

Value of Income
PlanningSM



Will your
retirement income
strategy cover all
your retirement
income needs?

Retirement in America is changing – and so are the financial risks.

Building a retirement income strategy starts with a holistic look at your retirement goals and the income you'll need to support that lifestyle. That's why it's more important than ever to take into account how these challenges could affect your retirement income in the future:

- **Longevity** – Compared to past generations, we're living longer and healthier in retirement (25 to 30 years longer – or more). So you'll need an income that can last longer, too.
- **Inflation** – Over a long retirement, inflation has the potential to significantly lower your purchasing power.
- **Market volatility** – Equities (such as stocks) have historically helped retirees keep pace with inflation. But the market has proven unpredictable, and your income shouldn't be.



To help your income last throughout retirement, include the four steps on the following pages as you develop your retirement income strategy.

Allianz 

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Product and feature availability may vary by state and broker/dealer.

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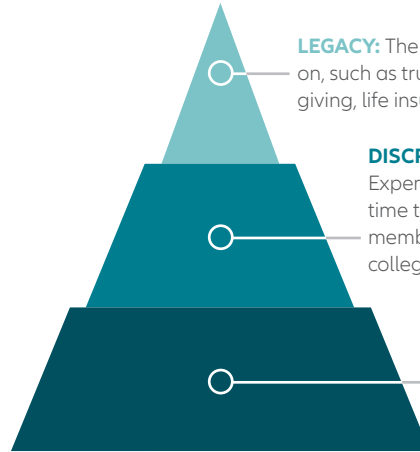


ESTIMATE YOUR RETIREMENT EXPENSES AND INCOME NEEDS

Developing a retirement income strategy requires a clear understanding of what your expenses in retirement will be.

An expense pyramid can help you plan for your income needs by dividing your expenses into three categories: essential, discretionary, and legacy.

To make sure your essential expenses are covered first, **start at the bottom of the pyramid and then work your way up.**



LEGACY: The wealth or wishes we hope to pass on, such as trust funds for grandkids, charitable giving, life insurance death benefit, etc.

DISCRETIONARY EXPENSES: Experiences and items we desire from time to time, such as travel, club memberships, gifts, entertainment, college funding, weddings, etc.

ESSENTIAL: Basic ongoing expenses, including food, clothing, shelter, health and long-term care, taxes, etc.

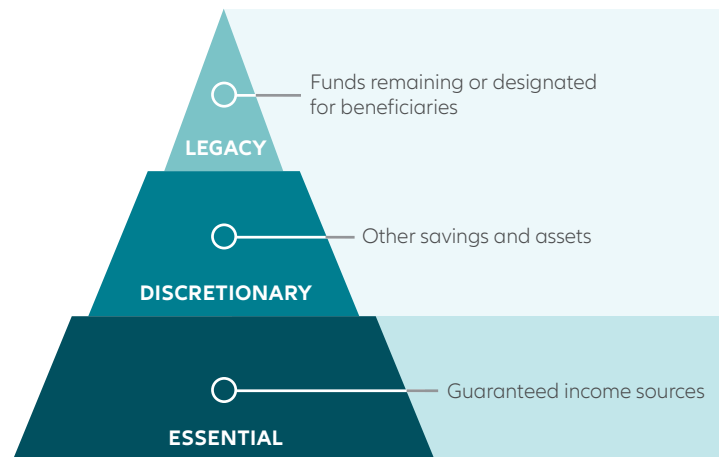


DETERMINE HOW YOU'LL PAY FOR EACH EXPENSE CATEGORY

After dividing your expenses into the three categories, you will need to identify your income sources and determine how to use them to help fund each category. Use the chart below to help you in this process.

Guaranteed income sources (e.g., Social Security, pension, annuity) can help fund your **ESSENTIAL** expenses throughout retirement because of the predictable income they provide as long as you live.

Other savings and assets can help fund your **DISCRETIONARY** expenses because they are generally more flexible than essential expenses. These assets can also be used to purchase other financial products.



Funds remaining or designated for beneficiaries

LEGACY

Other savings and assets

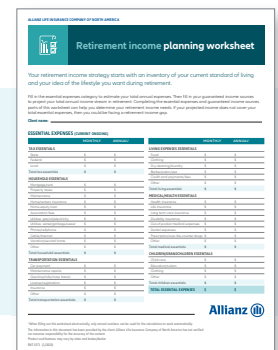
DISCRETIONARY

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Guaranteed income sources

ESSENTIAL

Work with your financial professional to help estimate your retirement expenses and income sources. You can use the Allianz Retirement income planning worksheet (ENT-3371) to help complete your estimates.



