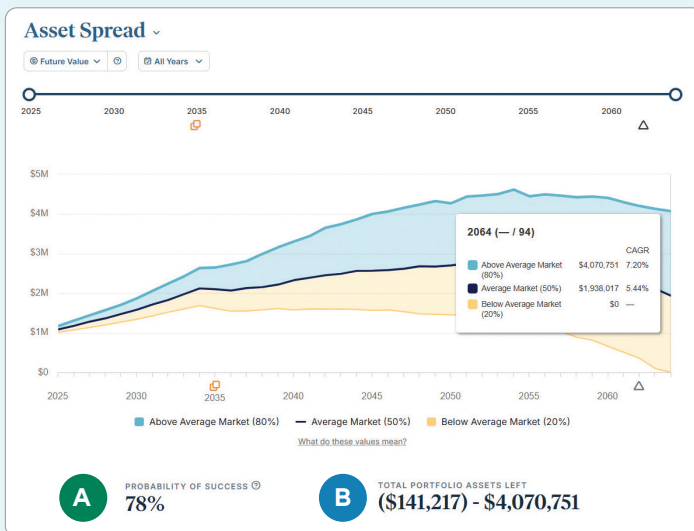
Increasing Income option starts out lower than the Level Income option, but has the potential to increase over their lifetimes.

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# Seeking to improve outcomes with an Allianz® RILA with Income Benefit in a portfolio

**Current scenario**  
(\$1 million in retirement account)

**Purchase an Allianz® RILA with Income Benefit**  
(\$675K retirement account/\$325K Allianz® RILA)



**BASED ON THE ASSUMPTIONS ENTERED**, eMoney projects that constructing a risk-advantaged portfolio with an Allianz® RILA with Income Benefit:

**A** Increased the probability of success to meet retirement needs from 78% to 94%.

**B** Increased the potential minimum and maximum total portfolio assets left.

This hypothetical example is for illustrative purposes only and may not be appropriate for all consumers. It does not predict or project the actual results of a specific client. Keep in mind, results could vary depending on how you allocate across the index strategies. All product features and benefits should be considered and discussed with your client to determine what may be appropriate for their specific situation.









The return assumptions in eMoney Advisor® are not reflective of any specific product. The returns and income projections are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Clients should not rely on eMoney or its output for an accurate representation of how an annuity could work and should be referred to a full, personalized product illustration for this information.

For more details, refer to the eMoney help sheet, "Modeling an Allianz annuity" (ENT-3442).

**NOTE: Clients must receive a full, personalized product illustration when modeling an Allianz® annuity.**

# Stress tests and potential outcomes

The probability of success is **78% with their current plan** and **94% with purchasing an Allianz® RILA with Income Benefit**, but what happens to the probability of success if Ben and Natalie deviate from their plan through unexpected scenarios?

UNEXPECTED SCENARIOS	Current scenario (\$1 million in retirement account)	Purchase an Allianz® RILA with Income Benefit (\$675K retirement account/ \$325K Allianz® RILA)
<p>→ <b>Spend more.</b> For example, spend 10% more (\$148,500) in retirement.</p>	 <p>61% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>	 <p>79% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>
<p>→ <b>Retire early.</b> For example, both retire 1 year early at age 64.</p>	 <p>68% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>	 <p>90% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>
<p>→ <b>Longer lifespan.</b> For example, Natalie lives until age 100.</p>	 <p>53% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>	 <p>77% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>
<p>→ <b>Low returns.</b> For example, their retirement account average return is 3.77% during retirement.</p>	 <p>62% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>	 <p>86% Probability of Success</p> <p>● 0% - 69% ● 70% - 84% ● 85% - 100%</p>



**CONTACT YOUR DEDICATED ALLIANZ RETIREMENT CONSULTANT to help you integrate an Allianz® RILA with Income Benefit into eMoney Advisor®.**

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Guarantees are backed solely by the financial strength and claims-paying ability of the issuing insurance company and do not apply to the performance of the variable subaccount, which will fluctuate with market conditions.

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