Allianz Life Insurance Company of North America

ALLIANZ LIFETIME INCOME+® ANNUITY
AND LIFETIME INCOME BENEFIT

Longevity + Inflation

Compounding the complexity of retirement income

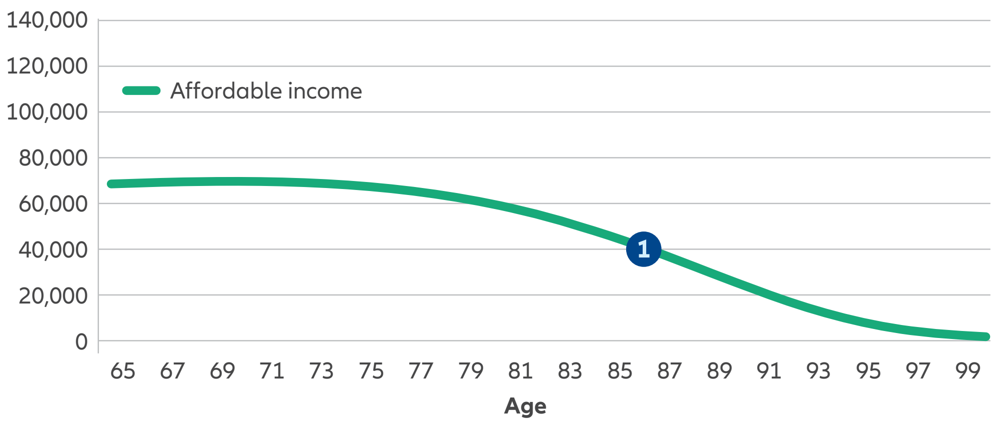
LIA-008 (R-8/2023)

THERE ARE MANY FACTORS that can affect retirement portfolios and make retirement income planning complex. Individually, each area of risk can be difficult to manage, but when combined, the complexity is compounded.

Let's take a look at the impact of longevity and inflation and how adding guaranteed lifetime income to any retirement portfolio can help reduce these risks and improve the outcome.

Longevity

The longer a person lives (longevity), the less they can afford to withdraw from their retirement savings each year.



1

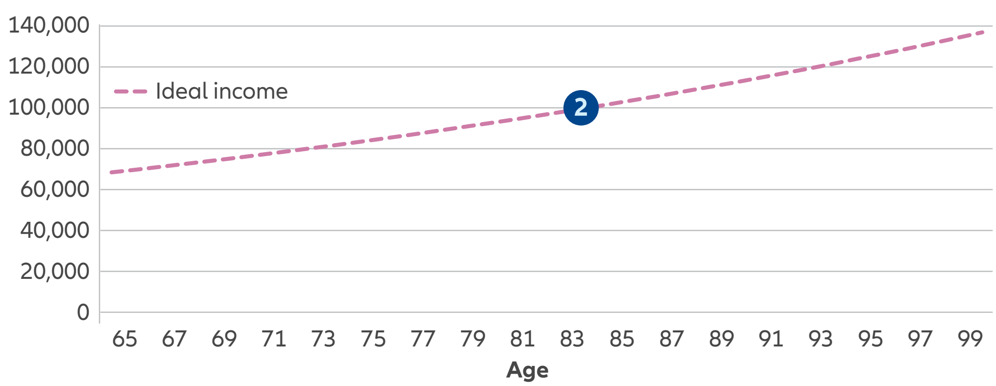
Affordable income decreases by 34% after 20 years.

Example assumes $1 million retirement balance, 4% growth, 2% inflation, and retirement age 65.

Affordable income is the amount of income the retiree can take in a given year and resets each year based on remaining retirement savings and future life expectancy.

Inflation

Inflation erodes purchasing power by requiring that more money be withdrawn from retirement savings each year to maintain the same standard of living.



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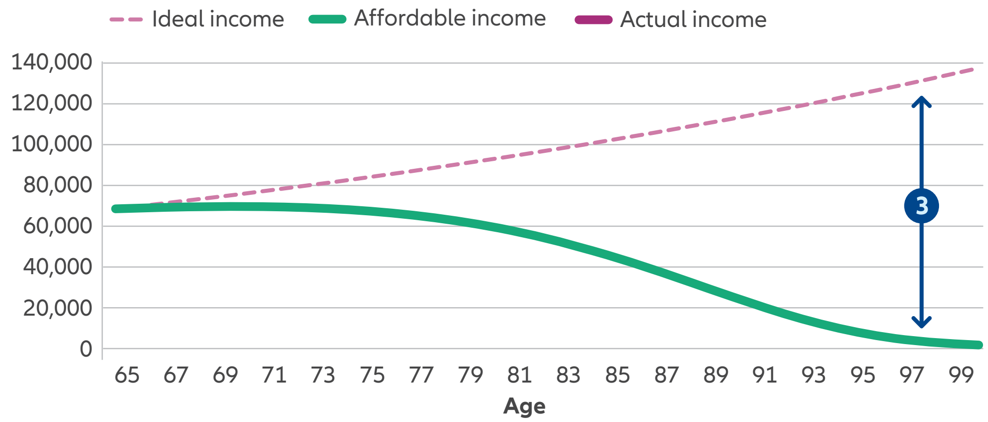
Inflation erodes purchasing power by 50% in 20 years.

Hypothetical example assumes $1 million retirement balance, 4% growth, 2% inflation, and retirement age 65.