Any transaction that involves a recommendation to liquidate a securities product, including those within an IRA, 401(k), or other retirement plan for the purchase of an annuity or for other similar purposes, can be conducted only by individuals currently affiliated with a properly registered broker/dealer or registered investment adviser. If your financial professional does not hold the appropriate registration, please consult with your own broker/dealer representative or investment adviser representative for guidance on your securities holdings.

Distributions from an annuity are subject to ordinary income tax and, if taken before 59½, a 10% federal additional tax may apply.



IDENTIFY WHETHER YOU’LL NEED MORE INCOME FOR YOUR ESSENTIAL EXPENSES

After determining your retirement expenses and your income sources, you may find that your essential expenses exceed your guaranteed income sources.

If this is so, then you’re lacking adequate predictable income to help cover your most basic day-to-day expenses throughout retirement.

For example, if your essential expenses are estimated at \$40,000 annually, and you’ve determined that your guaranteed income sources will generate only \$30,000 annually, then you’ll need an additional \$10,000 each year.

Essential expenses Food, mortgage, transportation, taxes	\$40,000
Guaranteed income Social Security, pensions, annuity	– \$30,000
Income need	= \$10,000

This hypothetical example is provided for illustrative purposes only and is not representative of an actual client.

If you determine that you’ll need more guaranteed income, it’s not too late to provide for it. Start by reviewing your current savings and assets with your financial professional. Determine if a portion of these assets could be repositioned to help generate additional guaranteed income to cover your essential expenses.

One option is to convert a portion of your assets to an annuity from Allianz Life Insurance Company of North America (Allianz).

Annuities are designed to meet long-term needs for retirement income by providing tax deferral, a death benefit during the accumulation phase, and a guaranteed stream of income for life.

To learn more about potential retirement gap solutions, ask your financial professional for the Allianz “Understanding Fixed Index Annuities” (M-5217) or “Understanding Fixed Index Universal Life Insurance” (M-3959) consumer brochures.



SUPPLEMENT YOUR RETIREMENT INCOME STRATEGY

Besides guaranteed income, you may find you need additional income sources to help supplement expenses, such as college funding, long-term care, chronic illness, or emergencies.

If you have a need for death benefit protection, one option may be to use a portion of your savings and assets to purchase an Allianz fixed index universal life (FIUL) insurance policy that provides the opportunity to build accumulation value through fixed or indexed interest.

Every life insurance policy can help supplement your legacy wishes by providing beneficiaries an income-tax-free death benefit.¹ But FIUL policies can also provide additional benefits, such as tax-deferred accumulation potential. Although FIUL does not provide a guaranteed stream of income, if the policy earns sufficient interest, you could help supplement retirement income or address other financial concerns by taking income-tax-free policy loans and withdrawals.²

Because this strategy involves potential risk of policy lapse and tax consequences, you should consult with your financial professional and tax advisor to determine if it is appropriate for your situation.



Talk to your financial professional.

Review your retirement income needs, your retirement income sources, and through the Value of Income PlanningSM process, begin a strategy to help you reach your retirement goals and live the retirement lifestyle you envision.

¹ The death benefit is generally income-tax-free when passed on to beneficiaries.

² Policy loans and withdrawals will reduce the available cash values and death benefits and may cause the policy to lapse or affect any guarantees against lapse.

Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change. You should consult a tax professional.

Always keep in mind that your needs may change. It’s important to understand the balance between all of the features available with any annuity. Always consider each of these and how they work when considering if a product is appropriate for your needs.

TRUE TO OUR PROMISES SO YOU CAN BE TRUE TO YOURS®

A leading provider of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) bases each decision on a philosophy of being true: **True to our strength** as an important part of a leading global financial organization. **True to our passion** for making wise investment decisions. And **true to the people we serve**, each and every day.

Through a line of innovative products and a network of trusted financial professionals, and with 3.7 million contracts issued, Allianz helps people

as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises, we believe we make a real difference for our clients. It's why so many people rely on Allianz today and count on us for tomorrow – when they need us most.

Please note that Allianz Life Insurance Company of North America, its affiliated companies, and their representatives and employees do not give legal or tax advice. You are encouraged to consult your tax advisor or attorney.

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America. Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297.

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- Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

Product and feature availability may vary by state and broker/dealer.