The compounding effects of longevity and inflation

The combined effects of longevity and inflation are gradual at first, but then compound quickly to drastically reduce the purchasing power of the affordable income that can be withdrawn each year from retirement savings.



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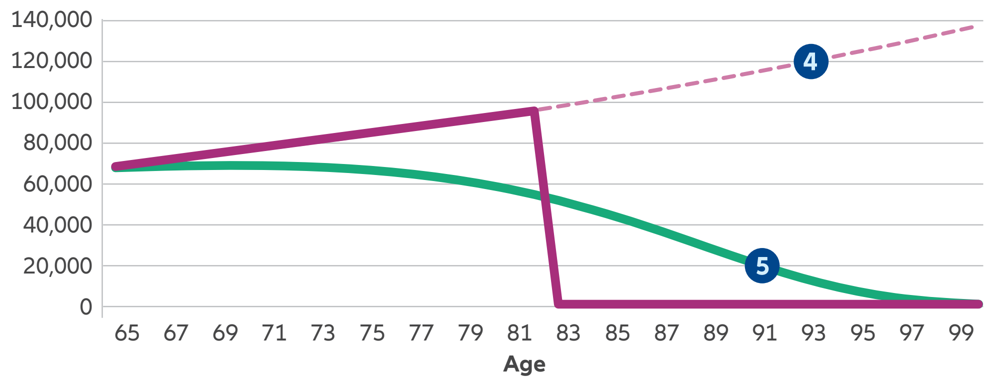
The gap widens quickly due to the compounding effects of **longevity** and **inflation.**



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In reality, **if the retiree continues to take more income** to keep up with **inflation it will likely run out.**

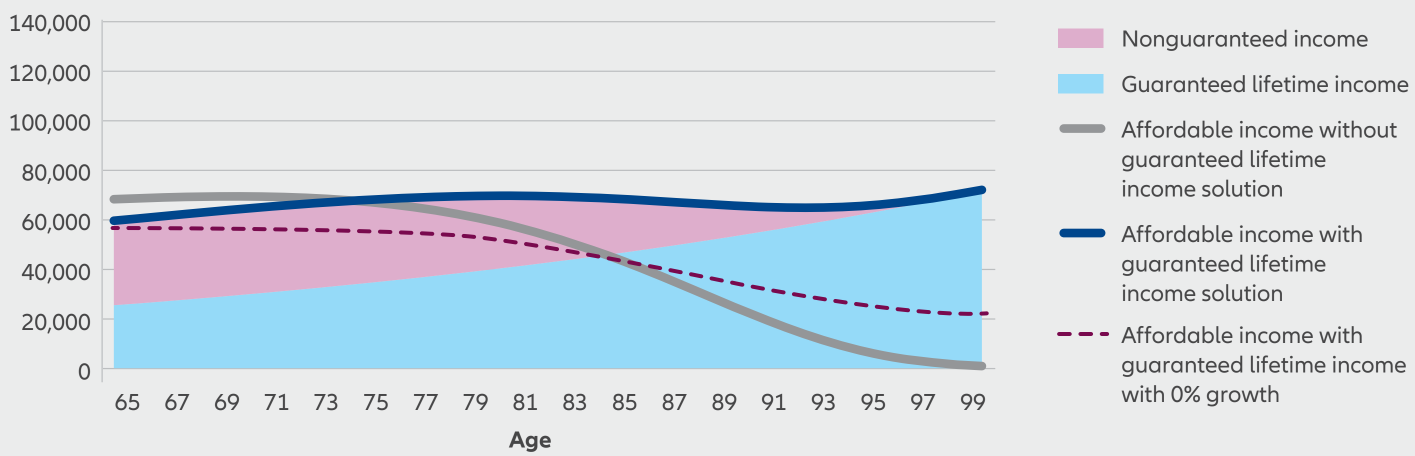
5

Retirees who only adjust their income for longevity will greatly reduce their standard of living.

Hypothetical examples assume $1 million retirement balance, 4% growth, 2% inflation, and retirement age 65.

Fighting longevity and inflation simultaneously

By allocating a portion of the retirement balance to a guaranteed lifetime income solution with the potential for increasing income, the retiree can help address the compounding effects of longevity and inflation in retirement.



Hypothetical example assumes $1 million retirement balance, 4% growth, 2% inflation, and retirement age 65. Assumes 50% of the starting retirement balance is allocated to the annuity with 10-year deferral, 2% indexed interest credits, and 4.25% payment percentage.

Innovation:

The way forward with Allianz Lifetime Income+® Annuity

Allianz Lifetime Income+® and its Lifetime Income Benefit is a fixed index annuity that can be added to a defined contribution retirement plan. In addition to providing tax deferral, accumulation potential, and a death benefit for beneficiaries, contributions to Allianz Lifetime Income+® can help manage the combined risks of longevity and inflation through its innovative Lifetime Income Benefit, which has an increasing lifetime income design.

Visit **www.allianzlife.com/dcplan** or email **retirement-income@allianzlife.com** to find out how you can take advantage of this option in your plan.

Increasing income potential is provided through an automatically included income rider at no additional cost.

Withdrawals are subject to ordinary income tax and, if taken prior to age 59½, a 10% federal additional tax.

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Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

• Not FDIC insured • May lose value • No bank or credit union guarantee • Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

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